

Crown Pastoral Land Tenure Review

Lease name: ALPHABURN

Lease number: PO 380

Substantive Proposal - Part 2

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

November

05

Appendix 1: Plan

Appendix 2: Sample of Public Access Easement

W. J. Duke

Transfer Instrument

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Section 90, Land Transfer Act 1952

If there is not enough space in any of the panels below, cross-reference to and use the approved Annexure Schedule: no other format will be received.

Land Registration District

Otago

Unique Identifier(s)

All/Part

Area/description of part or stratum

C/T(s)

All

Transferor

Surname(s) must be underlined

COMMISSIONER OF CROWN LANDS, acting pursuant to section 80 of the Crown Pastoral Land Act 1998

Transferee

Surname(s) must be underlined

HER MAJESTY THE QUEEN, acting by and through the Minister of Conservation

Estate or Interest to be transferred, or easement(s) or profit(s) à prendre to be created
State if fencing covenant imposed.

Public Access Easement in Gross under section 12 of the Reserves Act 1977 (continued on pages 2, 3 and 4 of Annexure Schedule).

Operative Clause

The Transferor transfers to the Transferee the above estate or interest in the land in the above certificate(s) of title or computer register(s) and, if an easement or profit à prendre is described above, that easement or profit à prendre is granted or created.

Dated this day of

Attestation

If the transferee or grantee is to execute this transfer, include the attestation in an Annexure Schedule.

Signed in my presence by the Transferor

Signature of witness

Witness to complete in BLOCK letters (unless legibly printed)

Witness name

Occupation

Address

Signature [common seal]
Transferor

Certified correct for the purposes of the Land Transfer Act 1952

[Solicitor for] the Transferee

28 November 2002.

Annexure Schedule

Transfer Instrument Dated Page of Pages

Definitions

1. In this transfer unless the context otherwise requires:
 - 1.1 "Easement Area" means that part of the Servient Land being 5 metres wide which is marked "[]" on S.O. Plan No [].
 - 1.2 "Servient Land" means the land owned by the Transferor and described on page 1.
 - 1.3 "Transferee" means Her Majesty the Queen acting by and through the Minister of Conservation and includes the Transferee's tenants, agents, contractors, and licensees; and any employee or contractor of the Director-General of Conservation; and any member of the public.
 - 1.4 "Transferor" means the owner of the Servient Land described on page 1 and includes the Transferor's tenants and invitees.

Standard Easement TermsAccess

- 2.1 The Transferee has the right in common with the Transferor to pass and re-pass at any time over and along the Easement Area on foot, or on or accompanied by horses, or by non-motorised vehicle powered by a person or persons.
- 2.2 The Transferor must keep the Easement Area clear at all times of obstructions whether caused by parked vehicles, deposit of materials or unreasonable impediment to the use and enjoyment of the Easement Area.

Exclusion of Implied Rights and Powers

3. The rights and powers contained in Schedule 4 of the Land Transfer Regulations 2002 and the Ninth Schedule of the Property Law Act 1952 are expressly negated.

Term

4. The easement created by this transfer is to be in perpetuity.

All signing parties and either their witnesses or solicitors must sign or initial in this box.

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Temporary Suspension

5. The Transferee may, at any time in exercise of her/his powers, temporarily close all or part of the Easement Area for such period as she/he considers necessary.

Dispute Resolution

- 6.1 If a dispute arises between the Transferor and Transferee concerning the rights created by this transfer the parties are to enter into negotiations in good faith to resolve it.
- 6.2 If the dispute is not resolved within 14 days of written notice by one party to the other it is to be referred to mediation.
- 6.3 If the dispute is not resolved within 21 days or such other period as agreed to in writing between the parties after the appointment of the mediator, the parties must submit to the arbitration of an independent arbitrator appointed jointly by the parties or, if one cannot be agreed within 14 days, to an independent arbitrator appointed by the President for the time being of the District Law Society in which the Servient Land is situated.
- 6.4 The arbitration is to be determined in accordance with the Arbitration Act 1996 and its amendments or any enactment passed in substitution.

Notice

- 7.1 A notice to be given under this transfer by one party to the other is to be in writing and must:
- (a) be hand delivered to the receiving party; or
 - (b) be sent by ordinary post to the receiving party; or
 - (c) be sent by facsimile to the receiving party.
- 7.2 If clause 7.1(b) applies the notice will be deemed to be received by the receiving party on such date on which the ordinary post would be delivered.
- 7.3 If clause 7.1(c) applies the notice will be deemed to have been received on the day on which it is dispatched or, if dispatched after 5.00pm, on the next day after the date of dispatch.

All signing parties and either their witnesses or solicitors must sign or initial in this box.

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Special Easement Terms

- 8.1 The standard easement terms contained above must be read subject to any special easement terms set out below.
- 8.2 In doing any of the matters specified in clause 2, the Transferee must take reasonable and proper care not to damage any property of the Transferor and must properly repair any such damage.
- 8.3 The Transferee has the right:
- 8.3.1 To construct and maintain a benched track on the Easement Area.
 - 8.3.2 To take machinery and implements onto the Easement Area for the purpose of track maintenance and construction.
 - 8.3.3 To mark the Easement Area as appropriate.
 - 8.3.4 To erect and maintain stiles.
 - 8.3.5 To erect and maintain signs informing the public:
 - (a) of the location of land managed by the Crown and available for public access and recreation; and
 - (b) of their rights and responsibilities in relation to the Easement Area.
 - 8.3.6 To use whatever reasonable means of access she thinks fit over the Easement Area to carry out the works in clause 8.3.1 to 8.3.5
- 8.4 Persons with guns and persons accompanied by dogs are not permitted to use the Easement Area.
- 8.5 The words "or on or accompanied by horses, or by non-motorised vehicle powered by a person or persons" are deleted from clause 2.1.

All signing parties and either their witnesses or solicitors must sign or initial in this box.

[Handwritten signature]
[Handwritten signature]

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Continuation of "Attestation"

Signed for and on behalf of
Her Majesty the Queen by Jeffrey Edward Connell)

under a written designation in the
presence of:)

Witness (Signature)

Name _____

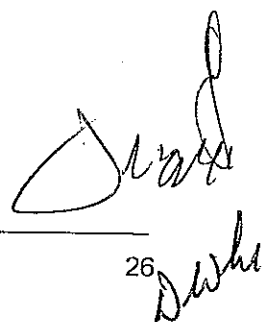
Address _____

Occupation _____

All signing parties and either their witnesses or solicitors must sign or initial in this box.

[Handwritten signatures and initials]

**Appendix 3: Sample of Public Access to Conservation Area,
Vehicles for Management Purposes and Vehicle Parking Easement**

A handwritten signature in black ink, appearing to be "D. Smith", is located in the bottom right corner of the page. The signature is written in a cursive style.

Transfer Instrument
RELEASED UNDER THE OFFICIAL INFORMATION ACT
Section 90, Land Transfer Act 1952

If there is not enough space in any of the panels below, cross-reference to and use the approved Annexure Schedule: no other format will be received.

Land Registration District

Otago

Unique Identifier(s)
or C/T(s)

All/Part

Area/description of part or stratum

All

Transferor

Surname(s) must be underlined

COMMISSIONER OF CROWN LANDS, acting pursuant to section 80 of the Crown Pastoral Land Act 1998

Transferee

Surname(s) must be underlined

HER MAJESTY THE QUEEN, acting by and through the Minister of Conservation

Estate or Interest to be transferred, or easement(s) or *profit(s) à prendre* to be created
State if fencing covenant imposed.

Public Access and Management Purposes Easement to conservation area granted by section 7(2) of the Conservation Act 1987.
Easement to park motor vehicles and non-motorised vehicles powered by a person or persons under section 7(2) Conservation Act 1987(continued on pages 2, 3 and 4 of Annexure Schedule).

Operative Clause

The Transferor transfers to the Transferee the above estate or interest in the land in the above certificate(s) of title or computer register(s) and, if an easement or *profit à prendre* is described above, that easement or *profit à prendre* is granted or created.

Dated this day of

Attestation

If the transferee or grantee is to execute this transfer, include the attestation in an Annexure Schedule.

Signed in my presence by the Transferor

Signature of witness

Witness to complete in BLOCK letters (unless legibly printed)

Witness name

Occupation

Address

Signature [common seal]
of Transferor

Certified correct for the purposes of the Land Transfer Act 1952

[Solicitor for] the Transferee

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Definitions

1. In this transfer unless the context otherwise requires:
 - 1.1 "Easement Area" means that part of the Servient Land being [10] metres wide which is marked "[]" on Deposited Plan/S.O. Plan No []
 - 1.2 "Parking Area" means that part of the Servient Land which is marked " " on S.O. Plan No.
 - 1.3 "Dominant Land" means the land administered by the Department of Conservation and contained in Certificate of Title "[]".
 - 1.4 "Management Purposes" means:
 - the protection of a significant inherent value of the Dominant Land;
 - the management of the Dominant Land in a way that is ecologically sustainable.
 - 1.5 "Servient Land" means the land owned by the Transferor and described on page 1.
 - 1.6 "Transferee" means Her Majesty the Queen acting by and through the Minister of Conservation and, for purposes of clause 2.1, includes the Transferee's tenants, agents, contractors, and licensees; and any employee or contractor of the Director-General of Conservation; and any member of the public; but for the purposes of clause 2.2 means the Transferee's tenants, agents, contractors, and invitees; and any employee or contractor of the Director-General of Conservation only.
 - 1.7 "Transferor" means the owner of the Servient Land described on page 1 and includes the Transferor's tenants and invitees.

Standard Easement TermsAccess

2. The Transferee has the right:
 - 2.1 In common with the Transferor to pass and re-pass at any time over and along the Easement Area on foot, or on or accompanied by horses, or by non-motorised vehicle powered by a person or persons for the purpose of obtaining access to the Dominant Land.
 - 2.2 To pass and re-pass at any time over and along the Easement Area on foot, or on or accompanied by horses, or by motor vehicle, with or without machinery and implements of any kind, for Management Purposes associated with the Dominant Land.
 - 2.3 In common with the Transferor to pass and repass over and along the Parking Area on foot and with motor vehicles or non-motorised vehicle powered by a person or persons at any time and to stop leave and park any such motor vehicle or non-motorised vehicle powered by a person or persons on the Parking Area.

All signing parties and either their witnesses or solicitors must sign or initial in this box.

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3. The Transferor must keep the Easement Area clear at all times of obstructions whether caused by parked vehicles, deposit of materials or unreasonable impediment to the use and enjoyment of the Easement Area.

Exclusion of Implied Rights and Powers

4. The rights and powers contained in Schedule 4 of the Land Transfer Regulations 2002 and the Ninth Schedule of the Property Law Act 1952 are expressly negated.

Term

5. The easement created by this transfer is to be appurtenant to the Dominant Land in perpetuity.

Temporary Suspension

6. The Transferee may, at any time in exercise of her/his powers, temporarily close all or part of the Easement Area for such period as she/he considers necessary.

Dispute Resolution

- 7.1 If a dispute arises between the Transferor and Transferee concerning the rights created by this transfer the parties are to enter into negotiations in good faith to resolve it.
- 7.2 If the dispute is not resolved within 14 days of written notice by one party to the other it is to be referred to mediation.
- 7.3 If the dispute is not resolved within 21 days or such other period as agreed to in writing between the parties after the appointment of the mediator, the parties must submit to the arbitration of an independent arbitrator appointed jointly by the parties or, if one cannot be agreed within 14 days, to an independent arbitrator appointed by the President for the time being of the District Law Society in which the Servient Land is situated.
- 7.4 The arbitration is to be determined in accordance with the Arbitration Act 1996 and its amendments or any enactment passed in substitution.

Notice

- 8.1 A notice to be given under this transfer by one party to the other is to be in writing and must:
- (a) be hand delivered to the receiving party; or
 - (b) be sent by ordinary post to the receiving party;
 - (c) be sent by facsimile to the receiving party.
- 8.2 If clause 8.1(b) applies the notice will be deemed to be received by the receiving party on such date on which the ordinary post would be delivered.
- 8.3 If clause 8.1(c) applies the notice will be deemed to have been received on the day on which it is dispatched or, if dispatched after 5.00pm, on the next day after the date of dispatch.

All signing parties and either their witnesses or solicitors must sign or initial in this box.

Annexure Schedule

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Special Easement Terms

- 9.1 The standard easement terms contained above must be read subject to any special easement terms set out below.
- 9.2 The Transferee must take all reasonable care to avoid damage to the soil and vegetation of the Easement Area and, in particular, avoid using the Easement Area when conditions such as softening during frost thaw render the Easement Area vulnerable to damage.
- 9.3 For purposes of clause 2.2 of the standard easement terms, the Transferee is able to pass and repass over and along the Easement Area with guns and dogs.
- 9.4 In doing any of the matters specified in clause 2, the Transferee must take reasonable and proper care not to damage any property of the Transferor and must properly repair any such damage.
- 9.5 The Transferee has the right:
- 9.5.1 To mark the Easement Area as appropriate.
- 9.5.2 To erect and maintain stiles.
- 9.5.3 To erect and maintain signs informing the public:
- (a) of the location of land managed by the Crown and available for public access and recreation; and
- (b) of their rights and responsibilities in relation to the Easement Area.
- 9.5.4 To use whatever reasonable means of access she thinks fit over the Easement Area to carry out the works in clauses 9.5.1 to 9.5.3
10. The Transferee has the right to erect a fence constructed of such materials as she thinks fit around the Parking Area.
11. The Transferee has the right to maintain the Easement Area and Parking Area and to erect a toilet on the Easement Area or Parking Area at a site acceptable to the Transferor.
12. The Transferor may close the Easement Area and Parking Area during the period from 1 October to 10 November in every year to avoid disturbance to lambing.
13. No member of the public with a gun and no member of the public accompanied by a dog is permitted to use the Easement Area or Parking Area.
14. The words "or on or accompanied by horses, or by non-motorised vehicle powered by a person or persons" are deleted from clause 2.1.

All signing parties and either their witnesses or solicitors must sign or initial in this box.

[Handwritten signature]

[Handwritten signature]

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Transfer Instrument

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Continuation of "Attestation"

Signed for and on behalf of
Her Majesty the Queen by
Jeffrey Edward Connell
under a written delegation in the
presence of:

)
)
)
)

Witness (Signature)

Name _____

Address _____

Occupation _____

All signing parties and either their witnesses or solicitors must sign or initial in this box.

[Handwritten signatures and initials]

Appendix 4: Form for Covenant

X
WCS
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DWH

DATED _____

Between

COMMISSIONER OF CROWN LANDS
("the Owner")

and

MINISTER OF CONSERVATION
("the Minister")

COVENANT UNDER RESERVES ACT 1977
FOR CROWN PASTORAL LAND ACT 1998 PURPOSES



Department of Conservation
Te Papa Atawhai

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Duthe

THIS DEED of COVENANT is made the day of

BETWEEN

COMMISSIONER OF CROWN LANDS acting pursuant to section 80
of the Crown Pastoral Land Act 1998

AND

MINISTER OF CONSERVATION

BACKGROUND

- A. The Commissioner of Crown Lands is deemed to be the owner of the Land under section 80(5) of the Crown Pastoral Land Act 1998.
- B. The Land contains certain Values.
- C. The parties agree that the Land should be managed so as to preserve the particular Values specified in Schedule 1, and that such purpose can be achieved without the Minister acquiring a fee simple or leasehold interest in the Land.
- D. An approved plan designating the Land as land over which a Covenant under section 77 of the Reserves Act 1977 is to be created has been registered under section 64 of the Crown Pastoral Land Act 1998.
- E. The Commissioner of Crown Lands has agreed to grant the Minister a Covenant over the Land to preserve the particular Values specified in Schedule 1.

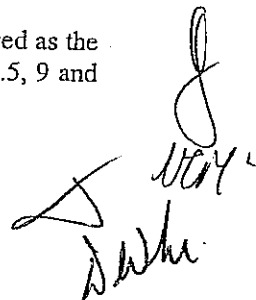
OPERATIVE PARTS

In accordance with section 77 of the Reserves Act 1977, and with the intent that the Covenant run with the Land and bind all subsequent Owners of the Land, the Commissioner of Crown Lands and Minister agree as follows:

1. INTERPRETATION

- 1.1 In this Covenant unless the context otherwise requires:

"Act"	means the Reserves Act 1977.
"Covenant"	means this Deed of Covenant made under section 77 of the Act.
"Director-General"	means the Director-General of Conservation.
"Fence"	includes a gate.
"Fire Authority"	means a Fire Authority as defined in the Forest and Rural Fires Act 1977.
"Land"	means the land described in Schedule 1.
"Minerals"	means any mineral that is not a Crown owned mineral under section 2 of the Crown Minerals Act 1991.
"Minister"	means the Minister of Conservation.
"Natural Water"	includes water contained in streams the banks of which have, from time to time, been realigned.
"Owner"	means the person or persons who from time to time is or are registered as the proprietor(s) of the Land. Except for purposes of clauses 3, 5, 7, 8.5, 9 and 10 it also includes the Commissioner of Crown Lands.



"Values"

means any or all of the Land's natural environment, landscape amenity, wildlife, freshwater life, marine life habitat or historic values as specified in Schedule 1.

"Working Day"

means the period between any one midnight and the next excluding Saturdays, Sundays, and statutory holidays in the place where the Land is located.

1.2 For avoidance of doubt:

- 1.2.1 the reference to any statute in this Covenant extends to and includes any amendment to or substitution of that statute;
- 1.2.2 clause and other headings are for ease of reference only and are not to be treated as forming any part of the context or to affect the interpretation of this Covenant;
- 1.2.3 words importing the singular number include the plural and vice versa;
- 1.2.4 expressions defined in clause 1.1 bear the defined meaning in the whole of this Covenant including the Background. Where the parties disagree over the interpretation of anything contained in this Covenant and in determining the issue, the parties must have regard to the matters contained in the Background;
- 1.2.5 any obligation not to do anything must be treated to include an obligation not to suffer, permit or cause the thing to be done;
- 1.2.6 words importing one gender include the other gender;
- 1.2.7 the agreements contained in this Covenant bind and benefit the parties and their administrators and executors, successors and assigns in perpetuity;
- 1.2.8 where clauses in this Covenant require further agreement between the parties such agreement must not be unreasonably withheld.

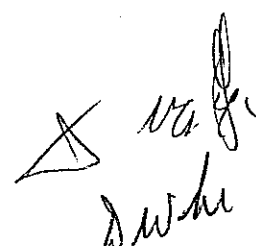
2. OBJECTIVE OF THE COVENANT

- 2.1 The Land must be managed so as to preserve the Values.

3. THE OWNER'S OBLIGATIONS

- 3.1 Unless agreed in writing by the parties, the Owner must not carry out on or in relation to the Land:

- 3.1.1 grazing of the Land by livestock;
- 3.1.2 subject to clauses 3.2.1 and 3.2.3, felling, removal or damage of any tree, shrub or other plant;
- 3.1.3 the planting of any species of tree, shrub or other plant;
- 3.1.4 the erection of any Fence, building, structure or other improvement for any purpose;
- 3.1.5 any burning, chemical spraying, top dressing or sowing of seed;
- 3.1.6 any cultivation, earth works or other soil disturbances;
- 3.1.7 any archaeological or other scientific research involving disturbance of the soil;
- 3.1.8 the damming, diverting or taking of Natural Water;

Handwritten signature and initials, possibly 'D.W.H.' and 'v.a.f.'.

- 3.1.9 any action which will cause deterioration in the natural flow, supply, quantity, or quality of water of any stream, river, lake, pond, marsh, or any other water resource affecting the Land;
- 3.1.10 any other activity which might have an adverse effect on the Values.
- 3.1.11 any prospecting or mining for Minerals, coal or other deposit or moving or removal of rock of any kind on or under the Land;
- 3.1.12 the erection of utility transmission lines across the Land.
- 3.2 The Owner must:
 - 3.2.1 eradicate or control all weeds and pests on the Land to the extent required by any statute; and in particular comply with the provisions of, and any notices given under, the Biosecurity Act 1993;
 - 3.2.2 if it is safe to do so, assist the Fire Authority to extinguish any wildfire upon or threatening the Land;
 - 3.2.3 keep the Land free from exotic tree species;
 - 3.2.4 keep the Land free from rubbish or other unsightly or offensive material arising from the Owner's use of the Land;
 - 3.2.5 subject to consultation between the Owner and the Minister and observance of any reasonable conditions imposed by the Owner, grant to the Minister or authorised agent of the Minister or any employee of the Director-General, a right of access on to the Land, with or without motor vehicles, machinery, and implements of any kind, to examine and record the condition of the Land, or to carry out protection or maintenance work on the Land, or to ascertain whether the provisions of this Covenant are being observed;
 - 3.2.6 keep all Fences on the boundary of the Land in good order and condition and, notwithstanding clause 3.1.4, rebuild or replace all such Fences when reasonably required except as provided in clause 4.2.

4. THE MINISTER'S OBLIGATIONS

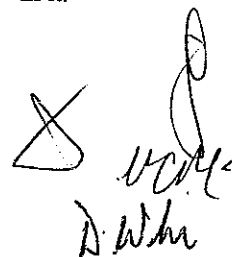
- 4.1 The Minister must have regard to the objective specified in clause 2.1 when considering any requests for approval under this Covenant.
- 4.2 The Minister must repair and replace to its former condition any Fence or other improvement on the Land or on its boundary which may have been damaged in the course of the Minister or any person referred to in clause 3.2.5 exercising any of the rights conferred by this Covenant.

5. IMPLEMENTATION OF OBJECTIVES

- 5.1 The Minister may;
 - 5.1.1 provide to the Owner technical advice or assistance as may be necessary or desirable to assist in meeting the objectives specified in clause 2.1;
 - 5.1.2 prepare, in consultation with the Owner, a joint plan for the management of the Land to implement the objective specified in clause 2.1.

6. DURATION OF COVENANT

- 6.1 This Covenant binds the Minister and Owner in perpetuity to the rights and obligations contained in it.

Handwritten signature and initials, possibly 'D. W. M.', with a large 'X' mark above them.

7. OBLIGATIONS ON SALE OF LAND

- 7.1 If the Owner sells, leases, or parts with possession of the Land, the Owner must ensure that the Owner obtains the agreement of the purchaser, lessee, or assignee to comply with the terms of this Covenant, including any agreement by the purchaser, lessee, or assignee to ensure that on any subsequent sale, lease, or assignment, any subsequent purchaser, lessee, or assignee must also comply with the terms of this Covenant including this clause.
- 7.2 If for any reason this Covenant remains unregistered and the Owner fails to obtain the agreement of a purchaser, lessee, or assignee to comply with the terms of this Covenant, the Owner will continue to be liable in damages to the Minister for any breach of the Covenant committed after the Owner has parted with all interest in the Land in respect of which a breach occurs.

8. MISCELLANEOUS MATTERS

8.1 Rights

- 8.1.1 The rights granted by this Covenant are expressly declared to be in the nature of a covenant.

8.2 Trespass Act:

- 8.2.1 Except as provided in this Covenant, the Covenant does not diminish or affect the rights of the Owner to exercise the Owner's rights under the Trespass Act 1980 or any other statute or generally at law or otherwise;
- 8.2.2 For avoidance of doubt these rights may be exercised by the Owner if the Owner reasonably considers that any person has breached the rights and/or restrictions of access conferred by this Covenant.

8.3 Reserves Act

- 8.3.1 Subject to the terms and conditions set out in this Covenant, sections 93 to 105 of the Reserves Act 1977, as far as they are applicable and with the necessary modifications, apply to the Land as if the Land were a reserve.

8.4 Titles

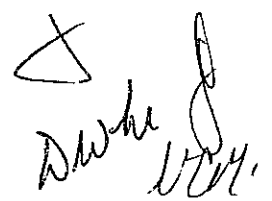
- 8.4.1 This Covenant must be signed by both parties and registered against the Certificate of Title to the Land.

8.5 Acceptance of Covenant

- 8.5.1 The parties agree to be bound by the provisions of this Covenant including during the period prior to the Covenant's registration.

8.6 Fire

- 8.6.1 The Owner must notify, as soon as practicable, the appropriate Fire Authority and the Minister in the event of wild fire threatening the Land;
- 8.6.2 If the Minister is not the appropriate Fire Authority for the Land, the Minister will render assistance to the Fire Authority in suppressing the fire if:
- 8.6.2.1 requested to do so; or
- 8.6.2.2 if there is in place between the Minister and the Fire Authority a formalised fire agreement under section 14 of the Forest and Rural Fires Act 1977.

A handwritten signature, possibly 'D. White', and the initials 'L. 2004' are written in the bottom right corner of the page.

9. NOTICES

9.1 A notice to be given under this Covenant 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 Schedule 1.

9.2 A notice given in accordance with clause 9.1 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 day on which it is dispatched or, if dispatched after 5.00pm, on the next day after the date of dispatch.

9.3 The Owner must notify the Minister of any change of ownership or control of all or part of the Land and must supply the Minister with the name and address of the new owner or person in control.

10. DEFAULT

10.1 Where either the Minister or the Owner breaches any of the terms and conditions contained in this Covenant the other party:

10.1.1 may take such action as may be necessary to remedy the breach or prevent any further damage occurring as a result of the breach; and

10.1.2 will also be entitled to recover from the party responsible for the breach as a debt due all reasonable costs (including solicitor/client costs) incurred by the other party as a result of remedying the breach or preventing the damage.

10.2 Should either the Minister or the Owner become of the reasonable view that the other party (the defaulting party) has defaulted in performance of or observance of its obligations under this Covenant then that party (notifying party) may, by written notice:

10.2.1 advise the defaulting party of the default.

10.2.2 state the action reasonably required of the defaulting party to perform or observe in accordance with this Covenant; and

10.2.3 state a reasonable period within which the defaulting party must take action to remedy the default.

11. DISPUTE RESOLUTION PROCESSES

11.1 If any dispute arises between the Minister and the Owner in connection with this Covenant, the parties must, without prejudice to any other rights they may have under this Covenant, attempt to resolve the dispute by negotiation or other informal dispute resolution technique agreed between the parties.

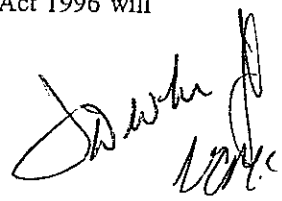
11.2 Mediation

11.2.1 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;

11.2.2 if the parties do not agree on a mediator, the President of the District Law Society in the region in which the Land is situated is to appoint the mediator.

11.3 Failure of Mediation

11.3.1 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 in the Arbitration Act 1996 will apply;



11.3.2 notwithstanding anything to the contrary in the Arbitration Act 1996, if the parties do not agree on the person to be appointed as arbitrator, the appointment is to be made by the President of the District Law Society in the region in which the Land is situated;

11.3.3 the parties further agree that the results of arbitration are to be binding upon the parties.

12. JOINT OBLIGATIONS

12.1 The Owner or the Minister may, by mutual agreement, carry out any work or activity or improvements or take any action either jointly or individually to better preserve the Values.

13. SPECIAL CONDITIONS

13.1 Special conditions relating to this Covenant are set out in Schedule 2.

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

Executed as a Deed

Signed by _____ acting under a)
delegation from the Commissioner of Crown Lands)
in the presence of : _____)

Witness: _____

Address : _____

Occupation: _____

Signed by Ian Whitwell exercising his/her)
powers under section 117 of the Reserves Act 1977)
as designated Commissioner and acting for and on)
behalf of the Minister of Conservation)
in the presence of : _____)

Witness: _____

Address : _____

Occupation: _____

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SCHEDULE 1

1. Description of Land

The covenant area is situated in two discrete areas comprising the headwaters of the Fern Burn and the Alpha Burn. Terrain is very steep adjacent to the Fern Burn and the Alphaburn and moderately steep in the upper reaches of the two areas. Altitude ranges between approximately 500 and 1486 metres above sea level. *(Legal description can be inserted following survey).*

2. Address for Service

The address for service (including facsimile number) of the Minister is:

C/- Box 5244 DUNEDIN

Facsimile 03 4778 626

The address for service (including facsimile number) of the Owner is:

PO Box 73
WANAKA

3. Values of Land to be Protected

The Land contains native shrublands, tall tussocklands, mixed short/tall tussocklands and open landscape qualities.

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SCHEDULE 2

Special Conditions

1. The Minister will pay to the Owner a proportionate share of the following:
 - 1.1 the cost of new Fences or the repair and maintenance of existing Fences on the Land if the Minister has first approved the work or activity;
 - 1.2 the cost of any work or activity under clause 3.2 if the Minister has first approved the work or activity.
2. The proportionate share payable by the Minister is to be calculated having regard to the purpose of the expenditure with the intent that:
 - 2.1 the Minister will bear the cost of work essential for preserving the Values;
 - 2.2 the Owner will bear the cost of work essential for all other purposes;
 - 2.3 when the expenditure is partly for preserving the Values and partly for other purposes, the parties will bear the costs equally or in such other proportion as they may agree, and failing agreement, as may be determined under clause 11.
3. Clauses 3.1.1 and 3.1.10 are deleted from this Covenant.
4. Clause 3.1.5 is deleted from this Covenant and replaced with the words "any burning, or chemical spraying, of native vegetation with the exception that strategic stock tracks may be sprayed to a width of not more than ten metres.

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10/11/02

GRANT of

Correct for the purposes of the
Land Transfer Act 1952

COVENANT UNDER
SECTION 77 OF THE
RESERVES ACT 1977 FOR
CROWN PASTORAL LAND ACT 1998 PURPOSES

Solicitor for the Minister

COMMISSIONER OF CROWN
LANDS

to

MINISTER OF CONSERVATION

Solicitor
Department of Conservation
DUNEDIN

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Appendix 5: Form for Grazing Concession

[Handwritten signature]

Concession number: _____

DATED _____

Between

MINISTER OF CONSERVATION
("the Grantor")

and

DONALD WITHELL MCRAE and
VICTORIA CLAIRE MCRAE
("the Concessionaire")

GRAZING CONCESSION
UNDER CROWN PASTORAL LAND ACT 1998



Department of Conservation
Te Papa Atawhai

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[Handwritten signature]

THIS LICENCE is made this day of

PARTIES:

1. MINISTER OF CONSERVATION, ("the Grantor")
2. DONALD WITHELL MCRAE and VICTORIA CLAIRE MCRAE ("the Concessionaire")

BACKGROUND

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

OPERATIVE PARTS

TERMS AND CONDITIONS

1.0 DEFINITIONS AND INTERPRETATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.2 In this Document unless the context otherwise requires:

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

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

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

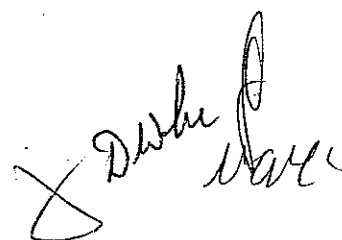
- 3.1 The Licence is for the Term specified in Item 3 of Schedule 1.
- 3.2 Unless otherwise specified in Items 4 and 5 of Schedule 1, if the Concessionaire has not been in breach of this Document and has given to the Grantor written notice to renew the Document at least three months before the end of 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.

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6.0 CONCESSION FEE REVIEW

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

7.0 CONCESSION ACTIVITY

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

8.0 COMPLIANCE

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

9.0 CONCESSIONAIRE'S STRUCTURES, FACILITIES AND LAND ALTERATIONS

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

10.0 PROTECTION OF THE ENVIRONMENT

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

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

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

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

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

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

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

11.0 HEALTH AND SAFETY

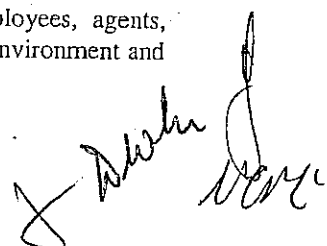
11.1 The Concessionaire is to carry out the Concession Activity on the Land in a safe and reliable manner and must comply with the Health and Safety in Employment Act 1992 and its regulations.

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

12.0 TEMPORARY SUSPENSION

12.1 The Grantor may suspend this Document:

- (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

A handwritten signature in dark ink, appearing to be 'J. Smith', is located in the bottom right corner of the page.

the Grantor considers that the effect cannot be avoided, remedied or mitigated to an extent satisfactory to the Grantor;

- (b) while the Grantor investigates any of the circumstances contemplated by this clause and also while the Grantor investigates any potential breach or possible offence by the Concessionaire related to the Concession Activity under the Conservation Act 1987 or any of the Acts mentioned in the First Schedule of that Act of which the Grantor has become aware.

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

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

13.0 ASSIGNMENT

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

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

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

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

14.0 TERMINATION

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

- (a) the Concession Fee or the Administration Fee or any other money payable to the Grantor under this Document is in arrears and unpaid for 14 days after any of the days appointed for payment whether it has been lawfully demanded or not; or
 - (b)(i) the Concessionaire breaches any terms of this Document; and
 - (b)(ii) the Grantor has notified the Concessionaire in writing of the breach; and
 - (b)(iii) the Concessionaire does not rectify the breach within 28 days of receiving notification; or
- (c) the Concessionaire ceases to conduct the Concession Activity; or
- (d) the Concessionaire is convicted of an offence, related to the Concession Activity, under the Conservation Act 1987 or any of the Acts listed in the First Schedule to that Act; or the Resource Management Act 1991; or the Biosecurity Act 1993; or the Health and Safety in Employment Act 1992; or
- (e) the Concessionaire is dissolved; or enters into any composition with or assignment for the benefit of its creditors; or is adjudged bankrupt; or being a company has a receiver appointed; or is put into liquidation; or is placed under statutory management; or has a petition for winding up presented against it; or is otherwise unable to pay its debts as they fall due; or the estate or interest of the Concessionaire is made subject to a writ of sale or charging order; or the Concessionaire ceases to function or operate.

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

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

15.0 INDEMNITIES AND INSURANCE

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

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

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

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

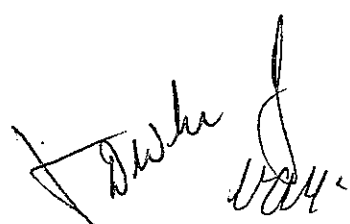
(i) general indemnity for a sum not less than the amount specified in Item 10 of Schedule 1; and

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

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

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

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

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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 District 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 District 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.

21.0 OFFENCES

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

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

22.0 SPECIAL CONDITIONS

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

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

Signed by Paul Thomas Hellebrekers

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 DONALD WITHELL MCRAE and
VICTORIA CLAIRE MCRAE

as Concessionaire
in the presence of :

Witness _____

Occupation _____

Address _____

[Handwritten signatures and initials]

SCHEDULE 1

1. **Land:** as hatched in pink on the Designations Plan [] (see definition of Land in clause 1.1)
2. **Concession Activity:** : sheep grazing (see definition of Concession Activity in clause 1.1)
3. **Term:** 20 years commencing on _____ (see clause 3)
4. (a) **Renewal Date:** Not Applicable (see clause 3.2)
- (b) **Renewal Period:** Not Applicable (see clause 3.2)
5. **Final Expiry Date:** 20 years from the commencement date (see clause 3.2)
6. (a) **Concession Fee:** \$ Not Applicable (see clause 4)
- (b) **Administration Fee:** \$ [REDACTED] per annum + GST (see clause 4)
7. **Concession Fee Payment Date:**
On or before the date specified on the invoice generated by the Grantor (see clause 4)
8. **Penalty Interest Rate:**
Double the Grantor's bank's current highest 90 day bank bill buy rate (see clause 4.2)
9. **Concession Fee Review Date:** Not Applicable (see clause 6)
10. **Public Liability General Indemnity Cover:** for \$ [REDACTED] (see clause 15.3)
11. **Public Liability Forest & Rural Fire Extension:** for \$ [REDACTED] (see clause 15.3)
12. **Statutory Liability Insurance:** Amount \$ [REDACTED] (see clause 15.3)
13. **Other Types of Insurance:** Not Applicable (see clause 15.3)
Amounts Insured for Other Types of Insurances: Not Applicable (see clause 15.3)
14. **Environmental Monitoring Contribution:** Not Applicable (see clause 16)
15. **Address for Notices (including facsimile number):** (see clause 19)
 - (a) **Grantor** C/- Box 5244 DUNEDIN (03) 4778 626
 - (b) **Concessionaire** PO Box 73
WANAKA

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SCHEDULE 2

Special Conditions

1. Land Management

1.1 The Concessionaire must not break up or crop any part of the Land without the prior written consent of the Grantor.

1.2 The Concessionaire must, at the Concessionaire's expense, if required by the Grantor take all steps necessary to control or, at the Grantor's option, contribute to the cost of controlling any pest, insect or rodent infestation occurring on or emanating from the Land.

1.3 The Concessionaire will not graze more than the equivalent of 50 sheep (ewe equivalents) on an annual basis. For the purpose of this clause 1 sheep = 1 ewe equivalent; ewe = 1; 2 tooth = 1; hogget = .6; wether = .8; ram = .8.

1.4 The Concessionaire must, at no expense to the Grantor, ensure that stock are adequately contained within the Land.

2. Fencing

2.1 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 of the Grantor.

2.2 The Concessionaire must keep and maintain at the Concessionaire's cost any fences, stiles or gates in good repair.

3. Hunting

3.1 The Grantor reserves the right to authorise hunters who hold a valid hunting permit issued by the Department of Conservation to hunt on the Land.

4. Inspection

4.1 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.

5. Management Prescription

5.1 The parties will comply with the management prescription document attached as Schedule 3.

6. Deemed Deletions

6.1 Clauses 3.2, 6 and 16 are deleted from this Licence.

7. Compensation

7.1 Clause 1.1 is amended by adding in its appropriate alphabetical position

[Handwritten signatures and initials]

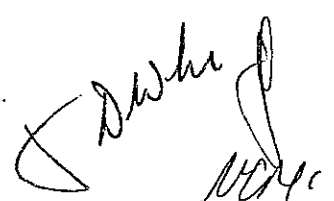
- 12 -

"Compensation" means the sum of ten cents required by the Grantor under section 53 of the Crown Pastoral Land Act 1998 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 Land.

7.2 Schedule 1 is amended by adding as 1a the words;

Compensation: ten cents (payable on date of execution of this Document)

(see clause 1.1)

Handwritten signature and initials in the bottom right corner of the page.

Appendix 6: Fencing requirements

1. Fenceline requirements for high altitude sections

- (a) **Fencelines:** S-T, U-V and W-X as marked on Diagram A

Length and location:

- S-T - 300m (approximately)
- U-V - 400 metres (approximately)
- W-X - 1600 metres (approximately)

being the boundary between the Schedule Three Land and the Schedule One Land in Alpha Burn catchment.

- (b) **Fencelines:** X-Y" and "F-G" as marked on Diagram A

Length and location:

- X-Y - 300m (approximately)
- F-G - 200 metres (approximately)

being the boundary between the Schedule Two Land and the balance of the Schedule One Land on the ridge between Alpha Burn and Fern Burn catchments.

- (c) **Specifications:**

- Fence to be constructed of seven No. 8 wires.
- 2.1 metre treated timber strainers with treated stays to be used for gateways and ends of strains.
- 100-125mm treated timber posts to used where required.
- All strainers, angle posts and dip posts to be driven or dug in and rammed and footed with acceptable footing materials. No. 8 or 9 wire to be used on foots. All dips and hollows to be tied down.
- T-irons may be used with crossbar instead of posts on high spots and on corners, with tie-backs.
- Netting to be hung on creek crossings and left to swing.
- All strainers and angles to be mortised, stayed and blocked. Stays to be one-third of the way up posts.
- Tie-backs are permitted on both sides of the fence.

- All wires are to be securely and neatly tied off and strained evenly. Bottom wire to be kept 15 cm off the ground. The line is to be cleared manually where required.
- Post staples (barbed) to be driven well in but allow the wire to run through.
- Strains not to exceed 250 metres on easy country.
- Posts to be driven or dug in to such a depth that 112 cm (44") remains out of the ground.
- Strainers and angle posts to be dug in to such a depth that 117 cm (46") remains out of the ground.
- Under no circumstances are any strainers, post or stays to be shortened either prior to or subsequent to their placement in the ground.
- Six waratah standards per 20 metres to be used. Waratah standards to be mostly 1.8 metres long with 1.65 metre standards allowed on rocky ground.
- Triplex strainers to be used on all strains.
- Lightning droppers to be used where required on either side of gateways.
- Hunter chain to be used along snow prone stretches.
- Three Taranaki gates to be erected at or near to sites labelled "T" on Diagram A.

2. Fenceline to be upgraded to high altitude standard

Fenceline: 9000 metres (approximately) marked as "R-S" on Diagram A.

Specifications: Upgrade to the specifications set out in 1(c) above.

3. Fenceline requirements for short span where terrain otherwise forms a stock barrier: Grazing Concession boundary

Fenceline: 50 metres (approximately) on the ridge between Alpha Burn and Fern Burn catchments, as marked "Z" on Diagram A.

Specifications:

- Netting to be 8 line 900 mm high 150/300 mm spacings.
- Waratah standards to be mostly 1.8 metres long with 1.65 metre standards allowed on rocky ground.

4. Fenceline requirements – low altitude

- (a) **Scaifes Lagoon:** 1800 metres (approximately) around Scaifes Lagoon and located along the line marked "N-O" on Diagram B.
- (b) **Mount Roy Carpark:** 90 metres (approximately) marked "P-Q" on Diagram C, subject to the removal of 60 metres of existing fenceline and the relocation of the existing gate.
- (c) **Glendhu Bay Carpark:** 100 metres (approximately) marked "L-M" on Diagram D. A gate to be installed in the road fence.
- (d) **Damper Bay:** 450 metres (approximately) marked as "H-J" on Diagram B.

(e) **Specifications:**

- Fence to be constructed of six HT (2.4 mm) wires and one bottom No. 8 wire.
- 2.1 metre treated timber strainers with treated stays to be used for gateways and ends of strains.
- 100-125 mm treated timber posts to used where required.
- All strainers, angle posts and dip posts to be driven or dug in and rammed and footed with acceptable footing material. No. 8 or 9 wire to be used on foots. All dips and hollows to be tied down.
- T-irons may be used with crossbar instead of posts on high spots and on corners, with tie-backs.
- Netting to be hung on creek crossings and left to swing.
- All strainers and angles to be mortised, stayed and blocked. Stays to be one-third of the way up posts.
- Tie-backs are permitted on both sides of the fence.
- All wires are to be securely and neatly tied off and strained evenly. Bottom wire to be kept 15 cm off the ground. Line to be benched where required. Most of the line to be cleared manually where required.
- Post staples (barbed) to be driven well in but allow the wire to run through.
- Strains not to exceed 400 metres for HT wire and 250 metres for No. 8 wire on easy country.
- Posts to be driven or dug in to such a depth that 112 cm (44") remains out of the ground.
- Strainers and angle posts to be dug in to such a depth that 117 cm (46") remains out of the ground.

- Under no circumstances are any strainers, post or stays to be shortened either prior to or subsequent to their placement in the ground.
- Six waratah standards per 20 metres to be used. Waratah standards to be mostly 1.8 metres long with 1.65 metre standards allowed on rocky ground.
- Triplex strainers to be used on all strains.
- Lightning droppers to be used where required on either side of gateways.
- Two 4.27 m cyclone gates to be erected at Scaifes Lagoon at approximately grid references NZMS 260 F40: 229645 560860 and 229580 5608640.
- One 4.27m cyclone gate to be erected at the Glendhu Bay Carpark at approximately grid reference NZMS 260 F40: 2195562 5607868.

5. Deer fencing – Damper Bay

Fenceline: 1500 metres (approximately) marked as "J-K" on Diagram B.

Specifications:

TYPE OF POST	ROUND
Fence Posts (metres)	
Average top	9cm diam
Minimum length	2.75
Maximum spacing	5.0
Minimum height	2.0
Strainer Posts (metres)	
Minimum length	3.05
Average top	18cm diam
Stays (metres)	
Minimum length	2.29
Maximum length	2.75
Average top	0.09

PERIMETER MESH

Minimum height (metres)	1.98
Minimum numbers	13
Maximum spacing (millimetres)	150
Maximum space between verticals (millimetres)	150

All wires to be fastened on inside of posts. The bottom wire of all fences must be placed as close to the ground as possible.


- All strainers, angle posts and dip posts to be driven or dug in and rammed and footed with acceptable footing material. No.8 or 9 wire to be used on foots. All dips and hollows to be tied down.
- All strainers and angles to be mortised, stayed and blocked. Stays to be one-third of the way up posts.

- Tie-backs are permitted only on south (landward) side of the fence.
- Under no circumstances are any strainers, post or stays to be shortened either prior to or subsequent to their placement in the ground.

Execution Section

This Substantive Proposal (including the schedules and appendices) is signed by the Commissioner and the Holder as a binding agreement.

SIGNED by the Commissioner of
Crown Lands by Paul Alexander Jackson
in the presence of: pursuant to delegation


MATTHEW CLARK
Witness

RELATIONSHIP MANAGER
Occupation

77 PULLERS ROAD, WOODBEND
Address

In signing this Substantive Proposal (including the schedules and appendices), the Holder:

1. accepts and agrees that:

- (a) the Holder accepts this Substantive Proposal under section 60 of the Act and that, subject to subsections (3) and (4) of section 60 of the Act, the Holder's acceptance of this Substantive Proposal is irrevocable, and has effect as an irrevocable authority to and obligation on the Commissioner to take the appropriate actions required by the Act;
- (b) the Holder is bound by the provisions of this Substantive Proposal;
- (c) the Holder is also bound by the provisions of the Notice and must pay the Holder's Payment and all other money payable by the Holder in accordance with the provisions of the Notice and this Substantive Proposal; and
- (d) when the Final Plan is registered under section 64 of the Act, the Notice has effect as a binding contract between the Crown and the Holder according to its tenor under section 46(4) of the Act; and

2. acknowledges that:

- (a) the Holder has obtained the written consent of the Mortgagees, Rabobank New Zealand Limited and Alpha Burn Advances Limited and has also obtained the written consent of any other person having an interest in the Lease Land, to the Holder's acceptance of this Substantive Proposal; and
- (b) the relevant consent is or consents are endorsed on or attached to the completed Execution Copy of this Substantive Proposal.

SIGNED by Donald Withell McRae)
and Victoria Claire McRae by)

DW McRae
Donald Withell McRae

VC McRae
Victoria Claire McRae

Witness Signature:

Witness Name:

Occupation:

Address:

GRANGE MORAN TOWN
QUINCY
QUEENSTON

~~Consents~~

~~Rabobank New Zealand Limited as Mortgagee under the mortgage 873577, hereby:~~

- (a) consents to the Holder's acceptance of this Substantive Proposal dated 17 February 2003 pursuant to section 60 of the Crown Pastoral Land Act 1998 and agrees and consents to the registration of the Easements and the Covenant prior to the registration of any new mortgage to be granted in its favour over the Schedule Three Land as contemplated by clause 5.16; 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 the Holder or the Commissioner to register a discharge of the Mortgage and any new mortgage over the Schedule Three Land.

Dated:

SIGNED by Rabobank New Zealand Limited in the presence of:)
)

Witness Signature:

Witness Name:

Occupation:

Address:

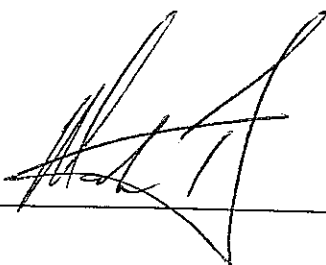
Consents

Alpha Burn Advances Limited as Mortgagee under the mortgage 5448517.1, hereby:

- (a) consents to the Holder's acceptance of this Substantive Proposal dated 17 February 2003 pursuant to section 60 of the Crown Pastoral Land Act 1998 and agrees and consents to the registration of the Easements and the Covenant prior to the registration of any new mortgage to be granted in its favour over the Schedule Three Land as contemplated by clause 5.16; 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 the Holder or the Commissioner to register a discharge of the Mortgage and any new mortgage over the Schedule Three Land.

Dated:

SIGNED by Alpha Burn Advances)
Limited in the presence of:)



Witness Signature:



Witness Name:

VICTORIA CODINA

Occupation:

RECEPTIONIST

Address:

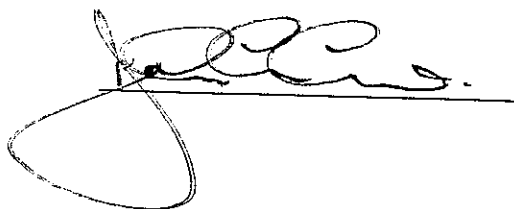
QUEENSTOWN

Consents

The Upper Clutha Radio Telephone Users Association Incorporated, being the party entitled to the benefit of the easement created by Deed of Easement 5465908.1, hereby consents to the Holder's acceptance of the Substantive Proposal dated 17 February 2003 pursuant to section 60 of the Crown Pastoral Land Act 1998.

Dated:

SIGNED by The Upper Clutha Radio)
Telephone Users Association)
Incorporated in the presence of:)



PRESIDENT.

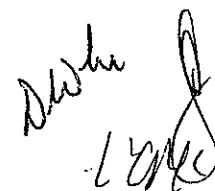
Witness Signature:



Witness Name: GORDON Robert William

Occupation: Agricultural Consultant

Address: 159 Stone St.
Wanaka.



QUEENSTOWN:

TEL 03 442-8110 FAX 03 442-8116
Website: www.mactodd.co.nz
Email: queenstown@mactodd.co.nz
O'CONNELL'S CENTRE • P.O. BOX 653
QUEENSTOWN, NEW ZEALAND DXZP95001
Trust Account No. BNZ020948-0108606-00

*also practising at ALEXANDRA
CROMWELL and WANAKA*

7 March 2003

RECEIVED
Crown Property Contracts
Land Information NZ

10 MAR 2003

LOG 776

Jean Greedy

Commissioner of Crown Lands
Land Information New Zealand
Lambton House
160 Lambton Quay
Private Box 5501
WELLINGTON

Dear Sir/Madam

TENURE REVIEW: ALPHA BURN PASTORAL LEASE (Our Ref: 294384-13)**Introduction**

We are acting as the solicitors for Donald Withell McRae and Victoria Claire McRae (the Holders) in respect of the tenure review of the Alphaburn pastoral lease (Review) being conducted by the Commissioner of Crown Lands (the Commissioner) under the Crown Pastoral Land Act 1998. You have asked us to provide the certifications set out in this letter as part of the settlement requirements in respect of the Review.

The certifications contained in this letter relate solely to, and must be construed in accordance with, New Zealand law in force on the day and at the time of delivery of this letter.

We have reviewed the Substantive Proposal dated 17 February 2003 (the Proposal) made between the Commissioner and the Holders and such other documents, as we considered necessary and appropriate for us to provide the certifications.

Certifications

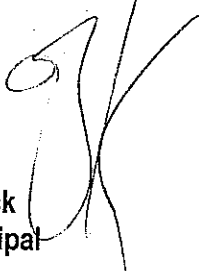
We certify as follows:

1. The consent of each person that has an interest (registered or unregistered) in the Lease Land (as that term is defined in the Proposal), to the Holders' acceptance of the Proposal has been obtained and endorsed on the copy of the Proposal, signed by the Holders, that has been provided to the Commissioner.
2. No consent, licence, approval authorisation by any court, regulatory authority or governmental

agency is required to enable the Holders to accept the Proposal, perform their obligations under the Proposal and to acquire the freehold interest in the Lease Land (as defined in the Proposal).

Yours faithfully

MACALISTER TODD PHILLIPS BODKINS

A handwritten signature in black ink, appearing to be 'B Jack', written over the printed name.

**B Jack
Principal**

E-mail: bjack@mactodd.co.nz

Mobile: 027 22 33 091

Direct Dial: 03 441 0224