

Crown Pastoral Land Tenure Review

Lease name: CLAYTON

Lease number: PT 011

Substantive Proposal

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

March

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EXECUTION COPY

Substantive Proposal

relating to

Tenure Review of Clayton Pastoral Lease under the
Crown Pastoral Land Act 1998

**Commissioner of Crown Lands acting under the
Crown Pastoral Land Act 1998**

(as the **Commissioner**)

and

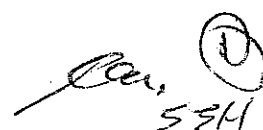
Clayton Farming Company Limited

(as the **Holder**)

Date 31 October 2002

Important

*It is recommended that the Holder seek legal advice
regarding the effect and consequences of this
Substantive Proposal and the accompanying documents.*

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Executive Summary for the Substantive Proposal for the Tenure Review of the Clayton Pastoral Lease under the Crown Pastoral Land Act 1998.

1. Putting of Substantive Proposal

In accordance with the Tenure Review process currently being undertaken by the Commissioner of Crown Lands (the **Commissioner**), the Commissioner puts this Substantive Proposal to the holder of the Clayton pastoral lease, being Clayton Farming Company Limited (the **Holder**).

2. Substantive Proposal under Crown Pastoral Land Act

This Substantive Proposal is put under the provisions of the Crown Pastoral Land Act 1998 (the **Act**). It takes into account the objects of Part 2 of the Act. This Substantive Proposal relates to the land held under the Holder's Crown pastoral lease granted under the Land Act 1948 (the **Lease Land**).

3. Synopsis of the Substantive Proposal for the Clayton Pastoral Lease

Under this Substantive Proposal the Commissioner proposes the following designations in respect of the Lease Land:

- 971 hectares (approximately) to be designated as land to be restored to full Crown ownership and control under section 35(2)(a)(i) of the Act as conservation area; and
- 2,422 hectares (approximately) to be designated as land to be disposed of by freehold disposal to the Holder under section 35(3) of the Act, subject to Part IVA of the Conservation Act 1987, section 11 of the Crown Minerals Act 1991 and the easement as outlined in this Substantive Proposal.

4. Separate draft Notice

Accompanying, but not forming part of, this Substantive Proposal is a Notice that sets out the proposed amounts that will be payable under this Substantive Proposal.

5. Holder's Acceptance

This Substantive Proposal, when accepted by the Holder, will constitute a contract between the Holder and the Commissioner.

To accept this Substantive Proposal the Holder must:

- sign two "Execution Copies" of this Substantive Proposal where provided in the Execution Section; and
- obtain and have endorsed in the Execution Section the written consent of all persons having an interest in the Lease Land subject to the Tenure Review, as required by clause 14.1 of this Substantive Proposal.

An original signed Execution Copy of this Substantive Proposal must be returned to the Commissioner. The Holder's acceptance of this Substantive Proposal will be irrevocable.

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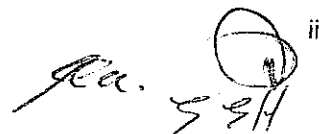
The Holder is to provide a Solicitor's Certificate (in a form satisfactory to the Commissioner) from the Holder's solicitors certifying as to certain matters relating to the Holder's acceptance of this Substantive Proposal.

The original signed Execution Copy of this Substantive Proposal and the completed Solicitor's Certificate is to be delivered by courier or by post to the Commissioner at the following address:

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

Attention: Jean Greedy

If the Commissioner does not receive acceptance of this Substantive Proposal within three months of 1 November 2002, the Holder will, under the Act, be deemed to have rejected this Substantive Proposal.

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This **Substantive Proposal** is made on 31 October 2002

between (1) **Commissioner of Crown Lands acting under the Crown Pastoral Land Act 1998 (as the Commissioner)**

and (2) **Clayton Farming Company Limited (as the Holder).**

Introduction

- A. The Holder is the lessee under the Lease.
- B. On the written invitation of the Holder, the Commissioner is undertaking Tenure Review of the Lease Land. The Tenure Review process comprises four stages.
- C. On 21 May 2001 the Commissioner provided the Holder with a draft of the Preliminary Proposal for consultation purposes. On 23 May 2001, the Holder returned a completed Holder's Acknowledgement relating to the draft of the Preliminary Proposal to the Commissioner. This completed stage one of the Tenure Review.
- D. On 11 July 2001, the Commissioner put the Preliminary Proposal to the Holder under section 34 of the Act. This completed stage two of the Tenure Review.
- E. By letter dated 28 June 2002, the Commissioner provided the Holder with a draft of the Substantive Proposal for consultation purposes. The Holder returned a completed Holder's Acknowledgement dated 5 July 2002 relating to the draft of the Substantive Proposal to the Commissioner. This completed stage three of the Tenure Review.
- F. The Commissioner puts this Substantive Proposal to the Holder as Stage Four of the Tenure Review.

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1. Interpretation

1.1 Definitions

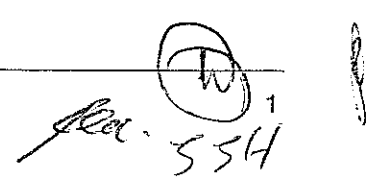
In this Substantive Proposal unless the context otherwise requires:

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 the Holder by equality of exchange for the surrender of the leasehold interest in the Lease in relation to the Schedule One Land, as specified in the Notice;

Commissioner's GST Date means the earlier of Settlement Date and 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 Substantive Proposal;

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Conservation Act means the Conservation Act 1987;

Crown means the Crown as defined in section 2 of the Public Finance Act 1989;

Default GST means any additional GST, penalty or other sum levied against either the Commissioner or the Holder under the GST Act or the Tax Administration Act 1994 by reason of either the Commissioner or the Holder failing to pay GST as required by the Substantive Proposal. It does not include any sum levied against the Commissioner or the Holder by reason of a default by the Commissioner after payment of GST to the Commissioner by the Holder or by reason of a default by the Holder after payment of GST to the Holder by the Commissioner (in each instance, as the case may be);

Default Rate means the floating rate agreement mid-point thirty day bank bill rate as at 10.45 a.m. on Reuters' page BKBM on the date on which the relevant payment becomes due and payable plus 500 basis points and compounded monthly;

Director-General means the Director-General of Conservation;

Draft Preliminary Proposal means the draft of the Preliminary Proposal that the Commissioner provided to the Holder for consultation purposes under the Act on 21 May 2001; and includes all schedules, parts, plans, appendices and annexures attached to that draft of the Preliminary Proposal;

Draft Substantive Proposal means the draft of this Substantive Proposal that the Commissioner provided to the Holder for consultation purposes under the Act by letter dated 28 June 2002; and includes all schedules, parts, plans, appendices and annexures attached to that draft of this Substantive Proposal;

Easement means the Public Access to Conservation Area and Vehicles for Management Purposes Easement;

Execution Copies means the two copies of this Substantive Proposal each labeled "Execution Copy";

Execution Section means the section at the end of this Substantive Proposal containing the Commissioner's signature and evidencing the Holder's acceptance of this Substantive Proposal and containing the consent of any person having an interest in the Lease Land;

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

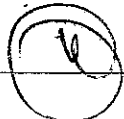
GST means all goods and services tax payable by the Commissioner or the Holder under the GST Act in respect of their respective supplies evidenced by this Substantive Proposal;

GST Act means the Goods and Services Tax Act 1985;

Holder means Clayton Farming Company Limited, being lessee of the Lease Land;

Holder's Acknowledgement means, where not inconsistent with the context, the Holder's Acknowledgement that accompanied, but did not form part of, the Draft Preliminary Proposal, the Preliminary Proposal and the Draft Substantive Proposal;

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

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

Holder's solicitors means the solicitor, or solicitors, if any, acting for the Holder;

Lease means the lease comprised and described in folio number CB529/13 (Canterbury Land Registry) issued under the Land Act 1948, and includes all variations and renewals of that lease;

Lease Land means 3393.0365 hectares being part Run 14, "Clayton" situated in Block I Four Peaks and Blocks XI, XII, XV, XVI Fox and Blocks III and IV Opuha being the land comprised and described in folio number CB529/13 (Canterbury Land Registry) subject to:

- (a) Mortgage;
- (b) land improvement agreement 792295;
- (c) section 58 Land Act 1948;
- (d) section 8 of the Coal Mines Amendment Act, 1950;
- (e) reservation to the Crown of power to grant mining rights under Part 1 of the Coal Mines Act 1925; and
- (f) easements under transfer 5014347.2;

Minister means the Minister of Conservation;

Mortgage means Mortgage A76919.3 (Canterbury Land Registry) registered against the Lease;

Mortgagee means Rabobank New Zealand Limited (formerly Primary Industry Bank of Australia Limited), the Mortgagee under the Mortgage;

Notice means the notice to the Holder setting out:

- (a) the Holder's Consideration; and
- (b) the Commissioner's Consideration;

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

Plan means a plan of the Lease Land showing all designations, the Easement route and the new fencing, attached as Appendix 1;

Preliminary Proposal means the preliminary proposal, that the Commissioner put to the Holder under, and subject to, section 34 of the Act on 11 July 2001 and includes all schedules, parts, plans, appendices and annexures attached to the preliminary proposal;

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Public Access to Conservation Area and Vehicles for Management Purposes Easement means an easement to provide:

- (a) public access for persons on foot, or on or accompanied by horses, or by non-motorised vehicle powered by a person or persons, over that part of the Lease Land marked "b-b" and "c-c" on the Plan; and
- (b) access for tenants, agents, contractors and invitees of the Minister and any employee or contractor of the Director-General on foot or on or accompanied by horses, or by motor vehicle, with or without machinery and implements of any kind, for management purposes, over that part of the Lease Land marked "b-b" and "c-c" on the Plan,

in the form attached as Appendix 2;

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

RM Act means the Resource Management Act 1991;

Schedule One Land means 971 hectares of the Lease Land, outlined in pink and labelled "Area 1" on the Plan;

Schedule Two Land means 2,422 hectares of the Lease Land, outlined in green and labelled "Area 2" on the Plan;

Settlement Date means the settlement date defined in clause 9.1;

Solicitor's Certificate means the certificate provided by the Holder's solicitors addressed to the Commissioner, in a form acceptable to the Commissioner, certifying as to certain matters relating to the Holder's acceptance of this Substantive Proposal;

Stage Four of the Tenure Review means the process set out in clause 2;

Substantive Proposal means this substantive proposal that the Commissioner puts to the Holder under, and subject to, section 46 of the Act, and includes all schedules, parts, plans, appendices and annexures attached to this substantive proposal;

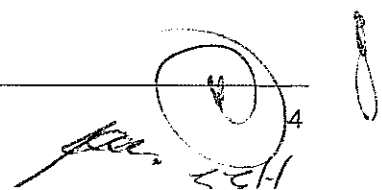
Surveyor-General means the Surveyor-General appointed under section 5 of the Cadastral Survey Act 2002;

Tenure Review means the tenure review of the Lease Land being undertaken by the Commissioner under Part 2 of the Act;

Unconditional Date means the date that the Commissioner receives from the Holder an Execution Copy of this Substantive Proposal signed by the Holder and containing the consents of all persons having an interest in the Lease Land to the Holder's acceptance of this Substantive Proposal which results in the acceptance taking effect under section 60(4) of the Act; and

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.

1.2 **Construction of certain references**



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In this Substantive Proposal, unless inconsistent with the context:

- (a) words importing a gender include all other genders;
- (b) reference to a statute includes reference to all enactments that amend or are passed in substitution for the relevant statute;
- (c) words in the singular number include the plural and vice versa;
- (d) reference to a month means a calendar month;
- (e) 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);
- (f) references to sections, clauses, sub-clauses, parts, annexures, attachments, appendices, schedules, paragraphs and sub-paragraphs are references to such as they appear in this Substantive Proposal and form part of this Substantive Proposal;
- (g) headings are included for ease of reference only and will not affect the construction or interpretation of this Substantive Proposal;
- (h) all monetary amounts are expressed in New Zealand currency;
- (i) 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;
- (j) all references to times are references to times in New Zealand;
- (k) if the Unconditional Date or the Settlement Date falls on a day that is not a working day, the Unconditional Date or the Settlement Date will be the next working day after the day so nominated; and
- (l) if the Holder comprises more than one person, each of those person's obligations, as Holder, will be both joint and several.

1.3 The illegality, invalidity or unenforceability of any provision in this Substantive Proposal will not affect the legality, validity or enforceability of any other provision.

2. Substantive Proposal

2.1 The Commissioner having:

- (a) considered, under section 47 of the Act:
 - (i) all matters raised by the iwi authority concerned during the consultation on the Preliminary Proposal; and
 - (ii) all written submissions relating to the Preliminary Proposal received by the Commissioner (from any person or organisation) on or before the day specified in the notice given under section 43 of the Act at the address specified in that notice;

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- (b) consulted with the Director-General under section 26 of the Act about putting this Substantive Proposal to the Holder;
- (c) obtained the prior written consent of the Minister to this Substantive Proposal; and
- (d) ensured that the Crown has completed all statutory clearance and other actions and has obtained any statutory or regulatory consents that the Crown is required to complete or obtain in relation to the Lease Land,

puts this Substantive Proposal to the Holder under section 46 of the Act.

2.2 Under this Substantive Proposal, the Commissioner designates that the:

- (a) Schedule One Land be restored to full Crown ownership and control as conservation area under section 35(2)(a)(i) of the Act, and the provisions of Schedule One apply to this designation;
- (b) Schedule Two Land be disposed of to the Holder by freehold disposal under section 35(3) of the Act, subject to:
 - (i) Part IVA of the Conservation Act;
 - (ii) Section 11 of the Crown Minerals Act 1991; and
 - (iii) the Easement,

and the provisions of Schedule Two apply to this designation.

2.3 Notwithstanding any other clause and subject to clause 14, the Schedule Two Land to be disposed of in accordance with clause 2.2(b) may be also subject to the provisions of section 114 of the Land Act 1948.

2.4 This Substantive Proposal is a modified version of the Draft Substantive Proposal.

2.5 This Substantive Proposal is accompanied by a Notice under section 46(4) of the Act.

3. **Conservation Act**

As required by section 24 of the Conservation Act, the Commissioner has notified the Director-General of the disposition of Crown land contemplated by this Substantive Proposal.

4. **Acceptance by Holder**

4.1 The Holder may accept this Substantive Proposal by completing the Execution Section at the end of this Substantive Proposal and returning one original signed Execution Copy of this Substantive Proposal to the Commissioner. The original signed Execution Copy of this Substantive Proposal must be delivered by courier or by post to the Commissioner at the following address:

Commissioner of Crown Lands
Land Information New Zealand
Lambton House

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160 Lambton Quay
Private Box 5501
Wellington
Attention: Jean Greedy

4.2 The Holder must arrange for the Mortgagee and any other person having an interest in the Lease Land to consent to the Holder's acceptance of this Substantive Proposal as required by clause 14.1 of this Substantive Proposal. These consents must be endorsed in the Execution Section of the Execution Copy of this Substantive Proposal that is to be returned to the Commissioner.

4.3 Under section 60(5) of the Act, the Holder's acceptance of this Substantive Proposal is irrevocable and has the effect as an irrevocable authority to, and obligation on, the Commissioner to take the appropriate actions required by Part 2 of the Act. The Holder's acceptance of this Substantive Proposal constitutes a binding contract between the Commissioner and the Holder.

4.4 The Holder must procure the Holder's solicitors to provide the Solicitor's Certificate and the Holder must return the executed Solicitor's Certificate to the Commissioner with the Execution Copy of this Substantive Proposal (signed by the Holder and including the written consents of all the persons referred to in clause 4.2).

4.5 If the Commissioner does not receive the Execution Copy of this Substantive Proposal referred to in clause 4.1 (signed by the Holder and including the written consents of all the persons referred to in clause 4.2) within three months of the Commissioner putting this Substantive Proposal to the Holder, then the Holder is deemed to have rejected this Substantive Proposal.

4.6 The Holder acknowledges that:

(a) under section 61(4) of the Act, every person who, after the notice referred to in clause 5.2 has been registered, acquires an estate or interest in the Lease Land will be bound by the Holder's acceptance of this Substantive Proposal to the same extent as the Holder; and

(b) under section 61(5) of the Act, if a person acquires an estate or interest in the Lease Land:

(i) after the Holder has accepted this Substantive Proposal; and

(ii) before the notice referred to in clause 5.2 has been lodged for registration,

then Part 2 of the Act has effect as if the Holder had rejected this entire Substantive Proposal.

5. Implementation of Substantive Proposal

5.1 If:

(a) the Holder accepts this Substantive Proposal in accordance with clause 4; and

(b) the acceptance has taken effect under section 60(4) of the Act,



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then the parties will proceed to implement this Substantive Proposal in accordance with clauses 5.2 – 5.16.

- 5.2 Under section 61 of the Act, once the Commissioner receives the Execution Copy of this Substantive Proposal completed by the Holder and containing the requisite consents, the Commissioner must sign and forward to the Registrar a written notice of the Holder's acceptance of this Substantive Proposal, describing this Substantive Proposal in general terms.
- 5.3 Under section 61 of the Act, the Registrar must register the notice referred to in clause 5.2 against every instrument of title to the Lease Land to which this Substantive Proposal relates.
- 5.4 Under section 62 of the Act, once the Holder's acceptance of this Substantive Proposal takes effect, the Commissioner must give the Surveyor-General written notice of the Holder's acceptance, attaching a copy of this Substantive Proposal.
- 5.5 Under section 62 of the Act, as soon as is practicable after receiving the Commissioner's notice referred to in clause 5.4, the Surveyor-General must:
- (a) determine whether any of the Lease Land needs to be surveyed before this Substantive Proposal can be given effect to; and
 - (b) give the Commissioner written notice:
 - (i) of the Lease Land or parts of the Lease Land (including, but not limited to, all Easement areas) that need to be surveyed; or
 - (ii) that none of the Lease Land needs to be surveyed.
- 5.6 Under section 62 of the Act, if the Commissioner is notified by the Surveyor-General that any of the Lease Land needs to be surveyed, the Commissioner is to have it surveyed, and to have a plan or plans of it prepared and approved under the Cadastral Survey Act 2002.
- 5.7 Under section 62 of the Act, once the Commissioner:
- (a) has complied with clause 5.6; or
 - (b) has been notified that none of the Lease Land needs to be surveyed,
- the Commissioner must prepare a Final Plan of the Lease Land to which this Substantive Proposal relates, showing the various areas to which it relates, and in respect of each area giving:
- (a) a legal description;
 - (b) its designation by this Substantive Proposal; and
- submit two copies of the Final Plan to the Surveyor-General.
- 5.8 Under section 63 of the Act, if (and only if) the Surveyor-General is satisfied that:

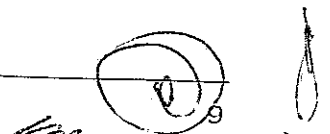
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- (a) the boundaries of the various areas shown on the Final Plan submitted under clause 5.7 are, in light of any discovered imprecisions in the boundaries shown or described in the accepted Substantive Proposal concerned, as close as may reasonably practicably be achieved to the boundaries shown or described in this Substantive Proposal; and
- (b) to the extent allowed by the position of the boundaries shown on the Final Plan:
 - (i) the areas they define; and
 - (ii) the designations of those areas,

accurately reflect this Substantive Proposal,

the Surveyor-General must sign and date on both copies of the Final Plan a written notice approving it for the purposes of the Act, and return one copy of the Final Plan to the Commissioner.

- 5.9 Under section 64 of the Act, once the Commissioner receives the approved Final Plan, the Commissioner must lodge the Final Plan and a copy of this Substantive Proposal with the Registrar, and the Registrar must register them against every instrument of title to the Lease Land to which the Final Plan and this Substantive Proposal relate.
- 5.10 Under sections 65 and 69 of the Act, upon registration of the Final Plan and this Substantive Proposal under section 64 of the Act:
- (a) the Schedule One Land will be restored to full Crown ownership and control as conservation area;
 - (b) subject to clause 5.15, the Commissioner will dispose of the Schedule Two Land to the Holder (subject to the encumbrances specified in paragraph 1.1 of Schedule Two) under the provisions of the Land Act 1948 by requesting that the Surveyor-General issue a certificate under section 116 of the Land Act 1948 to the Registrar and that the Registrar issue a certificate of title for the Schedule Two Land in the name of the Holder.
- 5.11 The Schedule One Land will vest in the Crown freed and discharged from all mortgages, charges, claims, estates and interests.
- 5.12 The Commissioner will meet the costs for the survey (if any) of the Lease Land, including all designation areas, the Final Plan and for a certificate of title to issue for the Schedule Two Land.
- 5.13 The Lease will remain in force until a certificate of title is issued for the Schedule Two Land, and at this time the Lease will, under section 69(2) of the Act, be deemed to be surrendered in respect of the Lease Land.
- 5.14 Following registration of the Final Plan and this Substantive Proposal, the Commissioner must promptly:
- (a) prepare execution documents for the Easement, in the form attached to this Substantive Proposal and forward the execution documents to the relevant parties to be signed;



- (b) under section 80 of the Act, agree with the Minister that the Minister should acquire the Easement on the terms and conditions specified in this Substantive Proposal and the Minister must sign the execution copies of the Easement and return these to the Commissioner;
- (c) sign the execution documents for the Easement; and
- (d) lodge the documents for the Easement for registration at the Canterbury Land Registry once the documents are signed by the Commissioner and the Minister.

5.15 Notwithstanding any other provision in this Substantive Proposal, the Commissioner will not request that the Surveyor-General issue a certificate under clause 5.10(b) unless and until:

- (a) the Commissioner has received all money payable by the Holder under this Substantive Proposal;
- (b) the Holder has provided to the Commissioner the duplicate of the Lease (if the Holder has this document) and the Holder has signed and returned to the Commissioner any documents reasonably required by the Commissioner to be signed by the Holder to give effect to this Substantive Proposal; and
- (c) the Holder has procured the Mortgagee's execution of a registrable discharge of the Mortgage and, if required by the Mortgagee, the Holder has executed registrable new mortgage documents and if the Mortgagee holds the duplicate of the Lease, the Holder has procured the Mortgagee to allow the Holder to provide the Lease to the Commissioner and the Holder has provided these documents to the Commissioner.

5.16 Subject to clause 5.15, the Commissioner will lodge the Easement, the discharge of the Mortgage, the duplicate of the Lease, and any new mortgage documents at the Canterbury Land Registry, to be registered against the certificate of title to be issued under the Land Transfer Act 1952 for the Schedule Two Land, so that the certificate of title for the Schedule Two Land will issue subject to the Easement and any new mortgage. The new mortgage will be registered after the Easement is registered.

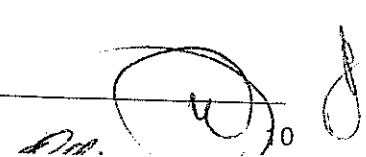
6. Commissioner's considerations

6.1 Under section 25 of the Act, in acting under Part 2 of the Act, the Commissioner must (to the extent that those matters are applicable), take into account:

- (a) the objects of Part 2 of the Act;
- (b) the principles of the Treaty of Waitangi; and
- (c) in acting in relation to land used or intended to be used by the Crown for any particular purpose, that purpose.

6.2 Under section 25 of the Act, in acting under Part 2 of the Act in relation to any part of the Lease Land, the Commissioner must take into account the objects of Part 2 of the Act in the light of:

- (a) their application to all of the Lease Land held under the Lease; rather than
- (b) their application to that part of the Lease Land alone.



7. Discontinuance of Tenure Review

Under section 33 of the Act, at any time before the Holder accepts this Substantive Proposal, in accordance with clause 4, the Commissioner:

- (a) may discontinue the Tenure Review; and
- (b) must discontinue the Tenure Review if asked in writing by the Holder to do so.

8. Survey

- 8.1 All areas of the Lease Land forming part of this Substantive Proposal and delineated on the Plan are approximate and subject to preparation of the Final Plan and, therefore, the measurements of the areas may alter on the Final Plan.
- 8.2 No error, misdescription or amendment of any part of the Lease Land will annul, vary, or derogate from the Draft Preliminary Proposal, the Preliminary Proposal, the Draft Substantive Proposal, this Substantive Proposal, or the Holder's acceptance of this Substantive Proposal.
- 8.3 For the avoidance of doubt, the Holder will not be entitled to cancel or withdraw its acceptance of this Substantive Proposal, nor will the Holder, or any successor in title of the Holder or any party with an interest in the Schedule Two Land, be entitled to payment of any compensation, should any area of the Lease Land on the Final Plan have a different measurement to the area specified in this Substantive Proposal.
- 8.4 The Commissioner does not warrant that:
 - (a) any existing fence is erected on; or
 - (b) any new fence to be erected will be on;any boundaries of the Lease Land or any part of the Lease Land as outlined on the Plan or the Final Plan.

9. Settlement

- 9.1 The Settlement Date for the disposal of the Schedule Two Land to the Holder by freehold disposal will be the day that is five working days following the day that the Final Plan and a copy of this Substantive Proposal are registered at the Canterbury Land Registry under section 64 of the Act.
- 9.2 Notwithstanding when Settlement Date occurs, until a certificate of title issues for the Schedule Two Land, the Holder will duly and punctually comply with all obligations on its part under the Lease, and the Lease will remain in full force and effect.
- 9.3 (a) Rent paid or payable under the Lease for the Schedule Two Land will be apportioned on the Settlement Date as at the date that a certificate of title issues for the Schedule Two Land and either deducted from or added to (as the case may be) the amount required to settle.

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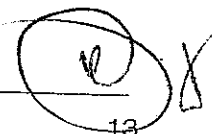
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- (b) Rent payable under the Lease for the Schedule Two Land from the Settlement Date to the date a certificate of title issues for the Schedule Two Land shall bear the same proportion to the total rent payable under the Lease as the Schedule Two Land area bears to the total area of the Lease Land.
- (c) Any apportionments for rent for the Schedule Two Land for the period between the Settlement Date and the date that a certificate of title issues for the Schedule Two Land will be estimated by the Commissioner in its settlement statement. Following the date that a certificate of title issues for the Schedule Two Land, the Commissioner will undertake a final apportionment and either the Commissioner will refund to the Holder, or the Holder will pay to the Commissioner any additional amounts due because of the final apportionment.
- 9.4 Rent paid or payable under the Lease for the Schedule One Land will be apportioned (on a pro rata basis) 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.
- 9.5 (a) All rates, levies, and all other incomings, outgoings and other charges receivable from or charged upon the Schedule Two Land will, unless otherwise agreed by the parties, be apportioned on the Settlement Date as at the date that a certificate of title issues for the Schedule Two Land.
- (b) The rates, levies, incomings, outgoings and other charges described in this clause 9.5 payable in respect of the Schedule Two Land from the Settlement Date to the date a certificate of title issues for the Schedule Two Land shall bear the same proportion to the total charges payable in respect of the Lease Land as the area of the Schedule Two Land bears to the total area of the Lease Land. The appropriate payments, if any, will be made on the Settlement Date by the Commissioner and the Holder, as the case may be.
- (c) Any apportionments for rates, levies, and all other incomings, outgoings and other charges receivable from or charged upon the Schedule Two Land for the period between the Settlement Date and the date that a certificate of title issues for the Schedule Two Land will be estimated by the Commissioner in its settlement statement. Following the date that a certificate of title issues for the Schedule Two Land, the Commissioner will undertake a final apportionment and either the Commissioner will refund to the Holder, or the Holder will pay to the Commissioner any additional amounts due because of the final apportionment.
- 9.6 All rates, levies and all other incomings, outgoings and other charges receivable from or charged upon the Schedule One Land will be apportioned (on a pro rata basis in respect of the Lease Land if they cannot be separately assessed) 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.
- 9.7 From the date that a certificate of title is issued for the Schedule Two Land, under section 69(2) of the Act, the Lease is deemed to be surrendered and subject to clause 9.8, the Commissioner releases and discharges the Holder from the performance and observance of all covenants, conditions and obligations under the Lease.
- 9.8 The release and discharge in clause 9.7 is without prejudice to the rights, remedies and powers of the Commissioner contained in the Lease and will not release or discharge the Holder from any liability under the Lease arising prior to the date that the certificate of title for the Schedule Two Land is issued or under any statute or by any reason where such liability is due to the fault of the Holder.

- 9.9 As from the date that the Final Plan and this Substantive Proposal are registered, the Holder will not have any estate, right or claim against any of the land, improvements, fencing, buildings, structures, fixtures, fittings or chattels on the Schedule One Land. The Holder will not be entitled to any compensation for any of its improvements, fencing, buildings, structures, fixtures, fittings or chattels which are on the Schedule One Land, on the date that the Final Plan and this Substantive Proposal are registered.
- 9.10 The Holder must comply with the Commissioner's requirements for the implementation and settlement of the Tenure Review contemplated by this Substantive Proposal. These requirements may involve procuring the Holder's solicitors 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 the Holder's execution and the registrability of any new mortgage in favour of the Mortgagee.

10. GST

- 10.1 If:
- (a) the Holder has accepted this Substantive Proposal in accordance with clause 4; and
 - (b) the acceptance has taken effect under section 60(4) of the Act,
- then clauses 10.2 - 10.7 apply and will form part of this Substantive Proposal.
- 10.2 The Commissioner and the Holder warrant to each other that they are registered for GST purposes.
- 10.3 On the working day following the Unconditional Date, the Commissioner will provide to the Holder a GST invoice in respect of the supply evidenced by the Holder's Consideration. The invoice will specify the Commissioner's GST Date.
- 10.4 The Holder will pay GST on the Holder's Consideration to the Commissioner by bank cheque on the Commissioner's GST Date, time being of the essence.
- 10.5 On the working day following the Unconditional Date, the Holder will provide to the Commissioner a GST invoice in respect of the supply evidenced by the Commissioner's Consideration. The invoice will specify the Holder's GST Date.
- 10.6 The Commissioner will pay GST on the Commissioner's Consideration to the Holder on the Holder's GST Date, time being of the essence.
- 10.7 Where any GST is not so paid to the Commissioner or to the Holder (as the case may be), the Holder will pay to the Commissioner, or the Commissioner will pay to the 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 or the Holder's GST Date (as the case may be) until the date of payment of the unpaid GST; and
 - (b) any Default GST.

 13

11. Holder's payments

- 11.1 By 3.00 p.m. on the Settlement Date, the Holder must pay all money payable to the Commissioner or the duly appointed agent of the Commissioner in cash or by bank cheque without set-off or deduction in accordance with the settlement requirements of the Commissioner.
- 11.2 If the Holder fails to pay the money to the Commissioner or to the duly appointed agent of the Commissioner on the Settlement Date then clause 12 will apply.

12. Default

If from any cause whatever (save the default of the Commissioner) all or any part of the money payable by the Holder to the Commissioner is not paid on the due date:

- (a) the Holder will pay to the Commissioner interest at the Default Rate on all or the part of the money payable by the Holder to the Commissioner so unpaid from the due date until payment in full; and
- (b) the Commissioner's rights under this clause 12 are without prejudice to any other rights or remedies available to the Commissioner at law or in equity.

13. Lowest price

- 13.1 The Holder's Consideration does not include any capitalised interest and the parties agree that the "lowest price" for the purposes of valuing the Schedule Two Land under section EH 48(3)(a) of the Income Tax Act 1994 is equal to the Holder's Consideration.
- 13.2 The Commissioner's Consideration does not include any capitalised interest and the parties agree that the "lowest price" for the purposes of valuing the Schedule One Land under section EH 48(3)(a) of the Income Tax Act 1994 is equal to the Commissioner's Consideration.

14. Consents

- 14.1 Under section 60(4) of the Act the Holder must obtain the written consent to the Holder's acceptance of this Substantive Proposal from all persons having an interest in the Lease Land (other than the Holder), including, but not limited to:
- (a) the Mortgagee;
- (b) the grantee of land improvement agreement 792295, registered against the Lease;
- (c) the grantee under transfer 5014347.2 registered against the Lease; and
- (d) any other person that the Commissioner reasonably believes has an interest in the Lease Land or who the Holder reasonably believes has an interest in the Lease Land.
- 14.2 In addition to obtaining the consents of the persons outlined in clause 14.1, the Holder must also obtain:

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Other illegible initials and marks.

- (a) all corporate consents; and
- (b) if required, consent under the Overseas Investment Act 1973 and the Overseas Investment Regulations 1995,

necessary for the Holder to accept this Substantive Proposal.

14.3 The Holder will procure the Mortgagee to execute a registrable discharge of the Mortgage and, if required by the Mortgagee, the Holder will execute registrable new mortgage documents and forward these to the Commissioner to be registered at the same time as the certificate of title for the Schedule Two Land issues.

14.4 The Commissioner will provide the Mortgagee with an undertaking that, subject to the provisions in clause 5.15 being satisfied, it will register the discharge of the Mortgage and register the new mortgage against the certificate of title for the Schedule Two Land at the same time as the certificate of title for the Schedule Two Land issues.

15. Access and stock

15.1 The Commissioner will give, and the Holder will take, vacant possession of the Schedule Two Land on the Settlement Date.

15.2 The Holder will not, from and including the Settlement Date, enter on, pass through, or use or permit to be entered on, passed through, or used, the Schedule One Land for any purpose.

15.3 The Holder will not, from and including the Settlement Date, permit any of the Holder's stock to enter onto or graze on the Schedule One Land.

15.4 The Holder's stock may from time to time stray onto the Schedule One Land. If such straying occurs, the Holder will, at its own cost, remove the stock within a reasonable time after the Holder becomes aware of the straying or after being requested by the Minister to remove the straying stock.

16. Costs

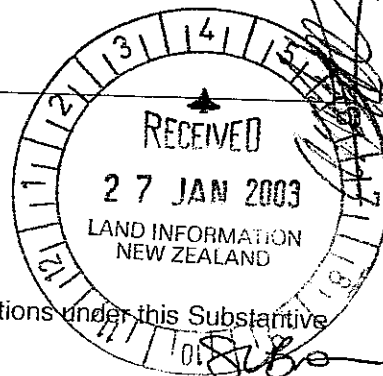
The Holder is responsible for all costs the Holder incurs in respect of and incidental to the Tenure Review. In particular, but without limitation, the Holder shall bear all its costs in relation to the review of all documentation forming part of the Tenure Review (including this Substantive Proposal), and all professional advice provided to or sought by the Holder.

17. No nomination or assignment

17.1 The Holder is currently the lessee under the Lease.

17.2 The Holder is not entitled to, and is expressly prohibited from:

- (a) nominating another person to perform the Holder's obligations under this Substantive Proposal; or



- (b) assigning to another person the Holder's interest (or any part) under this Substantive Proposal.

18. General

- 18.1 Each provision of this Substantive Proposal will continue in full force and effect to the extent that it is not fully performed at the Settlement Date.
- 18.2 The Commissioner and the 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 Substantive Proposal.
- 18.3 This Substantive Proposal is governed by, and must be construed under, the laws of New Zealand and the Commissioner and the Holder irrevocably submit to the jurisdiction of the New Zealand courts or other New Zealand system of dispute resolution.
- 18.4 In relation to notices and other communications under this Substantive 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. The initial facsimile number, address, person or office holder (if any) for each party is specified in clause 18.4(c);
 - (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), when delivered; and
 - (iii) in the case of a letter, on the fifth working day after mailing; and
 - (c) the initial address details for the Commissioner and the Holder are:

The Commissioner:

Commissioner of Crown Lands
The Manager
c/- DTZ New Zealand Limited
PO Box 564
1st Floor Public Trust Building
41 Sophia Street
Timaru
Fax No.: (03) 688 0407

The Holder:

Clayton Farming Company Limited
c/- McFarlane Hornsey Simpson
PO Box 540
Cnr Stafford and Sefton Streets
Timaru
Fax No.: (03) 684 5071

- 18.5 This Substantive Proposal and the Notice:

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- (a) constitute the entire understanding and agreement between the Commissioner, the Crown and the Holder in relation to the Tenure Review; and
- (b) supersede and extinguish all prior agreements and understandings between the Crown, the Commissioner and the Holder relating to the Tenure Review.

18.6 For the avoidance of doubt, neither the Draft Preliminary Proposal, nor the Preliminary Proposal nor the Draft Substantive Proposal, constitutes or could constitute a binding agreement between the parties.

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17

Schedule One: Provisions relating to the Schedule One Land

1. Details of Designation

- 1.1 Under section 35(2)(a)(i) of the Act, the Schedule One Land will be designated as land to be restored to full Crown ownership and control as conservation area.
- 1.2 Subject to the Holder accepting this Substantive Proposal in accordance with clause 4 and that acceptance taking effect under section 60(4) of the Act, the Commissioner will implement the designation of the Schedule One Land (as envisaged by clause 5 of this Substantive Proposal).

Schedule Two: Provisions relating to the Schedule Two Land

1. Details of designation

1.1 Under section 35(3) of the Act, the Schedule Two Land will be disposed of by freehold disposal to the Holder subject to:

- (a) Part IVA of the Conservation Act;
- (b) Section 11 of the Crown Minerals Act 1991; and
- (c) the Easement.

The disposal of the Schedule Two Land to the Holder may also be subject to the provisions of section 114 of the Land Act 1948.

1.2 Subject to the Holder accepting this Substantive Proposal in accordance with clause 4 and that acceptance taking effect under section 60(4) of the Act, and subject to clause 5.15, the Commissioner will implement the designation of the Schedule Two Land (as envisaged by clause 5 of this Substantive Proposal).

1.3 The Easement is a protective mechanism as defined in the Act.

2. Fencing

2.1 If:

- (a) the Holder has accepted this Substantive Proposal in accordance with clause 4; and
- (b) that acceptance has taken effect pursuant to section 60(4) of the Act,

then the parties will comply with paragraphs 2.2 – 2.5 of this Schedule Two.

2.2 The Commissioner will, at its cost, erect new fencing along the line marked "d-d" on the Plan.

2.3 The Commissioner will erect the fencing referred to in paragraph 2.2 of this Schedule Two according to the specifications in Appendix 3.

2.4 The ongoing maintenance of the fencing referred to in paragraph 2.2 of this Schedule Two will be under the terms of the Fencing Act 1978.

2.5 Within a period of three years from the Unconditional Date, the Holder shall be entitled to remove all internal fencing (not being boundary fencing). The Holder in removing any such fencing must:

- (a) first notify the Area Manager, Department of Conservation, Raukapuka Area Office, Geraldine (or his or her substitute for the time being); and
- (b) ensure that any removal is done in a manner sensitive to the land and without causing damage other than minor disturbance in post removal or filling post holes.

3. Holder's acknowledgements

If the Holder accepts this Substantive Proposal in accordance with the provisions set out in clause 4 and that acceptance takes effect under section 60(4) of the Act, the Holder acknowledges that:

- (a) it is obtaining the freehold in the Schedule Two Land to be disposed of to the 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) the Holder has carried out all inspections of the Schedule Two Land which the Holder considers necessary to satisfy itself as to the condition of the Schedule Two Land;
- (c) the Holder, at its cost, is entirely responsible for all work to ensure that the Schedule Two Land complies with:
 - (i) the RM Act and its amendments and regulations; and
 - (ii) any rule in any plan, resource consent or other requirement issued under the RM Act, and

the 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 the Holder is liable under this paragraph 3; and

- (d) nothing in the Draft Preliminary Proposal, the Preliminary Proposal, the Draft Substantive Proposal or this Substantive 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 Lease Land.

4. Risk

4.1 On and with effect from the Unconditional Date all risk of any nature in respect of the Schedule Two Land will pass from the Commissioner to the Holder. For the avoidance of doubt, the Holder's current risk in respect of matters arising under the Lease, including, without limitation, the Holder's risk in respect of all improvements, buildings, fencing, fixtures, fittings and chattels, will continue to remain with the Holder.

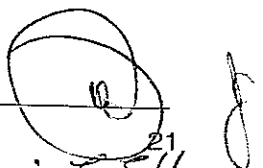
4.2 The Holder will be required to comply with its settlement obligations under this Substantive Proposal irrespective of any damage to, or destruction of, the Schedule Two Land prior to the Settlement Date.

5. No representations or warranties by the Commissioner

The Commissioner gives no representations or warranties of any nature in respect of the Schedule Two Land. Without limitation, the Commissioner does not warrant:

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- (a) the accuracy of any matter in the Draft Preliminary Proposal, the Preliminary Proposal, the Draft Substantive Proposal, the Notice or this Substantive Proposal or in any notice, or any correspondence or other information provided to the Holder by the Commissioner or by any agent or employee of the Commissioner; or
- (b) that the Schedule Two Land is or will remain suitable for the Holder's use; or
- (c) that the Schedule Two Land complies with all or any statutory, territorial authority or any other legal requirements affecting or relevant to the Schedule Two Land.

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Appendix 1: Plan

 A

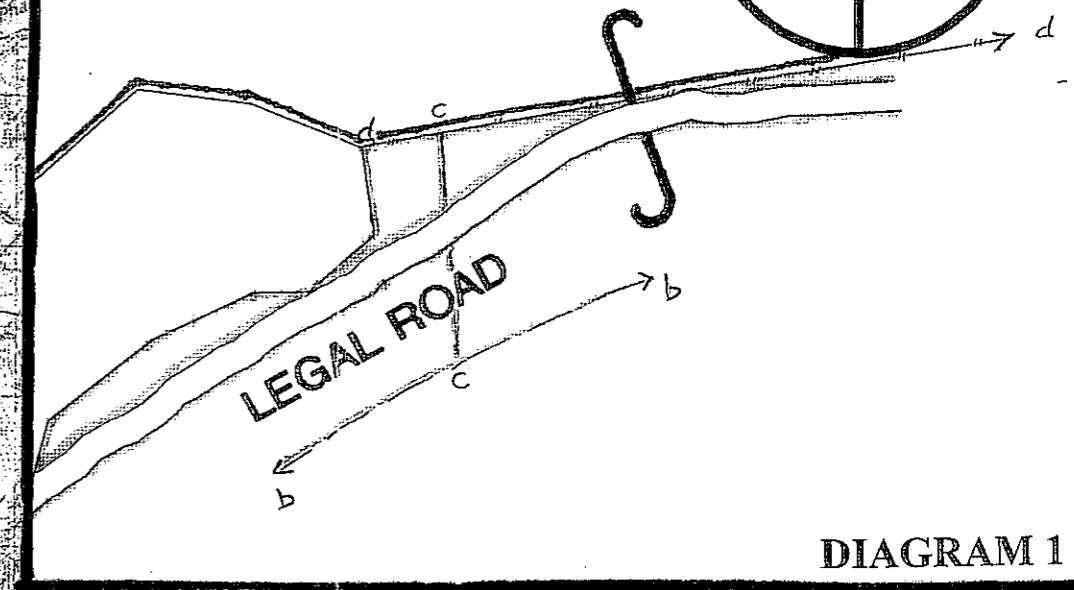
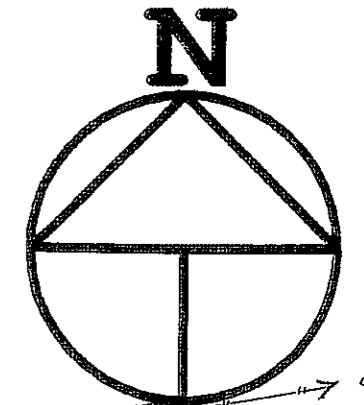
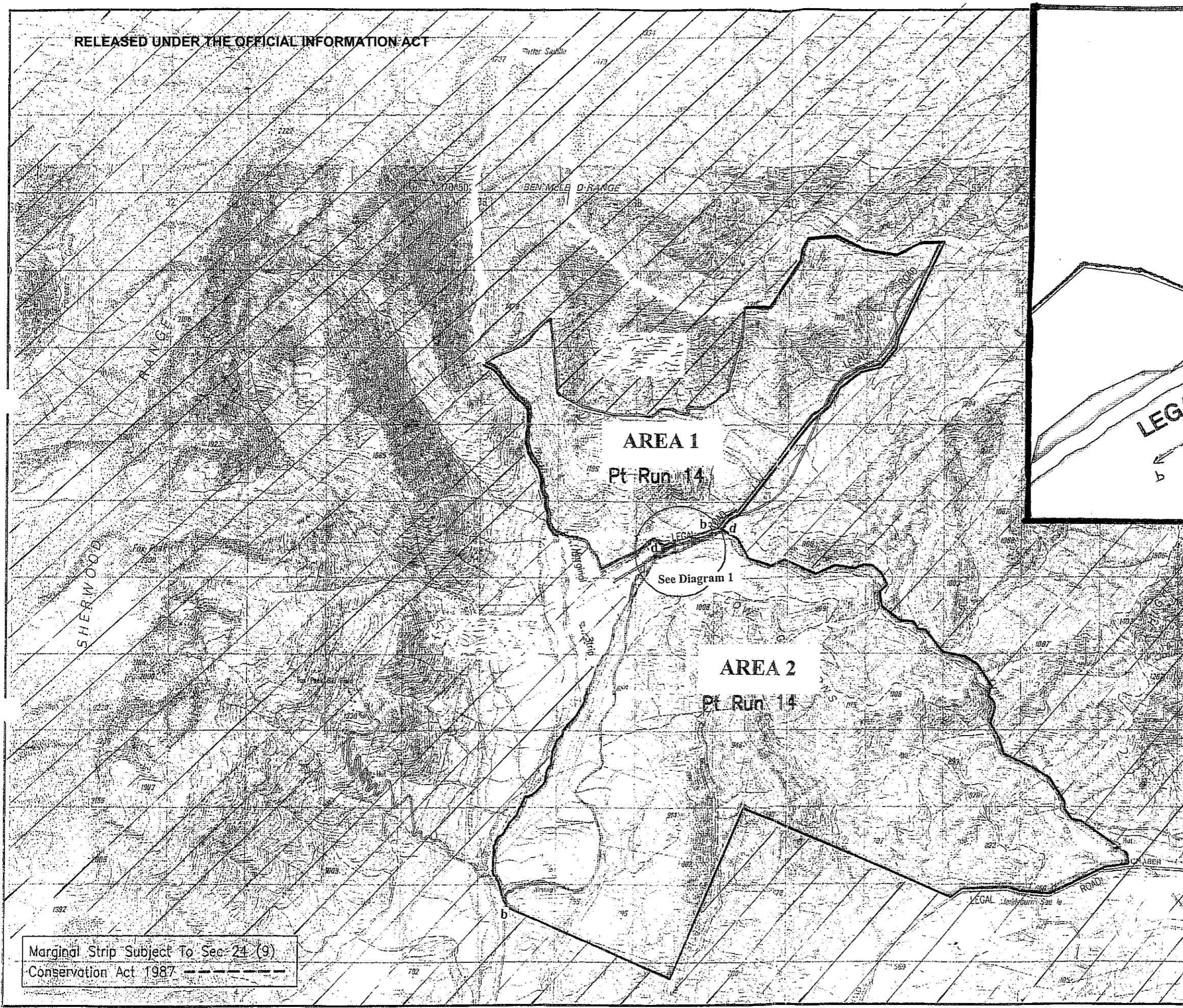


DIAGRAM 1







Marginal Strip Subject To Sec 24 (9)
Conservation Act 1987

CLAYTON

Plan for
SUBSTANTIVE PROPOSAL

Drafting Instructions 7 May 2002

KEY TO DESIGNATIONS

-  Land to be restored to full Crown Ownership and Control
-  Land to be disposed of on Freehold
-  Access Easement b - b c - c
-  Fencing d - d

See Diagram 1 for Easement c-c

Clayton Station

Scale 1:50,000

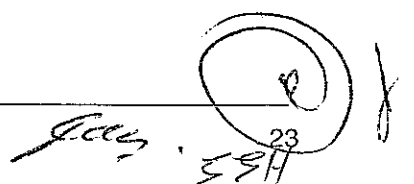
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Version	1	2	3	4	5
Canterbury Land District					Sheet 1 of 21
NZMS 260 J36 & J37					Date 24/9/1999

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**Appendix 2: Form for Public Access to Conservation Area and
Vehicles for Management Purposes Easement**

Gas 23
1133

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Appurtenant Easement: Public Access and Management Purposes to
Conservation Area. WGNHO 118964 - Version 5 - Clayton.

TRANSFER GRANT OF APPURTENANT EASEMENT

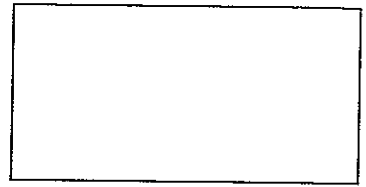
1. Public Access to Conservation Area
2. Vehicles for Management Purposes

Land Transfer Act 1952

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3/9/11

Section 90, Land Transfer Act 1952



Land registration district

Canterbury

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

All/part

Area/description of part or stratum

Empty table with 3 columns corresponding to the labels above.

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 under section 7(2) of the Conservation Act 1987 (continued on pages 1, 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 by acting under written delegation from the Commissioner of Crown Lands	Signed in my presence by the Transferor	(continued on page 4 of Annexure Schedule)
	_____ Signature of witness Witness to complete in BLOCK letters (unless legibly printed) Witness name Occupation Address	
Signature of Transferor		

Certified correct for the purposes of the Land Transfer Act 1952



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 10 metres wide which is marked "[]" on Deposited Plan/S.O. Plan No [].
- 1.2 "Dominant Land" means the land administered by the Department of Conservation and contained in Certificate of Title [].
- 1.3 "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.
- 1.4 "Servient Land" means the land owned by the Transferor and described on page 1.
- 1.5 "Transferee" means Her Majesty the Queen acting by and through the Minister of Conservation and, for the 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.
- 1.6 "Transferor" means the owner of the Servient Land described on page 1 and includes the Transferor's tenants and invitees.

Standard Easement Terms

Access

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 marked b-b and c-c, on foot 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 subject to clause 11.
- 2.2 To pass and re-pass at any time over and along the Easement Area marked b-b and c-c, 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.

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

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Transfer Instrument

Dated

Page of pages

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.

Implied Rights and Powers

4. The rights and powers specified by regulation made under section 90D of the Land Transfer Act 1952 and the Ninth Schedule of the Property Law Act 1952 are expressly negated and excluded.

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

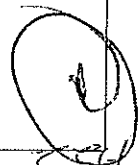
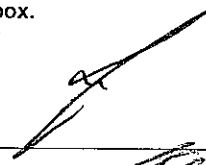
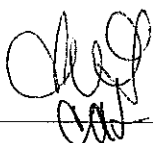
- 7.1 If a dispute arises between the Transferor and Transferee concerning the rights created by this transfer the parties are to enter into negotiations in good faith to resolve it.
- 7.2 If the dispute is not resolved within 14 days of written notice by one party to the other it is to be referred to 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; or
 - (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.

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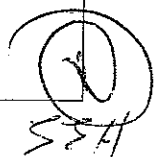
Special Easement Terms

The standard easement terms contained above must be read subject to any special easement terms set out below.

- 9. The Transferee has the right:
 - 9.1 To mark the Easement Area as appropriate.
 - 9.2 To erect and maintain stiles.
 - 9.3 To erect and maintain signs informing the public:
 - (a) of the location of the 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.
 - 9.4 To use whatever reasonable means of access she thinks fit over the Easement Area to carry out the works in clause 9.1 to 9.3.
- 10. Where fences cross the access Easement Area the Transferor must install gates no less than one metre in width and keep the gates unlocked at all times unless otherwise agreed with the Transferee.
- 11. In the event that any member of the public is desirous of using the Easement Area for an activity that if undertaken on a conservation area, would require a concession the following provisions shall apply:
 - 11.1 That member of the public shall require the prior consent in writing of the Transferor to undertake the activity.
 - 11.2 Such consent shall not be unreasonably withheld.
 - 11.3 In the event of a dispute arising between the Transferor and the member of the public the provisions of clause 7.1 to 7.4 inclusive hereof shall apply with all necessary modifications.

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

WL022960127



Continuation of "Attestation"

<p>Signed for and on behalf of Her Majesty the Queen by</p> <p>under written delegation</p> <hr/> <p>Signature of Transferee</p>	<p>Signed in my presence by the Transferee</p> <hr/> <p><i>Signature of witness</i></p> <p><i>Witness to complete in BLOCK letters (unless legibly printed)</i></p> <p>Witness name</p> <p>Occupation</p> <p>Address</p>
---	--

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

WL022960127

SSH

[Handwritten signature]

[Handwritten initials]

[Handwritten signature]

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Appendix 3: Fencing requirements

Fenceline "d-d"

Length and location: 800m (approximately) and located along the line marked as "d - d" on the Plan.

Type: Seven wire fence.

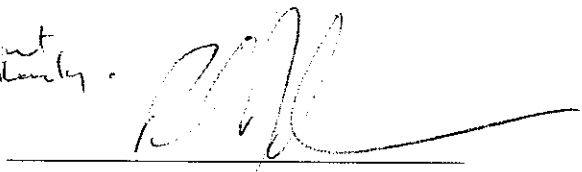
Specifications:

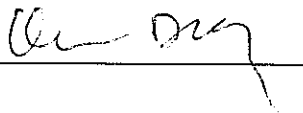
- Fence construction will be tanalised 1.7 metre medium 100 – 150mm posts every 10 metres with 4 tanalised wooden battens, metal battens, or metal standards between posts, six 2.5mm galvanised high tensile wire (may substitute one wire with barbed wire) plus one bottom wire of 4mm galvanised medium tensile.
- Wires to be stapled to the posts with 50 x 4mm galvanised slice point barbed staples and strained to a tension recommended by the wire manufacturer and spaced as approved on site at conventional spacing with the bottom wire between 100mm and 150mm above the ground.
- Round tanalised strainer posts to be 2.4 metres with an average diameter of 200mm to be fully stayed with either horizontal stay assemblies or angle stays and stay block at all corners and angles (inside) 135 degrees or less. Angles greater than 135 degrees to have light strainers installed of 2.1 metre length.
- The length of one strain should not be more than 300 metres.
- Tie downs to be installed or adjacent to posts where there is more than 5 degrees lift angle between posts.
- Wires to be placed on the Schedule Two Land side of uprights except where there is high risk of snow damage, in which case, the wires shall be placed on the leeward side away from the prevailing snow.

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 Jackson* present in the presence of: *to delegated authority.*




Witness

Occupation **KEVIN DONALD KELLY**
SOLICITOR
WELLINGTON

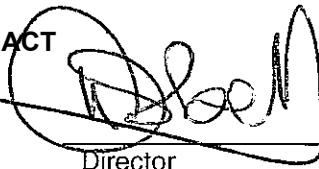
Address

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 all 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 Mortgagee, 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.

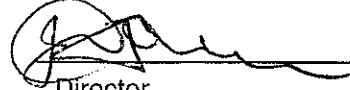
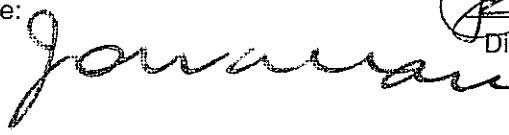
SIGNED by Clayton Farming
Company Limited by

)
)
)



Director

Witness Signature:





Director

Witness Name:

Occupation: JAMES LEYBOURNE WALLACE
SOLICITOR
Address: TIMARU

Address:

cc. 581  


Consents

Rabobank New Zealand Limited as Mortgagee under the Mortgage A78919.3, hereby:

- (a) consents to the Holder's acceptance of this Substantive Proposal dated 31 October 2002 pursuant to section 60 of the Crown Pastoral Land Act 1998 and agrees and consents to the registration of the Easement prior to the registration of any new mortgage to be granted in its favour over the Schedule Two 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 Two Land.

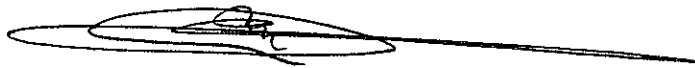
Dated: 26th November 2002

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



Director/Authorised Signatory
Garry Robert Grimmer

Witness Signature: 



Director/Authorised Signatory
John Peter Larcomb

Witness Name:

Occupation:

**Daniel Kevin Henson
Bank Officer
Wellington**

Address:

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

Garry Robert Grimmer
We. and John Peter Larcomb
Senior Manager and Manager respectively, both of Wellington in New Zealand do hereby
certify:

1. THAT by deed dated 18th day of April 2000 Rabobank New Zealand Limited,
appointed us as its attorney's on the terms and subject to the conditions set out in the
said deed.

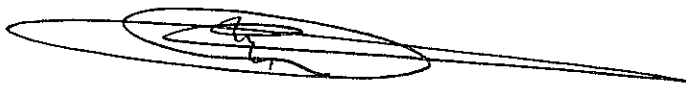
2. THAT the power of attorney was deposited in the Land Transfer Office at:
Blenheim (Marlborough Registry) and there numbered 215414.1
Christchurch (Canterbury Registry) and there numbered A483706.1
Dunedin (Otago Registry) and there numbered 5013528.1
Gisborne (Poverty Bay Registry) and there numbered 231450.1
Hamilton (South Auckland Registry) and there numbered B637396.1
Hokitika (Westland Registry) and there numbered 115481.1
Invercargill (Southland Registry) and there numbered 5016998.1
Napier (Hawkes Bay Registry) and there numbered 709427.1
Nelson (Nelson Registry) and there numbered 402416.1
New Plymouth (Taranaki Registry) and there numbered 475072.1
Wellington (Wellington Registry) and there numbered B810600.1
Auckland (North Auckland Registry) and there numbered D557660.1

3. THAT as the date hereof we have not received any notice or information of the
revocation of that appointment by the winding up of the said Rabobank New Zealand
Limited or otherwise.

SIGNED at Wellington this 26th day of November 2002.



Garry Robert Grimmer

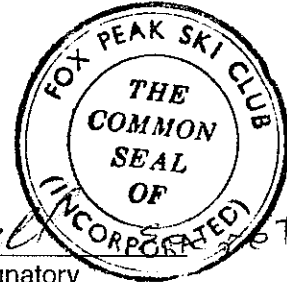


John Peter Larcomb

Consents

Fox Peak Ski Club Incorporated, being the party entitled to the benefit of the right of way created under transfer 5014347.2 registered against the Lease, hereby consents to the Holder's acceptance of this Substantive Proposal dated 31 October 2002 pursuant to section 60 of the Crown Pastoral Land Act 1998.

Dated: 23rd January 2003



SIGNED for and on behalf of)
Fox Peak Ski Club Incorporated)
in the presence of:)

S. E. Hazell
Authorised Signatory

[Signature] CHAIRPERSON
Authorised Signatory

Witness Signature: *[Signature]*

Witness Name: *Linda Doyle*

Occupation: *Client Services manager*

Address: *81 Connor Road
Timaru*

[Signature] *S. E. H.* *[Signature]*

Consents

Environment Canterbury, being the party entitled to the benefit of land improvement agreement 792295 registered against the Lease, hereby consents to the Holder's acceptance of this Substantive Proposal dated 31 October 2002 pursuant to section 60 of the Crown Pastoral Land Act 1998.

Dated:

SIGNED for and on behalf of)
Environment Canterbury)
in the presence of:)



Authorised Signatory

I W Thomas

Director Services

ENVIRONMENT CANTEBURY

Witness Signature:



Witness Name:

Celina Anne Leadbetter

Occupation:

Executive Secretary
Environment Canterbury

Address:

58 Kilmore St.
Christchurch

Ag. 5/8/11 