

## **Crown Pastoral Land Tenure Review**

**Lease name : HOSSACK**

**Lease number : PC 062**

### **Due Diligence Report (including Status Report) - Part 1**

This report and attachments results from a pre-Tenure Review assessment of the pastoral lease for the purpose of confirming land available for Tenure Review and any issues, rights or obligations attaching to it. The information is gathered from files and other sources available to the LINZ contractor.

Part of the information relates to research on the status of the land, resulting in a Status Report that is signed off by a LINZ approving officer. The remainder of the information is not analysed for relevancy or possible action until required, and LINZ does not guarantee its accuracy or completeness as presented.

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

**April 09**

**DUE DILIGENCE REPORT  
CPL PRE TENURE REVIEW ASSESSMENT STANDARD 6:**

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File Ref: Pc 62	Report No: C0032	Report Date: 30 June 2000
Office of Agent: Christchurch	LINZ Case No:	Date sent to LINZ: 30 June 2000

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**RECOMMENDATIONS**

1. That the Commissioner of Crown Lands or his delegate **note** this Due Diligence Report which has been prepared in accordance with the Pre Tenure Review Assessment Standard;
2. That the Commissioner of Crown Lands or his delegate **note** that no incomplete actions have been identified that require action by the Manager Crown Property Contracts;
3. That the Commissioner of Crown Lands or his delegate **note** the following potential liabilities that have been identified as a result of the file search;
  - (a) a lack of adequate definition of pastoral lease boundaries and the implications that this may hold for survey costs associated with tenure review
  - (b) the issue of the holding paddocks erroneously included in the area surrendered from the lease that has now been transferred to the Department of Conservation.
  - (c) uncertainty as to whether the boundary adjustment with Molesworth Station in the north-western corner of the lease has been completed satisfactorily.
  - (d) that there may be an unauthorised telecommunications site installed by Telecom New Zealand for the purpose of upgrading local telephone services.
4. That the Commissioner of Crown Lands or his delegate **note** the following matters;
  - (a) that the Canterbury Regional Council may have an interest in the construction of groynes and quarrying of rock in the Hanmer River.

**Signed for Knight Frank (NZ) Limited**

<u>P. Z. Savage</u>	<u>[Signature]</u>
Consultant	Manager
30 / 6 / 2000	30 / 6 / 00

**Approved/Declined (pursuant to a delegation from the Commissioner of Crown Lands) by:**

[Signature]  
Name:  
Date of decision: 4 / 7 / 2000

**1. Details of lease:**

**Lease Name:** Hossack  
**Location:** Hanmer Springs, North Canterbury  
**Lessee:** Lawrence Ivan Rae, Audrey Winnifred Rae and Michael Kim Gray, all of Waiau, Farmers.  
**Tenure:** Pastoral lease  
**Term:** 33 Years from 1 July 1989  
**Annual Rent:** \$5,062.50  
**Rental Value:** \$225,000  
**Date of Next Review:** 1 July 2011  
**Land Registry Folio Ref:** 529/68 - Search copy dated 26 May 2000 appended as Appendix 1.  
**Legal Description:** Part Run 279, Hossack Sections 1 and 2 SO 17381, Section 2 SO 17382 Section 1 SO 17383 Block I Waiau, Blocks VIII, XII and XVI Percival, V, VI, IX, X, and XIII Terako, III, IV, VI and VII Lyndon Survey Districts  
**Area:** 9429.4466 hectares (subject to survey, uncertified).

**2. File Search**

**Files held by Agent on behalf of LINZ:**

File Reference	Volume	First Folio Number	Date	Last Folio Number	Date
Pc062	1	191	12.08.47	388	25.10.74
Pc062	2	390	12.11.74	586	20.10.89
Pc062	3	587	02.11.89	651	17.12.93
Pc062	4	651	21.07.95	-	12.07.99
Pc062	5	-	27.08.99	-	01.01.00
Pc062/1	1	-	21.06.94	-	1999

**Other relevant files held by LINZ:**

File Reference	Volume	First Folio Number	Date	Last Folio Number	Date
CPL/04/10/12763-ZCH	1	-	1998	-	1999
5200-D13-H03:DCH	1	-	1993	-	1996

**3. Summary of lease document (CL529/68):**

**3.1 Terms of lease**

Stock Limit in Lease:

Original limit 8250 sheep and 55 cattle. Amended by Memorandum of Renewal No. 833778/1 to not more than 1000 cattle including 600 breeding cows and 200 wethers. Copy of Memorandum of Variation attached in Appendix 2.

Commencement Date:

1 July 1956. Renewed for another 33 years from 1 July 1989 – Memorandum of Renewal No. 833778/1.

Variation of lease no. 733105

This variation added a Clause 13 to the lease document that states that the lessee will hold the pastoral lease in conjunction with Crown Renewable Lease No. F 45 (RS 37674) and will not transfer etc. one lease without the other without the previous approval of the Land Settlement Board (refer section 8.1 for further details). A copy of this variation is attached as Appendix 2.

**3.2 Area adjustments**

No. 40881/1 Surrender of part of the within lease as to 1324 hectares - 2.7.1975 (all S.O. 13484). Area of balance lease = 15280.2519ha

No. 194048/1 Surrender of part of the within lease as to 5800.0 hectares (parts Run “Hossack”) – 15.9.1978. Area of balance lease = 9480.2518ha

NOTE – the only definition of the area surrendered (5800 ha) is a photodiagram plot under folio 431, Pc 062 (refer to section 8.2 for further details).

No. 236690/1 Surrender of lease as to Rural Section 40572 (21.4500ha) – 27.7.1979. Area of balance lease = 9458.8019ha

A147571/1 Certificate of Alteration excluding part Section 1 SO 17380 (91.2033ha) and incorporating Sections 1 and 2 SO 17381 and Section 2 SO 17382 (61.8480ha) – 30.11.1994. Area of balance lease = 9429.4566 ha.

**3.3 Registered interests**

Mortgages:

No. 932837/3 Rural Banking and Finance Corporation of NZ Ltd

No. 883824/3 ANZ Banking Group (NZ) Limited

Land Improvement Agreement:

No. 1258549/1 Land Improvement Agreement under Section 30 of the Soil Conservation & Rivers Control Act 1941

No. 292358/1 Variation to terms of Land Improvement Agreement

No. 1258549/1 Variation to terms of Land Improvement Agreement -

**3.4 Unregistered interests**

Telecom New Zealand Limited – upgrade of local telephone service

Telecom New Zealand Limited may have an interest in a site for telecommunication purposes (refer to section 8.3 for details)

### Recreation permits

There are no recreation permits granted over this pastoral lease.

#### **4. Summarise any Government programmes approved for the lease:**

##### Land Improvement Agreement:

The initial Land Improvement Agreement of 1 April 1977 for 10 years was aimed at assisting the replacement of sheep grazing with cattle grazing on the Hossack pastoral run to as a means of addressing soil conservation concerns. There have been two registered variations to the original agreement.

As part of the run plan the lessee company agreed to surrender 5800ha of pastoral lease which has been achieved (see No. 194048/1 above).

The Land Improvement Agreement may contain obligations on successors in title that may be relevant to tenure review.

A copy of the Land Improvement Agreement and Variations is attached as Appendix 3.

#### **5. Summary of Land Status Report:**

The Land Status Report confirms the status is Crown land under the Land Act 1948 subject to the balance pastoral lease (CL 529/68).

The following matters were noted in the Land Status Report as possibly requiring further investigation at the due diligence stage;

1. In 1978 the Chief Surveyor advised that the boundaries of the property were not supported by survey and consequently a full survey would be required.
2. DOC's Tenure Review report of 28 February 1997 records that approximately 80 hectares of the property's holding paddocks in the south corner of the western block were erroneously included in the Hossack Conservation Area and had no conservation values. In addition a file note dated 30 July 1997 relating to Tenure Review discussions with DOC and the lessees recorded that part of the Conservation Area at Cloudy Corner was being grazed. **Action is required to rationalise the boundaries by revoking the conservation status where appropriate for inclusion into the lease and or in exchange for land being surrendered as part of the tenure review.**

The Land Status Report notes that 'any disposition of Section 2 SO 17382 and Section 1 SO 17383 would need to reflect that the Mines and minerals remain with Deed of Conveyance 118794 (5N/495)'.

Copy of the Land Status Report appended as Appendix A (minus attachments).

#### **6. Review of topographical and cadastral data:**

Both maps attached to Land Status Report show there are no communication sites, long distance transmission or local power supply lines on this property.

### **6.1 Marginal Strips:**

The topographical map shows some small lengths of marginal strip fronting Section 2 SO 17381, Section 2 SO 17382 and Section 1 SO 17383.

### **6.2 Fenced Boundaries -v- Legal Boundaries:**

The main boundaries of this lease were fixed by straight line definition (photogrammetric means) to avoid expense of survey. There is no survey plan of the pastoral run in the survey records, only a diagram placed on file P62 under fol 431 (refer to section 8.2 for details).

There is some uncertainty about whether a boundary adjustment to the north-western boundary with Molesworth Station has been concluded satisfactorily (refer to section 8.6 for details).

### **6.3 Legal Roads - Formed and Paper:**

The northern boundary of the property is legal road alongside the Clarence River.

## **7. *Details of any neighbouring Crown or conservation land***

Several areas have been tentatively identified by the Department of Conservation for possible inclusion in tenure review including Crown land in the Hammer River part of the south-east corner of the western conservation land known as the Hossack Conservation area.

A further area of conservation land in the north-eastern area of the lease has been identified for possible inclusion.

## **8. *Summarise any uncompleted actions or potential liabilities***

### **8.1 Variation of lease No. 733105 inserting clause 13**

It appears from the file that this variation of lease was registered in an attempt to ensure that the pastoral lease and a renewable lease (Hossack Downs) also owned at the time by the lessee company were farmed in conjunction with each other. An internal memo (folio 324) justifies this recommendation on the basis that it would be beneficial at some stage to create a homestead site on the renewable lease for the pastoral lease. The recommended way to effect this was discussed at some length (refer folio 326) and Variation of Lease 733105 was drawn up and registered in March 1968. Copies of folios are attached as Appendix 5.

It appears that the renewable lease (RS 37674) is no longer owned by the current pastoral lessees, although the matter of whether approval was obtained to any sale or transfer has not been investigated.

### **8.2 Survey of pastoral lease boundaries**

By Case 75/8870 (folio 412) the Land Settlement Board approved the surrender of Class VIII land from the pastoral lease and the issue of a POL over the surrendered area for a term of 10 years. The boundaries of the area to be surrendered were to be fixed by straight line definition and nil stock limitation for the balance areas of Class VIII remaining in the pastoral lease was to be registered against the lease.

The matter of adequately defining the surrender areas was debated at length on the file and the Chief Surveyor notes concerns about the level of definition in an internal memo dated 14 September 1978 (folio 484). The only support for the description of the surrendered area is a file diagram under folio 431. Copies of folios are attached as Appendix 5.

The lack of adequate definition of the lease boundaries was noted in the Land Status Report and the implications of the likely survey requirements should be noted for tenure review.

It does not appear from the file that the 'nil stock limit' for the balance areas of Class VIII land remaining in the pastoral lease was ever registered against the lease document.

### **8.3 Telecom New Zealand –proposed telecommunication site**

By letter dated 19 April 1996, Telecom New Zealand applied for consent to erect a small portacom building with solar panels and antenna to upgrade local telephone service. This application was declined on 16 October 1996 (Case 97/113) and Telecom were advised by letter dated 4 November 1996 that they should apply for an easement. No such application has been received to date. Copies of folios are attached as Appendix 5.

It appears that the installation may have already taken place.

### **8.4 Holding paddocks**

It appears that the retirement boundary mistakenly extended into the holding paddocks of Hossack pastoral run. The Department of Conservation were advised of the situation (folio 672) and responded that there seemed to have been some mistake as the area had no particular conservation values and agreed the matter needs to be rectified (folio 677). The file records some discussion with DOSLI about investigating this matter (folios 679 and 680) but there is no further information on file to indicate whether the matter has ever been resolved. Copies of folios are attached as Appendix 5.

This matter may require further investigation.

### **8.5 Construction of rock groynes**

By letter dated 25 October 1985, the North Canterbury Catchment Board were given approval to build groynes for river protection in the Hanmer River using rock quarried from bluffs in the river (refer folios 549 and 531 refer). Copies of folios are attached as Appendix 5.

It is not known whether the Canterbury Regional Council (successor to the North Canterbury Catchment Board) still has an interest in construction of groynes or quarrying of rock.

### **8.6 Boundary adjustment – Molesworth Station**

In September 1970 (folio 334) the possibility of a boundary adjustment with Molesworth Station was raised by the lessee, culminating in the erection of a fence along a mutually acceptable line (folio 388) although there is no plan of this line on file. Survey instructions were initiated (folio 417) and a plan was prepared (folio 456). Folio 466 notes that the survey of the part of Hossack occupied by Molesworth 'is completed' and an additional note records that 'Pt Hossack has been included in the redefinition of Molesworth'. It does not appear that any land was surrendered out of the Hossack lease for this purpose, so presumably the adjustment occurred through redefinition of the boundary. Copies of folios are attached as Appendix 5.

It is difficult to reconcile the boundary of the lease in this area. The title diagram and the plan attached to the Land Status Report show a different shape for the north-western boundary. This matter may require further investigation in terms of tenure review.

#### **APPENDICES**

1. Search copy of lease dated 26 May 2000
2. Copy of Memorandum of Renewal No. 833778/1 and Variation of Lease No. 733105
3. Copy of Land Improvement Agreement and Variations
4. Copy of Land Status Report
5. Copy of relevant folios from file



***Appendix 1 : Search copy of lease dated 26 May 2000***

Pastoral Licence  
Issued as a Renewal of (Licence No. 535)  
considered in its own right

NEW ZEALAND  
CANTERBURY  
LAND DISTRICT.

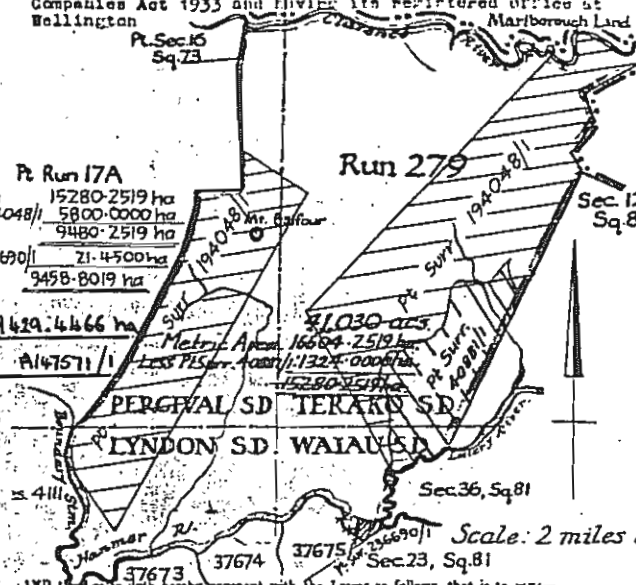
Entered in the Register-book, Vol. 529 Jul 68  
the 15<sup>th</sup> day of April  
1976 at 11 o'clock

Pastoral Lease of Pastoral Land under the Land Act, 1948

No. 7.62



This Deed, made the First day of March one thousand nine hundred and fifty-six between HIS MAJESTY THE KING (who, with his heirs and successors, is hereinafter referred to as "the Lessor"), of the one part, and W.D. STEWART & CO. COMPANY LIMITED, a company duly incorporated under the Companies Act 1933 and having its registered office at Wellington (who, with its executors, administrators, and permitted assigns, is hereinafter referred to as "the Lessee"), of the other part, WITNESSETH that, in consideration of the rent hereinafter reserved, and of the covenants, conditions, and agreements herein contained or implied and on the part of the Lessor to be paid, observed, and performed, the Lessor doth hereby demise and lease unto the Lessee ALL that piece or parcel of land containing by admeasurement Forty-one thousand and thirty (41,030) acres roads and perches, a little more or less situated in the Land District of Canterbury and being Run 279 "Lossack" situated in Percival, Terako, Lyndon and Waiau Survey Districts, Amuri County



(hereinafter referred to as "the said land"), as the same is more particularly delineated by the plan drawn hereon and therein coloured red in outline; together with the rights, easements, and appurtenances thereto belonging. TO HOLD the said premises intended to be hereby demised unto the Lessee for the term of thirty-three years, commencing on the first day of July one thousand nine hundred and fifty-six together with the period between the date of this lease and the aforesaid first day of July Yielding and paying therefor during the said term unto the Department of Lands and Survey at the Principal Land Office for the said Land District of Canterbury the clear annual rent of Three hundred and sixty-five pounds (£ 365 ) payable without demand by equal half-yearly payments in advance on the 1st day of January and the 1st day of July in each and every year during the said term. And also paying in respect of the improvements specified in the Schedule hereto the sum of ( ) (the receipt of which sum is hereby acknowledged) and thereafter by ( ) half-yearly instalments of ( ) pounds ( ) shillings ( ) pence (£ : : ) on the 1st day of January and the 1st day of July in each year in the same manner as aforesaid.

- AND the Lessee doth hereby covenant with the Lessor as follows, that is to say:-
1. THAT the Lessee will fully and punctually pay the rent hereinbefore reserved at the times and in the manner hereinbefore named in that behalf; and also will pay and discharge all rates, taxes, assessments, and outgoings whatsoever that now are or hereafter may be assessed, levied, or payable in respect of the said land or any part or parts thereof during the said term.
  2. THAT the Lessee will within one year after the date of this lease take up his residence on the said land, and thereafter throughout the term of the lease will reside continuously on the said land.
  3. THAT the Lessee will hold and use the said land bona fide for his own use and benefit and will not transfer, assign, sublet, mortgage, charge, or part with possession of the said land or any part thereof without the previous approval of the Land Settlement Board: Provided that such approval will not be necessary in the case of a mortgage to the Crown or to a Department of State.
  4. THAT the Lessee will at all times farm the said land diligently and in a husbandlike manner according to the rules of good husbandry and will not in any way commit waste.
  5. THAT the Lessee will throughout the term of his lease to the satisfaction of the Commissioner of Crown Lands for the Land District of Canterbury (hereinafter referred to as "the Commissioner") and trim all five fences and hedges, clear and keep clear the said land of all noxious weeds, and will comply strictly with the provisions of the Noxious Weeds Act, 1924.
  6. THAT the Lessee will keep the said land free from wild animals, rabbits, and other vermin, and generally comply with the provisions of the Rabbit Nuisance Act, 1923.
  7. THAT the Lessee will clear and keep open all creeks, drains, ditches, and watercourses upon the said land, including any drains or ditches which may be constructed by the Commissioner after the commencement of the term of the lease; and will not at any time without the prior consent of the Commissioner alter the channel of any such creek or watercourse or stop or divert the water flowing therein.
  8. THAT the Lessee will at all times during the said term repair and maintain and keep in good substantial repair, order, and condition all improvements belonging to the Crown (including those specified in the Schedule hereto which are being purchased by the Lessee) now or hereafter erected on the said land, and will not, without the prior written consent of the Commissioner, pull down or remove them or any part of them.
  9. THAT the Lessee will insure all buildings belonging to the Crown (including those specified in the Schedule hereto which are being purchased by the Lessee) now or hereafter erected on the said land to their full insurable value in the name of the Commissioner in some insurance office approved by the Commissioner and will pay all premiums falling due under every such insurance policy and deposit with the Commissioner every such policy and, not later than the forenoon of the day on which any such premium becomes payable, the receipt for that premium.
  10. THAT the Lessee will not throughout the term of the lease without the prior consent of the Commissioner, which consent may be given on such terms and conditions (including the payment of royalty) as the Commissioner thinks fit, fell, sell, or remove any timber, tree, or bush growing, standing, or lying on the said land, and that he will throughout the term of the lease prevent the destruction of any such timber, tree, or bush unless the Commissioner otherwise approves: Provided that the consent of the Commissioner as aforesaid shall not be necessary where any such timber or tree is required for any agricultural, pastoral, household, roadmaking, or building purpose on the said land nor where the timber or tree has been planted by the Lessee.
  11. THAT the Lessee shall not, except for the purpose of complying with any of the provisions of the Noxious Weeds Act, 1924, burn any tussock, scrub, fern, or grass on the said land, nor permit any tussock, scrub, fern, or grass on the said land to be burned, unless in either case he shall have obtained the prior consent in writing of the Commissioner, which consent may be given subject to such terms and conditions as the Commissioner may deem necessary.
  12. THAT officers and employees of the Department of Internal Affairs shall at all times have a right of ingress, egress, and regress over the land comprised in this lease for the purpose of determining whether such land or any adjoining land is infested with deer, wild goats, wild pigs, opossums, or other animals which the said Department is charged with the duty of exterminating or controlling, or for the purpose of destroying any such animals: Provided that such officers and employees in the performance of the said duties shall at all times avoid undue disturbances of the Lessee's stock.

- AND it is hereby agreed and declared by and between the Lessor and the Lessee:-
- (a) THAT the Lessee shall have the exclusive right of pasturage over the said land, but shall have no right to the soil.
  - (b) THAT the Lessee shall have no right, title, or claim whatsoever to any minerals (within the meaning of the Land Act, 1948) on or under the surface of the soil of the said land, and all such minerals are reserved to His Majesty together with a free right of way over the said land in favour of the Commissioner or of any person authorised by him and of all persons lawfully engaged in the working, extraction, or removal of any mineral on or under the surface of the said land or any adjacent land of the Crown, subject to the payment to the Lessee of compensation for all damage done to improvements on the said land belonging to the Lessee in the working, extraction, or removal of any such minerals: Provided that there shall be no right of way over, or right to work, extract, or remove any mineral from, any part of the said land which is for the time being under crop or used or situated within 100 yards of a yard, garden, orchard, vineyard, nursery, or plantation, or within 100 yards of any building: dwellinghouse: Provided also that the Lessee may, with the prior consent in writing of the Commissioner, which consent may be given subject to such conditions as the Commissioner thinks fit, use any such minerals for any agricultural, pastoral, household, roadmaking, or building purpose on the said land, but not otherwise.
  - (c) THAT upon the expiration or effluxion of time of the term hereby granted and thereafter at the expiration of each succeeding term to be granted to the Lessee the outgoing Lessee shall have a right to obtain, in accordance with the provisions of section 66 (3) of the Land Act, 1948, a new lease of the land hereby leased at a rent to be determined in the manner prescribed by Part VIII of the said Act for a term of thirty-three years computed from the expiration of the term hereby granted and subject to the same covenants and provisions as this lease, including this present provision for the renewal thereof and all provisions ancillary or in relation thereto.

RELEASED UNDER THE OFFICIAL INFORMATION ACT  
Mortgage 310373/2 to The Rural Bank and Finance Corporation Limited - 2-1981 at 11.09a.m.

DISCHARGED  
24 APR 1983

Variation of Mortgage 310373/1 - 15-10-1981 at 9.37a.m.

*[Signature]*  
for A.L.R.

No. A27533/1 Change of Appellation whereby the description of part Run 279 herein (91.2033ha) is changed to part Section 1 SO 17380 - 8.12.1992 at 9.10am

*[Signature]*  
for .A.L.R.

Variation of the terms of Land Improvement Agreement 128549/1 - 11.6.1984 at 11.39 am.

*[Signature]*  
for A.L.R.

No. A147571/1 Certificate of Alteration under Section 113 of the Land Act 1948 whereby the area of the within lease is now 9429.4466 hectares and the legal description is Sections 1 and 2 S.O. 17381, Section 2 S.O. 17382, Section 1 S.O. 17383 and Part Run 279 Hossack - 30.11.1994 at 10.50am

Variation of Mortgage 310373/1 - 6.9.1984 at 11.42 a.m.

*[Signature]*  
for A.L.R.

*[Signature]*  
for A.L.R.

Mortgage 800680/3 to ANZ Banking Group (New Zealand) Limited - 24.7.1989 at 11.12 a.m.

DISCHARGED  
29 JULY 1989

*[Signature]*  
for A.L.R.

No 833778/1 Renewal of the within lease Term 33 years commencing 1.7.1989 and variation of the terms - 20.10.1989 at 11.48 a.m.

*[Signature]*  
for A.L.R.

Transfer 871473/1 to Lawrence Ivan Rae and Audrey Winnifred Rae, both of Waiau, Farmers as tenants in common in equal shares - 19.4.1990 at 10.20am

*[Signature]*

Variation of Mortgage 310373/1 - 29.6.1990 at 11.25am

*[Signature]*  
for A.L.R.

Mortgage 883824/3 to ANZ Banking Group (New Zealand) Limited - 29.6.1990 at 11.25am

*[Signature]*  
for A.L.R.

Transfer 932837/2 of one-half of their shares Lawrence Ivan Rae and Audrey Winnifred Rae to Michael Kim Gray of Waiau, Farmer - 6.5.1991 at 10.59am

*[Signature]*  
A.L.R.

Mortgage 932837/3 to Rural Banking and Finance Corporation of New Zealand Limited - 6.5.1991 at 10.59am

*[Signature]*  
A.L.R.

No. 932837/4 Memorandum of Priority making Mortgages 932837/3 and 883824/3 first and second mortgages respectively - 6.5.1991 at 10.59am

*[Signature]*  
A.L.R.

***Appendix 2 : Copy of Memorandum of Renewal No. 833778/1 and Variation of  
Lease No. 733105***

IN THE MATTER of the Land Transfer Act 1952 and the Land Act 1948

AND

IN THE MATTER of Pastoral Lease P 62, registered in Volume 529, folio 68 (Canterbury Land Registry) from HER MAJESTY THE QUEEN to STEWART AND RAE LIMITED at Christchurch.

Pursuant to Section 170 of the Land Act 1948, the term of the above-mentioned lease registered in Volume 529, folio 68, Canterbury Land Registry, is renewed for a term of 33 years commencing on the 1st day of July 1989. The Covenant to pay rent and the Rental Value contained in the lease is hereby varied by deleting the said covenant and substituting the following:-

Yielding and paying therefore for the first 11 years of the said term unto Land Corporation Limited at Christchurch, the annual rent of \$2,925.00 (exclusive of GST) calculated on a Rental Value of \$195,000.00, payable without demand by equal half-yearly payments in advance on the 1st day of January and the 1st day of July in each and every year during the said period of 11 years, and for the next two successive periods of 11 years of the said term a rent determined in respect of each of those periods in the manner provided in Section 132A of the Land Act 1948.

That the stock limit in the lease shall be altered to not more than 1000 cattle, including 600 breeding cows and 200 wethers.

Save as hereby expressly varied all the covenants conditions and restrictions contained or implied in the said Memorandum of Lease shall remain in full force.

IN WITNESS WHEREOF, the parties have hereunto subscribed their name this 27<sup>th</sup> day of SEPTEMBER 1989.

SIGNED for and on behalf of )  
HER MAJESTY THE QUEEN pursuant )  
to a Deed lodged with the District )  
Land Registrar as No. 686366/1 by )  
LAND CORPORATION LIMITED by its )  
Attorney DIANE FITZHARDING-JONES )  
in the presence of; )

LAND CORPORATION LIMITED by its Attorney

Witness: [Signature]

Occupation: NOTARY PUBLIC

Address: 111 CANTONMENT ROAD, CHRISTCHURCH

RELEASED UNDER THE OFFICIAL INFORMATION ACT

THE COMMON SEAL of STEWART AND )  
RAE LIMITED was hereunto affixed )  
in the presence of; )



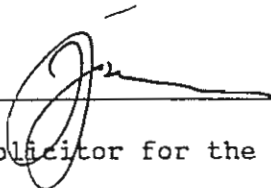
A. W. Rae

Director

L. J. Rae

Secretary

Correct for the purposes of the Land Transfer Act.

  
\_\_\_\_\_  
Solicitor for the Lessee

RELEASED UNDER THE OFFICIAL INFORMATION ACT

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I, DIANE FITZHARDING-JONES of Christchurch, Property Officer

HEREBY CERTIFY --

- 1. THAT by Deed dated the 12th day of June 1987 copies of which are deposited in the Land Registry Offices at -

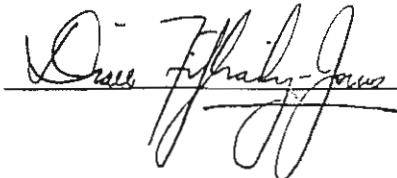
AUCKLAND (North Auckland Registry) and there numbered B678573  
 BLENHEIM (Marlborough Registry) and there numbered 136439  
 CHRISTCHURCH (Canterbury Registry) and there numbered 686366/2  
 DUNEDIN (Otago Registry) and there numbered 681189/1  
 GISBORNE (Poverty Bay Registry) and there numbered 167089.2  
 HAMILTON (South Auckland Registry) and there numbered H734777  
 HOKITIKA (Westland Registry) and there numbered 076748  
 INVERCARGILL (Southland Registry) and there numbered 141782  
 NAPIER (Hawkes Bay Registry) and there numbered 478751.2  
 NELSON (Nelson Registry) and there numbered 269962.1  
 NEW PLYMOUTH (Taranaki Registry) and there numbered 341775  
 WELLINGTON (Wellington Registry) and there numbered 860782.2

LAND CORPORATION LIMITED at Wellington carrying on the business of land management appointed me its Attorney on the terms and subject to the conditions set out in the said Deed. . .

- 2. THAT at the date hereof I was Property Officer of the said Corporation.
- 3. THAT at the date hereof I have not received any notice or information of the revocation of that appointment by the winding up or dissolution of the said LAND CORPORATION LIMITED or otherwise.

SIGNED at Christchurch  
 this 27<sup>th</sup> day of SEPTEMBER  
 1989

)  
)  
)

  
 \_\_\_\_\_

RELEASED UNDER THE OFFICIAL INFORMATION ACT

MEMORANDUM OF RENEWAL

HER MAJESTY THE QUEEN

Lessor

STEWART AND RAE LIMITED

Lessee

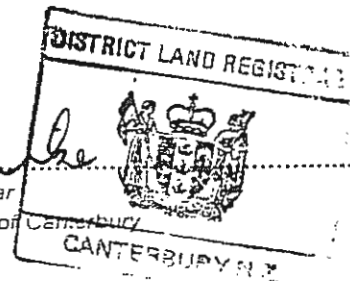
Particulars entered in the Register on

Date and at the time recorded below:

District  
Assistant Land Registrar

Particulars entered in the Register at the date and at the time recorded below.

Assistant Land Registrar  
of the District of Canterbury



Land Corporation Limited  
CHRISTCHURCH

11.48 20.OCT89 C 833778

RECORDED



IN THE MATTER of the Land Act 1948

AND

IN THE MATTER of Crown Pastoral Lease

No. P 62 registered as Volume 529, folio 68 (Canterbury Registry) from HER MAJESTY THE QUEEN to STEWART AND RAE LIMITED a duly incorporated company having its registered office at Wellington.

THE COVENANTS CONDITIONS AND RESTRICTIONS contained or implied in the said Lease are hereby varied by the addition of Clause 13 hereinafter:

- 1. CLAUSE 13 THAT the Lessee will hold and use the land contained in the said Lease bona fide for the Lessee's own use and benefit in conjunction with the land contained in Crown Renewable Lease No. F 45 containing three thousand eight hundred and ninety-five (3895) acres and being Rural Section 37674 Blocks I, V and IX Waiau and Blocks IV, VIII and XII Lyndon Survey Districts and being all the land contained in Register Book Volume 529, folio 191 (Canterbury Registry) and will not transfer assign sublet or part with possession of the lands contained in Lease No. P 62 and Lease No. F 45 one without the other or any part or parts thereof without the previous approval in writing of the Land Settlement Board.
2. THAT save as expressly provided hereinbefore the covenants conditions and restrictions contained or implied in the said Lease shall remain unaltered or otherwise unaffected.

DATED the 13th day of March 1968

THE COMMON SEAL of STEWART AND RAE LIMITED was hereto affixed in the presence of:-

[Signature of G. Stewart] Director



SIGNED for and on behalf of HER MAJESTY THE QUEEN by the Commissioner of Crown Lands for the Land District of Canterbury in the presence of:

[Signature of M. J. Higgins]

ASSISTANT, Commissioner of Crown Lands

Witness: [Signature of P. D. Summers] Occupation: Lands Office Clerk

VARIATION OF LEASE

Correct for the purposes of  
the Land Transfer Act 1952.

HER MAJESTY THE QUEEN Lessor


STEWART AND RAE LIMITED Lessee

*M. J. [Signature]*  
for Lessor

PARTICULARS entered in the Register

Book Volume 529, folio 68 the

18 MAR 1968 196 at 1.35  
o'clock.

 *[Signature]*  
District (Asst.) Land Registrar  
of the Land District of Canterbury

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VARIATION OF LEASE

Correct for the purposes of  
the Land Transfer Act 1952.

HER MAJESTY THE QUEEN Lessor

STEWART AND RAE LIMITED Lessee

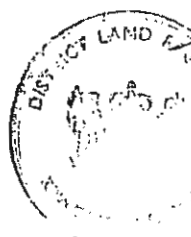
*M. J. [Signature]*  
for Lessor

PARTICULARS entered in the Register

Book Volume 529, folio 68 the

18 MAR 1968 196 at 1.35

o'clock.

 District (Asst.) Land Registrar  
of the Land District of Canterbury

***Appendix 3 : Copy of Land Improvement Agreement and Variations***

RELEASED UNDER THE OFFICIAL INFORMATION ACT

NORTH CANTERBURY CATCHMENT BOARD

LAND IMPROVEMENT DEED

(Under S.30 (3) of the Soil Conservation and Rivers Control Act 1941)

T H I S D E E D made the 1st day of April 1977.  
B E T W E E N the NORTH CANTERBURY CATCHMENT BOARD duly constituted under the Soil Conservation and Rivers Control Act 1941 (hereinafter called "the Board") of the first part A N D STEWART & RAE LIMITED a duly incorporated company having its registered office at Wellington (hereinafter together with its successors and assigns called "the Company") of the second part A N D HER MAJESTY THE QUEEN acting by and through the Commissioner of Crown Lands for the Land District of Canterbury (hereinafter referred to as "the Crown") of the third part A N D LAWRENCE IVAN RAE of Waiau, Farm Manager and Company Director AND GORDON DRUMMOND STEWART of Wellington, Retired Accountant and Company Director (hereinafter together called "the Guarantors") of the fourth part.

WHEREAS:

1. By virtue of a Deed of Lease dated the 1st day of March 1956 the Company is the lessee of all the land described in the Schedule hereto (hereinafter called 'the Pastoral Lease') being the land delineated black on the Programme of Work map annexed hereto (hereinafter called "Plan A") with the exception of the land shown on Plan A and thereon identified as "Land Being Transferred to Tinline Downs".
2. The Guarantors have agreed jointly and severally to guarantee to both the Board and the Crown the performance by the Company of its covenants obligations and commitments under and by virtue of this Deed and such commitments obligations and works as are required to be done and carried out to implement and put into effect the Soil and Water Conservation Plan annexed hereto.
3. Certain of ~~the~~ Pastoral Lease is considered unfit for

further grazing and in consideration of the agreements hereinafter contained on the part of the Board and the Crown the Company agrees to surrender to the Crown approximately 5800 hectares of the Pastoral Lease and in consideration of this agreement the Crown agrees to grant to the Company a Pastoral Occupation Licence of the area surrendered by the Company.

NOW THIS DEED WITNESSETH as follows:

1. IN consideration of the Board granting to the Company a subsidy upon the conditions hereinafter appearing and in consideration of the premises the Company agrees:

- (1) To destock completely that area shown on Plan A and thereon edged in purple as from the end of the three-year period referred to in Clause 3 (1) hereof or at such earlier date as may be agreed to between the parties.
- (2) To stock only with cattle those parts of the Pastoral Lease shown on Plan A and thereon coloured yellow from the execution of this Deed.
- (3) To surrender to the Crown those parts of the Pastoral Lease shown on the Plan of Parts Run 279 annexed hereto (hereinafter called "Plan B") and thereon edged in red TO THE INTENT that the rights privileges and benefits accruing to the Company under those parts of the Pastoral Lease shall be surrendered to the Crown and the term of years created by the Lease shall be extinguished and the Company shall execute a surrender of those parts of the Lease contemporaneously with this Deed.
- (4) To operate manage and control and carry out such management practices methods programmes and systems of work on the property as shall be necessary for the purpose of achieving the objectives of the Soil and Water Conservation Plan and in addition to carry out the works referred to in the Soil and Water Conservation Plan and to observe perform and fulfil all of the conditions hereinafter and therein appearing.

2. IN consideration of the Company agreeing to surrender to the Crown parts of the Pastoral Lease the Crown agrees to grant to the Company a Pastoral Occupation Licence of the land (hereinafter called "the Pastoral Occupation Licence") shown on Plan B and thereon edged in red and the said Licence shall be granted for a term of ten years from the execution of this Deed PROVIDED THAT the said licence shall not confer upon the Company any rights to graze the Pastoral Occupation Licence.

3. IN consideration of the agreements and covenants by the Company hereinbefore appearing and conditional upon the carrying out of the said Soil and Water Conservation Plan and the due observance performance and fulfilment of the conditions hereinafter appearing the Board will subsidise the works to be carried out by the Company at the rate and in the manner in which subsidies are provided for in the said Soil and Water Conservation Plan and the said Soil and Water Conservation Plan shall be subject to the following conditions:

- (1) The Company will during the period of three years from the execution of this Deed carry out the works referred to in the said Soil and Water Conservation Plan in accordance with the plan and the programme there set forth and will during such period so manage the land as to enable it to carry out in such period the works referred to in the said Soil and Water Conservation Plan.
- (2) The said Soil and Water Conservation Plan and these conditions may only be modified by agreement in writing between the Board and the Company.
- (3) As and when any part of the work qualifying for subsidy is completed the Company may notify the Board and the Company shall in any case upon completion of the programme of work for any one year as set out in the said Soil and Water Conservation Plan notify the Board of such completion and the Board may inspect the same to satisfy itself that the work has been done as required by the said Soil and Water Conservation Plan. The Company will in any case supply the Board with such further information relating to such work and provide such vouchers or receipts as the Board may require. If the work shall have been done in accordance with the said Soil and Water Conservation Plan and the expenditures there referred to have been made by the

Company the Board will pay the subsidy therefor to the Company.

- (4) The Company will from the commencement by it of the works referred to in the said Soil and Water Conservation Plan and for a period of ten (10) years from the completion of the works referred to in the said Soil and Water Conservation Plan keep and maintain all such works as are referred to in the said Soil and Water Conservation Plan in good order and condition at its own cost and expense.
- (5) During the period from the commencement until ten (10) years after the completion of the works referred to in the said Soil and Water Conservation Plan the Company will:
  - (i) When required by the Board supply to the Board all information and data necessary to enable the Board to compile grazing production and other records as a means of evaluation of the effect of the said Soil and Water Conservation Plan.
  - (ii) Advise the Board if it intends to sell, transfer, lease or otherwise alienate its interest in any of the Pastoral Lease or Pastoral Occupation Licence or any part of the land affected by the said Soil and Water Conservation Plan or if any change in use is intended.
  - (iii) Permit the agents and servants of the Board on official duties to enter and inspect the Company's land at all reasonable times.
- (6) If at any time during or prior to the period referred to in Clause 3 (5) of these conditions the Company:
  - (i) Sells, transfers, leases or otherwise alienates any of the Pastoral Lease or Pastoral Occupation Licence or any part thereof to which the said Soil and Water Conservation Plan applies and the purchaser, transferee, lessee or person or persons taking any legal interest in the land shall not within 14 days of such sale, transfer, lease or disposition enter into an agreement with



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the Board in the same terms as the present Deed  
for the unexpired part of the said period referred  
to in Clause 3 (5) of these conditions to the  
satisfaction of the Board; or

- (ii) Fails to carry out faithfully the provisions of the said Soil and Water Conservation Plan and to observe these conditions and such failure shall continue for a period of 14 days after written notice has been posted by the Board to the Company at its registered office requiring it to remedy any such failure,

then and in either such case the Company will upon demand being made by the Board refund to the Board in full (but without interest) all subsidies paid by the Board to the Company.

IT IS HEREBY AGREED AND DECLARED:

4. THAT the Company shall be properly chargeable by the Board with the following fees based on the total costs admitted for subsidy purposes and referred to in the Soil and Water Conservation Plan:

- (1) An on cost fee calculated at 7½%. This fee is not subsidised.
- (2) A supervision charge calculated at 5%. This charge attracts a subsidy and only the unsubsidised portion will be borne by the Company.

The charges referred to in 4 (1) and 4 (2) above shall be deducted from such subsidy moneys as are payable to the Company in accordance with the Soil and Water Conservation Plan.

5. THIS Deed may be presented for registration in the Canterbury Land Registry for registration against the Land Transfer titles of the Pastoral Lease land leased by the Company and may be so presented for registration or noting against the Pastoral Occupation Licence.

6. SHOULD the Crown at any time following the expiry of the Pastoral Occupation Licence propose to alienate sell or otherwise dispose of the Pastoral Occupation Licence land or part or parts of such land for the purpose and with the intent that the land should once again be used for agricultural or pastoral purposes then the Crown undertakes to afford the Company the first opportunity of purchasing or otherwise acquiring the whole or such part of the land above described as the Company may require TO THE INTENT that the Crown shall at the time of such intended alienation sale or disposition offer the land to the Company at a price and on such conditions as shall be determined by the Crown.

7. IT IS HEREBY AGREED by and between the parties hereto and each of them that the provisions of this Deed with the exception of Clause 3 hereof may only be modified by agreement in writing between the parties and in the event of any dispute arising as to whether or not the provisions of this Deed will be modified the matter shall be referred to a Committee of three persons comprising:

- (1) A representative from the Company.
- (2) A representative from the Board.
- (3) A representative from the Crown.

In the event of the members of the Committee failing to agree or disagreeing then the matter shall be directed to the Soil Conservation and Rivers Control Council and the decision of the Council shall be final and binding on the parties hereto.

8. THE parties hereto shall each be responsible for their own costs as to the preparation of this Deed.

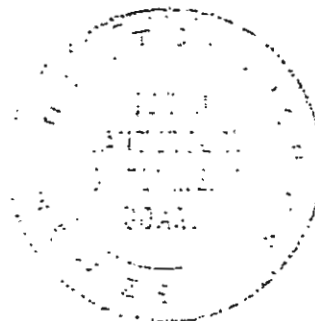
9. IT IS HEREBY AGREED by and between the parties hereto and each of them that the Guarantors jointly and severally guarantee to the Crown and the Board and each of them the due performance by the Company of its obligations covenants and commitments resultant and consequent upon the execution of this Deed and the Guarantors jointly and severally hereby guarantee to the Crown and the Board and each of them the due performance of the Company's obligations.

thousand two hundred and eighty hectares (15280 ha) a little more or less situated in the Land District of Canterbury and being Run 279 "Hossack" situated in Blocks VII, XII, XV, XVI Percival Survey District, V, VI, IX, X, XIII, XIV Terako Survey District, III, IV Lyndon Survey District and I Waiiau Survey District and being all the land comprised and described in Certificate of Title Volume 529 Folio 68.

IN WITNESS whereof these presents have been executed the day and year first hereinbefore written.

THE COMMON SEAL of the)
NORTH CANTERBURY CATCH-)
MENT BOARD was hereto)
affixed pursuant to a )
Resolution of the said )
Board in the presence of

[Signature] Member
[Signature] Member
[Signature] Secretary



SIGNED by the COMMISSIONER)
OF CROWN LANDS for the Land)
District of Canterbury on )
behalf of the Crown in the )
presence of:

[Signature]
[Signature]
[Signature]

THE COMMON SEAL of STEWART)
& RAE LIMITED was hereto )
affixed in the presence of: )

[Signature]
[Signature]



SIGNED by the said LAWRENCE)
IVAN RAE in the presence of:)

[Signature]

[Signature]

SIGNED by the said (GORDON)  
DRUMMOND STEWART in the  
presence of:

X *Drummond Stewart* ✓

*A. H. Kous.*  
*U 25 a Koko Rd*  
*Ch ch 4*

D. WATER CONSERVATION

Stewart & Rae Ltd.,  
The Hossack,  
HANMER SPRINGS.

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Land Inventory : D.H. Saunders, D.C. Wethey.  
 Land Capability : D.H. Saunders.  
 Conservation Planning : J.H. Stone.  
 Approved : R.D. Dick.

MARCH, 1974.

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LAND AND MINING AGREEMENT

Under Section 10 of the Gold Control Act and of the

Under Section 30A of the Gold Control Act and of the

NORTH CANADIAN MINING AND LAND DEVELOPMENT ACT

FEES PAID HEREON  
AVAILABLE  
TO  
ALBA

*Handwritten notes and signatures, including "W. J. ..."*

NO. 23/5/1 VARIATION OF FINE

OF THE ...

W. J. ...



VARIATION OF LAND IMPROVEMENT AGREEMENT

Under S.30 (3) of the Soil Conservation and River Control Act 1941

H I S D E E D made the 11<sup>th</sup> day of Sept 1980  
BETWEEN the NORTH CANTERBURY CATCHMENT BOARD duly constituted under the Soil Conservation and Rivers Control Act 1941 (hereinafter called "the Board") of the first part AND STEWART AND RAE LIMITED a duly incorporated company having its registered office at Wellington (hereinafter together with its successors and assigns called "the Company") of the second part AND HER MAJESTY THE QUEEN acting by and through the Commissioner of Crown Lands for the Land District of Canterbury (hereinafter referred to as "the Crown") of the third part AND LAWRENCE IVAN RAE of Waiiau, Farm Manager and Company Director AND GORDON DRUMMOND STEWART of Wellington, Retired Accountant, and Company Director (hereinafter together called "the Guarantors") of the fourth part.

115E60 48256 DTY \*\*\*\*\*50.4

NEW ZEALAND STAMP DUTY CHU

W H E R E A S

1. By Deed of Agreement dated the 1st day of April 1977 made between the parties aforesaid the parties entered into a Land Improvement Agreement as recorded therein and upon the terms conditions covenants and specifications therein set out.
2. The said Land Improvement Agreement has been registered in the Canterbury Land Registry under number 128549/1 against the land affected by the Agreement.
3. The parties to the Land Improvement Agreement being the parties hereto have agreed that certain of the works and provisions referred to in the Land Improvement Agreement should be varied by the addition thereto of works and terms as are hereinafter set out.

ASST. LAND REGISTRAR

LAND REGISTRY

NOW THIS DEED WITNESSETH AS FOLLOWS:

1. IN consideration of the premises the parties hereto hereby agree and declare as follows:

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- (1) Additional work shall be incorporated into the Soil and Water Conservation plan attached to the Land Improvement Agreement namely a fencing project described as "S.C.F. 21-22" the location of which work is shown on the plan attached hereto and marked "A" and thereon shown by a red line. The specifications for the additional work are as follows:
- Length of fence; 3,800 metres.
  - Type of fence; average of 2½ treated wooden posts per 20 metres, 3 standards between posts.
  - 5, 4 mm plain wires.
  - 2 barbed wires.
  - Wooden strainers as required.
- (2) The Company agrees that during the period from the completion of the fencing project above described as S.C.F. 21-22 until the expiry of the period referred to in Clause 3 (4) of the Land Improvement Agreement all stock shall be managed under a rotational grazing system designed to encourage and maintain a dense vegetative cover on the land coloured yellow on the plan referred to in Clause 1 (1) hereof and thereby reduce the risk of soil erosion on the said land.
- (3) The provisions of the Land Improvement Agreement relating to oncost fee and supervision charge (referred to in Clause 4 of the Deed), shall apply to those works required and contemplated by the Land Improvement Agreement provided that the additional work described in Clause 1 (1) hereof shall not be subject to the oncost fee and supervision charge provisions of the Land Improvement Agreement but rather shall be subject to the following provision in substitution for Clause 4 of the Land Improvement Agreement.
- "The Company shall be properly chargeable by the Board with a service charge of 25% on job costs as approved by the Board for subsidy purposes. The service charge attracts the same rate of subsidy as the job costs approved. Only the unsubsidised amount of the service charge will be borne by the Company and will be deducted from such subsidy monies as are otherwise payable to the Company."
- (4) The terms covenants and conditions of the Land Improvement Agreement shall apply to the additional work incorporated into the Agreement by virtue of this Deed of Variation.



RIVER

2700'

CLARENCE  
1117 ha

300m S 6

300m

28

2800'

CLOUDY CORNER  
467 ha

3659'

MT GRANT  
4898'

Malingsoh Cr

2900'

400m

3100'

OSTD 21  
TD 22  
202 ha

OSTD 11  
TD 12  
202 ha

EAST  
HOSSACK  
410 ha

300m S 5

3850'

Hosack River

2900'

M  
54

CLASS VIII  
RETIRED FROM  
GRAZING  
7733 ha

MT TINLINE  
5731'

WEST HOSSACK  
1147 ha

3600'

4

3106'

3075'

3470'

4300'

4250'

3000'

A

RELEASED UNDER THE OFFICIAL INFORMATION ACT

NORTH CANTERBURY CATCHMENT BOARD

VARIATION OF LAND IMPROVEMENT AGREEMENT

Under S. 30(3) of the Soil Conservation and Rivers Control Act 1941

THIS DEED made the 6<sup>th</sup> day of June 1984, BETWEEN the NORTH CANTERBURY CATCHMENT BOARD duly constituted under the Soil Conservation and Rivers Control Act 1941 (hereinafter called "the Board") of the first part and STEWART AND RAE LIMITED a duly incorporated company having its registered office at Wellington (hereinafter together with its successors and assigns called "the Company") of the second part and HER MAJESTY THE QUEEN acting by and through the Commissioner of Crown Lands for the Land-District of Canterbury of the third part and LAWRENCE IVAN RAE of Waiau, Farm Manager and Company Director and GORDON DRUMMOND STEWART of Wellington, Retired Accountant and Company Director of the fourth part.

WHEREAS

7JN84 10240 DTY \*\*\*\*\*\$10.00

NEW ZEALAND STAMP DUTY CHU

1. BY Deed of Agreement dated the 1st day of April 1977 made between the parties aforesaid the parties entered into a Land Improvement Agreement as recorded herein and upon the terms conditions covenants and specifications therein set out.
2. BY Deed of Variation of Agreement dated the 11th day of September 1980 the parties aforesaid varied the said Land Improvement Agreement in the manner therein set out.
3. THE said Land Improvement Agreement has been registered in the Canterbury Land Registry under number 128549/1 against the land affected by the Agreement and the said Variation of Agreement has been registered in the Canterbury Land Registry under number 292358/1 against the said land.
4. THE parties to the Land Improvement Agreement and the Variation of Agreement being the parties hereto have agreed that certain of the works and provisions referred to in the Land Improvement Agreement should be further varied by the addition thereto and deletion therefrom of works and terms as are hereinafter set out.

NOW THIS DEED WITNESSETH THAT in consideration of the premises the parties hereto hereby agree and declare as follows:

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- 2 -

1. THE agreement to carry cattleproofing fencing and cultivation described in the Soil and Water Conservation Plan as projects C.P.1 and Fence 11 - Hay and C. shall be deleted from the provisions of the Land Improvement Agreement.
2. ADDITIONAL work shall be incorporated into the Soil and Water Conservation Plan attached to the Land Improvement Agreement, the specifications of such additional work being recorded on the document attached hereto and marked "A" and the location of such additional work being coloured blue on the plan marked "B" attached hereto and thereon marked R1 and R2.
3. THE following provisions shall apply with respect to the additional work referred to in Clause 2 hereof:
  - (i) the Company shall at least one week prior to the intended commencement of each part of the additional work notify the Board of such intended commencement and the Company shall not without the prior approval of the Board make any firm commitment for the hire of contractors' plant which the Company proposes to engage in the execution of the work;
  - (ii) unless the Board shall notify the Company otherwise the additional work shall be carried out under the supervision of the Board and the Company shall comply with such directions as the Board may give in order to ensure that the additional work conforms to the requirements and specifications set out in the document marked "A" attached hereto;
  - (iii) the Company shall take all reasonable precautions against damage by stock of live protection comprised in the additional work;
  - (iv) the Company shall forthwith notify the Board of major flood damage suffered by the additional work.
4. SUBJECT as provided in Clauses 5 and 6 hereof the terms covenants and conditions of the Land Improvement Agreement shall apply to the additional work incorporated into the said Agreement by virtue of this Variation of Agreement.

5. THE term "maintain" as it is used in paragraph (4) of the conditions referred to in Clause 3 of the Land Improvement Agreement shall not extend to repair of flood damage sustained by the additional work or damage attributable to other than neglect or minor matters.

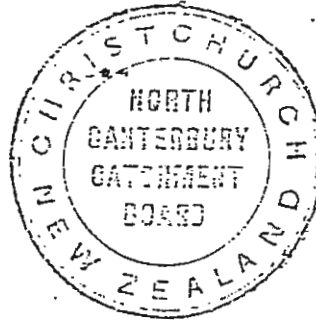
6. THE provisions of the Land Improvement Agreement relating to on cost fee and supervision charge (referred to in Clause 4 of the Deed) shall not apply to the proposed works referred to in the document marked "A" attached hereto but rather those works shall be subject to the following provision in substitution for Clause 4 of the Land Improvement Agreement:

"The Company shall be properly chargeable by the Board with a service charge of 25% on job costs as approved by the Board for grant purposes. The service charge attracts the same rate of grant as the job costs approved. The Owners shall bear the difference between the service charge and the grant calculated thereon and the difference will be deducted from grant as otherwise payable by the Company."

7. PARAGRAPH (1) of the conditions referred to in Clause 3 of the Land Improvement Agreement shall be amended by deleting the expression "three years" and by substituting therefor the expression "ten years".

8. IN all other respects the terms covenants and conditions of the Land Improvement Agreement are hereby confirmed.

THE COMMON SEAL of the  
NORTH CANTERBURY CATCHMENT BOARD  
was hereto affixed pursuant to  
a resolution of the said Board  
in the presence of:



[Signature] Member

[Signature] Member

[Signature] Secretary

RELEASED UNDER THE OFFICIAL INFORMATION ACT

SIGNED by the  
COMMISSIONER OF CROWN LANDS  
for the Land District of  
Canterbury on behalf of the  
Crown in the presence of:

*[Handwritten signature]*

*[Handwritten signature]*  
Reader in Civil Engineering  
76 Pees St Christchurch 4

THE COMMON SEAL of  
STEWART & RAE LIMITED  
was hereto affixed in the  
presence of:



*[Handwritten signature]*  
*[Handwritten signature]*

SIGNED by the said  
LAWRENCE IVAN RAE  
in the presence of:

*[Handwritten signature]*

*[Handwritten signature]*  
Postmaster, Lawrence, A. Waiata  
26. 3. 84

SIGNED by the said  
GORDON DRUMMOND STEWART  
in the presence of:

*[Handwritten signature]*

*[Handwritten signature]*  
*[Handwritten signature]*  
*[Handwritten signature]*

***Appendix 4 : Copy of Land Status Report***