

Crown Pastoral Land Tenure Review

Lease name : LILYBANK

Lease number : PT 002

Due Diligence Report (including Status Report) - Part 6

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.

May 09

**PROPERTY 3 OF 3
Land Status Report**

**OPUS INTERNATIONAL CONSULTANTS LIMITED
CHRISTCHURCH OFFICE**

APPENDIX A3

Project Number : 6NL 788 TR (CH 0030)

This report has been prepared on the instruction of Land Information New Zealand in terms of Contract No: 50239 dated 30 October 2000 and is undertaken for the purposes of the Crown Pastoral Land Act 1998.

LAND STATUS REPORT for Lilybank Tenure Review	LIPS Ref :Not Applicable
Property 3 of 3	

Land District	Canterbury
Legal Description	Sections 1 and 2, SO 19047.
Area	36.5880 hectares.
Status	Land held for Conservation purposes pursuant to the Conservation Act 1987 by New Zealand Gazette 1999 p1433.
Instrument of title / lease	No registration.
Encumbrances	Nil.
Mineral Ownership	Mines and Minerals are owned by the Crown because the land has never been alienated from the Crown since its acquisition from the Maori Owners under the 1848 Kemp Deed of Purchase.

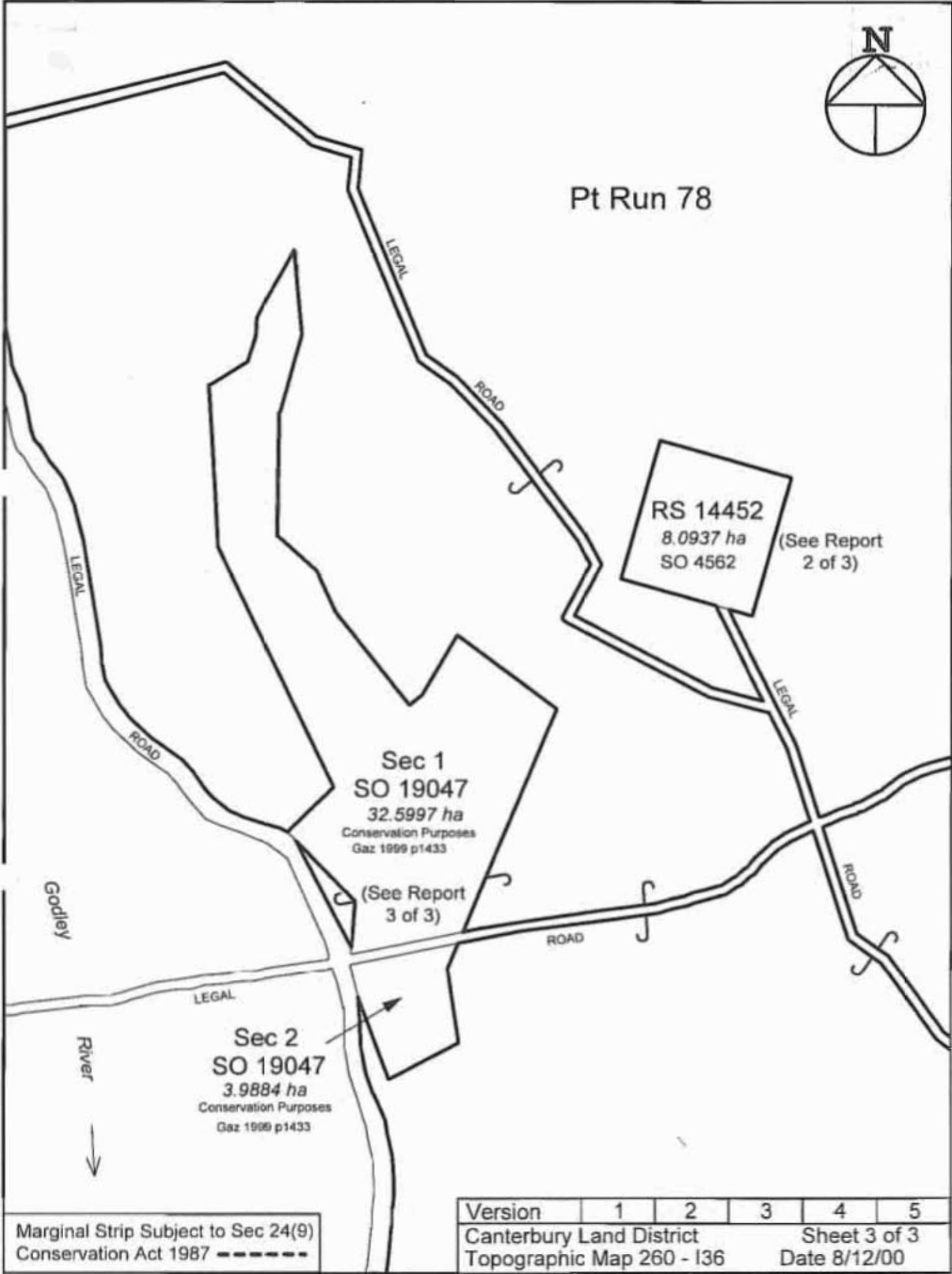
Data Correct as at	15 February 2001
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Prepared by	Don McGregor
Crown Accredited Supplier	Opus International Consultants Ltd, Christchurch



Pt Run 78



Marginal Strip Subject to Sec 24(9)
Conservation Act 1987 -----

Version	1	2	3	4	5
Canterbury Land District				Sheet 3 of 3	
Topographic Map 260 - 136				Date 8/12/00	

Lilybank

Scale 1:10000

0 200 400 600 800 1000 1200 metres

**APPENDIX B – LAND STATUS REPORT
(Certified Correct by Chief Surveyor)**



OPUS
INTERNATIONAL
CONSULTANTS

LILYBANK STATION

PASTORAL LEASE STATUS CHECK
CONTRACT: 50239

*Opus: an accomplished work,
a creation, an achievement*

Project Number : 6NL 788.TR

This report has been prepared on the instruction of Land Information New Zealand in terms of **Contract No: 50239** dated 30 October 2000 and is undertaken for the purposes of the Crown Pastoral Land Act 1998.

LAND STATUS REPORT for Lilybank Tenure Review	LIPS Ref 12788
Property 1 of 1	

Land District	Canterbury
Legal Description	Parts Run 78 situated in Blocks III VII X XIV XV XVI Godley II III VI and VII Tekapo North Survey Districts and Section 2, SO 19981.
Area	2135.6656 hectares.
Status	Crown land subject to the Land Act 1948.
Instrument of title / lease	Balance Pastoral Lease 10K/888 pursuant to Section 66 and registered under Section 83 of the Land Act 1948 as a substitute title of leasehold land held in CL 529/2 as varied by Memorandum of Renewal 732520/1.
Encumbrances	<p>Subject to:</p> <ol style="list-style-type: none"> 1 Land Improvement Agreements No. 286745/1 and 830901/1 under Section 30 of the Soil Conservation and Rivers Control Act 1941. 2 Section 8 of the Coal Mines Amendment Act, 1950, this lease is subject to the reservation to the lessor of all coal existing or under the surface of the land and subject also to the reservation to the lessor of the power to grant coal mining rights over the land under Part I of the Coal Mines Act 1925. 3 Variation A 387257/3 whereby from 30 November 1998, notwithstanding the provisions of Clause 13 and covenants (a) and (f), the lessee shall not depasture stock but may move stock across that part of the land known as Section 2 from and to adjacent lands. To ensure compliance the lessee shall maintain stock proof fences on the boundaries of the said Section 2. 4 Part IVA of the Conservation Act 1987 upon disposition.
Statute	Land Act 1948 and Crown Pastoral Land Act 1998.

Data Correct as at	11 January 2001
[Certification Attached]	Yes

Prepared by	Don McGregor
Crown Accredited Agent	Opus International Consultants Ltd, CHRISTCHURCH

LAND STATUS REPORT for Lilybank Tenure Review LIPS Ref 12788

Pro: 1 of 1

Certification:

Pursuant to section 11(1)(f) of the Survey Act 1986 and acting under delegated authority of the Surveyor - General pursuant to section 11(2) of that act, I hereby certify that the land described above is Crown Land subject to the Land Act 1948.

R. Moulton

Date: 12/1/2001

R Moulton, Chief Surveyor
Land Information New Zealand, Christchurch

Project number : 6NL 788.TR

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Statute	Land Act 1948 and Crown Pastoral Land Act 1998.

Data Correct as at	19 December 2000
[Certification Attached]	Yes

Prepared by	Don McGregor
Crown Accredited Agent	Opus International Consultants Ltd, CHRISTCHURCH

LAND STATUS REPORT for Lilybank Tenure Review				LIPS Ref 12788
Property	1	of	1	

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.....
R Moulton, Chief Surveyor
Land Information New Zealand, Christchurch

Date:/..../2001

CERTIFICATION

Report to the Chief Surveyor, Christchurch, for a certification of a Status Investigation in respect to Lilybank Tenure Review.

1. Donald McGregor, Property Consultant, Opus International Consultants Ltd, certifies that the status report enclosed for certification is in order for signature.
2. In giving this certification, Donald McGregor, Property Consultant, Opus International Consultants Ltd, undertakes that the status report has been completed in compliance with all relevant policy instructions and in particular, OSG Standard 1999/05 and the Regulatory Chiefs' Land Status Investigations Guidelines 1999/01.



Donald McGregor
for Opus International Consultants Ltd
19 December 2000

Reference:
Parent C/T. 529/2
N/C. Order No. 837179
Lease No.

SEARCH COPY - 15 DECEMBER 2000

No. 10K/888



REGISTER

CERTIFICATE OF TITLE UNDER LAND TRANSFER ACT

LEASEHOLD

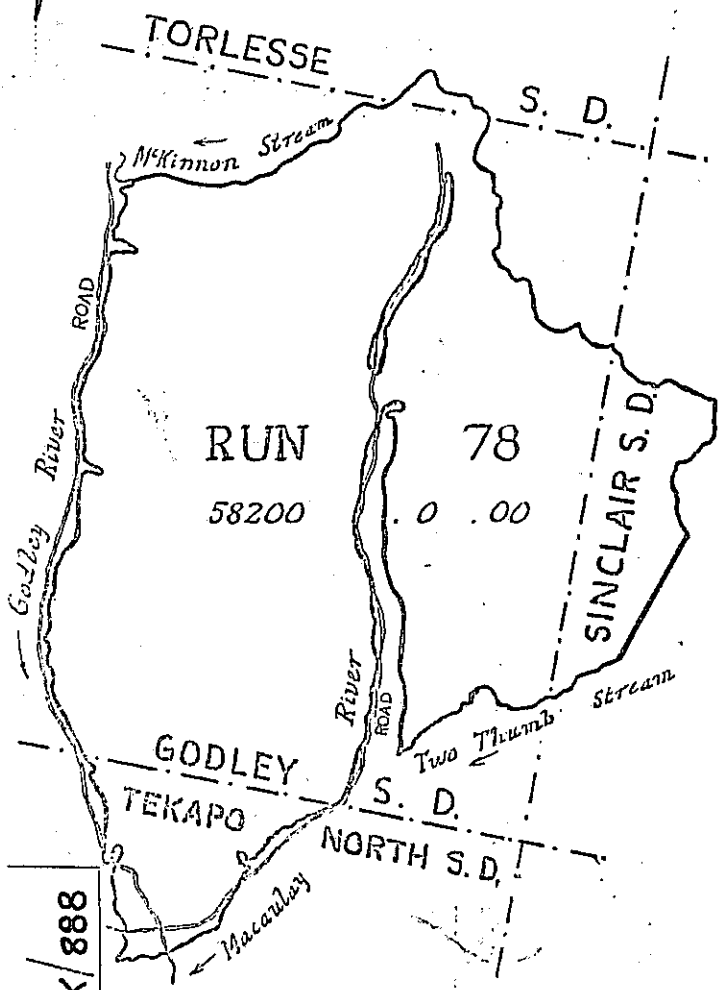
Registered Lease No.	Name of Lessor.	Term of Lease	Lessor's Title: Vol. Folio
529/2	Her Majesty the Queen	33 years commencing on 1.7.1951 EXTENDED 33 YEARS FROM 1.7.1984	Crown Land

This Certificate dated the 16th day of July one thousand nine hundred and seventy-one under the seal of the District Land Registrar of the Land Registration District of Canterbury

WITNESSETH that NEW ZEALAND TROPHY GUIDE SERVICE LIMITED a company having its registered office at Hamilton

is seized of an estate of leasehold created by the lease particulars of which are set out above (subject to such reservations, restrictions, encumbrances, liens, and interests as are notified by memorials underwritten or endorsed hereon) in the land hereinafter described, delineated with bold black lines on the plan hereon, be the several admeasurements a little more or less, that is to say: All that parcel of land containing 58,200 acres or thereabouts situated in the Torlesse,

Godley, Sinclair and Tekapo North Survey Districts being Run 78 "Lilybank"



H. H. H. H.
Deputy District Land Registrar

Subject to:

- No. 440543 Electricity Agreement under the Electricity Amendment Act 1948 at 11.39 a.m.
- Mortgage 812887 Australia and New Zealand Banking Group Limited - 28.10.1971 at 2.53 p.m.
- Mortgage 812888 Grace Hammond Grace and Bishop's Securities Limited - 13.7.1971 at 1.50 p.m.
- Mortgage 836791 Raymond Ward and Sullivan Securities Limited - 13.7.1971 at 11.50 p.m.
- 836793 Memorandum of Priority making mortgage No. 836791 first, 812887 second and mortgage 812888 third mortgage - produced 13.7.1971 at 11.50 a.m.

No. 10K/888

Scale: 1 inch = 3 miles

METRIC AREA: - 23552.7043 ha
Area Reduced to 2135.6656 ha
See P./S.A. 82257.2

OVER

H. H. H. H.
D.L.R.
5,000/2511-11610 W

SEARCH COPY - 15 DECEMBER 2000

Variation of Mortgage 812888 - 6/4/1972 at 9.15 a.m.

A.L.R.

No.17108/1 St. George's Land Charge under the Rural Housing Act 1959 - 25.11.1974 at 10.05 a.m.

A.L.R.

Mortgage 170331/1 to The Rural Banking and Finance Corporation of New Zealand - 22.5.1978 at 11a.m.

for A.L.R.

Land Improvement Agreement 286745/1 under Section 30A of the Soil Conservation and Rivers Control Act 1941 - 8.8.1980 at 9.11 a.m.

No. 314784/1 Change of Name of the abovenamed Mortgagee in Mortgage 812888 to Stace Hammond Clients Securities Limited - 5.3.1981 at 10.24 a.m.

for A.L.R.

Mortgage 351354/1 to Her Majesty the Queen - under the Marginal Lands Act 1950 - 22.10.1981 at 1.45 pm

for A.L.R.

No.351354/2 Memorandum of Priority making Mortgages 351354/1 and 170331/1 second and third mortgages respectively - 22.10.1981 at 1.46 p.m.

for A.L.R.

Certificate No. 925141/1 that the within Mortgage No. 351354/1 is vested in the Rural Banking and Finance Corporation of New Zealand 15/3/1983

A.L.R.

No.489553/1 Certificate of Alteration under Section 113 Land Act 1948 increasing the within area to 27518.6236 hectares following redefinition - 23.5.1984 at 11.43 am.

for A.L.R.

Mortgage 560899/2 to The Rural Banking and Finance Corporation of New Zealand - 13.8.1985 at 9.00am

for A.L.R.

No.560899/3 Memorandum of Priority making charge and mortgages 17108/1, 560899/2 and 812887 first, second and third charge and mortgages respectively - 13.8.1985 at 9.00 a.m.

for A.L.R.

No. 732520/1 Variation of the terms of the Within Lease and extending the term for a further 33 years commencing on 1.7.1984 - 24.3.1988 at 9.58am

for A.L.R.

No.830901/1 Land Improvement Agreement pursuant to Section 30A of the Soil Conservation & Rivers Control Act 1941 - 5.10.1989 at 10.13am

for A.L.R.

Transmission A23092/2 to Kelvin Bryce Hampton of Burnham, Soldier as Administrator - 10.11.1992 at 11.51am

for A.L.R.

No.917710/1 Change of Name of the mortgagee under Mortgage 560899/2 to The Rural Bank Limited - produced 28.1.1991 and entered 10.11.1992 at 11.52am

for A.L.R.

No. A116303/1 Notice of Appellation whereby parts of the within land (36.5880ha) are now known as Sections 1 and 2 S.O. Plan 19047 - 7.6.1994 at 9.22am

A.L.R.

No. A128084/1 Notice of Appellation whereby parts of the within land (25488.0000 ha) are now known as Sections 1-4 SO Plan 19186 - 10.8.1994 at 9.06am

for A.L.R.

A367227.1 Notice of Appellation whereby parts of the within land (Sections 1, 2 and 3 SO 19186 - 25313.3700 ha) are now known as Section 1 SO Plan 19981

A367227.2 Notice of Appellation whereby part of the within land (Section 1 SO 19186 - 141.6300 ha) is now known as Section 2 SO Plan 19981

all 4.9.1998 at 9.00

for DLR

A370671.1 Notice of Appellation whereby part of the within land (part section 1 SO 19186 - 25313.3700 ha) is now known as section 1 SO 19981 - 29.9.1998 at 1.15

for DLR

A374436.1 Notice of Appellation whereby part of the within land (part Section 1 SO 19186 - 141.6300ha) is now known as Section 2 SO 19981 - 23.10.1998 at 11.56

for DLR

10K/888 SHEET TWO

SEARCH COPY - 15 DECEMBER 2000

A387257.1 Change of name of the registered proprietor to Lilybank New Zealand Limited

A387257.2 Surrendered as to Sections 1 and 2 SO 19047, Sections 2, 3 and 4 SO 19186 and Section 1 SO 19981 (25,382.9580 ha)

A387257.3 Variation of Lease P 2

all 25.1.1999 at 11.29

S. Swan
for DLR

A450207.2 Mortgage to ASB Bank Limited - 16.3.2000 at 9.51

S. Swan
for RGL

No. 10K/888

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No. 10K/88
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Scale: 1 inch = 3 miles

METRIC AREA - 23552.7043 ha
Area Reduced to 2135.6658 ha
See P. 1/SA387257.2

making mortgage No. 812887 first, 812887 second and mortgage 812888 third mortgage - produced 13.7.1971 at 11.50 a.m.

A. Mowat
D.L.R.

5,000/2761 - 81610 W

OVER

Not Registered Under File: LAND TRANSFER ACT

NEW ZEALAND

Entered in the Register-book, Vol. 529 fol. 2
the 6th day of November 1951

CANTERBURY
LAND DISTRICT

Issued as a General of (or in Exchange for) Lease
Pastoral Licence No. 498.
registered in Vol. fol.



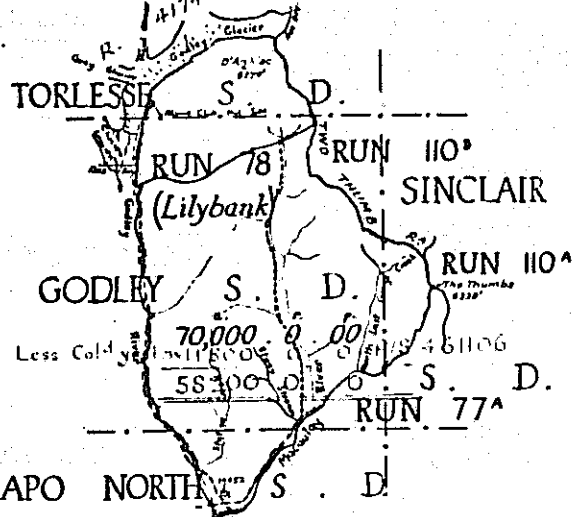
Pastoral Lease of Pastoral Land under the Land

No. P-2



Land Registrar.

This Deed, made the 1st day of March, one thousand nine hundred and fifty-one
between HIS MAJESTY THE KING (who, with his heirs and successors, is hereinafter referred to as "the Lessor"), of the one part, and
ALLAN DAVID DICK
of Lake Tekapo
Sheepfarmer (who, with his 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
Lessee to be paid, observed, and performed, the Lessor doth hereby demise and
lease unto the Lessee, that piece or parcel of land containing by
measurement Seventy thousand (70,000) acres
situated in the Land District of Canterbury, perches, a little more or less,
Run 78 "Lilybank" situated in Torlesse, Godley, Tekapo
North and Sinclair Survey Districts



(hereinafter referred to as "the said land"), as the same is more particularly delineated in 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-one together with the period between the date of this lease and the aforesaid first day of July 1951 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 £150. 0. 0 (based on a carrying capacity of 4200 sheep) (£160. 0. 0) 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 (£) by a deposit of (£) (the receipt of which sum is hereby acknowledged) and thereafter by (£) half-yearly instalments of pounds shillings and pence (£ : :) on the 1st day of January and the 1st day of July in each year in the same manner as rent.

NOTE: Scale: 4 miles to an inch

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 hereinafter reserved at the times and in the manner hereinafter 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") cut and trim all live 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, 1923.
 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 clean and clear from weeds 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, 1923, 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 disturbance of the Lessee's stock.
 13. THAT the Lessee shall exercise due care in stocking the said land and shall not overstock.
- NOTE: Pursuant to Section 58 of the Land Act 1948 a strip of land one chain in width along the banks of all streams and rivers is excluded from the within lease.
- 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 authorized 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 50 yards of a yard, garden, orchard, vineyard, nursery, or plantation, or within 100 feet of any building, dwelling-house: 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 by 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.

770

59/2

- (4) THAT the Lessee shall have no right of acquiring the fee simple of the said land.
- (5) THAT the Lessee may, with the prior consent in writing of the Commissioner given subject to such conditions as the Commissioner may deem necessary,--
- (i) Cultivate any portion of the said land for the purpose of growing winter feed for the stock depastured thereon;
 - (ii) Crop such area of the said land as is sufficient for the use of himself and family and his employees;
 - (iii) Plough and sow in grass any portion of the said land;
 - (iv) Clear any portion of the said land by felling and burning bush or scrub and sow the land so cleared in grass;
 - (v) Pasture any portion of the said land;
- Provided that the Lessee shall, on the termination of the lease, leave the whole of the area that has been ploughed or cultivated properly laid down in good permanent clovers and grasses to the satisfaction of the Commissioner.
- C.O. Sat*
- (6) THAT the Lessee shall maintain the stock on the said land and shall not overstock, and for the purpose of this clause it is hereby mutually declared and agreed between the Lessee and the Commissioner that the number of stock to be depastured on the said land during the currency of the lease shall not, without the prior consent of the Commissioner, exceed ~~4620 sheep, being an increase of ten per cent on the carrying capacity on which is based the rent hereinbefore reserved~~ *4620 sheep, being an increase of ten per cent on the carrying capacity on which is based the rent hereinbefore reserved*
- (7) THAT if the Lessee shall leave New Zealand or abandon the said land or if he cannot be found or if he shall neglect or fail or refuse to comply with the covenants and conditions herein expressed or implied to the satisfaction of the Land Settlement Board or the Commissioner, as the case may be, or make default for not less than two months in the payment of rent, water levy, or other payments due to the Lessee, then the Land Settlement Board may, subject to the provisions of section 116 of the Land Act, 1914, declare this lease to be forfeit, and that without discharging or releasing the Lessee from liability for rent due or accruing due or for any prior breach of any covenant or condition of the lease.
- (8) THAT these presents are intended to take effect as a pastoral lease under the Land Act, 1914, and the provisions of the said Act and of the regulations made thereunder applicable to such leases shall be binding in all respects upon the parties hereto in the same manner as if such provisions had been fully set out herein.

SCHEDULE

IMPROVEMENTS BELONGING TO THE CROWN AND BEING PURCHASED BY THE LESSEE

- (1) THAT pursuant to Section 8 of the Coal Mines Amendment Act, 1950, this lease is subject to the reservation to the lessor of all coal existing on or under the surface of the land, and subject also to the reservation to the lessor of the power to grant coal mining rights over the land under Part I of the Coal Mines Act, 1925.

In witness whereof the Commissioner of Crown Lands for the Land District of Canterbury, on behalf of the Lessor, hath hereunto set his hand, and these presents have also been executed by the said Lessee.

Signed by the said Commissioner, on behalf of the Lessor, in the presence of--

Witness: R. Yennin
 Occupation: Lands Office Clerk
 Address: Christchurch

Continuation of minutes from below
 NCO. 837179 } cancelled and his office
 16-7-1971 } new lease issued
 [C.T. 10K/888 issued.
 Personal A.L.R.]

Signed by the above named as Lessee, in the presence of--

Witness: J. S. Kellum F.P.
 Occupation: Private Hotel Proprietor
 Address: Lake T. shops

R. Smith A. E. Dick
 Lessee

- C.O. Dick*
- (2) THAT the Lessee shall be deemed not to have failed to use due care in stocking, or to have overstocked so long as the number of sheep depastured on the said land does not exceed 4,895 (being an increase of ten per cent on the carrying capacity on which is based the rent hereinbefore reserved) but the Commissioner may by notice in writing permit the lessee to depasture thereon any greater number should he deem it advisable or expedient so to do. Any permission so granted shall be subject to revocation or amendment by the Commissioner at any time and particularly the event of a transfer. Any variation consented to by the Commissioner shall not affect the rent payable hereunder.

M 503

DISCHARGED

Section License
 issued under section 113 of the Land Act 1914
 to Donald Mathies
 of 121/123
 and 121/123
 12 October 1937
 and 121/123
 1937

No 812884 Variation of the terms of within Lease 28.10.1970 at 2.53pm

Transfer 812885 to New Zealand Topography Guide Service Limited at Hamilton 28.10.1970 at 2.53pm

Mortgage 812886 to Bruce Fraser 28.10.1970 at 2.53pm 15.7.1971

Mortgage 812888 to State Hammond Grace and Bishop Securities Limited 28.10.1970 at 2.53pm

Mortgage 812887 to Australia and New Zealand Bank Limited - 28/10/1970 at 2.53pm

No. 826889 Correction of the name of the above named Mortgagee under Mortgage 812888 to State Hammond Grace and Bishop Client Securities Limited 18.7.1971 at 11.50am

Mortgage 836791 to Raymond Raymond Ward and Sullivan Securities Limited 13.7.1971 at 11.50am

No. 836793 Memorandum of Priority making Mortgage 836791 first mortgage, 812887 second mortgage and 812885 third mortgage. 13.7.1971 at 11.50am

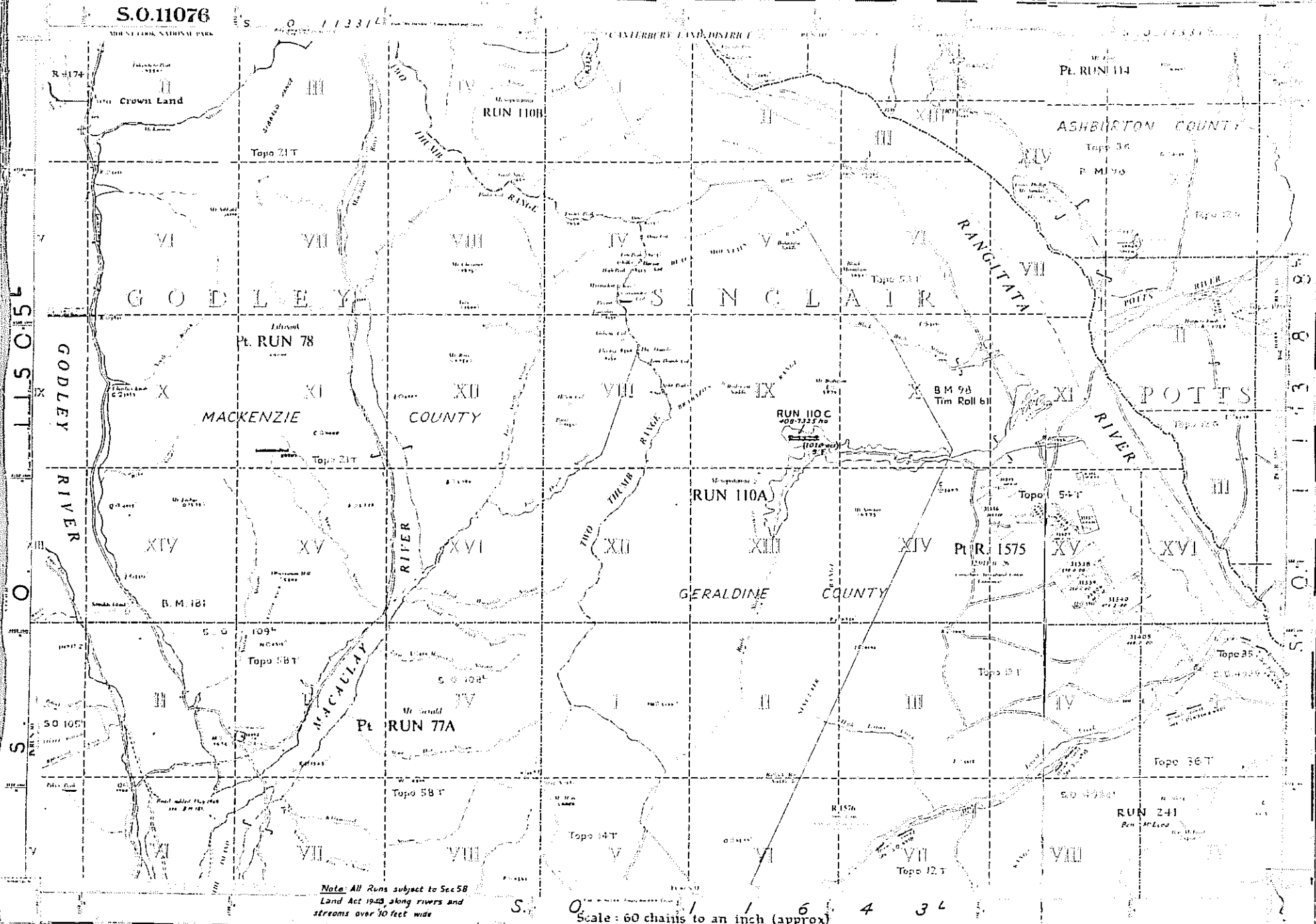
446543 Electricity Amendment Act 1956 at 11.39 am

461106 Cumeles (with lease as to part containing 11500 acres Coloured yellow all diagrams drawn produced 25 June 1957 at 11.43 am

462249 Mortgage: Ally Duffin Dick to Harold Hubert Edworthy and George Palmer Chapman produced 12 July 1957 at 11.55 am

Transfer 648257 to Brian James Gott of Balclutha Sheep-Farmer - 18/3/1965 at 9.40 am

Pursuant to Section 5 of the Australia and New Zealand Banking Group Act 1970 Mortgage 812887 is now vested in the Australia and New Zealand Banking Group Limited



Note: All Runs subject to Sec 5B
Land Act 1949 along rivers and
streams over 10 feet wide

Scale: 60 chains to an inch (approx)

Scale: 1/63360 (1-Inch to 1-Mile)

Roads shown Burnt Siennas
are Legal Roads

11076
11077
11078
11079
11080
11081
11082
11083
11084
11085
11086
11087
11088
11089
11090

“RELEASED UNDER THE OFFICIAL INFORMATION ACT”

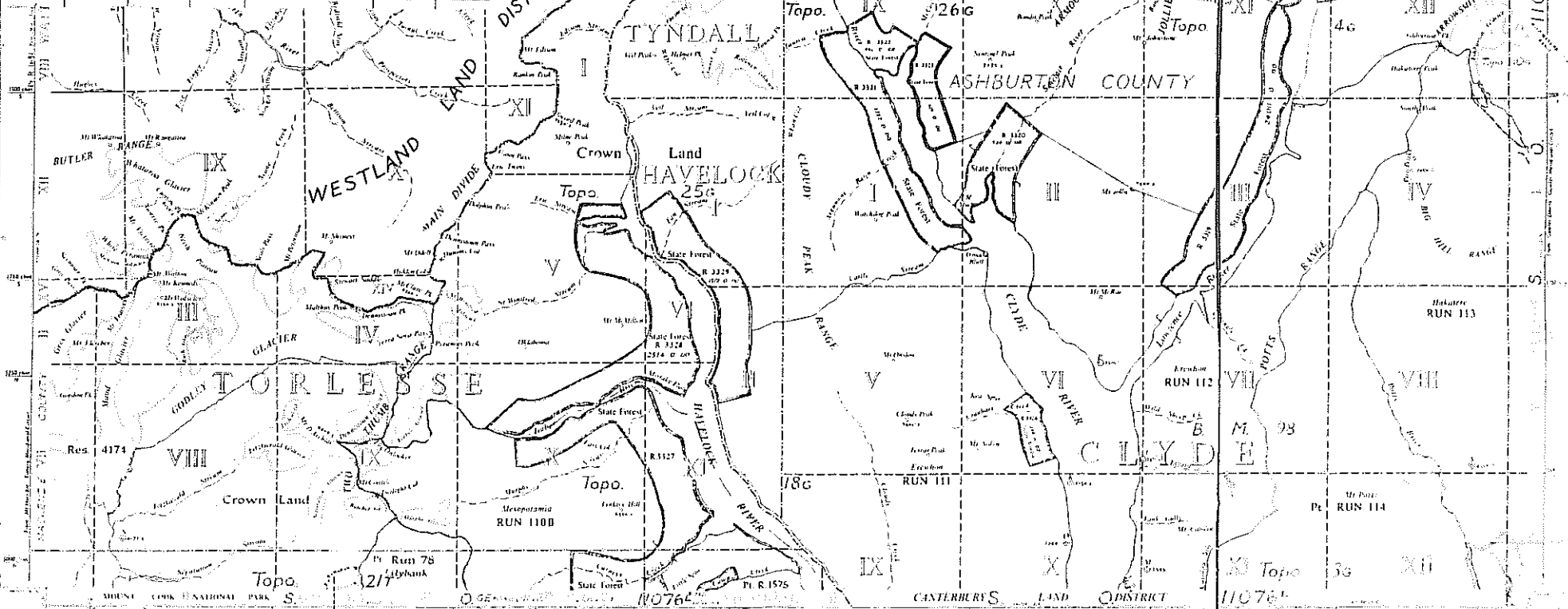
This plan represents the most accurate planimetric definition available at this date of the boundaries of the lands listed below

S.O.11331
 Chief Surveyor
 21/1/72

Schedule

Appellation	Former Area	New Part	Area Total	Gazette, Notice For Terms State Forests
Res. 3117	2100 0 00	1877 0 00	3977 0 00	1958 p.1452
Res. 3118	300 0 00	331 0 00	631 0 00	
Res. 3119	1800 0 00		3400 0 00	
Res. 3123	800 0 00		2147 0 00	
Res. 3124	3000 0 00		3382 0 00	
Res. 3124	400 0 00		541 0 00	
Res. 3124	400 0 00		541 0 00	
Res. 3124	302 0 00		341 0 00	
Res. 3126	250 0 00	78 0 00	328 0 00	See S.O.11076
Res. 3127	2600 0 00	2473 0 00	5073 0 00	
Res. 3128	2000 0 00		2574 0 00	
Res. 3129	1300 0 00		1507 0 00	
Res. 4762	8600 0 00		22422 0 00	1956 p.189
Res. 4174	18,800 0 00	13,530 0 00	32,330 0 00	For Pt. Cook Mt. Park 1953 p.1602
Crown Land	21,100 0 00	2,200 0 00	23,300 0 00	1958 p.295

Run No	Former Area	New Area	Amending Plan, etc.	Run No	Former Area	New Area	Total	Amending Plan, etc.
Pt. 78	55,200 0 00	See S.O.11076		112	18,333 0 00	15,970 0 00		
110 B	14,000 0 00	7250 0 00	See S.O.11076	113	11,710 0 00	See S.O.11088		
111	18,500 0 00	15,380 0 00		Pt. 114	7,419 1 05	See S.O.11076		

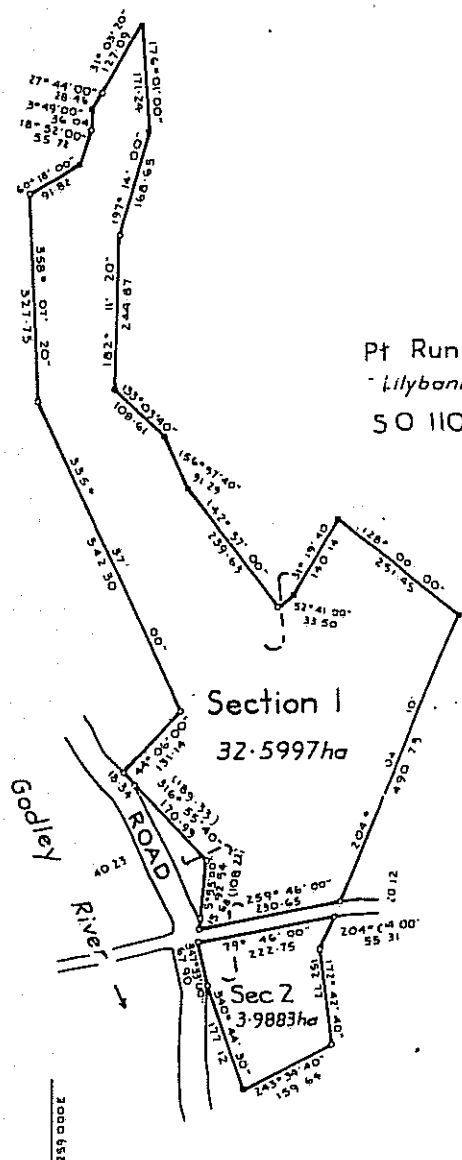


S.O.11331

Scale: 60 chains to an inch (approx)

Scale: 1:63360 (1 Inch to 1 Mile)

RELEASED UNDER THE OFFICIAL INFORMATION ACT



Approvals

All roads shown are legal

Pursuant to Section 11 (1)(c) Resource Management Act 1991 this is not a subdivision

Approved for and on behalf of the Crown by
Ross Moulton pursuant to an Authority given by
the Minister of Lands under Section 24 (4)
of the Land Act 1948

R. Moulton
Acting District Manager
DoSLI

Total Area 36 5880 ha

Comprised in P1 CL10K/888

I, **Derek Edward Brown**
Registered Surveyor and holder of an annual practicing certificate or who
may act as a registered surveyor pursuant to section 25 of the Survey Act
1986 hereby certify that this plan has been made from surveys executed
by me or under my directions, that both plan and survey are correct and
have been made in accordance with the Survey Regulations 1972 or any
regulations made in substitution thereof

Dated at Christchurch the 22nd day
of June 1993 Signature *D.E.B.*

Field Book p Traverse Book 3
Reference Plans SO 11076, 11914-5 & Topo 587 SO 1108

Examined *M/Sawson* Correct

Approved as to Survey *[Signature]*
9.5.1994 Deputy Chief Surveyor

Deposited this day of 19
District Land Registrar

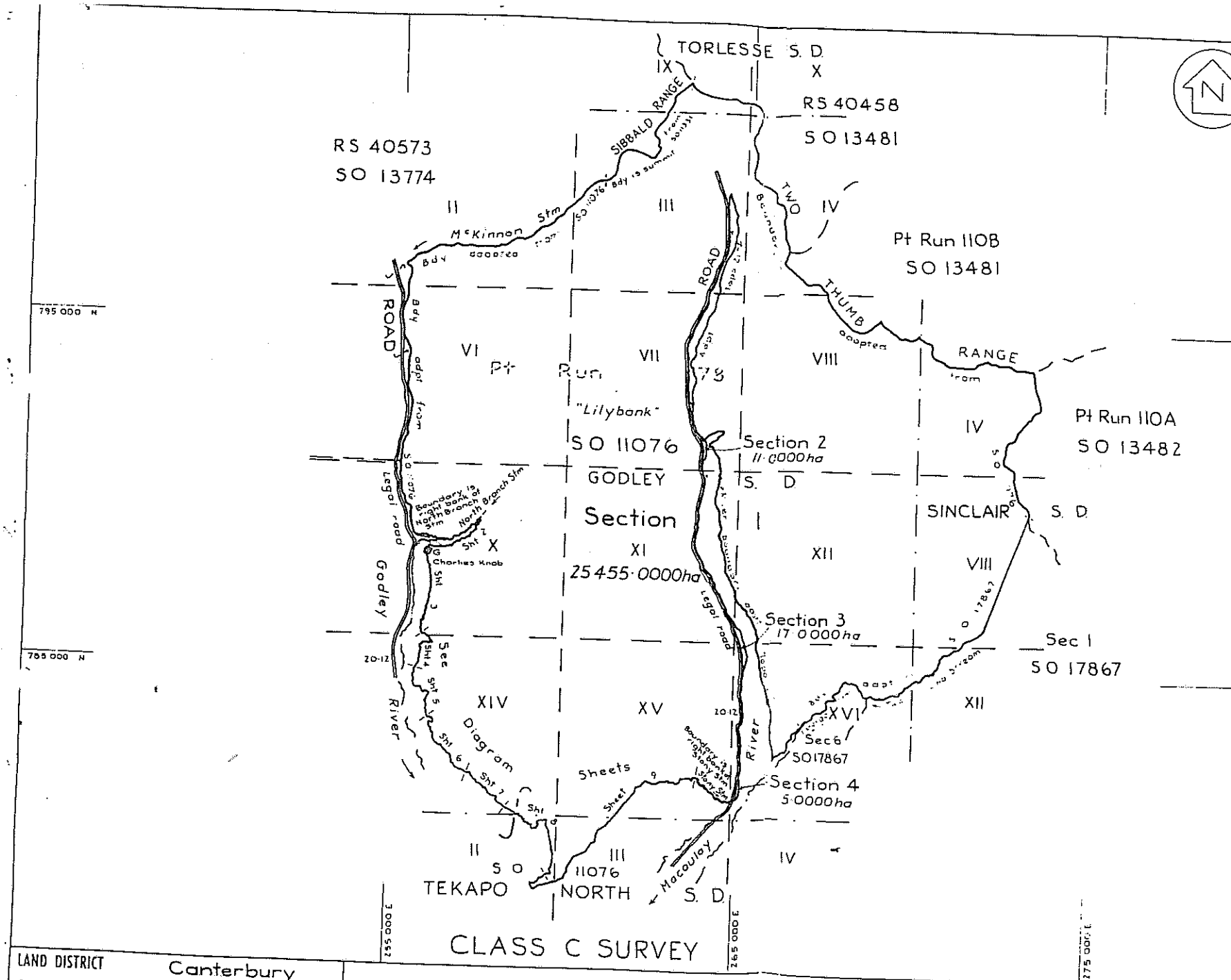
File 6275-07-03
Received 30 6 93
Instructions

SO 19047

LAND DISTRICT Canterbury
Surv. Blk. & Dist. II Tekapo North
NZMS 261 Sheet 136 Record Map No.

Sections 1 & 2

TERRITORIAL AUTHORITY Mackenzie District
Surveyed by Dept of Survey & Land Information
Scale : 6000 Date April 1993



Approvals
 Approved for and on behalf of the Crown by
 Ross Moulton pursuant to an Authority given
 the Minister of Lands under Section 24 (4) of
 Act 1948
R. Moulton
 Acting District Manager/Dat

Pursuant to Sec II (i) (c) b) of the Resource Management Act 1991 this is not a subdivision.

Bearing datum: Geodetic
 Coordinate datum: Geodetic
 Timaru Circuit Coordinates
 Circuit Origin: Mt Horrible
 700 000mN 300 000mE
 Origin Point: Trig G, Charles Knob
 Blk X, Godley S.D.
 788 249.52mN 255 894.35mE
 from SO 17288

Total Area 25 488.0000ha
 Comprised in Pt CL10K/88e

I, Derek Edward Brown
 Registered Surveyor and holder of an annual practicing certificate no. 1000
 may act as a registered surveyor pursuant to section 25 of the Survey Act 1986
 I hereby certify that this plan has been made from surveys executed by me or under my directions, that both plan and survey are correct and that
 have been made in accordance with the Survey Regulations 1972 or the regulations made in substitution thereof
 Dated at Christchurch this 12th day of April 1994
 Signature *Derek Brown*

Field Book — 116 s — 2, 3
 Reference Plans SO 11076, 1168-2 1774 7847
 S 133
 Examined *[Signature]* Correct

Approved as to Survey
 25/7/94
R. Moulton
 Acting Chief Surveyor

Deposited this day of 19
 District Land Registrar

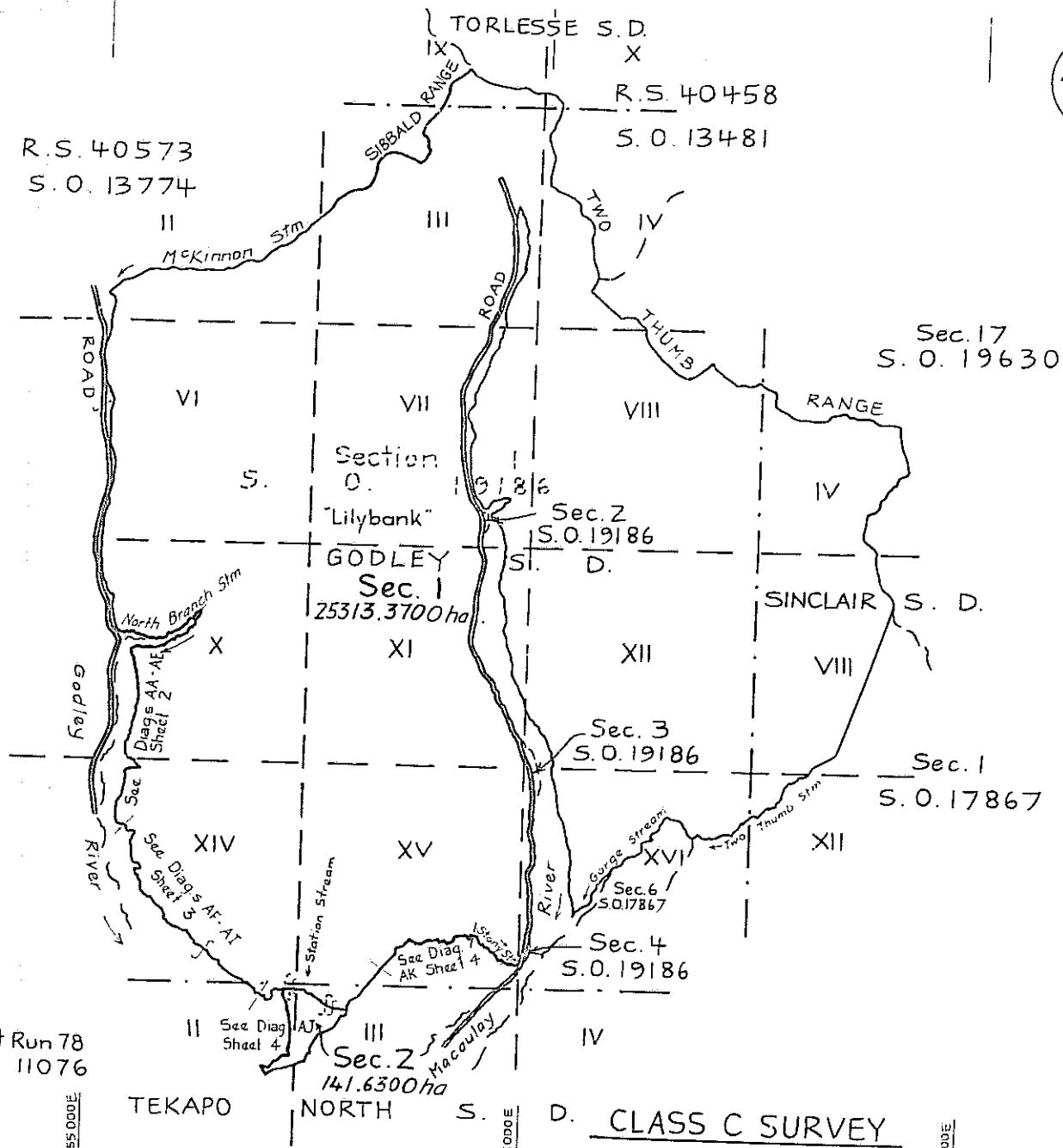
LAND DISTRICT Canterbury
 Survey Blk. & Dist. As shown
 135
 NZMS 261 Sheet 136 Record Map No.

CLASS C SURVEY
 Sections 1-4

TERRITORIAL AUTHORITY Mackenzie District
 Compiled by Dept of Survey & Land Information
 Scale 1:75 000 Date April 1993

File 6274 07-03
 Revised 11 5 94
 15019186

RELEASED UNDER THE OFFICIAL INFORMATION ACT



Approvals
 Approved for and on behalf of the Crown by
 Samuel Dawson Crown pursuant to an
 Authority under Section 24(4) of the Land
 Act 1948.

S D Brown
 Commissioner of Crown Lands
 Land Information New Zealand

Pursuant to Section 11(i)(cb) of the Resource
 Management Act 1991 this subdivision is
 exempt Part X of that Act.

Notes:
 1. All roads shown are legal.

Signed by Lilybank New Zealand Ltd
 By: *[Signature]*
 Director
 in the presence of
 Signature: *[Signature]*
 Name: *[Name]*
 Occupation: *[Occupation]*
 Address: *[Address]*

Note: Section 2 has no frontage to a public
 road.

Total Area 25455 0000 ha.
 Comprised in Pt. C.L. 10K/888

BRIAN DARRYL ANDERSEN
 Registered Surveyor and holder of an annual practising certificate for who
 may act as a registered surveyor pursuant to section 25 of the Survey Act
 1986 hereby certify that this plan has been made from surveys executed
 by me or under my directions, that both plan and survey are correct and
 have been made in accordance with the Survey Regulations 1972 or any
 regulations made in substitution thereof.
 Dated at *Whitwell* on *20* day
 of *April* 19*98* Signature *[Signature]*

Field Book # *[Blank]* Traverse Book # *[Blank]*
 Reference Plans: S.O. 11076, 13481, 13774, 13867,
 1133 & 19186, Page 7 of S.O. 19186
 Examined Correct *[Signature]*

Approved as to Survey *[Signature]*
 31/8/98 Deputy Chief Surveyor

Deposited this day of 19
 District Land Registrar

File K01/03355
 Received 10.6.98
 Instructions 103355

S019981

Approved LM 92/03 00511 FORM D15

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5 000N

5 000N

Pt Run 78
 SO 11076

265 000E

265 000E

275 000E

D DISTRICT Canterbury
 Key Blk. & Dist. As shown
 IS 261 Sheet Record Map No.

Sections 1 & 2

TERRITORIAL AUTHORITY Mackenzie District
 Surveyed by Terralink N.Z. Ltd
 Scale 1: 75000 Date February 1997

MEMORANDUM OF RENEWAL

HER MAJESTY THE QUEEN

Lessor

NEW ZEALAND TROPHY GUIDE
SERVICE LIMITED


Lessee

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

District
Assistant Land Registrar

[Signature]

DISTRICT LAND REGISTRAR



CANTERBURY N.Z.

Land Corporation Limited
CHRISTCHURCH

9.58 24.MAR88 C 732520/1

PARTICULARS ENTERED IN REGISTER
LAND REGISTRY CANTERBURY
ASST. LAND REGISTRAR.....

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

AND

IN THE MATTER of Pastoral Lease P2 registered
in Volume 10K, folio 888
Canterbury Land Registry, from
HER MAJESTY THE QUEEN to
NEW ZEALAND TROPHY GUIDE SERVICE
LIMITED at Hamilton

Pursuant to Section 170 of the Land Act 1948 the term of the abovementioned lease registered in Volume 10K, folio 888, Canterbury Land Registry, is renewed for a term of 33 years commencing on the 1st day of July 1984. 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 therefor for the first 11 years of the said term unto Land Corporation Limited at Christchurch the annual rent of \$2,017.50 calculated on a Rental Value of \$134,500.00 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.

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
21ST day of JANUARY 1988

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: Regilmour

Occupation: Property Officer

Address: Landcorp. Christchurch

THE COMMON SEAL of NEW ZEALAND)
TROPHY GUIDE SERVICE LIMITED)
was hereunto affixed in the)
presence of)

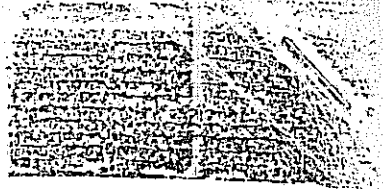


[Signature]
Director

[Signature]
Secretary

Correct for the purposes of the Land Transfer Act.

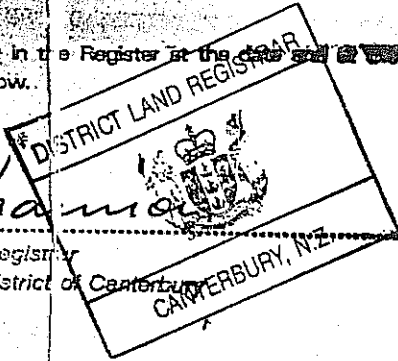
[Signature]
Solicitor for the Lessee



Particulars entered in the Register at the Registrar
are recorded below.

C Sharma

Assistant Land Registrar
of the District of Canterbury



REGISTER

NO. 13 05. OCT 89 C 830901

PARTICULARS ENTERED IN REGISTER
LAND REGISTRY CANTERBURY

104/888
432/22

PROPERTY NAME:

LILYBANK STATION
Plan No. 68

IN THE MATTER OF:

The Soil Conservation
and Rivers Control Act
1941.

AND IN THE MATTER OF:

A Land Improvement
Agreement No. 620068

BETWEEN:

NZ TROPHY GUIDE SERVICES

AND

The Waitaki Catchment
Board

J. E. U.
[Signature]
[Signature]

LAND IMPROVEMENT AGREEMENT

THIS AGREEMENT is made the 16th day of August 1989

BETWEEN THE WAITAKI CATCHMENT BOARD (hereinafter called "the Board") being the catchment authority for the area duly constituted under the Soil Conservation and Rivers Control Act 1941 of the one part.

AND NZ TROPHY GUIDE SERVICES LIMITED a duly incorporated company having its registered office at D.B. Bryant Trust Building, Alexandra Street, Hamilton (hereinafter called "the Owner/Occupier") of the other part.

WHEREAS the Owner/Occupier is registered as proprietor of the estate or interest described in the first schedule hereto (hereinafter called "the first schedule") subject however to such encumbrances, liens and interest as are notified by memoranda underwritten or set out in the first schedule in the land described in the first schedule.


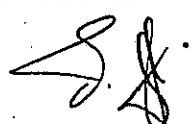
AND WHEREAS pursuant to sub sections (2A) and (3) of Section 30 of the Soil Conservation and Rivers Control Act 1941 the Board is authorised to make payment as grantor to the owner or occupier for the purposes specified in this agreement.

AND WHEREAS that this Agreement is intended to implement the second phase of the initial Land Improvement Agreement entered into between the Commission and New Zealand Trophy Guide Services Limited on or about the 14th day of July 1980 more specific reference whereof is made in clause 5.0 of the second schedule to that Agreement at page 22 of the said Agreement.

AND WHEREAS this Agreement shall relate to the satisfactory sustainability of offsite grazing referred to therein.

NOW THIS AGREEMENT WITNESSETH that it is hereby agreed and declared by and between the parties hereto as follows:

- 1. IN consideration of the payment of a grant at the rates set out in the second schedule hereto paid or credited to it by the Board the owner or occupier within or throughout (as the case may be) the periods specified in the second schedule hereto (hereinafter called "the second schedule") will carry out to the satisfaction of the Board the works and requirements set out in the second schedule.

J.T.W.



2. UPON completion of the said works or upon compliance with the said requirements to the satisfaction of the Board within the period specified in Part I of the second schedule the Board shall pay or credit to the owner/occupier a grant at the rates set forth in Part IV of the second schedule.

3. THE owner/occupier throughout the currency of this agreement shall permit the Board by its officers, servants and agents at all reasonable times to enter upon the said land for the purpose of inspecting the same and to ascertain whether the owner or occupier has complied with his obligations hereunder.

4. IF the owner/occupier fails to carry out to the satisfaction of the Board the works and requirements set out in the second schedule or shall otherwise default in complying with his obligations under this agreement the Board by notice in writing delivered to or posted by registered post to the owner/occupier specifying the default, may either at the sole option of the Board require him to repay to the Board all grants paid or credited to him hereunder, in accordance with the provisions set out in sub section (2A) and (3) of Section 30 of the Soil Conservation and Rivers Control Act 1941 or within one calendar month after receipt of such notice to remedy such defaults in such manners as the Board may herein require; and if following receipt of such notice the owner/occupier fails within one calendar month hereafter to comply with the requirements thereof it shall be lawful for the Board by its servants, agents or contractors to enter upon the land and carry out all works necessary to secure compliance with the requirements of such notice and recover from the owner or occupier the cost of so doing by action at law or otherwise.

5. ALL the provisions of Section 30A of the Soil Conservation and Rivers Control Act 1941 shall apply to this agreement and in particular the owner/occupier acknowledges that he is aware that the agreement shall run at law with the land against the title to which it is registered so as to confer and impose on present and future owners or occupiers of the said land an obligation to observe and perform the agreement during their occupancy of the said land.

6. THIS Agreement shall enure for a period of thirty-three (33) years from the date of execution hereof.

7. THIS Agreement shall be read together with the Land Improvement Agreement entered into between New Zealand Trophy Guide Services Limited and the Board on or about the 14th day of July 1980 and this Agreement shall be deemed to be the second phase of the said Land Improvement Agreement.

Kerw *J.P.*
S.A.

FIRST SCHEDULE

PROPERTY NAME: Lilybank Station ✓

PROPERTY OWNERS: NZ Trophy Guide Services Limited ✓

LEGAL DESCRIPTION: CT No. 432/22 ✓
 R.S. 14452 ✓
 Freehold 8.0937 ✓

CT No. 10K/888
 Run 78 "Lilybank" ✓
 Leasehold 27518.6236 ✓

Total Area: 27526.7173 ha

SECOND SCHEDULE

PART I RATES OF GRANT

The works as set out in Part IV of this Schedule and described on the plan attached will be carried out through to completion over a period of five (5) years and the requirements under this agreement will be complied with, subject to such amendments as may be mutually agreed upon in writing by the owner or occupier and the catchment authority.

PART II CONDITIONS

WORKS AND REQUIREMENTS	PERIOD UNDER WHICH WORKS AND REQUIREMENTS APPLY	CONDITIONS
Stocking	For thirty three years	No stock to be grazed in areas fenced out for conservation planting and/or retirement except for such emergency grazing as may be approved from time to time by the Department of Conservation and the Waitaki Catchment Board.
Fencing	For thirty three years	To be maintained in stockproof condition.
Stability Tree Planting and Windbreaks	For thirty three years	To apply such silvicultural practices as required by Part II (a) and to ensure that the trees are kept in good condition. Mature trees may be utilised with the

Handwritten signatures and initials:
 JETW.
 [Signature]
 [Signature]

approval of the Board, but shall be replaced as required by the Board with such costs to be a first charge against the revenue received by the owner from such sales of wood.

Crossings

For thirty three years or until relocated with the consent of the Board.

To be maintained so as not to obstruct normal and flood flows or to not allow stock access to areas retired from grazing. This agreement does not include bridges or bridge abutments which are at all times the responsibility of the owner.

Structures

To be maintained as deemed necessary by the Board.

Firebreak
Access Tracks

To be maintained as deemed necessary by the Board.

Oversowing
and Topdressing

To be maintained as deemed necessary by the Board.

Other

To be maintained as deemed necessary by the Board.

PART II (a)

STABILITY TREE PLANTING AND WINDBREAK

STANDARD REQUIREMENTS

- (i) provide for the replacement of dead trees during establishment.
- (ii) not "top" or allow to be "topped" any trees without the written consent of the Board, however, lateral trimmings of branches may be undertaken from time to time.

Keru.

[Handwritten signature]

[Handwritten signature]

- (iii) not cut down, or allow to be cut down any trees forming part of these works without the prior consent of the Board.
- (iv) maintain all fences of a windbreak to a standard that will ensure no stock can enter the windbreak.
- (v) remain the owner of the trees as well as any benefits accruing from the replacement of trees.
- (vi) replace trees as required or on maturity.

PART III

MAINTENANCE

Maintenance is defined as the normal activities required to maintain works as set out in Part IV of this Agreement.

The owner shall keep and maintain the works and areas affected by this Agreement to the specification of the Waitaki Catchment Board for the period of the Agreement.

Should maintenance works attract grant then grant monies will be payable for maintenance works at rates which are applicable at the time of the works being carried out.

Where the Agreement provides for retirement fencing by way of full grant for the cost of the fencing or where existing fencing is designated as retirement fencing in Part IV hereto then such fencing shall be eligible for subsidy for the normal maintenance requirements of such fencing and the Board shall be responsible for the regular inspection of such retirement fencing and such inspections are to be carried out in the presence of the owner/owners and the Board.

SOIL AND WATER CONSERVATION PLAN NO. 68

Lilybank Station : NZ Trophy Guide Services Limited

1.0 REVIEW OF FIRST FIVE YEAR PROGRAMME

The overall goal of the Land Improvement Agreement entered into between New Zealand Trophy Guide Services Limited and the then Waitaki Catchment Commission on the 14th day of July 1980 and this present Agreement is the retirement from grazing and the surrender of 21,591 hectares of largely severely eroded Class VII and VIII lands upon the satisfactory sustainability of the off site grazing in accordance with Clause 5.0 of the second schedule to the Land Improvement Agreement executed on the 14th day of July 1980 (page 22).

The plan required, given the small area of land to be retained, the harsh winter climate and geographical isolation, a modified but very efficient farming strategy based on a mix of deer

farming, safari hunting and conventional sheep and cattle grazing.

Although considerable doubt as to the economic viability of this operation existed at plan formulation, overall performance to date has exceeded plan expectations. This is why the term "OVERSOWING CONSOLIDATED" was in the original document.

Dear Farming:

Breeding hind numbers are lower than was intended due to limited sale of stock at times when prices were high. This tactic eased early cash flow problems and has reduced debt loading without seriously affecting farm progress. The present herd composition is listed in appendix III.

Safari Operation:

These activities have been by all accounts extremely successful. The company now has a good international reputation and a consistent stream of advanced bookings which equate well to the supply of trophy animals. The 1984 gross revenue from this operation will exceed \$200,000.00.

Sheep and Cattle:

The sheep and cattle performance has been reasonably static over the last five years. Changes proposed in the programme have generally not been followed. The Chief Soil Conservator contributes the deviation from intended flock management policy to participation in the national livestock incentive scheme. The stocking policy outlined in the first programme emphasised a move to quality fine wool products achievable only by reducing stock numbers and changing from lower performing ewes to a good line of wethers. Unfortunately the ewes were retained to increase stock numbers.

Concerned by the departures from programme intentions and on the grounds that it could effect the viability of the property and therefore the security of grant inputs, the Board required the company to adjust its sheep and cattle operation in accordance with the Land Improvement Agreement. The company has subsequently reassessed its policy and reaffirmed compliance with the original agreement. Cattle numbers are now reduced to target and ewes have been run as a dry flock since early 1983.

It must be noted that the companies participation in the III and Lands Department stock limit adjustments were without Board approval and could be inconsistent with the run plan to the extent that the Board can not guarantee grazing for the increased stock numbers after land retirement.

Sheep and cattle numbers and production performance figures are presented in appendix III.

1.2 WORKS COMPLETED:

Almost all of the jobs proposed in the first programme are now completed and are of a high standard. The following table summarises works and grant payments as at the end of August 1984.

Type	Job No.	Grant
Retirement fencing	1, 8, 9	35 653
Erosion control fencing	6,7	8 734
Offsite fencing	2, 3, 4, 10, 11, part 13	65 729
Pasture improvement	5	1 768
		\$111 884

Note:

Jobs 12, 13, 14 are yet to be completed although most of the materials are on the property having been purchased under "part job 13".

NWASCA financial approval as at 30 August 1984 is \$130,881 leaving \$18,997 for the completion of jobs 12, 13 and 14.

2.0 PROPOSED SECOND PROGRAMME

2.1 Objectives:

2.2 Goals:

1. To establish the off site grazing and such other works as are necessary to bring about the satisfactory sustainability of the off site grazing so that the area of 21,591 hectares of severely eroded Class VII E and VIII lands can be retired from grazing and excluded from the lease in accordance with Clause 5.0 (page 22) of the first Land Improvement Agreement entered into on the 14th of July 1980.

2. To establish tree windbreaks for wind erosion protection on selected arable land.

3. To assess and as far as possible stabilise gully and river bank erosion.

2.3 Offsite Compensation

The first Soil and Water Conservation Plan defines in Section 22.02.2 the displaced grazing in annual stock units. This agreement necessitates the provision of 1,650 su/annum less the benefit provided by works

Ken
[Handwritten signature]
[Handwritten signature]

completed to date. That benefit in stock units is detailed below:

2.3.1 Compensation to date:

Hay paddock Job 5:

Average production 1980 to 1984 is 200 small bales (25kg) per ha/annum. This equates to 5 tonnes dry matter per ha/annum. Using the generally accepted 1.4 su to the tonne, the hay crop generates 7.0 su/ha/annum. Some spring and autumn grazing is obtained but it is dependent on the season and not included in this assessment.

Total provided by the 8.1 ha hay paddock = 57 su/annum. (20,805 su/days)

Fencing: Offsite, erosion control and retirement, jobs 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13 and 14.

A precise analysis of actual benefit in stock unit-equivalents is difficult and inappropriate for the following reasons:

The most productive blocks (have only recently (last 18 months) been fenced. The ru holder is as yet unable to determine new and sustainable levels of grazing. Given that these blocks are in native vegetation, and will be improved as part of this programme, the Chief Soil Conservator has little information to evaluate improvement.

Grazing intensities over the previously unfenced areas were not defined as the Macaulay and Godley blocks were open ended. Surveys prior to the first programme suggest that some areas were grazed extensively while others were under utilised.

The national livestock incentive scheme is temporarily distorting the sheep flock numbers and composition.

Jobs 2, 3 and 4 provided part of a deer enclosure for safari hunting. The grant provided was as per a standard seven wire sheep fence and therefore benefits are assessed as "sheep" stock units of extra grazing.

However the intangible benefits are very significant:

- Shepherding requirements are greatly reduced
- Stock are secure below high risk snow fall areas
- Blocks can be spelled and feed more appropriately managed.

In the absence of precise means for assessing benefit resulting from fencing both parties are agreeable to the use of an improvement factor which is calculated below: