

Crown Pastoral Land Tenure Review

Lease name : LILYBANK

Lease number : PT 002

Due Diligence Report (including Status Report) - Part 7

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

O'Connor, Kerr 1980, derived from analysis of fencing benefits on similar soils, climate, vegetation and scale of subdivision, a 20 to 25% increase in utilisation efficiency.

The total stocking on Lilybank Station before the run plan equalled 4005 su/annum.

The area to be retired carried 1650 su/annum.

By deduction the area retained must have carried 2355 su/annum. If fencing has increased the productivity of this area by 20 to 25% then offsite fencing has contributed 470 to 590 su/annum.

Given the spin off benefits, the owners are prepared to agree on a figure of 550 su/annum as fairly representing compensation by way of offsite fencing.

Total Offsite (includes hay paddock) is therefore:

607 su/annum (221,555 su/days).

2.3.2 Compensation Due:

The original 1650 su/annum minus 607 su/annum provided to date leaves 1,043 su/annum to be found (380,695 su,days).

2.3.3 Criteria for offsite Planning:

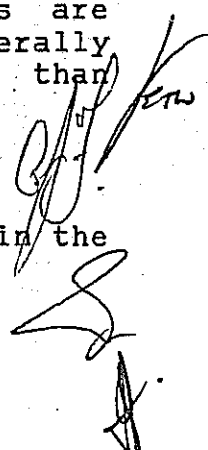
Developments for offsite compensation must:

- achieve grazing for 380,695 su/days cost-effectively,
- provide reasonably secure production through the normal range of climatic conditions,
- be sustainable and within the lands capability,
- be compatible with the runholders style of management, existing and future development.

After careful consideration of development options, a programme of oversowing and top-dressing lower altitude hill blocks was selected as best satisfying the above requirements. The owners would prefer to have as much development within the deer enclosure as possible. While the financial implications are appreciated, that area is effectively set stocked and generally less suited to development and pasture management than alternative sheep areas.

2.3.4 Offsite Works:

Given the changes in stock/flock composition described in the first run plan, the following developments are proposed.



Tasman Rocks Block:

This is an area of approximately 220 ha enclosed by Job 11 and comprising predominantly Class VIe 24 land (see appendix II). These Cass Hill soils have an undeveloped carrying capacity of 0.5 su/ha/annum. With over-sowing and top-dressing they will carry an assessed 2.5 su/ha/annum with good subdivision fencing. Experience with OSTD on an adjacent area (Mt Gerald SWCP) has clearly demonstrated the need for close grazing control to ensure maintenance of introduced plants and control matagouri growth.

Job 15 three wire electric fences for subdivision of OSTD. The new blocks will be 55ha, the fences being "dropped" from Job 11 (already rigged for this purpose).

Job 23 The 220 ha of oversowing and top-dressing.

Job 26 One follow up top-dressing twelve months after Job 23.

RESULT Provision of 440 su/annum. (160,600 su/days).

Godley Faces Block:

An area of 350 ha that is enclosed by the first programme Jobs 12, 13 and 14.

The land falls into two distinct capabilities, the Class VIIe 12 and 13 "top triangle" and the lower class VIe 24 and 26 block (250 ha). Only the latter is suited to development which will increase capability from 0.5 to 2.5 su/ha/annum

The proposed works for this area are:

Job 16 2.6 km of erosion control fence to separate class VIIe from VIe. This fence should act as a main line for electricity reticulation.

Job 17 Five offsite subdivision fences (3.0 km, 5 wire electric) dissecting the face (top to bottom) into 50 ha blocks.

Job 24 250 ha oversowing and topdressing.

Job 27 250 ha follow up topdressing, one only at 12 months after initial OSTD.

RESULT Provision 500 su/annum (182,500 su days).

Game Area:

The trophy hunting area has considerable value as a summer run but shortage of feed is expected as a consequence of on going use. Much of the block is tall tussock growing in acid Class VIIc soils and only a relatively small area of Class hill soil (VIe 26) offers development opportunity.

The programme proposes to oversow and topdress 100 ha of shady face VIe 26 country. Design benefit is only 1.0 su/ha/annum reflecting the lack of fencing and stock management opportunity.

Job 25 103 ha of oversowing and topdressing.

Job 28 103 ha of follow up topdressing, once only 12 months after OSTD.

RESULT Provision of 103 su/annum (37,595 su/days).

2.4 Windbreaks:

The establishment of 2.4 km of 4 row windbreaks to protect class IVE soils from wind erosion is justified under the Mackenzie/Omarama district windbreak scheme. Technical specifications are detailed in section 3.2.

Job 18 800 m of 4 row windbreak.

Job 19 800 m of 4 row windbreak.

Job 20 600 m of 4 row windbreak.

Job 21 200 m of 4 row windbreak.

2.5 River Protection, Gully Control Works:

The Board's Chief Engineer is presently formulating recommendations for future river control policy on the Godley and MacAulay Rivers. That policy will reflect:

- high cost of constructing protection works,
- relatively low value of protected assets,
- high risk of structure failure due to the high hydraulic energy of both the Godley and Macaulay Rivers,
- the downstream effects of non comprehensive works.

The present morphology of these rivers reflect their history. The primary channels change frequently according to aggregation of detritus, flows and grade, but overall the system is dynamic as areas of soil are eroded, new areas are formed.

High flood discharges with their high water velocities, known to exist in these rivers, would necessitate robust control structures. The nature of base materials and local shortage of suitable large rock make such structures very expensive to establish and maintain.

Works of a non-comprehensive nature (single structures) protect only small areas, typically interfering with the rivers "natural" dynamic stability, causing increased and refocused erosion downstream.

[Handwritten signatures and initials on the right margin]

After site inspection in August 1984 the Chief Engineer and Chief Soil Conservator agreed that:

1. No stream bank protection works should proceed in the Macaulay catchment. Costs of works would be high, structures generally ineffective. The Macaulay has changed its course in the last two years resulting in loss of some 20 ha of river flats adjacent to "Willow Fan" and "Freezing Point" blocks. In doing it resulted in the undercutting and mobilisation of Willow Creek fan. An assessed 50,000 cubic metres of lower fan has been moved downstream and may have accelerated downstream bank erosion.
2. No gully erosion works are required in Willow Fan Creek. The natural erosion processes occurring at the head of the gully is proceeding at a slow and almost constant rate. Recent change is the result of removal of the lower fan deposits and a consequent overall regrading (steepening) the stream channel. Problems caused to fences and road will diminish as grade changes are completed. In the interim debris dams, gravel traps etc, would be counter productive.
3. No hard bank protection works should be permitted in the Godley Catchment. Cost of works would be very high and benefits doubtful. It should be noted that this conclusion is a change from previous Commission activity in the promotion and provision of grant assistance for a hook groyne on Godley Peaks Station. This groyne is presently pushing the Godley River against the accelerating erosion on the "Station Creek" flat area of Lilybank Station and "Island" block on Mt Gerald Station.
4. This programme should incorporate the planting of 1.0 km of dual purpose - bank binding/windbreak - trees. The intention is to provide bank protection in the lower Godley by binding gravels, slowing flood water velocities and trapping sediment.

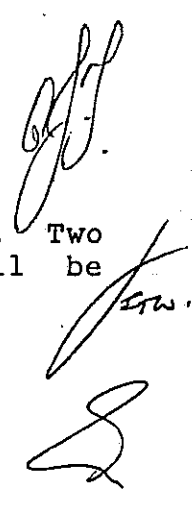
Job 22 1.0 km of 6 row river bank protection planting.

3.0 SPECIFICATIONS AND COSTS:

3.1 Fencing:

Type A

7 wires of 2.5 ht on medium pine posts set at 3 per 20 m. Two droppers between posts (chain or wire). Strainers shall be approximately 500 m intervals.



	Hill	Flat
Costs type A fence: material	\$2000/km	\$1800/km
labour	\$1500/km	\$1200/km
	<hr/>	<hr/>
	\$3500/km	\$3000/km

Note: some of the windbreak fences may be constructed to type "B" specification although all of the works costs are based on type "A" above.

Type B.

5 wire "insultimber" electric fence with insultimber posts spaced at an average of 20 m insultimber droppers should be spaced at approximately 6 to 7 m apart. Tiedowns should maintain wire/ground proximity. Approximately 3 strainer assemblies per kilometre. The fence energiser will be sustained by solar or mains power.

Costs:	Materials	\$1400/km
	Labour	\$ 600/km
		<hr/>
	Total	\$2000/km

3.2 Conventional Windbreak Trees

Fences as per type A flat.

Ground Preparation Soil conditioning by deep ripping.

Costs: \$70/km (four rows)

Tree Species:

Tree species have been selected primarily for windbreak efficiency and survival characteristics given soil fertility moisture and wind conditions.

An opportunity for introduction of amenity species increases as primary shelter is established.

Trees: 4 rows

Row 1	P.mugo	at 2.3 m spacing
Row 2	P.nigra	at 1.8 m spacing
Row 3	P.nigra	at 1.8 m spacing
Row 4	P.ponderosa	at 2.7 m spacing

Costs:	tree stocks	\$600/km
	planting	\$200/km

Follow up Works:

A 10 to 30% blanking (replacing dead trees) is usually required in the season following first planting.

Release spraying around the trees is essential and must be completed to the Board's specifications obtainable through soil conservation staff.

Fertiliser should be added (pellets) to boost growth.

Costs:	Blanking Trees	\$200/km
	Fertiliser	\$200/km
	Labour	\$200/km

Windbreak Total Cost: \$4370

3.3 River Bank Protection Plantings

Trees must be of a fibrous form so as to minimise obstruction of flood waters yet trap sediments. The species to be used, planting technique, fencing requirements and work supervision will be provided by the Board's Engineer.

Works are costed using the standard windbreak costs of \$4370/km.

3.4 Oversowing and Topdressing

Seed Mixture:

Legumes: alsike/white clover mixture, lime coated. Grasses: a range of grasses are possible although initial performance will be limited by low soil nitrogen conditions. Recommended grasses include cocksfoot, prairie grass, and tall fescue. The Board will determine the precise seed mixtures and application rates.

Fertiliser:

Initial application of 250 kg/ha 200 Mo sulphur superphosphate. A follow up topdressing of 200 kg/ha of standard superphosphate at 12 months. A maintenance programme, (200 kg/ha every 2 or 3 years) will be required depending on stocking rates and plant establishment success.

Costs:

OSTD	Seeds:	Seeds and.....	\$45.50/ha.....
		Application.....	\$10.00/ha.. \$55.50/ha
	Fertiliser	400 Mo S S.....	\$160.00/tonne
		Application.....	\$60.00/tonne
		Transport.....	\$25.00/tonne
		<hr/>	
		Total.....	\$254.00/tonne

If applied at 250/kg/ha cost =..... \$61.50/ha

[Handwritten signatures and initials, including "ETW" and a large stylized signature]

TOTAL OSTD	\$117.00/ha
Follow up TD	from above but at 200kg/ha..	\$49.00/ha

[Handwritten signature]
[Handwritten signature]

4.0 PROGRAMME COSTS

Costs include scale fees at: 25 per cent. CCI 2770.

Job No.	Work	Total Cost	Grant Rate%	Total Grant	Local Share
15	4.8km OF Fence @ \$4000	19200	100	19200	0
16	2.6km EC Fence @ \$5000	13000	60	7800	5200
17	3.0km OF Fence @ \$4000	12000	100	12000	0
18	0.8km Windbreak @ \$6000	4800	60	2880	1920
19	0.8km Windbreak @ \$6000	4800	60	2880	1920
20	0.6km Windbreak @ \$6000	3600	60	2160	1440
21	0.2km Windbreak @ \$6000	1200	60	720	480
22	1.0km River Protection @ \$6000	6000	60	3600	2400
23	220ha OS/TD @ \$250	55000	100	55000	0
24	250ha OS/TD @ \$250	62500	100	62500	0
25	100ha OS/TD @ \$250	25000	100	25000	0
26	220ha maint TD @ \$100	22000	100	22000	0
27	250ha maint TD @ \$100	25000	100	25000	0
23	100ha maint TD @ \$100	10000	100	10000	0
		264100		250740	13360

PLEASE NOTE:

- OF-A represents Offsite fence, type "A":
- ECF is an erosion control fence
- WB is a windbreak
- RP is river protection work
- OSTD is oversowing and topdressing
- TD is topdressing

5.0 FINANCIAL PROGRAMMING

It is proposed that the total works programme will be completed in four years although an extra year might be required to fulfil requirements.

Year 1	1985/86	Jobs 15,16,17,18,25	grant.. \$121880.00
Year 2	1986/87	Jobs 19,22,24,26,28	grant.. \$100980.00
Year 3	1987-88	Jobs 20,21,27	grant... \$27880.00

[Handwritten signature]
ETW.

6.0 LIVESTOCK MANAGEMENT

The stock management policy outlined in the first programme is still appropriate and will apply for the period of that land improvement agreement.

The developments provided in this programme are compatible with 'mob' rotational grazing of wethers.

Appendix IV sets out a proposed grazing management plan for the property.

Block stock limits will be applied to the following sensitive and predominantly unimproved Class VII blocks - Pringle, Triangle, Freezing Point and Godley River. These limits are specified under Section 10.0.

7.0 ENVIRONMENTAL IMPACT

The author sees no significant environmental impacts occurring as a consequence of completing this programme. The programme should improve tall tussock grasslands in higher altitude areas and generally improve ground cover over the whole area. The windbreaks will be inconspicuous in the landscape, and only very minor line clearance is required for fencing. No hydrological or water quality concerns exist.

8.0 BENEFITS/ECONOMICS

Offsite works and the single erosion control fence are grouped into three areas, Tasman Rocks, Godley Faces and the Deer enclosure. Using the production targets these developments show 14%, 13.5% and 15% internal rates of return respectively.

Windbreaks will in time prevent soil loss and increase hay crops.

River Protection plantings will provide a measure of affordable bank protection for the "Station Flat" area.

9.0 MAINTENANCE

On completion of this 5 year programme the maintenance of all programme fences, oversowing, windbreak and river protection plantings become the responsibility of the owner in accordance with the two land improvement agreements.

10 CONDITIONS

1. That upon the establishment of the offsite grazing and such other works as are necessary and upon the satisfactory sustainability of the offsite grazing the area of 21,591 hectares shall be retired from grazing and surrendered from the pastoral lease.

PROVIDED HOWEVER, that if this Agreement is executed on or before 1 December 1988 then the owner/occupier hereby agrees to execute contemporaneously a surrender

of the area of land classified as eroded Class VIIe and all Class VIII lands as defined by the Boards Land Use Capability Assessment system. Such surrender to be held in escrow by the District Manager, Department of Lands until the times specified in Condition 2.

2. That the parties agree that as a condition precedent to this Agreement a variation to the renewed pastoral lease entered into between the then Commissioner of Crown Lands for the Land District of Canterbury and the owner/occupier be entered into on or before 1 December 1988 which will recite the agreement between the parties of the matters specified hereunder:

(a) That surrender of the land referred to in the proviso to condition 1 hereof be effected no later than 1 July 1992.

(b) The Board agrees to evaluate the level of sustainability of offsite grazing in the years 1993 and 1994. If as as the 1st day of July 1994 the Board and the owner/occupier cannot agree that the required level of sustainability has been achieved than an in that case the sole question i.e. the effectiveness or otherwise of the sustainability shall be referred to a suitably qualified and independent arbitrator or assessor appointed by the Board and the owner/occupier. The owner/occupier, and the Board shall be bound by the decision of such assessor or arbitrator. In the event that the Board and the owner/occupier cannot agree as to the appointment of an arbitrator or assessor then both the Board and the owner/occupier shall accept an arbitrator appointed by the Minister for the Environment.

(c) That the District Manager, Department of Lands for the Land District of Canterbury shall not register the surrender of land contained in the pastoral lease until 1 July 1992 or such earlier date as has been provided for above.

3. That the first and second Land Improvement Agreement should be registered against the lease title to secure the programme works set out in those Agreements.

4. That the following stock limits apply:

Pringle Block: That area will be spelled each year between June and the end of November. The total available grazing is 54,750 su/days/annum. (Note: Hoggets equate to 0.5 su, wethers 0.7 su and period of grazing can be calculated by dividing mob su's into total grazing available).

Triangle Block: The grazing of this block is not to exceed 18,250 su/days/annum for one period not exceeding 30 days.

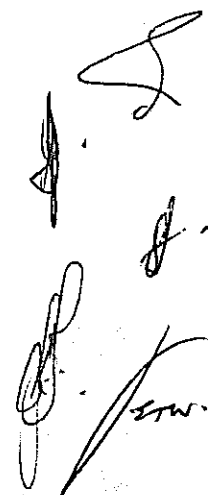
[Handwritten signatures and initials]

Freezing Point Block: This block includes the Willow Fan Creek catchment. Grazing shall be restricted to not more than 30 cattle and 800 sheep - young stock viz: 1 and 2 year old heifers and hoggets or 2Ts - for not more than two months being mid September to mid November.

Godley River Block: Grazing to be restricted to not more than 2500 wethers for the months of June and July.

4. That in respect to windbreaks:

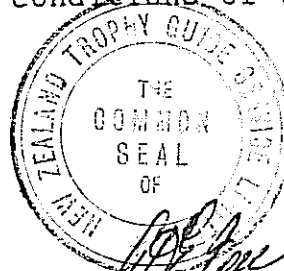
- Windbreaks must be maintained by pruning or side trimming to preserve permeability.
- Trees must not be topped.
- Trees may only be harvested with the Board's written approval and lines removed must be replanted at the owners cost.
- Windbreak fencing must be maintained to exclude stock.
- The Board reserves the right to maintain the windbreak at the landowners cost where mismanagement occurs.



Handwritten signatures and initials in the bottom right corner of the page, including a large stylized signature, a smaller signature, and the initials 'STW'.

IN WITNESS WHEREOF these presents have been executed on the day and year first hereinbefore written NZ TROPHY GUIDE SERVICES LIMITED doth hereby bind itself and its successors in title to perform and observe the terms and conditions of this agreement.

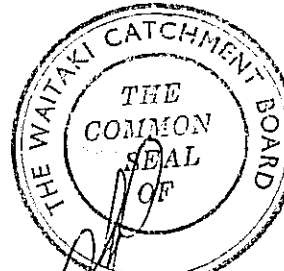
THE COMMON SEAL of)
NZ TROPHY GUIDE SERVICES)
LIMITED was hereunto)
affixed in the presence)
of:)



..... Director

[Signature]
..... Director

THE COMMON SEAL of the)
WAITAKI CATCHMENT BOARD)
was hereunto affixed in)
pursuance of a)
resolution of the Board)
in the presence of:



..... Chairman

[Signature]
..... Secretary

I, John Easten Temblett Wood of Otekaieke, Secretary to the Waitaki Catchment Board DO HEREBY CERTIFY that the written Agreement is one that is capable of registration and I do hereby apply for the registration of the said Agreement against the land above described in accordance with the provisions of Section 30A of the Soil Conservation and Rivers Control Act 1941.

DATE: *26th* OCTOBER 1988

SIGNATURE: *[Signature]*

[Handwritten initials/signatures]

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

BETWEEN:

N.Z. Trophy Guide
Service Limited

AND:

The Waitaki Catchment
Commission

Handwritten notes:
m. 12/1/80
12/4/80

Handwritten signature:
C. J. ...

AUG 8 9 11 AM '80

District Land Registry
Christchurch No. 2

286745/1
10K/888
432/22

LAND IMPROVEMENT AGREEMENT

This AGREEMENT is made the ^{14th} day of ^{July} 1982 between the WAITAKI CATCHMENT COMMISSION (hereinafter called "the Commission" being the catchment authority for the area duly constituted under the Soil Conservation and Rivers Control Act 1941 of the one part AND

N.Z. Trophy Guide Service Limited having its registered office at Hamilton

(hereinafter called "the Owner/Occupier" - delete whichever does not apply) 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 interests 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 Commission is authorised to make payment as grantor to the owner or occupier for the purposes specified in this agreement.

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 him by the Commission the owner or occupier within or throughout (as the case maybe) the periods specified in the second schedule hereto (hereinafter called "the second schedule") will carry out to the satisfaction of the Commission the works and requirements set out in the second schedule.
2. UPON completion of the said works or upon compliance with the said requirements to the satisfaction of the Commission within the period specified in Part I of the second schedule the Commission 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 Commission 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 Commission the works and requirements set out in the second schedule or shall otherwise default in complying with his obligations under this agreement the Commission 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 Commission require him to repay to the Commission 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 Commission may herein require; and if following receipt of such notice the owner/occupier fails within one calendar month thereafter to comply with the requirements thereof it shall be

lawful for the Commission 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 or for such shorter period as may be hereinafter agreed between the parties.

7. IT is further agreed and acknowledged....(attached).

.....

FIRST SCHEDULE

PROPERTY NAME

Lilybank Station

PROPERTY OWNER/S

N.Z. Trophy Guide Service Limited

LEGAL DESCRIPTION

C.T. 10K/888 - Leasehold
Run 78, situated in Torlesse, Godley,
Sinclair & Tekapo North S.D's. 23 552.7043 ha

C.T. 432/22 - Freehold
Rural Section 14452, Blks II & III
Tekapo North S.D. 8.0937 ha

TOTAL AREA 23 560.7980 ha

Handwritten notes:
- 1/12
- 1/12

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 through to completion over a period of

..... Five (words) *h*

..... 5 (numerals)

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.

h. 1/12
ch. 1/12

PART II CONDITIONS

WORKS AND
REQUIREMENTS

PERIOD DURING 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 Lands and Survey and the Waitaki Catchment Commission.

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 approval of the Commission, but shall be replaced as required by the Commission 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 Commission.

To be maintained so as not to obstruct normal and flood flows or to 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 Commission.

Firebreak
Access Tracks

"

Oversowing
and
Topdressing

"

Other

"

Handwritten marks and scribbles at the bottom left of the page.

PART II (a)

STABILITY TREE PLANTING AND WINDBREAK
STANDARD REQUIREMENTS

- (i) provide for blanking during establishment.
- (ii) not "top" or allow to be "topped" any trees without the written consent of the Commission, however, lateral trimming of branches may be undertaken from time to time.
- (iii) not cut down, or allow to be cut down any trees forming part of these works without the prior consent of the Commission.
- (iv) maintain all fences of a windbreak to a standard that will ensure no stock 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 in good condition to the specification of the Waitaki Catchment Commission the works and areas affected by this agreement for the period of the agreement.

Should maintenance works attract grant rates 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 Commission 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 Commission.

Handwritten initials and signature:
M H
cl T.J.

PART IV.

LILYBANK STATION : N.Z. TROPHY GUIDE SERVICE LTD.

1. Physical Description:

1.01 Locality and Access:

North end of Lake Tekapo predominantly between the Godley and Macaulay Rivers.

Access is gained via S.H.8 to Tekapo and then via Lilybank Road including a requirement to ford the Macaulay River.

Main Centres: Lake Tekapo, 50km., Fairlie, 100km.,
Timaru, 155km.

1.02 Legal Description

C.T. 10K/888 - Leasehold

Run 78, situated in Torlesse, Godley, Sinclair and Tekapo North S.D.'s.

23 552.7043 ha

C.T. 432/22 - Freehold

Rural Section 14452, Blks II & III
Tekapo North S.D.

8.0937 ha

TOTAL AREA:

23 560.7980 ha

1.03 Topography Climate, Geology/Soils, Vegetation:

1.03.1 Topography:

The property comprises only a small proportion of flat and rolling hills (approx. 12%) with the remainder being steep to very steep mountain sides and tops.

Altitude ranges from 762 metres at the Homestead to 2800m. at Mt. Sibald which is the highest point.

Aspect is largely south east and south west.

1.03.2 Climate:

Rainfall: Mean at the homestead is 1160mm per year with the lowest rainfall months being January, February and March, and the wettest months being September, October and November.

The range of monthly rainfall is 76mm (March) to 112mm (October) with rapid increases with altitude and with proximity to the main divide to the North where annual precipitation is in excess of 4000 mm/yr.

Temperatures: Mean approximately 8-10°C, 200+ ground frosts per year, wide diurnal fluctuations, relatively high sunshine hours and severe frost heave at high altitudes.

Strong NW winds prevail in spring-early summer. Snow is seasonal in May to September and the area experiences a high snow risk.

Handwritten notes:
Sibald
1000m
1000m

1.03.3

Geology/Soils:

Geology: Lithology; Greywacke and argillite of the Jurassic age grading to Triassic greywackes to the east. Low to medium in duration.

Geomorphology: Mountains created by folded and faulted landforms with screes and aggrading stream modifications in valleys. Minor pliestocene landforms occur on the downs on the western side of the Homestead and pliocene gravels occur to the east on the hills.

Soils: Genetic classification: Upland and high country yellow brown earths 73% Recent and Gley Recent 2.7%, Alpine soils 24.3%.

Soils formation: Most soils formed under tussock grassland. Accumulating loess and low temperatures have resulted in weakly weathered soils. Their weakly developed structure and low bulk densities lead to a situation of general instability.

Fertility: Recent Soils - Medium, Dobson and Tasman also Mesopotamia.
Cass Soils - Medium to low.
Steepland Soils - Low to very low.

1.03.4

Vegetation:

Vegetation: short tussock grassland on the river flats dominated by hard tussock.

short/tall tussock grassland on downlands in combination with quite dense patches of matagouri.

tall tussock at higher altitudes - Chionocloa rigida grading to C. Macra on older and colder sites.

Herb fields, scree and rock communities occur on sites all over the higher portions of the property.

1.04

Erosion:

Geological: A large proportion of the property is alpine scree and in areas these are providing a continuous supply of debris to tributary valleys and streams.

Accelerated: Apart from the southern portion of the property around the Homestead and extending short distances up the Godley and Macaulay River Valleys, the rest of the run is subject to moderate to extreme erosion process related to past management, altitude, slope and a very severe climate.

Extent:

<u>Slight</u>	<u>Moderate</u>	<u>Severe</u>	<u>Very Severe</u>	<u>Extreme</u>
1%	20%	17%	18%	44%
262 ha	4738 ha	4113 ha	4206 ha	10 242 ha

1:05

Land Use Classification:	Area	%
Land suited to Arable Use		
Class IV: Severe limitation	154 ha	0.5%
Land suited to Pastoral Use		
Class V: Slight limitation	9 ha	-
Class VI: Moderate limitation	2498 ha	11.0%
Class VII: Severe limitation	5796 ha	24.5%
Land suited only to Watershed Protection:		
Class VIII: Extreme limitation	15104 ha	64.0%
Totals:	23561 ha	100.0%

Units:

Vle1 Mesopotomia and Tasman Soils Downlands Terraces - nil-slight erosion, medium fertility, production where cultivated moderately high but risk of wind erosion during cultivation high (154 ha).

Vw1 Dobson soils, all year round wetness problem no erosion, medium high fertility, potential production moderately high with some drainage. (9 ha)

Vle2 Cass Hill soils, moderate erosion, medium fertility, potential production moderately high under pastoral use with subdivision rotational grazing and OS & TD (1108 ha)

Vle4 Tasman soils, flood plains and terraces, medium to low fertility, potential production moderately high. Areas are very small and not significant to management. (92 ha)

Vle5 Craigieburn soils, fans and terraces, medium fertility generally small isolated areas on this property and largely associated with unit Vle2 and would respond in much the same manner. (145 ha)

Vle6 Cass soils, downlands, slight to moderate wind and sheet erosion if depleted, medium fertility, potential production moderately high under pastoral use with sub-division, rotational grazing and OS & TD. (566 ha)

Vls1 Tasman (shallow) soils, recent floodplains and terraces, medium fertility, potential production moderate only due to droughty nature of the soils. Island areas of these soils are prone to flooding and stream bank erosion. (495 ha)

Vls6 Craigieburn (shallow) soils, limited areas of fans, at mouths of tributary streams, medium fertility. Associated with Vle5 and occur below areas of Vle2. Production moderate under pastoral use. (93 ha)

Vlle1 Cass Hill soils, south face, moderate erosion, medium to low fertility, snow risk, limited safe pastoral production with the major limitation being the long period of snow lie. (70 ha)

Vlle2 Cass, Tekoa and Kaikoura steep land soils, moderate erosion, low medium fertility, limited pastoral production, some seasonal spelling may be necessary for natural regeneration, gully control necessary in some areas. Would benefit from sub-division for controlled grazing and lower areas would respond to OS & TD. (1969 ha).

Vlle3 Cass, Tekoa and Kaikoura steepland soils, severe erosion, low medium fertility, very steep slopes, very limited potential under pastoral production, seasonal spelling in spring-summer necessary. Has major use as watershed protection area. (3475 ha)

Vlle6 Puketeraki soils, high altitude hill soils, moderate-severe wind and sheet erosion, low-medium fertility, very limited production potential, very light stocking only, direct improvement impracticable. (282 ha)

Vlle2 Kaikoura (eroded) soils, very severe or extreme sheet, wind, gully and scree creep erosion, no potential for safe pastoral production. (2639 ha)

Vlle6 Glen Lyon soils, very high altitude hill soils in cirque basins surrounded by very severe or extreme erosion. No safe pastoral production. (920 ha)

Vlle9 Kaikoura (tallus) soils, very severe/extreme scree creep erosion no potential save pastoral production. (5795 ha)

Vlle10 Alpine steepland soils active natural erosion. (5749 ha).

2. CONSERVATION PROGRAMME AND WORK SECTION:

2.01 Soil Conservation Problems:

The major problems occurring on the property centre around the very large proportion of the lease which has either very severe limitations to or no potential for productive pastoral use.

Both geological and accelerated erosion is severe and this is due to a number of factors - the major ones being:-

- (a) the topography and natural climatic phenomena occurring at such close proximity to the main divide,
- (b) the historical management of such properties following European settlement,
- (c) the high noxious animal populations of the 1960s exerting even more pressure on the high altitude areas,
- (d) the shortage of fenced downland areas to enable rational stock management for sustaining cover and forage on the sunny areas, and
- (e) the influence of the rabbit on those downland areas.

2.02 Soil and Water Conservation Programme:

2.02.1 Goals and Objectives:

The overall goal of the proposal is the retirement from grazing and the surrender of some ~~2,000ha~~ of largely severely eroded Class VII and VIII lands.

The achievement of this goal, which will ensure the protection of the Macaulay River catchment and a considerable area of the Godley catchment, is dependent upon establishing the most appropriate farming regime for the land areas to be retained so as to ensure the future economic stability of the property.

From a detailed study of the relative economics of various farming systems the following conclusions can be drawn:

- (i) that traditional domestic farming using sheep and beef is not an economic proposition on the area to be retained without the addition of a considerable area of suitable land to the property. (viz: approximately 1200-1500ha. which is not available).
- (ii) that the introduction of a deer farming enterprise, combined with the production of "Trophy" animals for hunting in the larger enclosures as a side line, plus a reduced sheep/beef proposition should ensure the future of the property on the area which can reasonably be fenced and retained under permanent title.

Handwritten notes and signatures, including a large 'D' and a signature.

As a consequence therefore, the only appropriate farming regime for the balance of the property to be retained will involve:

- (a) the securing within a safe rational fence line (except for some winter grazing) as much of the area suitable for permanent tenure as possible.
- (b) The establishment within the permanent tenure area on Class VI or better land of a large deer farm (plus game ranch) complex.
- (c) The alteration of the domestic flock and herd compositions to that which reduces costs in relation to projected income, and which is more suited to rational utilisation of the balance of the permanent tenure land.
- (d) The integration of the management of the livestock enterprises to enable the best use of available herbage and at the same time sustain and improve cover and species composition.
- (e) The recognition that, because the retirement time is related to topography and the costs of having to ring fence adjacent areas of Class VI land, areas of safe grazing land have been excluded from permanent title, and should grazing be made available in these areas it should be made available to the lessees.

The achievement of the above will result in the property:

- (i) Retiring and excluding from title some 21591 ha.
- (ii) Retaining some 1970 ha more or less in permanent tenure.

2.02

PROPOSED PROGRAMME

It is suggested that the deer farm (game ranch) complex integrated with a reduced domestic stock enterprise is the only existing alternative to ensure that the property will be no worse off as a result of entering the Run Plan agreement.

As a consequence, therefore, it is proposed that where deer fences are being erected grants be available for the equivalent of a normal domestic stock fence, and the extra cost involved be part of the local share of the works.

Handwritten notes:
V.A.A.
K.M.

2.02.1

Fencing:

10.5km. of retirement fencing is proposed (AB 2.8km, BC 0.7km, CD 7.0km) of which 3.5km (AB 2.8 and BC 0.7km) will be a 2 metre high fence.

20.3km of fencing, to provide winter and summer blocks establishing manageable enclosed areas to graze sheep, cattle and deer within the permanent tenure area, and also to provide separation of major land classes (V11 from V1) and separation of stony river flats from hills and downs with deeper soils, is proposed for offsite purposes. The fences are AH 0.8km, HE 3.2km, CE 1.6km, EF 3.2km, GB 3.5 km, KD 3.4 km, IJ 3.0 km and BL 1.2 km

3.7km of recuperative spelling fence is proposed to enable the spelling of block D to occur for 2 years, followed by restricted grazing by sheep (E-K 1.2km, KF 2.5km).

2.02.2

Alternative Grazing:

While there will be a removal of some 1650 stock units from the area to be retired it is not intended to establish any offsite grazing except for 81 ha of hay paddocks in the first five years.

There are two main reasons for this approach:-

- (i) It is considered that the subdivision of a previously unsubdivided and relatively large area of land will provide for improved use of available herbage, as well as provision for spelling country at appropriate times, and thereby, go at least some way towards offsite grazing requirements.*
- (ii) The integration of the stock management of areas surrounded by 2 metre high fencing will also influence the amount of extra herbage required for offsite purposes for the "game stock" content of the total stock units to be carried, as well as establish the relative complementarity of the sheep/ cattle and game stock.

It is anticipated that all the fencing will be completed in five years and those years should provide sufficient information to determine the area of OS & TD required, and if further hay paddocks are required for the winter period

Under a traditional domestic stock situation the removal of 1650 stock units would require something in the order of 825 ha of OS & TD in this locality for offsite purposes. However, it is not anticipated that this area will be required under the proposed farming regime. The actual level of requirement will be determined over the next 5 years.

Handwritten notes:
2.02.1
2.02.2

2.02.3

Other Works:

Apart from the works proposed in the programme for the first stage of this plan, the owners will be committed to:

- (a) establishing winter management areas for the classes of "game stock" being run,
- (b) A central lane system for access for game and domestic stock for stock health, yarding, winter feeding etc., and,
- (c) The establishment of yards for the farmed game animals.

2.02.4

Future Works:

Consideration is already being given to works for the second stage of the plan and these may include:

- (i) OS & TD of the deer summer block as well as the Thar/Chamois area to ensure maximum cover and minimum risk of any erosion.
- (ii) Stabilisation of an eroding face and fan which could provide bed load directly to the Macaulay River.
- (iii) OS & TD of the area D which will have been spelled and on which only limited grazing will be allowed.
- (iv) Some river control works to ensure that the Macaulay and Godley Rivers do not erode currently stable flats.
- (v) There may be merit in further subdivision of the blocks established in the 1st stage.

[Handwritten signature]

[Handwritten initials]

2.03 COSTS AND PROGRAMME EXPENDITURE

(All costs include 10% Contingencies and 22% Fees)

		<u>Total Cost</u>	<u>Grants</u>	<u>Local Share</u>
<u>Year 1 1978/79</u>				
Job 1*	BC 1.2 km Retirement at \$2149	\$3 448	\$3 448	(\$2 244)
Job 2*	CE 1.6 km Offsite at \$2149	4 615	4 615	(2 992)
Job 3*	EF 3.2 km Offsite at \$2149	9 230	9 230	(5 984)
Job 4*	BL 1.6 km Offsite at \$2149	4 615	4 615	(2 992)
Job 5	8.1 ha Hay Paddock at \$179	1 947	1 947	-
		<u>\$23 855</u>	<u>\$23 855</u>	<u>(\$14 212)</u>
<u>Year 2 1979/80</u>				
Job 6	EK 1.2 km Protection at \$2149	3 448 2:1	2 299	1 149
Job 7	FK 2.5 km Protection at \$2149	7 211 2:1	4 807	2 404
		<u>\$10 659</u>	<u>\$7 106</u>	<u>\$3 553</u>
<u>Year 3 1980/81</u>				
Job 8	CD 7.0 km Retirement at \$2149	20 189	20 189	-
Job 9*	GB 3.0 km Offsite at \$2149	8 653	8 653*	(5 600)
		<u>\$28 842</u>	<u>\$28 842</u>	<u>(\$5 600)</u>
<u>Year 4 1981/82</u>				
Job 10	DK 3.4 km Offsite at \$2149	9 806	9 806	-
Job 11	IJ 3.0 km Offsite at \$2149	8 653	8 653	-
		<u>\$18 459</u>	<u>\$18 459</u>	<u>-</u>
<u>Year 5 1982/83</u>				
Job 12*	AB 2.8 km Retirement at \$2149	8 076	8 076	(5 236)
Job 13*	BH 3.2 km Offsite at \$2149	9 230	9 230	(5 984)
Job 14*	AH 0.8 km Offsite at \$2149	2 306	2 306	(1 496)
		<u>\$19 612</u>	<u>\$19 612</u>	<u>(\$12 716)</u>
<u>Total Programme Costs:</u>		\$101 427	\$97 874	\$3 553 (32 528)

Note: * indicates where the fence is to be a 2 m deer fence.
 () indicates the extra cost of the deer fence
 cf. domestic fence.

3.0 MANAGEMENT:

3.01 Flock and Herd Composition:

3.01.1 Stock Nos. (30th June 1977)

<u>Sheep</u>		<u>Cattle</u>		<u>Deer</u>
Ewes	700	Cows	220	Mixed age and
Hoggets	700	R 2yr. Heifers	40	mixed sex deer:
2T Wethers	300	R 1yr. Heifers	12	100
2T Ewes	100	R 2yr. Steers	25	
Wethers	1000	R 1yr. Steers	3	
Rams and				
Killers	115	Bulls	6	
	<u>2915</u>		<u>306</u>	<u>100</u>

3.01.2 Stock Units

Sheep	2181
Cattle	1664
Deer	160
Total:	<u>4005</u>

3.01.3 Sheep Flock Composition:

The sheep flock composition will change to a dry flock over the next four years and this change will come about in two ways:

- (i) by the non replacement of ewes and the retention of the male progeny.
- (ii) by purchase of adult wethers initially to replace stock units lost through sale of capital cattle stock.

At the end of the fourth year it is anticipated that the sheep flock will consist of 3576 wethers of which 800 will be wether hoggets. There will be 100 killers and the total sheep stock units at that stage will be 2493.

The highest number of sheep to be run on the property over the 5 year period will occur at the end of the first year when cattle stock units are replaced by wethers. At that stage there will be a total of 3900 sheep including breeding and dry stock, giving a total of 2867 stock units.

Handwritten notes:
 1. 1. 1. 1. 1.
 1. 1. 1. 1. 1.

The sheep numbers will decline as the deer numbers rise so that total stock units carried on the property will remain about the 4000 level.

At the end of the 1st Five year programme sheep numbers will have almost stabilised and will be at 3520, giving 2384 stock units.

3.01.4 Cattle Herd Composition:

The current high cattle numbers compete directly with the sheep for available feed, and it is proposed to reduce the herd to one for block management purposes.

The reduced herd of 80 breeding cows and replacements (120 cattle total) will be used as a complementary management tool to both sheep and farmed game animal areas, to control woody species dominance and to control roughage on shady faces and in gullies.

The reduction in numbers will probably occur over one year but will be dependent upon the market prices at the time.

Total cattle stock units will be 640.

3.01.5 Farmed Game Herd Composition:

(a) DEER:

These will form the major part of the farmed game animals and numbers will rise as rapidly as possible, initially through capture and then through breeding up, until a breeding herd of 300 adult hinds is reached. Because of the current market for velvet, higher numbers of stags than would be required for breeding purposes will be retained and ultimately the best of these will be kept for trophy heads.

Deer stock units have been assessed as follows:-

Rising 2 year olds and adult hinds	1.5su/animal
Weaner fawns (mixed sex)	1.0su/animal
Adult Stags	2.5su/animal

On this basis the total stock units to be carried as deer will ultimately stabilise at 1066. However, it will take some 7 years to achieve this level of stocking.

(b) THAR AND CHAMOIS:

Thar and Chamois numbers will be built up largely by capture in the early stages, but neither herd will be very large. The unknown factors regarding Chamois in captivity make this part of the enterprise somewhat experimental.

However, based on a total of 140 animals it is considered that these would equate to approximately 100 stock units, (i.e. similar feed requirement to adult wethers).

While some meat may be produced from these animals the major objective is the production of trophy heads for hunting within the large enclosure.

Handwritten notes:
1/9/81
121
100

3.01.6

Stock Number and Stock Unit Adjustments:

In the two diagrams set out below are the changes in flock and herd compositions which will occur over the next 8 years.

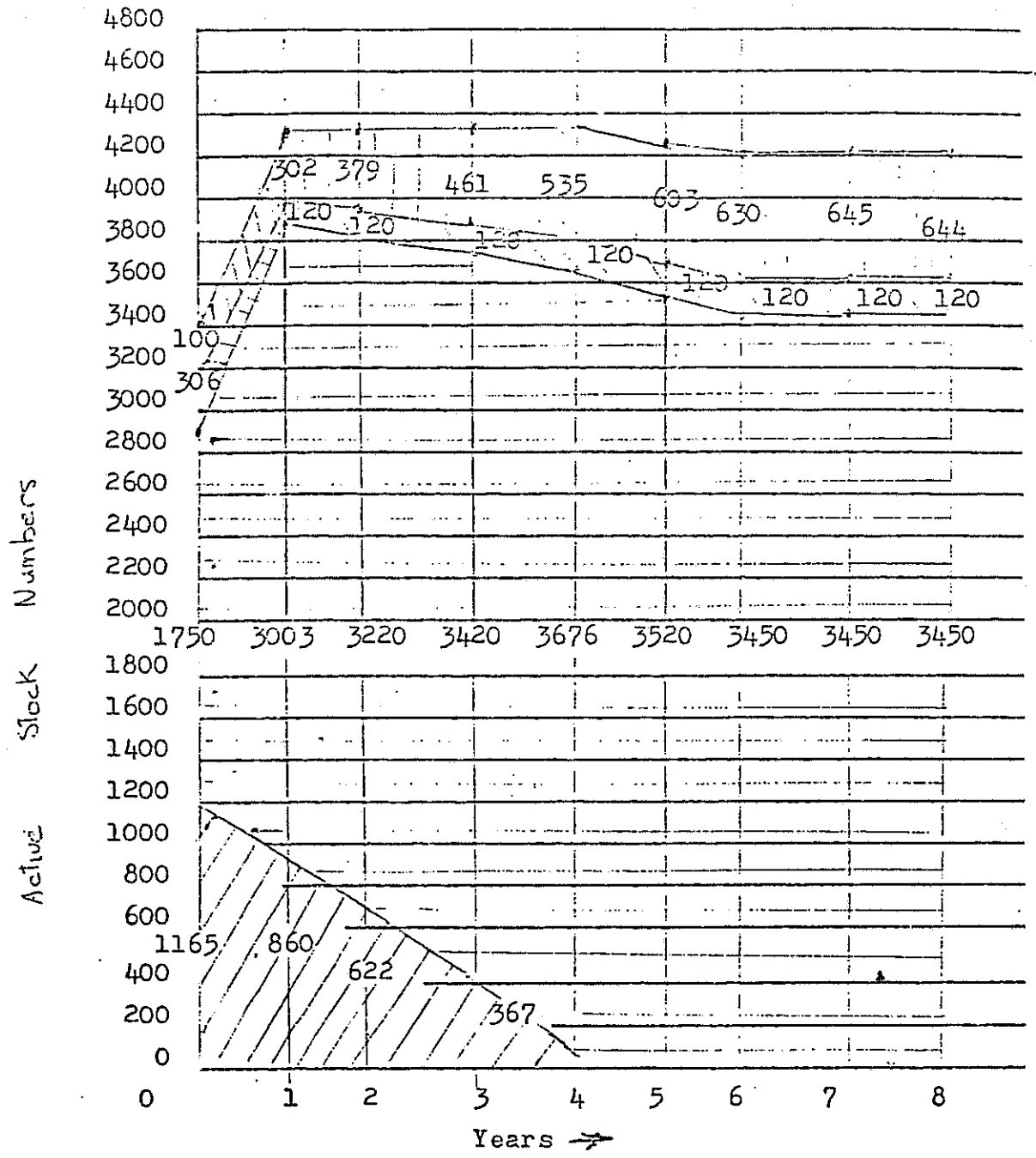
Diagram 1 shows stock numbers vs time and does not consider the stock unit rating for different types of stock.

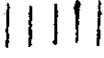
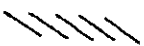
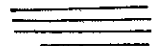
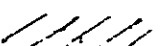
Diagram 2 shows stock units vs Time and while reflecting stock numbers does not reflect different classes of the same species.

Handwritten notes:
i.v.f.s.
ka
A.F.

DIAGRAM 1

STOCK NUMBERS VS TIME



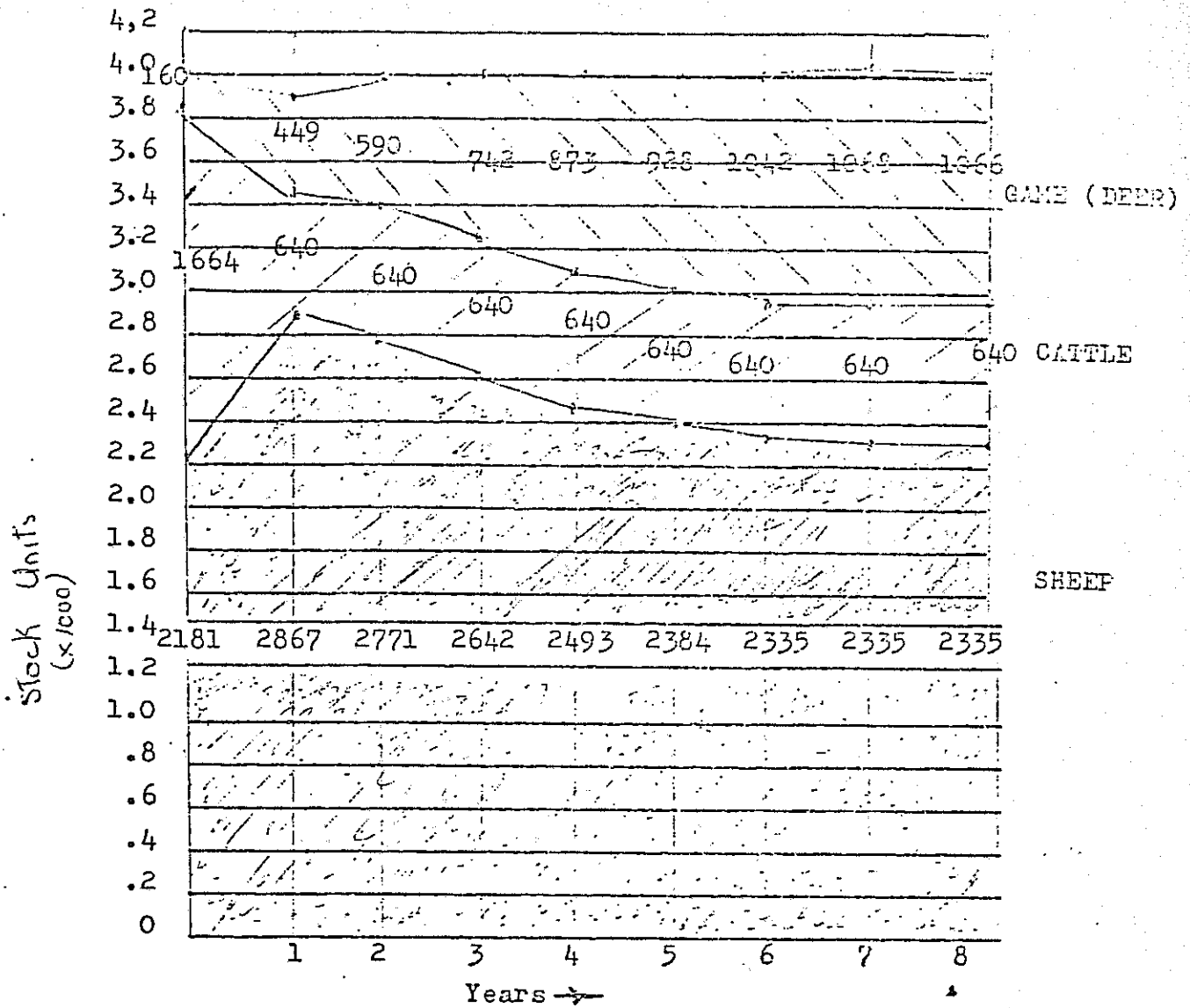
 Game: (Deer)
 Cattle
 Wethers and Replacements (Incl. killers)
 Ewes and replacements (Incl. Rams)

Note: The numbers within the shaded areas indicate the actual numbers of stock of that species or class.

Handwritten notes:
 1/26/70
 [Signature]

DIAGRAM 2

STOCK UNITS VS TIME



Note the numbers within the shaded area indicate the actual number of stock units within each species of stock.

Handwritten notes:
 1/1/64
 1/1/64
 1/1/64

DIAGRAM 1 : Highlights the decrease in breeding ewe numbers and their replacement with wethers.

While the decrease in cattle numbers is not so obvious in this diagram total cattle numbers drop from 306 to 120 and their numbers are replaced by the purchase of wethers.

The sheep numbers decrease slowly over time as deer numbers rise until the system stabilises at years 6 to 7.

DIAGRAM 2 : Shows more vividly the rapid change in the Cattle/Sheep stock unit ratio in the first year, and then the gradual replacement of sheep stock units with game stock units.

For simplicity sake only the deer part of the game animals has been shown in the diagrams because the policy regarding the other two species is not yet finalised, and their addition would add only 100 further stock units to the totals.

3.02

LAND MANAGEMENT:

3.02.1

Deer Block (Summer)

Until deer numbers build up sufficiently to utilise all the available herbage production of this block (C2), it is envisaged that there will be complementary grazing by sheep and cattle so as to maintain roughage control and avoid the necessity to burn.

In the longer term when the 300 hind herd is finally established grazing pressure will be well balanced in relation to herbage production, especially with improvement in palatability through OS & TD which will occur in the second programme.

At that stage the stocking pressure on the block on a per annum basis will be approximately 1.7 su/ha, and the block will be receiving a four month spell from June till the end of September.

3.02.2

Thar/Chamois Block (Summer)

Even in the long term this block will only be sustaining a stocking pressure of 100 su for eight months of the year, so that in order to keep control of the situation all the cows and wethers will be put in towards the end of winter (August/September). This should ensure that roughage is kept under control and also that the cows and wethers come out of the winter in good condition.

This block will, through light summer autumn use, have the effect of providing standing hay to the domestic stock at a period when it is most required, and the cleaning up of the block by those animals will freshen it up for the return of the game animals in October.

19/8
JCA

2.3 Domestic Stock Area

Until the requirement for offsite grazing OS & TD is established and implemented there will still be the flexibility of being able to use the upper Godley and Macaulay Valleys for summer grazing of sheep and cattle.

However, once the offsite grazing is fully developed (in the 2nd Programme) a system of block or rotational grazing will be fully implemented following its introduction during the latter stages of the 1st Programme.

The proposed unfenced winter block, upstream of the Thar/Chamois block, will receive only 2500 wethers for two months. This area is in good condition and the winter snowline at 900 m will provide an adequate boundary.

The two blocks which are predominantly Class VIIe2 (Blocks D and E) will receive the lightest grazing at 0.84 and 1.11 su/annum. Block D will have been spelled for two years prior to resumption of the light stocking, and following resumption will be grazed for only 2 months mid September to mid November by hoggets and young cattle.

Block E (Pringle) will be spelled from June till mid November and the lower portions grazed with young cattle for 2½ months followed by the cows and wethers for four months. It is anticipated that OS & TD for cover improvement will have been carried out as well as further subdivision prior to final full use of this area.

The balance of the area to be retained is in good to very good condition and future grazing is more dependent upon climate than cover; however, on no area will the annual stock pressure be greater than 1.80 su except in the improved paddocks and small blocks on which the wintering of game animals and young domestic stock will occur.

4.0 Economics

The programme will be financed out of income and as a consequence progress will be dependent upon product prices for sheep, cattle and deer.

5.0 Conditions

(i) That the owners accept the commitment to a second 5-year programme to establish the offsite grazing, and such other works as are necessary, and that on the satisfactory consolidation of the offsite grazing the area of 21 591 ha will be retired from grazing and excluded from the lease.

(ii) That Block D be spelled for two years and following resumption of grazing that it be restricted to not more than 30 cattle and 800 sheep (young stock viz: 1 and 2 yr. Heifers and Hoggets or 2T's) for not more than two months of the year (mid September-mid November).

Handwritten initials

Handwritten initials

APPENDIX I

Specifications and Costs

Fencing

(Domestic) 1 metre Fence:	Materials	\$1075/km
	Freight, clearing and laying line	298/km
	Labour	776/km
		<u>\$2149/km</u>

(Game) 2 metre Fence:	Materials	\$2627/km
	Freight, clearing and laying line	537/km
	Labour	1015/km
		<u>\$4179/km</u>

Establishment of Hay Paddock

(a) Preparatory Crop Per hectare

Cultivation	\$60
Fertiliser	30
Seed (Oats)	36
Freight	5
	<u>\$131</u>

(b) Sowing Down

Cultivation	\$60	
Fertiliser	24	
Seed	36	(Ryegrass, Timothy, Red, White and Alsike Clovers)
Freight	8	
	<u>\$128</u>	

(c) Cost Available for Grants

Cost of Preparatory Crop	\$131
Less Seed, $\frac{1}{2}$ Fertiliser, $\frac{1}{2}$ Cultivation, $\frac{1}{2}$ Freight	83
	<u>\$48</u>
Cost of Sowing Down:	\$128

\$176 say, \$179/hectare

7. IT IS FURTHER ACKNOWLEDGED AND AGREED

- (a) That the estimated costs set herein in Part IV of the Second Schedule hereto are calculated on acting costs applying in the 1979/80 year AND THAT payments or credits will be calculated and paid in each and every year up to and including year five as described in the said Second Schedule on the basis of actual costs pertaining in each and every year.
- (b) That the Commission shall within two (2) months of the date hereof enter into further negotiations with the Soil Conservation and Rivers Control Council with a view to obtaining an increased grant to be paid to the owner/occupier to be applied towards the erection of deer fencing which fences are considered by the parties hereto to be fundamental to the viability of the run plan.

W.A.S.

111

M.

cy

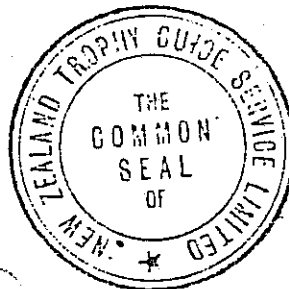
IN WITNESS WHEREOF these presents have been executed on this day and year first hereinbefore written

I, NEW ZEALAND TROPHY GUIDE SERVICE LIMITED of
(Owner/Occupier (delete non-applicable))

a duly incorporated Company having its registered office at Hamilton
(Address)

herein do hereby bind myself and my successors in title to perform and observe the terms and conditions of this agreement.

SIGNED by the said
THE COMMON SEAL of NEW
ZEALAND TROPHY GUIDE SERVICE
LIMITED as the Owner/Occupier
was hereunto affixed in the
presence of:



as the Owner/Occupier
in the presence of:

[Handwritten signature]

THE COMMON SEAL of the
WAITAKI CATCHMENT COMMISSION
was hereunto affixed in
pursuance of a resolution
of the Commission in the
presence of:

[Handwritten signature] Chairman
[Handwritten signature] Secretary

I, *[Handwritten signature]* of Kurow, Secretary to the Waitaki
Catchment Commission DO HEREBY CERTIFY that the within written
Agreement is one that is capable of registration and I do hereby
apply for the registration of the said Agreement against the land
above described in accordance with the provisions of Section 30A
of the Soil Conservation and Rivers Control Act 1941.

Date: *14/7/60*

Signature: *[Handwritten signature]*

CERTIFICATE OF ALTERATION

HER MAJESTY THE QUEEN { Lessor.
Licensor.

NEW ZEALAND TROPHY GUIDE { Lessee.
SERVICE LIMITED { Licensee.

PARTICULARS entered in the Register on the date and at the time recorded below.

1143 23.MAY84 C 489553 /

PARTICULARS ENTERED IN REGISTER
LAND REGISTRY CANTERBURY

ASST LAND REGISTRAR
10K/868

District Land Registrar of the District of
Assistant

L. & S.-B. 6

CERTIFICATE OF ALTERATION UNDER SECTION 113, LAND ACT 1948

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

and

No. P2

IN THE MATTER of lease/~~license~~ from HER MAJESTY THE

QUEEN to NEW ZEALAND TROPHY GUIDE SERVICE LIMITED

a company having its registered office at Hamilton lessee of Part Run 78 'Lilybank' situated in Torlesse, Godley Sinclair and Tekapo North Survey Districts

Area : 23 552.7043 hectares

registered in

Vol 10K , folio 888 Land Registry.

Canterbury

This is to certify that the area in the above-described lease has been increased to 27 518.6236 hectares following redefinition by the latest topographical mapping

SCHEDULE

(Land now in lease)

Part Run 78 'Lilybank' situated in Torlesse, Godley, Sinclair and Tekapo North Survey Districts

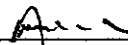
Area : 27 518.6236 hectares

As witness my hand, this 21st day of May 1984.

[Signature]
Deputy Assistant Commissioner of Crown Lands.

**MEMORANDUM OF PARTIAL
SURRENDER**

Correct for the purposes of the Land Transfer Act



Solicitor for the Lessor

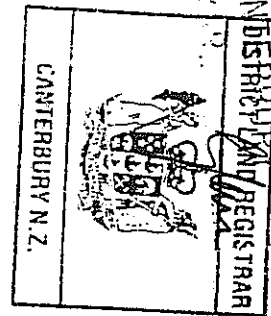
HER MAJESTY THE QUEEN Lessor

LILYBANK NEW ZEALAND LIMITED Lessee

PARTICULARS entered in the Register on the date
and at the time recorded below:

District/ Land Registrar of the District of
Assistant

11.29 25.JAN99 A 38725702
PARTICULARS ENTERED IN REGISTER
LAND REGISTRY CANTE
DISTRICT AND REGISTRAR
ASSET LAND REGISTRAR



MEMORANDUM OF PARTIAL SURRENDER

IN THE MATTER of the Land Act 1948 and its Amendments

AND

IN THE MATTER of Pastoral Lease No P2 under the Land Act 1948 of ALL that piece of land situated in the Canterbury Land District containing 27518.6236 ha being the whole of land comprised and described in the aforesaid Pastoral Lease recorded in Register Book Vol 10K Folio 888.

LILYBANK NEW ZEALAND LIMITED, Lessee under the above mentioned lease DOES HEREBY SURRENDER in terms of Section 145 of the Land Act 1948, all its estate and interest as such lessee in all that piece of land containing 25382.9580 hectares more or less being Sections 2-4, SO 19186, Sections 1-2 SO 19047 and Section 1 SO 19981 AND LILYBANK NEW ZEALAND LIMITED AGREE AND DECLARE THAT all and singular the covenants conditions and agreements of the said recited lease expressed and/or implied shall continue in force in respect of the residue of the land henceforth comprised therein as fully and effectually as if such residue of the said land had originally been comprised therein AND LILYBANK NEW ZEALAND LIMITED HEREBY FURTHER AGREE AND DECLARE that the said surrender shall take effect from the first day of December 1995.

DATED this 16th day of December 1998

SIGNED by the said LILYBANK NEW ZEALAND LIMITED as Lessee by:

[Handwritten signature]
Manager Director
in the presence of
[Handwritten signature] ac

A. W. T. Clarkson
Solicitor
Christchurch

SURRENDER ACCEPTED for and on behalf of HER MAJESTY THE QUEEN as Lessor:

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

[Handwritten signature]
Commissioner of Crown Lands

Witness: *[Handwritten signature]*
Name: *[Handwritten signature]*
Occupation: *Personal assistant*
Address: *Land Information NZ*

S. D. BROWN
COMMISSIONER OF CROWN LANDS
LAND INFORMATION NZ.
WELLINGTON

Verified Descriptions For Lilybank Station

1. Current area and legal description of the land in P2 - CL10K/888:

27518.6236 hectares

Part Run 78, Sections 1 and 2 SO19047, Sections 2, 3 and 4 SO19186 and Sections 1 and 2 SO19981.

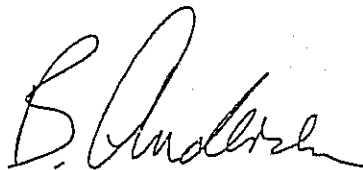
2. Areas and legal descriptions of surveyed areas on SO's 19047, 19186 and 19981 to be surrendered from the lease:

32.5997 hectares ✓	Section 1 SO19047 ✓
3.9883 hectares ✓	Section 2 SO19047 ✓
11.0000 hectares ✓	Section 2 SO19186 ✓
17.0000 hectares ✓	Section 3 SO19186 ✓
5.0000 hectares ✓	Section 4 SO19186 ✓
25313.3700 hectares ✓	Section 1 SO19981 ✓

3. Area and legal description of the balance of lease CL10K/888 once parcels described in '2' above have been surrendered therefrom:

2135.6656 hectares

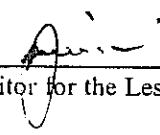
Part Run 78 and Section 2 SO19981



B D Andersen
Registered Surveyor

MEMORANDUM OF VARIATION
OF LEASE

Correct for the purposes of the Land Transfer Act


Solicitor for the Lessor

HER MAJESTY THE QUEEN (Lessor)

LILYBANK NEW ZEALAND LIMITED (Lessee)

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

District/Assistant Land Register

District of _____

KNIGHT FRANK (NZ) LIMITED
CHRISTCHURCH

11.29 25.JAN99 A 387257.3
PATRICULARS ENTERED IN REGISTER
LAND REGISTRY CANTERBURY
101c/888
CANTERBURY N.Z.

MEMORANDUM OF VARIATION OF LEASE

IN THE MATTER of the Land Act 1948,

and

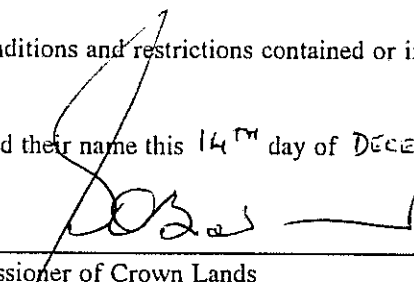
IN THE MATTER of Lease No P 2 registered in Volume 10K, folio 888, Canterbury Land Registry, from HER MAJESTY THE QUEEN to LILYBANK NEW ZEALAND LIMITED

The covenants conditions and restrictions contained or implied in the abovementioned Lease registered in Volume 529, Folio 2, Leasehold Certificate of Title, Volume 10K, folio 888, Canterbury Land Registry, are hereby varied as follows:

1. That from the 30th day of November 1998, notwithstanding the provisions of clause 13 and covenants (a) and (f) the Lessee shall not depasture stock on that part of the within land known as Section 2 SO 19981 but may move stock across the said Section 2 from and to adjacent lands leased herein. To ensure compliance with this clause, the Lessee shall maintain stockproof fences on the boundaries of the said Section 2.
2. 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.

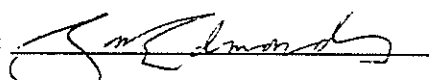
IN WITNESS WHEREOF the parties have hereunto subscribed their name this 14th day of DECEMBER 1998 .

SIGNED for and on behalf of HER MAJESTY)
THE QUEEN by the Commissioner of Crown)
Lands in the presence of:-)

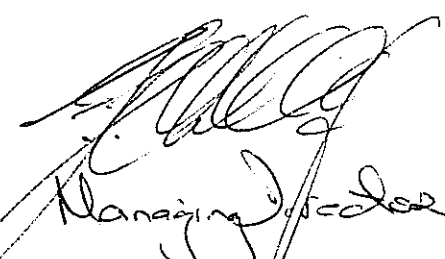



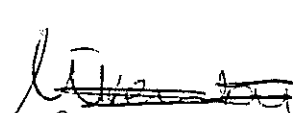

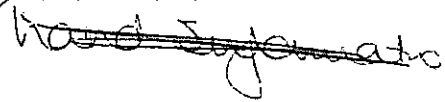
Commissioner of Crown Lands

S. D. BROWN
COMMISSIONER OF CROWN LANDS
LAND INFORMATION NZ.
WELLINGTON

Witness: 
Name: Sylvia Marie Edwards
Occupation: Personal assistant
Address: Land Information NZ

SIGNED by the said LILYBANK NEW ZEALAND LIMITED as Lessee by:


Managing Director
in the presence of:






Timothy
Stuart
David

A. W. T. Clarkson
Solicitor
Christchurch

THE CANTERBURY REGIONAL COUNCIL under and by virtue of Land Improvement Agreement No. 286745/1 and 830901/1 under section 30A of the Soil Conservation and Rivers Control Act 1941 DOES HEREBY CONSENT to the aforesaid variation of lease BUT WITHOUT PREJUDICE to its rights powers and remedies otherwise and in respect of the said Agreement

DATED this 23rd day of December 1998

THE COMMON SEAL of the CANTERBURY REGIONAL COUNCIL was affixed hereto in the presence of



P C Berry
Administration Manager
CANTERBURY REGIONAL COUNCIL

