

Crown Pastoral Land Tenure Review

Lease name: MANUKA POINT

Lease number: PT 053

Substantive Proposal

- Part 1

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

June

14

PROPOSAL FOR REVIEW OF CROWN LAND Under Part 2 of the Crown Pastoral Land Act 1998

Date: 4 December 2013

Parties

Holder: Manuka Point Station Company Limited

C/- Mr and Mrs Patterson

Manuka Point Station

RD

METHVEN 7791

Commissioner of Crown Lands: C/- The Manager for Tenure Review

Darroch Limited
Broadway Building
62 Riccarton Road

PO Box 142

CHRISTCHURCH 8140

The Land

1. Pastoral Lease

Lease: Manuka Point

Legal Description: Part Run 273, Section 1-2 Survey Office Plan 17471 and

Section 1 Survey Office Plan 19439

Area: 7,419.6000 hectares approximately

Certificate of Title/Unique Identifier: CB529/71 (Canterbury Registry)

2. Unused Crown Land

Legal Description: Crown land shown on Survey Office Plan 11026, adjacent

to Rural Section 27821 and situated in Block I Glenrock

Survey District

Area: 21.0000 hectares approximately

Status: Crown land subject to the Land Act 1948

3. Conservation Area

3.1 'Reserve 4762

Legal Description: Reserve 4762

Area: 3,320 hectares approximately

Status: Stewardship land held pursuant to section 62

Conservation Act 1987

3.2 Reserve 4755

Legal Description: Reserve 4755

Area: 1,537.8054 hectares approximately

Status: Stewardship land held pursuant to section 62

Conservation Act 1987

Summary of Designations

Under this Proposal, the Land is designated as follows:

- (a) The Crown Land (shown edged in pink on the Plan) is to be restored to, or retained by, the Crown as set out in Schedules One and Two; and
- (b) The Freehold Land (shown edged in green on the Plan) is to be disposed of by freehold disposal to the Holder as set out in Schedule Three; and
- (c) The Conservation Area (shown edged in pink on the Plan) is to remain as Conservation Area as set out in Schedule Two; and
- (d) The Freehold Land (shown edged in green, and cross hatched in black on the Plan) is to be disposed of by way of exchange to the Holder as set out in Schedule Three; and
- (e) The Freehold Land (shown edged in green and cross hatched in blue on the Plan) is to be disposed of by freehold disposal to the Holder as set out in Schedule Three;
- (f) The Pastoral Lease Land (shown edged in pink and labelled CA7 on the Plan) is to be restored or retained in full Crown ownership and control as Conservation Area as set out in Schedule Two.

1 The Plan

2 Conditions

2.1 This Proposal, and any agreement arising therefrom, is subject to the conditions contained in Schedule Four (if any).

3 Settlement

- Unless otherwise agreed by the parties, the Settlement Date for the disposal of the Freehold Land to the Holder by freehold disposal will be the day that is TEN (10) working days following the day on which Land Information New Zealand notifies the Commissioner that the Final Plan and a copy of this Proposal are registered in accordance with the Act.
- 3.2 The Freehold Land will be disposed of to the Holder under the Land Act 1948.
- 3.3 Notwithstanding anything to the contrary, if, as at the Settlement Date (as determined pursuant to clause 3.1), the rent payable under the Lease is subject to a Rent Review, then the Commissioner may elect to:
 - (a) settle on the Settlement Date on the basis that the Commissioner may retain from the Commissioner's Payment an amount which the Commissioner, acting reasonably, estimates will be payable by the Holder to the Commissioner following agreement or determination of the Rent Review ("the Retention"). The Retention shall be held by the Crown Law Office in an on-call, interest-bearing trust account in the joint names of the parties for their respective rights and interests. Upon agreement or determination of the Rent Review, the Commissioner shall calculate the rent shortfall payable by the Holder to the Commissioner in respect of the period from the effective date of the Rent Review to the Settlement Date, both dates inclusive ("the Shortfall").If:
 - (i) the Shortfall is less than the Retention and the net interest earned thereon, the balance shall be paid by the Commissioner to the Holder within TEN (10) working days; or
 - (ii) the Shortfall is more than the Retention and the net interest earned thereon, the balance shall be paid by the Holder to the Commissioner within TEN (10) working days;

or

- (b) defer the Settlement Date until TEN (10) working days after the rent payable as a consequence of the Rent Review:
 - (i) has been agreed or defermined; and
 - (ii) is not and will not be subject to any appeal, rehearing or other proceedings.

4 Holder's Payment

- 4.1 By 3.00 p.m. on the Settlement Date, the Holder must pay the Holder's Payment and all other money payable to the Commissioner or the duly appointed agent of the Commissioner by bank cheque without set-off or deduction of any kind in accordance with the settlement requirements of the Commissioner.
- 4.2 If the Holder fails to pay the Holder's Payment or any part of it or any other money to the Commissioner or to the duly appointed agent of the Commissioner on the Settlement Date clause 19 will apply.

5 Commissioner's Payment

5.1 The Commissioner shall pay the Commissioner's Payment to the Holder on the Settlement Date.

5.2 No interest shall be payable to the Holder by the Commissioner in respect of the Commissioner's Payment, including (without limitation) for the period from the Vesting Date to the Settlement Date.

6 Vesting of Crown Land

6.1 The Crown Land will vest in the Crown on the Vesting Date.

7 Issue of Certificate of Title

- 7.1 Notwithstanding any other provision in this Proposal, the Commissioner will not request that the Surveyor-General issue a certificate to the Registrar pursuant to section 116 of the Land Act 1948 (to enable a certificate of title to issue for the Freehold Land) unless and until:
 - the Commissioner has received the Holder's Payment from the Holder under clause 4, and all other money payable by the Holder under this Proposal and the Notice;
 - (b) the Holder has provided to the Commissioner duplicate copies of the certificate of title relating to the Lease (if any) and/or the Lease if requested by the Commissioner;
 - (c) the Holder has signed and returned to the Commissioner all documents required by the Commissioner to be signed by the Holder to give effect to this Proposal (including, without limitation, any permit, covenant, easement and/or any other document); and
 - (d) the Holder has procured a registrable discharge of any Mortgage and provided this to the Commissioner together with any new mortgage documents to be registered against the Freehold Land.

8 Registration of Documents

8.1 Subject to clause 7, the Commissioner will lodge all documents necessary to give effect to this Proposal (including, without limitation any easement, covenant, discharge of mortgage, and/or duplicate copy of the Lease) and any new mortgage documents to be registered against the certificate of title to be issued for the Freehold Land so that the certificate of title for the Freehold Land will issue subject to the encumbrances provided in this Proposal. Any new mortgage will be registered after any other encumbrances such as any easements and/or covenants are registered:

9 Consents

- 9.1 The Holder must obtain the written consent to the Holder's acceptance of this Proposal from all persons having an interest in the Land (other than the Holder), including, but not limited to:
 - (a) any Mortgagee(s);
 - (b) any party entitled to the benefit of a land improvement agreement registered against the Lease and/or the Land; and
 - (c) any other person that the Commissioner reasonably believes has an interest in the Land or who the Holder reasonably believes has an interest in the Land, whether registered or not.
- 9.2 The consents required under clause 9.1 must be in a form acceptable to the Commissioner in all respects and be returned to the Commissioner with this Proposal on its acceptance by the Holder. Examples of the form of consents required under clause 9.1 are set out in Appendix 1.
- 9.3 The Holder must also obtain, and provide to the Commissioner if requested, all consents necessary for the Holder to accept this Proposal including (without limitation) any:
 - (a) corporate and/or trustee consents; and
 - (b) consent required under the Overseas Investment Act 2005 and the Overseas Investment Regulations 2005.
- 9.4 The Holder will procure the Mortgagee to execute a registrable discharge of the Mortgage and, if required by the Mortgagee, the Holder will execute registrable new mortgage documents and forward these to the Commissioner to be registered as set out in clause 8.

9.5 If required by the Mortgagee, the Commissioner will provide an undertaking that, subject to the provisions of clause 7 being satisfied, the Commissioner will register the discharge of the Mortgage and register any new mortgage against the certificate of title for Freehold Land at the same time as the certificate of title for the Freehold Land issues.

10 Continuation of Lease

- 10.1 The Lease will remain in full force and effect until a certificate of title issues for the Freehold Land. Notwithstanding when Settlement Date occurs, until a certificate of title issues for the Freehold Land the Holder will duly and punctually comply with all obligations on its part under the Lease (other than as set out at clause 12.1 (b)) and the Lease will remain in full force and effect.
- 10.2 From the date that a certificate of title is issued for the Freehold Land the Lease is deemed to be surrendered and, subject to clause 10.3, the Commissioner releases and discharges the Holder from the performance and observance of all covenants, conditions and obligations under the Lease.
- 10.3 The release and discharge in clause 10.2:
 - (a) Is without prejudice to the rights, remedies and powers of the Commissioner contained in the Lease (except as varied in accordance with clause 12.1(b)); and
 - (b) will not release or discharge the Holder from any liability under the Lease, arising prior to the date that the certificate of title for the Freehold Land is issued, under any statute or by any reason where such liability is due to the fault of the Holder.
- As from the Vesting Date, the Holder will not have any estate, right or claim against any of the land, improvements, fencing, buildings, structures, fixtures, fittings or chattels on the Crown Land (subject to the provisions of any permit, easement, concession, other encumbrance or document provided under this Proposal). The Holder will not be entitled to any compensation for any of its improvements, fencing, buildings, structures, fixtures, fittings or chattels which are on the Crown Land as at the Vesting Date.

11 Fencing and Construction Works

- 11.1 If the Holder has accepted this Proposal and that acceptance has taken effect pursuant to the Act, the Commissioner will, subject to clauses 11.2 and 14.4, erect at the Commissioner's cost new fencing:
 - (a) approximately along the lines marked "New Fencing Line" on the Plan; and
 - (b) to the specifications in Appendix 3;

("the Fencing").

- 11.2 If the Fencing requires a resource consent or any other consent from any local or territorial authority ("the Fencing Consent"), the following provisions shall apply:
 - (a) The Commissioner shall use reasonable endeavours to obtain the Fencing Consent within 6 months of this Proposal taking effect pursuant to the Act.
 - (b) . If the Fencing Consent:
 - is not obtained within 6 months of this Proposal taking effect pursuant to the Act; and/or
 - (ii) is obtained on terms which are not satisfactory to the Commissioner in all respects;the Commissioner may, acting reasonably, elect to do any one or more of the following:
 - (iii) erect the Fencing in a position different from that shown on the Plan;

- (iv) erect the Fencing over a shorter distance than that shown on the Plan; or
- (v) erect the Fencing to specifications different from those in Appendix 3.
- 11.3 If the Commissioner has not completed the Fencing by the Settlement Date, the Holder agrees that the Commissioner may register a covenant, on terms entirely satisfactory to the Commissioner (in the Commissioner's sole discretion), over the Freehold Land to enable the Commissioner to complete the Fencing. The Holder will do all things necessary (including signing any document) to enable the Commissioner to register such a covenant.
- 11.4 The ongoing maintenance of the Fencing referred to in clauses 11.1 and 11.2 will be subject to the terms of the Fencing Act 1978.
- If the Holder has accepted this Proposal and that acceptance has taken effect pursuant to the Act, [the Commissioner] [the Holder] [both parties] will, subject to clause 11.6, undertake the construction works set out in Appendix 3 on the terms and conditions set out in Appendix 3 ("the Construction Works").
- 11.6 If any Construction Works for which the Commissioner is liable, or jointly liable with the Holder, require a resource consent or any other consent from any local or territorial authority ("the Works Consent"), the following provisions shall apply:
 - (a) The Commissioner shall use reasonable endeavours to obtain the Works Consent within 6 months of this Proposal taking effect pursuant to the Act.
 - (b) If the Works Consent:
 - (i) is not obtained within 6 months of this Proposal taking effect pursuant to the Act; and/or
 - (ii) is obtained on terms which are not satisfactory to the Commissioner in all respects;

the Commissioner may, acting reasonably, elect to vary the extent of the Construction Works in question and/or the terms and conditions upon which they are carried out.

12 Apportionments

- 12.1 Rent payable under the Lease in respect of the Freehold Land shall be apportioned as follows:
 - (a) Rent paid or payable will be apportioned on the Settlement Date as at the Settlement Date and either deducted from or added to (as the case may be) the amount required to settle.
 - (b) Notwithstanding that the Lease continues in effect until a certificate of title issues for the Freehold Land, the Holder shall not be required to pay any rent under the Lease for the Freehold Land from the Settlement Date.
- 12.2 Rent paid or payable under the Lease for the Crown Land will be apportioned on the Settlement Date as at the Vesting Date and either deducted from or added to (as the case may be) the amount required to settle.
- 12.3 All rates, levies, and all other incomings and outgoings and other charges receivable from or charged upon the Freehold Land will, unless otherwise agreed by the parties, be apportioned on the Settlement Date as at the Settlement Date.
- 12.4 All rates, levies and all other incomings and outgoings and other charges receivable from or charged upon the Crown Land will be apportioned on the Settlement Date as at the Vesting Date and either deducted from or added to (as the case may be) the amount required to settle.
- Following the date that a certificate of title issues for the Freehold Land, the Commissioner will undertake a final apportionment and either the Commissioner will pay to the Holder, or the Holder will pay to the Commissioner, any additional amounts due because of any payments made or received by one party on behalf of the other for the period from the Settlement Date to the date on which a new certificate of title issues for the Freehold Land.

13 Risk

- On and with effect from the Unconditional Date all risk of any nature in respect of the Freehold Land will pass from the Commissioner to the Holder. For the avoidance of doubt, the Holder's current risk in respect of matters arising under the Lease, including, without limitation, the Holder's risk in respect of all improvements, buildings, fencing, fixtures, fittings and chattels, will continue to remain with the Holder until the Lease is deemed to be surrendered under clause 10.2.
- 13.2 The Holder will be required to comply with its settlement obligations under this Proposal irrespective of any damage to, or destruction of, the Freehold Land prior to the Settlement Date.

14 Survey

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

15 Holder's Acknowledgements

- 15.1 If the Holder accepts this Proposal and that acceptance takes effect under the Act, the Holder acknowledges that:
 - (a) it is obtaining the freehold interest in the Freehold Land:
 - (i) "as is", solely in reliance on its own investigations and judgement; and
 - (ii) not in reliance on any representation or warranty made by the Commissioner, its employees, agents or any other person or persons directly or indirectly associated with the Commissioner;
 - (b) the Holder has carried out all inspections of the Freehold Land which the Holder considers necessary to satisfy itself as to all matters relating to the Freehold Land;
 - (c) the Holder, at its cost, is entirely responsible for all work to ensure that the Freehold Land complies with all applicable laws including (without limitation):
 - (i) the Resource Management Act 1991 and the Resource Management Amendment Act 2005; and
 - (ii) any rule in any plan, resource consent or other requirement issued under the Resource Management Act 1991, and
 - (iii) the Building Act 2004 and the Building Amendment Act 2009; and
 - the Holder hereby indemnifies and will indemnify the Commissioner against all losses, damages and expenses incurred by the Commissioner and against all claims made against the Commissioner in respect of any work or costs for which the Holder is liable under this clause 15;
 - (d) nothing in this Proposal is affected by, and the Commissioner has no liability of any nature in respect of, the existence or terms of any leases, licences or other occupation rights of any nature (if any) granted by the Holder in respect of the Land; and
 - (e) the Holder has no claim (and will not have any claim) whatsoever against the Crown and/or Commissioner in relation to the Tenure Review and/or this Proposal, including

(without limitation) any claim for any misrepresentation or for any loss or damage suffered whether in contract, tort (including negligence) or otherwise.

16 No Representations or Warranties by the Commissioner

- 16.1 The Commissioner gives no representations or warranties of any nature in respect of the Freehold Land. Without limitation, the Commissioner does not warrant:
 - (a) the accuracy of any matter in the Notice or this Proposal or in any notice, or any correspondence or other information provided to the Holder by the Commissioner or by any agent, contractor or employee of the Commissioner; or
 - (b) that the Freehold Land is or will remain suitable for the Holder's use; or
 - (c) that the Freehold Land complies with all or any statutory, territorial authority or any other legal requirements affecting or relevant to the Freehold Land.

17 Acceptance

- 17.1 The Holder's acceptance of this Proposal is irrevocable and constitutes a binding agreement between the Commissioner and the Holder.
- 17.2 If the Commissioner does not receive an acceptance to this Proposal from the Holder within three (3) months of putting it (in its substantive form) to the Holder, the Holder is deemed to have rejected this Proposal.

18 Solicitors Certificate

- The Holder must procure the Holder's solicitors to provide the Commissioner with a solicitor's certificate (in a form satisfactory to the Commissioner, in its reasonable opinion) relating to such matters as the Holder's execution of this Proposal and the Holder's execution of any documents required to give effect to this Proposal (including, without limitation any easement, protective mechanism and/or concession). An example of the form of solicitors certificate required is set out at Appendix 2.
- The Holder must return the completed solicitor's certificate to the Commissioner with this Proposal on its acceptance by the Holder.

19 Default

- 19.1 If from any cause whatever (except the default of the Commissioner) all or any part of the Holder's Payment or any other money payable by the Holder to the Commissioner is not paid on the due date the Holder will pay to the Commissioner interest at the Default Rate on the part of the Holder's Payment or any other money payable by the Holder to the Commissioner so unpaid from the due date until the date of actual payment in full.
- 19.2 The Commissioner's rights under this clause 19 are without prejudice to any other rights or remedies available to the Commissioner at law or in equity.

20 Goods and Services Tax

- 20.1 Unless the context otherwise requires, words and phrases used in this clause have the same meaning as in the GST Act.
- 20.2 If the supplies evidenced by the Holder's Consideration and the Commissioner's Consideration are taxable supplies under the GST Act, then:
 - (a) the Commissioner and the Holder warrant to each other that they are registered for GST purposes as at the Holder's acceptance of this Proposal and that they will be so registered on the Settlement Date;
 - (b) the Commissioner and the Holder confirm that as at the Settlement Date:
 - (i) each is acquiring the goods supplied with the intention of using the goods for making taxable supplies; and
 - (ii) the Commissioner and any associated person in terms of section 2A(1)(c) of the GST Act do not intend to use the Crown Land and the Holder and any

associated person in terms of section 2A(1)(c) of the GST Act do not intend to use the Freehold Land as a principal place of residence; and

- (c) the Commissioner and the Holder agree that the supplies evidenced by the Holder's Consideration and the Commissioner's Consideration are to be zero-rated for GST purposes under section 11(1)(mb) of the GST Act.
- 20.3 If any of the circumstances set out in clause 20.2 change between the date of the Holder's acceptance of this Proposal and the Settlement Date, then the relevant party will notify the other of the changed circumstances as soon as practicable and in any event not later than 2 working days before the Settlement Date and such party shall warrant that the changed circumstances are correct as at the Settlement Date. If the GST treatment of the supplies evidenced by the Holder's Consideration and the Commissioner's Consideration changes as a result of the changed circumstances and a party has already provided the other with a GST invoice, then that party will issue a debit note or credit note, as the case may be, for GST purposes.
- On the 10th working day following the Unconditional Date, the Commissioner will provide to the Holder a GST invoice in respect of the supply evidenced by the Holder's Consideration. The invoice will specify the Commissioner's GST Date.
- 20.5 The Holder will pay GST (if any) on the Holder's Consideration to the Commissioner by bank cheque on the Commissioner's GST Date, time being of the essence.
- 20.6 On the 10th working day following the Unconditional Date, the Holder will provide to the Commissioner a GST invoice in respect of the supply evidenced by the Commissioner's Consideration.
- 20.7 The Commissioner will pay GST (if any) on the Commissioner's Consideration to the Holder on the Commissioner's GST Date, time being of the essence.
- 20.8 Where any GST is not paid to the Commissioner or to the Holder (as the case may be) in accordance with this clause 20, the Holder will pay to the Commissioner, or the Commissioner will pay to the Holder (as the case may be), upon demand and together with the unpaid GST:
 - (a) interest, at the Default Rate, on the amount of the unpaid GST and which will accrue from the Commissioner's GST Date until the date of payment of the unpaid GST; and
 - (b) any Default GST.

21 Lowest price

- 21.1 The Holder's Consideration does not include any capitalised interest and the parties agree that the "lowest price" for the purposes of valuing the Freehold Land under section EW 32(3) of the Income Tax Act 2007 is equal to the Holder's Consideration.
- 21.2 The Commissioner's Consideration does not include any capitalised interest and the parties agree that the "lowest price" for the purposes of valuing the Crown Land under section EW 32(3) of the Income Tax Act 2007 is equal to the Commissioner's Consideration.

22 Costs

- 22.1 The Commissioner will meet the costs of the survey (if any) of the Land, including all designation areas, the Final Plan and for a certificate of title to issue for the Freehold Land.
- .22.2 The Holder is responsible for all costs the Holder incurs in respect of and incidental to the Tenure Review. In particular, but without limitation, the Holder shall bear all its costs in relation to the review of all documentation forming part of the Tenure Review (including this Proposal), and all professional advice provided to or sought by the Holder.

23 No nomination or assignment

23.1 The Holder is not entitled to, and is expressly prohibited from, nominating another person to perform the Holder's obligations under this Proposal or assigning to another person the Holder's interest (or any part) under this Proposal.

24 Recreation Permit

24.1 Immediately on the registration of the Final Plan and a copy of the proposal to which it relates over the Land and pursuant to s64 of the Act, any recreation permit granted over the Land shall be determined.

25 Consents for Activities

25.1 If the Holder has been granted a consent by the Commissioner to do an activity on the land under sections 15 or 16 of the Act, and the area over which the consent is exercised is designated in the proposal as Crown Land then the Holder agrees to act in good faith whilst exercising the terms of consent and not damage or destroy the Crown Land or anything thereon.

26. General

- 26.1 This Proposal and the Notice:
 - (a) constitute the entire understanding and agreement between the Commissioner, the Crown and the Holder in relation to the Tenure Review; and
 - (b) supersede and extinguish all prior agreements and understandings between the Crown, the Commissioner and the Holder relating to the Tenure Review.
- 26.2 Each provision of this Proposal will continue in full force and effect to the extent that it is not fully performed at the Settlement Date.
- 26.3 The Holder must comply with the Commissioner's requirements for the implementation and settlement of the Tenure Review contemplated by this Proposal.
- 26.4 The Commissioner and the Holder will sign and execute all deeds, agreements, schedules and other documents and do all acts and things as may be reasonably required by the other to effectively carry out and give effect to the terms and intentions of this Proposal.
- 26.5 This Proposal is governed by, and must be construed under, the laws of New Zealand and the Commissioner and the Holder irrevocably submit to the jurisdiction of the New Zealand courts or other New Zealand system of dispute resolution.
- 26.6 The illegality, invalidity or unenforceability of any provision in this Proposal will not affect the legality, validity or enforceability of any other provision.
- 26.7 In relation to notices and other communications under this Proposal:
 - (a) each notice or other communication is to be in writing, and sent by facsimile, personal delivery or by post to the addressee at the facsimile number or address, and marked for the attention of the person or office holder (if any), from time to time designated for that purpose by the addressee to the other party. Other than the address to which the Holder is to send its acceptance of this Proposal (which the Commissioner will specifically notify the Holder of) the address, person or office holder (if any) for each party is shown on the front page of this Proposal;
 - (b) no communication is to be effective until received. A communication will be deemed to be received by the addressee:
 - in the case of a facsimile, on the working day on which it is despatched or, if despatched after 5.00 p.m. on a working day or, if despatched on a nonworking day, on the next working day after the date of dispatch;
 - (ii) in the case of personal delivery (including, but not limited to, courier by a duly authorised agent of the person sending the communication), on the working day on which it is delivered, or if delivery is not made on a working day, on the next working day after the date of delivery; and
 - (iii) in the case of a letter, on the fifth working day after mailing (postage paid).

27 Interpretation

27.1 Definitions

In this Proposal unless the context otherwise requires:

Act means the Crown Pastoral Land Act 1998;

Commissioner means the Commissioner of Crown Lands appointed under section 24AA of the Land Act 1948;

Commissioner's Consideration means the amount payable by the Commissioner to the Holder by equality of exchange for the surrender of the leasehold interest in the Lease in relation to the Crown Land, as specified in the Notice;

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

Commissioner's Payment means the balance of the Commissioner's Consideration payable by the Commissioner to the Holder by equality of exchange for the Crown Land, as specified in the Notice (if any);

Crown Land means the land (including any improvements) set out in Schedule One and the land (including any improvements) set out in Schedule Two (if any);

Default GST means any additional GST, penalty or other sum levied against either the Commissioner or the Holder under the Goods and Services Tax Act 1985 or the Tax Administration Act 1994 by reason of either the Commissioner or the Holder failing to pay GST as required by this Proposal. It does not include any sum levied against the Commissioner or the Holder by reason of a default by the Commissioner after payment of GST to the Commissioner by the Holder or by reason of a default by the Holder after payment of GST to the Holder by the Commissioner;

Default Rate means the rate of 11 per cent per annum;

Fencing means any stock proof farm fence.

Fencing Consent means any and all consents required for fencing under the Resource Management Act 1991.

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

Freehold Land means the land set out in Schedule Three;

GST means all goods and services tax payable by the Commissioner or the Holder under the Goods and Services Tax Act 1985 in respect of their respective supplies evidenced by this Proposal;

GST Act means the Goods and Services Tax Act 1985:

Holder means holder shown on the front page of this Proposal (being the lessee under the Lease);

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

Holder's Payment means the balance of the Holder's Consideration payable by the Holder to the Commissioner by equality of exchange for the freehold of the Freehold Land, as specified in the Notice (if any);

Land means the land subject to the Tenure Review identified on the front page of this Proposal;

Lease means the lease described on the front page of this Proposal;

Mortgage means any mortgage (registered or unregistered) over the Land;

Mortgagee means the holder of any Mortgage;

Notice means the notice to the Holder setting out:

- (a) the Holder's Consideration;
- (b) the Commissioner's Consideration; and
- (c) the Holder's Payment or the Commissioner's Payment (as the case may be);

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

Plan means the plan of the Land showing all designations on page 2 of this Proposal;

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

Rent Review means the process for determination of the rent payable under the Lease as set out in sections 6 - 8 of the Act;

Settlement Date means the settlement date defined in clause 3.1;

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

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

Unconditional Date means the date that the Commissioner receives from the Holder an executed copy of this Proposal signed by the Holder containing the signed consents of all persons having an interest in the Land to the Holder's acceptance of this Proposal which results in the acceptance taking effect under the Act;

Vesting Date means the date on which the Crown Land vests in the Crown pursuant to the Act;

Working day means a day that is not a Saturday, a Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's birthday, Labour Day, or a day during the period commencing on any Christmas Day and ending with the 15th day of the following January or a day which is a provincial holiday in the place where the obligation is to be performed.

Works Consent means any and all consents required under the Resource Management Act 1991 and the Resource Management Amendment Act 2005; and/or the Building Act 2004.

27.2 Construction of certain references

In this Proposal, unless inconsistent with the context:

- (a) a reference to a certificate of title includes a reference to a computer register;
- (b) words importing a gender include all genders;
- reference to a statute includes reference to all enactments that amend or are passed in substitution for the relevant statute and to all regulations relating to that statute;
- (d) words in the singular include the plural and vice versa;
- (e) reference to a month means a calendar month;
- (f) reference to a person means an individual, a body corporate, an association of persons (whether corporate or not), a trust or a state or agency of a state (in each case, whether or not having separate legal personality);
- references to sections, clauses, sub-clauses, parts, annexures, attachments, appendices, schedules, paragraphs and sub-paragraphs are references to such as they appear in this Proposal and form part of this Proposal;
- (h) headings are included for ease of reference only and will not affect the construction or interpretation of this Proposal;
- (i) all monetary amounts are expressed in New Zealand currency;
- references to obligations includes reference to covenants, undertakings, warranties and, generally, obligations or liabilities of any nature properly arising whether directly or indirectly, under or in respect of the relevant contract, agreement or arrangement;

- (k) all references to times are references to times in New Zealand;
- (I) if the Holder comprises more than one person, each of those persons' obligations, as Holder, will be both joint and several.

Schedule One: Provisions relating to the Schedule One Land

1 Details of Designation

1.1 Under this Proposal the land shown edged in pink and labelled "CL" on the Plan, being 6 hectares (approximately) is designated as land to be restored to or retained in Crown control under the Land Act 1948.

2 Schedule One Improvements

N/A

Schedule Two: Provisions relating to the Schedule Two Land

Details of designation

- 1.1 Under this Proposal the land shown shaded in pink and labelled "CA1" on the Plan, being 1,150 hectares (approximately) is designated as land to be restored to or retained in Crown control as conservation area subject to:
 - (a) the granting of a tourism concession (shown shaded in pink on the Plan) substantially as set out in Appendix 4;
 - (b) the granting of a grazing concession (shown shaded and hatched in pink and labelled "GC1" on the Plan) substantially as set out in Appendix 5.
- 1.2 Under this Proposal the land shown shaded in pink and labelled "CA2" on the Plan, being 160.7 hectares (approximately) is designated as land to be restored to or retained in Crown control as conservation area subject to:
 - (a) the granting of a tourism concession (shown shaded in pink on the Plan) substantially as set out in Appendix 4;
 - (b) the granting of a grazing concession (shown shaded and cross hatched in pink and labelled "GC2" on the Plan) substantially as set out in Appendix 5.
- 1.3 Under this Proposal the land shown shaded in pink and labelled "CA3" on the Plan, being 3,160.6 hectares (approximately) is designated as land that is to remain conservation area subject to:
 - (a) the granting of a tourism concession (shown shaded in pink on the Plan) substantially as set out in Appendix 4.
- 1.4 Under this Proposal the land shown shaded in pink and labelled "CA4" on the Plan, being 1,537.8 hectares (approximately) is designated as land that is to remain conservation area subject to:
 - (a) the granting of a tourism concession (shown shaded in pink on the Plan) substantially as set out in Appendix 4.
- 1.5 Under this Proposal the land shown shaded in pink and labelled "CA5" on the Plan, being 8.6 hectares (approximately) is designated as land to be restored to or retained in Crown control as conservation area subject to:
 - (a) the granting of a tourism concession (shown shaded in pink on the Plan) substantially as set out in Appendix 4.
- 1.6 Under this Proposal the land shown shaded in pink and labelled "CA6" on the Plan, being 19.1 hectares (approximately) is designated as land to be restored to or retained in Crown control as conservation area subject to:
 - (a) the granting of a tourism concession (shown shaded in pink on the Plan) substantially as set out in Appendix 4.
- Under this Proposal the land shown edged in pink and labelled "CA7" on the Plan, being 5,000 hectares (approximately) is designated as land to be restored to or retained in full Crown ownership and control as conservation area.

2 Information Concerning Proposed Concession as set out in Appendix 4.

2.1 Description of the proposed activity:

Tourism Concession Licence for the adjoining landholder for the purpose of the business of guided tours, guided hunting, guided fishing, heli-skiing, heli-boarding, aerial positioning of recreationists and guided parties, and commercial filming and photography.

2.2 Description of area where proposed activity to be carried out and proposed status:

The area of the Concession Activity is over the area designated as Conservation Area of 6,197 hectares approximately on the plan attached to the proposal. The area covers the lower eastern and southern slopes of the Agassiz Range, the lower slopes associated with the junctions of the West Mathias River and the South Mathias River with the Mathias River along to Jerusalem Stream, the Mathias River faces of the Ragged Range from Long Spur south to the junction with the Rakaia River, the Rakaia River faces of the Ragged Range and flats at the southern foot of the Ragged Range from the junction with the Mathias River west beyond Totara Point to include the Cattle Creek catchment and Rakaia River faces to slightly west of Duncan Stream.

2.3 Description of potential affects of proposed activity and any actions proposed to avoid, mitigate or remedy any adverse affect

The Tourism Concession is limited to guided tours, guided hunting, guided fishing, heli-skiing, heli-boarding, aerial positioning of recreationists and guided parties, and commercial filming and photography. The potential affects include potential damage to the flora and fauna by people moving through the area, although this may also happen with general public use of the Conservation Area for similar purposes, and the impacts of helicopter activities. The Concession Licence document ensures that the provisions of the Conservation Act apply and includes monitoring of the concession activity. Through Schedule 2 limitations are placed on party sizes and restrictions on aircraft activities. Schedule 2 ensures the rights of the public are not restricted. The concession provisions ensure that all potential affects will be minimised.

2.4 Details of the proposed type of concessions:

A Tourism Concession Licence under S. 17Q (1) Conservation Act 1987.

2.5 Proposed duration of concession and reason for proposed duration

- (a) Proposed duration: 20 years.
- (b) Reasons for proposed duration -

The Tourism Concession Licence has been sought to allow the holders to continue with their existing tourism operations on the property for which a current recreation permit is already held. It will also allow for the diversification of the holders farming activities in the future.

2.6 Relevant information about the proposed Concessionaire including information relevant to the Concessionaire's ability to carry out the proposed activity:

- (a) Proposed grantee Manuka Point Station Company Limited
- (b) Relevant Information -
 - (i) The holders of Manuka Point Pastoral Lease have entered into this review voluntarily. The proposed tourism concession is needed for the continuation of the existing tourism operations run by the holders. Manuka Point Station

Company Limited has successfully run their existing tourism activities for a number of years and have the knowledge of the property and proven ability to continue with successful tourism activities. The proposed tourism activities will have minimal impact on the area.

3 Information Concerning Proposed Concession as set out in Appendix 5

3.1 Description of the proposed activity:

Grazing concession for grazing for a maximum of 120 head of sheep only from 1 May to 30 September each calendar year on the Mathias Faces, and grazing for a maximum of 190 head of sheep only from 1 October to 30 April each calendar year on the Rakaia River Flats.

3.2 Description of area where proposed activity to be carried out and proposed status:

The location of the Mathias Faces Grazing Concession is over the lower eastern slopes of the Ragged Range above the Mathias River immediately north west of Big Paddock Creek.

The location of the Rakaia River Flats Grazing Concession is over an area of the Rakaia River river flats at the southern end of the Ragged Range adjacent to Jellicoe Stream.

Both areas will be designated as land to be restored to or retained in Crown Control as a Conservation Area subject to a grazing concession.

3.3 Description of potential affects of proposed activity and any actions proposed to avoid, mitigate or remedy any adverse affect:

The Mathias Faces area is a mosaic of mountain beech forest and broadleaf forest, shrubland, tussock grassland, exotic grassland and bracken fern.

The Rakaia River Flats area is predominantly matagouri shrubland with short modified grassland.

A potential threat to the area is overstocking which would effect the potential regeneration of native plant communities.

Grazing has traditionally been a component of this area. In order to achieve an outcome as part of the tenure review process some controlled grazing was agreed to as being essential to the farming operations of the property. It was considered that in order to mitigate any adverse effect on the land during the term of the Grazing Concession, the Grazing Concession should contain a number of conditions including, but not limited to, the following:

- Stock limits as detailed in Clause 1 above during the proposed term of the Grazing Concession.
- Pest control if required by the Minister of Conservation, the costs to be borne by the Concessionaire.
- 3. The Minister of Conservation may set up a monitoring system to ascertain the effects of on-going grazing and this monitoring system will be reviewed every six years. The Minister of Conservation reserves the right to adjust the stock numbers in order to meet conservation objectives.
- 4. The term of the grazing concession is limited to 20 years with no right of renewal.

3.4 Details of the proposed type of concessions:

A Grazing Licence Concession under section 17Q of the Conservation Act 1987.

3.5 Proposed duration of concession and reason for proposed duration

Proposed duration: 20 years from registration of an approved plan affecting Certificate of Title CB 529/71.

Reasons for proposed duration:

- (a) to allow security of tenure to the Concessionaire for farm management purposes while adjustments are made to the current farming practises; and
- (b) to allow for monitoring results and adjustments in stock numbers if required.
- 3.6 Relevant information about the proposed Concessionaire including information relevant to the Concessionaire's ability to carry out the proposed activity:

Proposed grantee - Manuka Point Station Company Limited

Relevant Information – The significant inherent values have been surviving under the current grazing regime. Manuka Point Station Company Limited has the ability to farm the area without serious effect on conservation objectives while adjustments are made to current farming practises.

Schedule Three: Provisions relating to the Schedule Three Land

Details of designation

- 1.1 Under this Proposal the land shown marked in green on the Plan, being 1,075.6 hectares (approximately) is designated as land to be disposed of by freehold disposal to the Holder subject to:
 - (a) Part IVA of the Conservation Act 1987;
 - (b) Section 11 of the Crown Minerals Act 1991;
 - (c) the covenant shown shaded in yellow and marked "CC1" and "CC3" on the Plan and substantially as set out in Appendix 7; and
 - (d) the easement shown dashed in orange and marked "a-a1-a2", "b2-b3", "b-b1", "f-g-h" and "i-j" on the Plan and substantially as set out in Appendix 6.
- 1.2 Under this Proposal the land shown marked in green with blue cross hatching and marked UCL on the Plan being 21 hectares (approximately) is designated as land to be disposed of by freehold disposal to the Holder subject to:
 - (a) Part IVA of the Conservation Act 1987;
 - (b) Section 11 of the Crown Minerals Act 1991;
 - (c) the easement shown dashed in orange and marked "h1-i" on the Plan and substantially as set out in Appendix 6.
- 1.3 Under this Proposal the land shown marked in green with black cross hatching and labelled "Exch1" on the Plan, being 159.4 hectares (approximately) is designated as land to be disposed of by freehold disposal by way of exchange to the Holder subject to:
 - (a) Part IVA of the Conservation Act 1987;
 - (b) Section 11 of the Crown Minerals Act 1991;
 - (c) the covenant shown shaded yellow and marked "CC1", "CC2" and "CC3" on the Plan and substantially as set out in Appendix 7.

Schedule Four: Conditions

N/A

Appendix 1: Consents – Example of Mortgagee Consent

[] as M	lortgagee ι	ınder Mc	ortgage	I.	1 (,	the Mortg	age"), he	reby:		
(a)	consents to acc Holder] ("the Ho to the registratio to the registration	older") purs	uant to t	he Cro	wn Pasto ing the F	reehold Lai	ct 1998 ai nd referer	icea in th	and c e Prop	onser	nts prior
(b)	agrees to sign a acts and things discharge of the	as may be	reasona	bly red	uired by	the Holder	or the Co	mmission	ents an ner to r	d do a egiste	all era
Date	d:				1	11.0		4			
			, ,,		w v	140		-			
	NED by [e presence of:	1).	*		30					
•		*	, ,				ar ar	-			

Witness Name: Occupation: Address:

Appendix 1: Conse	ents (continued)	- Example	of "Oth	er" Consent		
				m z		
[against Lease [reby conse	nts to the	e acceptance of th] registered ed [] by
[the Holder] pursuar	nt to the Crown P	astoral Lan	d Act 19	98.		12
y x			4	1		15.
	,			- 3	- 3	
Dated:		- 3			F. m.	
		14	1			. v.
SIGNED for and on	, hobalf of	· ·		- A -		1
i or and on	benan or 1	· ·	-		-	=
in the presence of:	•	j			1	
, ,						
Witness Signature:			-	7.4		
. , , , , , , , , , , , , , , , , , , ,	7 (0)				10	
Witness Name:	¥-1					
Occupation: Address:						

Appendix 2: Example of Solicitors Certificate

Certifications

I hereby certify as follows:

1. [[insert name of Holder] ("the Holder") is a duly incorporated company under the Companies Act 1993. The Holder's entry into and performance of its obligations under the Proposal dated [] ("the Proposal") have been duly authorised by the directors and, if required, by the shareholders of the Holder. The Holder has executed the Proposal in accordance with its constitution.] *OR*

The entry into the Proposal dated [] ("the Proposal") by [insert name of Holder] ("the Holder") and performance of the Holder's obligations under the Proposal have been duly authorised by the trustees of the [insert name of trust] in accordance with its trust deed *OR*

[[insert name of Holder] ("the Holder") has delegated responsibility for signing the Proposal on its behalf to an attorney in accordance with its constitution. The attorney of the Holder has properly executed the Proposal in accordance with this power of attorney and in accordance with the Holder's constitution and a certificate of non-revocation is enclosed.]

- The consent of each person that has an interest (registered or unregistered) in the Land (as that term is defined in the Proposal), to the Holder's acceptance of the Proposal has been obtained and included in the copy of the Proposal, signed by the Holder, that has been provided to the Commissioner.
- 3. [No consent, licence, approval or authorisation by any court, regulatory authority or governmental agency is required to enable the Holder to accept the Proposal, perform the Holder's obligations under the Proposal and to acquire the freehold interest in the Land (as defined in the Proposal).] *OR*

[All necessary consents, licences, approvals and authorisations required to enable the Holder to accept the Proposal, perform its obligations under it and to acquire the freehold interest in the Land (as defined in the Proposal) have been obtained. Evidence of the consents, licences, approvals and authorisations are attached to this letter.]

Yours faithfully [signed by principal of law firm]

Appendix 3: Indicative Fencing and Construction Requirements

1. New fences and some upgrading/repairs:

For the purposes of this fencing and construction specification and attachments, the term "Waypoint" and "WPT" refer to NZMG and NZTM northing and easting global positioning system (GPS) coordinates shown on sheets 1 to 4 of the attached Manuka Point Fencing and Boundary Plans.

1.1 Background:

The agreement between the Commissioner of Crown Lands (Commissioner) and Manuka Point Station Company Limited (the Holder) requires the erection of conventional fences on or near the boundary of the conservation areas marked on the attached plans, and upgrading/repairing of fences on or near the boundary of conservation areas to the indicative requirements set out hereunder.

The Commissioner will, at its cost, erect conventional fences along the lines marked "P-P1-J", "Q-Q1", "R-M", "T-T2-T1", "Z-Z1" and "U-V" and remove existing fences at point "T-T2" and point "P1" to the indicative requirements set out in section 3; and repair / upgrade the existing conventional fences marked "J-N", "K-Q1", "M1", "M2", "S-T" and "V-X, to the indicative requirements set out in section 4 of these specifications, as shown on Plans 1, 2, 3 and 4 of 4. An option to deer fence all or any of the new fences marked "P-P1-J", "Q-Q1", "R-M", "T-T2-T1", "Z-Z1" and "U-V" on the plan is included in section 5 and cost sharing arrangements are set out below under point 1.2.

1.2 Option for cost sharing arrangement for erection of deer fence for new fence lines: The Commissioner will pay the cost of erecting a conventional post and seven wire fence only and the Holder will pay an agreed value (the <u>additional costs</u>) associated with the erection of deer fence for all or any of the new fence lines marked "P-P1-J", "Q-Q1", "R-M", "T-T2-T1", "Z-Z1" and "U-V" on the Plan.

To establish the additional costs the Commissioner will call for tenders for erection of:

- (a) a conventional fence the specifications of which are set out in section 3 of these specifications; and
- (b) a deer fence the specifications of which are set out in section 5 of these specifications.

On receipt of the dual tender prices the Commissioner will consult the Holder regarding the <u>additional costs</u> and on reaching an agreement satisfactory to both parties the Commissioner and the Holder will confirm the agreement to erect a deer fence on a cost sharing basis.

The parties to the Substantive Proposal reserve the right, failing agreement between the parties on the quantum of the <u>additional costs</u>, or <u>after concluding consultation agree to erect a conventional post and wire fence</u>, for the Commissioner to proceed to erect a conventional post and wire fence the indicative requirements of which are set out in section 3 of these specifications.

Confirmation of the agreement in respect of the <u>additional costs</u> and erection of a deer fence is to be by way of an exchange of letters between the Holder and the Commissioner time being of the essence, and in the event of failure to reach an agreement as to "additional costs" or after concluding consultation agree to erect a conventional post and wire fence, this is also to be confirmed by an exchange of letters.

2. Length and location:

- 2.1 New fences are to be erected along the lines marked as follows on the plan:
 - (a) Conservation area "CA2" / Freehold boundary fence at western end of Rakaia flats shown marked "P-P1-J" (approximately 1200 metres).
 - (b) Conservation Area "CA3" / "Exch 1", "CA5" / Freehold boundary fence and internal fence at Rocky Spur Creek shown marked "Q-Q1" (approximately 800 metres).
 - (c) Conservation Area "CA6" / Freehold, "CA3" / "Exch 1" boundary fence along the east side of Twin Creek Fan shown marked "R-M" (approximately 600 metres).

- (d) Conservation Area "CA3" / "Exch 1" boundary fence along the Rakaia Flats bush edge shown marked "T-T2-T1" (approximately 800 metres).
- (e) Conservation Area "CA3" / "Exch 1" boundary fence along the Rakaia Flats bush edge shown marked "Z-Z1" (approximately 200 metres).
- (f) Conservation Area "CA3" / "Exch 1" boundary fence along Mathias Faces ridge shown marked "U-V" (approximately 700 metres).

Total new fencing 4300 metres

- 2.2 Upgrading / Repairs to existing fences along the lines marked as follows on the plan:
 - (a) Conservation area "CA2" / Freehold and "CA3" / Exch 1 existing boundary fence on Jellicoe terrace shown marked "J-N" (approximately 500 metres).
 - (b) Conservation area "CA3" / "Exch 1" existing boundary fence on Jellicoe terrace shown marked "K-Q1" (approximately 800 metres).
 - (c) Conservation area "CA3" / "Exch 1" floodgate repairs and upgrade at point "M1" within CA3 and "M2" on the boundary of "CA3" and "Exch 1" (approximately 80 metres total).
 - (d) Conservation area "CA3" / "Exch 1" existing boundary deer fence near Golden Spur Creek shown marked "S-T" (approximately 700 metres).
 - (e) Conservation area "CA1" / Freehold existing boundary fence along the Mathias Faces shown marked "V-X" (approximately 3300 metres).

Total upgraded / repaired fencing 5380 metres

- 2.3 Removal of existing fences along the lines marked as follows on the plan:
 - (a) Conservation area "CA3" / "Exch 1" existing boundary fence along Rakaia Flats bush edge shown marked "T-T2" (approximately 600 metres).
 - (b) Conservation area "CA2" / Freehold existing boundary fence on Rakaia Flats shown marked "P-P1" (approximately 30 metres).
 - (c) Conservation area "CA3" / "Exch 1" existing floodgates to remove at point "M1" within CA3 and "M2" on the boundary of "CA3" and "Exch 1" (approximately 80 metres total).

Total existing fencing to be removed 710 metres.

3. New Fence Lines

Note: See section 5 for Option to Deer Fence new fence lines, and section 6 for Earthworks and Vegetation Clearance required.

(a) A new fence will be required on part of the boundary of Conservation Area "CA2" and Freehold (fence line "P-P1-J"), shown on the plans attached to these specifications.

The Commissioner will, at its cost, erect a post and seven wire conventional fence to the following indicative requirements:

- 3.1 Six x 2.5 mm galvanized high tensile wires, plus bottom wire being 4 mm galvanized mild steel. Total of 7 wires.
- 3.2 2.1 metre x 175 mm treated timber strainer posts with 2.7 metre x 125 mm stays to be used for gateways, angles and end of strains; or T irons with tie backs.
- 3.3 1.8 metre x 125 mm treated intermediate posts to be used at maximum 20 metre spacings with additional posts as appropriate on high points and tie downs at low points as required. 117 cm (46") to remain out of the ground.
- 3.4 Steel Y stakes evenly spread not more than 2.8 metres apart to be used between intermediate posts. Y stakes will be mostly 1.5 metre (5') with 1.35 metres (4'6") on rocky ground and 1.65 metre (5'6") to be used on soft ground.

- 3.5 On high ground where a post has not been placed and a Y stake is required, it must be suitably blocked to stop the fence sinking, except where the stake is into rock and cannot penetrate the ground further.
- 3.6 A new fence and gates layout is required at WPTs 6 (point "P1") and 7 (point "P"). Approximately 30 metres of existing fence from point "P" to the track formation is to be removed and materials re-used where possible. A new strainer and stays are required at WPT 7 and the existing fence tied off. The existing fence is to be replaced with a right angle arrangement, angling from WPT 7 across to WPT 6 for approximately 40 metres with a 4.2m gate across the track formation, and approximately 10 metres of new fence running adjacent to the track and re-joining the existing fence. A 4.2m gate is required through this fence to access Rocky Spur fan (see 3.7 below).
- 3.7 Three 4.2 metre swung gates are required. Two to be erected between WPTs 6 and 7 as described under point 3.6, and one at WPT 11 across a semi-formed track along the edge of Jellicoe terrace as described under point 3.10. Gates to swing back against new or existing fences and have 150 x 50mm H3 treated timber side rails as required where the gate is not in a continuous fence line, to stock proof the gateway.
- 3.8 Between WPT 6 (point "P1") and WPT 10 the new fence runs generally in a straight line and should follow low ridge tops where possible. Where it occasionally runs through a sharp shallow channel, sheep netting should be placed below the bottom wire if required to stock-proof the fence.
- 3.9 At WPT 10 a strainer is required and from WPT 10 to 11 (point "J") across a stony fan for approximately 150 metres the separately strained new fence is to comprise 1.8 metre x 125mm treated intermediate posts at maximum 6 metre spacings with sheep netting and a top 2.5mm HT plain wire.
- 3.10 At WPT 11 running up a steep terrace face for approximately 10 metres, the new fence is to comprise steel Y posts at maximum 2.8 metre spacings and 7 plain HT wires. It terminates at a 4.2m gateway across a track at the top of the terrace (described under point 3.7).
- (b) A new fence will be required on the boundary of "CA3" / "Exch 1" and "CA5" / Freehold (fence line "Q-Q1"), shown on the plans attached to these specifications.

The Commissioner will, at its cost, erect a post and seven wire conventional fence to the following indicative requirements:

- 3.11 Six x 2.5 mm galvanized high tensile wires, plus bottom wire being 4 mm galvanized mild steel. Total of 7 wires.
- 3.12 2.1 metre x 175 mm treated timber strainer posts with 2.7 metre x 125 mm stays to be used for gateways, angles and end of strains; or T irons with tie backs.
- 3.13 1.8m x 125mm treated timber posts to be used as intermediate posts at maximum 20 metre spacings with additional posts as appropriate on high points and tie downs at low points as required. 117 cm (46") to remain out of the ground.
- 3.14 Steel Y stakes evenly spread not more than 2.8 metres apart to be used between intermediate posts. Y stakes will be mostly 1.5 metre (5') with 1.35 metres (4'6") on rocky ground and 1.65 metre (5'6") to be used on soft ground.
- 3.15 At WPT 31, point "Q1" a new strainer with stays is required and the existing fence to be tied off.
- 3.16 NOTE: the existing fence, which follows a different line to the new fence from point "Q1", is to remain in situ and its removal is not part of these specifications.
- 3.17 One 4.2 metre swung gate to be erected at WPT 37 opening into Jellicoe paddock and folding back against the north/south line of the new fence.

(c) A new fence will be required on the boundary of Conservation Area "CA6" / Freehold, and "CA3" / "Exch 1" (fence line "R-M") shown on the plans attached to these specifications.

The Commissioner will, at its cost, erect a post and seven wire conventional fence to the following indicative requirements:

- 3.18 Six x 2.5 mm galvanized high tensile wires, and bottom wire being 4 mm galvanized mild steel. Total of 7 wires.
- 3.19 2.1 metre x 175 mm treated timber strainer posts with 2.7 metre x 125 mm stay posts to be used for gateways and end of strains.
- 3.20 1.8 metre x 125 mm treated intermediate posts to be used at 20 metre gaps or at lesser intervals as appropriate on high points and with tie downs at low points as required. 117 cm (46") to remain out of the ground.
- 3.21 Steel Y stakes evenly spread between intermediate posts to be used at not more than 2.8 metres apart. Y stakes will be mostly 1.5 metre (5') with 1.35 metres (4'6") on rocky ground and 1.65 metre (5'6") to be used on soft ground.
- 3.22 One x 4.2 metre swung gate to be erected at WPT 63 (point "R"), hanging from a new strainer and closing against the existing deer post. Gate to swing into freehold and back against the new fence.
- 3.23 From WPT 64 to WPT 66 (point "M") across Twin Creek Fan the fence for approximately 100 metres is to comprise all steel with T iron or timber strainers, and steel Y posts at a maximum of 2.8 metre spacings, with seven 2.5 mm galvanized high tensile wires.
- 3.24 At WPT 66 the new fence butts into a steep hill face and will require a short section of sheep netting and steel Y posts to prevent stock from getting into CA6.

(d) A new fence will be required on the boundary of Conservation Area "CA3" / "Exch 1" (fence line "T-T2-T1") shown on the plans attached to these specifications.

The Commissioner will, at its cost, erect a post and seven wire conventional fence to the following indicative requirements:

- 3.25 Six x 2.5 mm galvanized high tensile wires, plus bottom wire being 4 mm galvanized mild steel. Total of 7 wires.
- 3.26 2.1 metre x 175 mm treated timber strainer posts with 2.7 metre x 125 mm stay posts to be used for gateways and end of strains.
- 3.27 1.8 metre x 125 mm treated intermediate posts to be used at maximum 20 metre spacings with additional posts as appropriate on high points and tie downs on low points as required. 117 cm (46") to remain out of the ground.
- 3.28 Steel Y stakes evenly spread between intermediate posts to be used at not more than 2.8 metres apart. Y stakes will be mostly 1.5 metre (5') with 1.35 metres (4'6") on rocky ground and 1.65 metre (5'6") to be used on soft ground.
- 3.29 From WPT 211 (near WPT 213 point "T") to WPT 216 (point "T2") an existing fence is to be removed for approximately 600 metres and materials re-used where possible or disposed of responsibly. See also section 6(d).
- 3.30 One x 2.4 metre swung gate is to be erected at WPT 213 (point "T") hanging from a new strainer and closing against the existing deer post. Gate to swing into "Exch 1" and back against the new fence.
- 3.31 One x 4.2 metre swung gate is to be erected between WPT 220 and 221 (point "T1"). A new strainer and stay is required to replace the existing tied back strainer at WPT 221, with the gate hanging from the new strainer and opening into "Exch 1" and back against the existing fence.

- 3.32 One x 4.2 metre swung gate is to be erected between WPT 216 (point "T2") and 217, and a sheep netting, wire and steel Y post wing fence of approximately 5 metres is to be erected from the gate across to the small flax shelter belt to link the new fence and the balance of the existing fence.
- 3.33 From WPT 216 to 220, where there is a greater than 45 degree bend in the fence in either direction, a full strainer assembly is required and must all be on the CA3 side of the fence.
- 3.34 On any high ground where a post has not been placed and a Y stake is required, it must be suitably blocked to stop the fence sinking, except where the stake is into rock and cannot penetrate the ground further.
- (e) A new fence will be required on the boundary of Conservation Area "CA3" and "Exch 1" (fence line "Z-Z1") shown on the plans attached to these specifications.

The Commissioner will, at its cost, erect a post and seven wire conventional fence to the following indicative requirements:

- 3.35 Six x 2.5 mm galvanized high tensile wires, plus bottom wire being 4 mm galvanized mild steel. Top wire to be electrified with 2-staple type black plastic insulators on posts. Total of 7 wires.
- 3.36 2.1 metre x 175 mm treated timber strainer posts with 2.7 metre x 125 mm stay posts to be used for end of strains.
- 3.37 1.8 metre x 125 mm treated intermediate posts to be used at 12 metre gaps or at lesser intervals as appropriate on high points and tie downs on low points as required. 117 cm (46") to remain out of the ground.
- 3.38 The existing fence running east from WPT 224 (point "Z1") is to remain in situ, except for removal of the 6-wire lightning droppers which are to be re-used on the new fence and evenly spaced at a minimum of one per gap.
- 3.39 A new strainer is required for the new fence at WPT 224 with appropriate stays. At WPT 146 the new fence is to be tied off onto the existing deer strainer.
- 3.40 For approximately 40 metres through a wet gravelly area, 1.5 metre steel Y stakes at maximum 6 metre gaps are required. "Beattie" or similar insulators required on the top wire through this section.
- On any high ground where a post has not been placed and a Y stake is required, it must be suitably blocked to stop the fence sinking, except where the stake is into rock and cannot penetrate the ground further.
- (f) A new fence will be required on part of the boundary of Conservation Area "CA3" / "Exch 1" and "CA3" / Freehold (fence line "U-V"), shown on the plans attached to these specifications.

The Commissioner will, at its cost, erect a steel post and seven wire conventional fence to the following indicative requirements:

- 3.42 Six x 2.5 mm galvanized high tensile wires, plus bottom wire being 4 mm galvanized mild steel. Total of 7 wires.
- 3.43 The fence line is uneven and may require rocks or fill in low points if the bottom wire more than 150mm above ground level. Alternatively a section of sheep netting pegged down may be used.
- 3.44 T iron strainers with tie backs to be used. Intermediate T iron posts to be used at maximum 50 metre spacings and angles with tie downs at low points as required. 117 cm (46") to remain out of the ground.
- 3.45 Steel Y stakes evenly spread not more than 2.8 metres apart to be used between T iron intermediate posts. Y stakes will be mostly 1.5 metre (5') with 1.35 metres (4'6") on rocky ground and 1.65 metre (5'6") to be used on soft ground.

- 3.46 On high ground where a T iron has not been placed and a Y stake is required, it must be suitably blocked to stop the fence sinking, except where the stake is into rock and cannot penetrate the ground further.
- At WPT 97, point "V" the new fence is to be tied onto an existing strainer that is the end of the Mathias Faces fence line "V-X", with additional tie backs as required.
- 3.48 At WPT 106, point "U" the new fence is to be tied onto an existing deer fence strainer, with additional tie backs as required.

4. Repairs/Upgrading of Existing Fences and Floodgates:

(a) Repairs/Upgrading will be required on the boundary of "CA2" and "CA3" (fence line "J-N"), shown on the plans attached to these specifications.

The Commissioner will, at its cost, repair and upgrade the existing conventional fence to the following indicative requirements:

- 4.1 From WPT 11 (point "J") to WPT 15 (point "N") the top wire requires re-stapling in places.
- 4.2 At WPT 13 a new 4.2 metre gate is to be installed with new strainers and stays and the existing fence tied off. Gate is to swing away from rising ground and be able to open back against the existing fence.
- (b) Repairs will be required on the boundary of "CA3" (fence line "K-Q1"), shown on the plans attached to these specifications.

The Commissioner will, at its cost, repair the existing conventional fence to the following indicative requirements:

- 4.3 From WPT 16 (point "K") to WPT 31 "Q1" the top wire requires re-stapling in places.
- (c) Repairs will be required on the boundary of "CA3" (fence line "S-T"), shown on the plans attached to these specifications.

The Commissioner will, at its cost, repair the existing deer fence to the following indicative requirements:

- 4.4 East of WPT 203 (offal pit) a large beech tree is to be removed from the existing deer fence and the netting repaired and re-stapled.
- 4.5 From WPT 201 to 205 the top wire is to be re-strained.
- (d) Repairs/Upgrading will be required on the boundary of "CA1" (fence line "V-X"), shown on the plans attached to these specifications.

The Commissioner will, at its cost, repair and upgrade the existing conventional fence to the following indicative requirements:

NOTE: In places along the fence line "V-X" some spare fencing materials such as netting/wire/Y posts are attached to the fence for maintenance purposes. If these are removed or used during the repair/upgrade they must be replaced.

- 4.6 From WPT 80 to 85 the bottom no.8 wire is broken in places and requires joining and restraining.
- 4.7 From WPT 82 to 83 and WPT 84 to 85 for approximately 250-350 metres the bottom no.8 wire is broken/damaged and requires replacement with a new 4mm galvanized mild steel wire.
- 4.8 From WPT 82 to 83 there are several steel Y posts that have sunk and need to be lifted, and a bent Y post is to be replaced.
- 4.9 Between WPTs 85 and 88 the existing fence has been washed out through two separate gullies. Between WPTs 85 and 86 approximately 75-100 metres of new fence is required to be separately strained onto an existing double steel Y post located at WPT 87 (sited on a

rise between the two gullies). Between WPTs 87 and 88 approximately 100 metres of new separately strained fence is required. The new fences are to comprise:

- (a) Six x 2.5 mm galvanized high tensile wires, plus bottom wire being 4 mm galvanized mild steel. Total of 7 wires.
- (b) Steel Y stakes evenly spread not more than 2.8 metres apart. Y stakes will be mostly 1.5 metre (5') with 1.35 metres (4'6") on rocky ground and 1.65 metre (5'6") to be used on soft ground. Y posts located on high ground must be suitably blocked to stop the fence sinking, except where the stake is into rock and cannot penetrate the ground further.
- (c) Existing double steel Y post at WPT 87 to be tied back both ways for the two separately strained fences.
- (d) Sheep netting to hang off the bottom wire through the active base of each gully.
- (e) Permanent wire strainers to be located to one side near the bottom of each gully for ease of future maintenance.
- 4.10 Between WPTs 88 and 90 (starting just south of WPT 88) for approximately 150 metres the bottom no.8 wire is to be replaced and re-strained. Several new steel Y posts are required near the existing gate and the whole fence is to be re-strained.
- 4.11 Between WPTs 90 and 92 for approximately 10-15 metres the existing fence is to be replaced across a sharp gully with a separately strained steel Y stakes and 7 wire fence with sheep netting below, as set out in section 4.9. An existing T iron at WPT 92 may be used to strain the fence with appropriate tie backs.
- 4.12 From WPT 91 to the end of the existing fence at WPT 97 point "V", the fence comprises timber posts at approximately 5 metre spacings and seven wires. Repair work is likely to be required at approximately 17 points along the fence where it crosses minor water courses, small/medium guts, short patches of gravel, small slips and a small slump. The following general repairs are required:
 - (a) Loose wires to be re-stapled.
 - (b) Any broken or damaged wires to be replaced and re-strained. This applies mostly to the bottom wire in places, or several wires for a very short distance.
 - (c) Sheep netting to be hung below bottom wire if required to stock proof.
 - (d) The fence passes through or close to beech forest in three short sections and should be checked for damage from falling branches, and any damage repaired.
 - (e) In one gut a short section of separately strained T irons and steel Y posts with hanging sheep netting may be required to replace some damaged posts.
- (e) Upgrading will be required within "CA3" (floodgate "M1"), shown on the plans attached to these specifications.
- 4.13 Between WPTs 175 and 176 a new floodgate is required to be erected immediately downstream of the existing floodgate across Big Fan Creek. The existing floodgate is to be removed and disposed of responsibly, and any sound materials reused where possible.
- 4.14 The new floodgate is to be securely anchored to rock on each bank of Big Fan Creek. Expansion eye bolts or similar to provide the anchor points on each side.
- 4.15 A primary cable comprising wire rope or minimum 4 strands of fencing wire is to be attached to the anchor points and a primary length of sheep netting is to hang from it. A secondary, lighter, 2 strand cable is to be positioned to allow a secondary length of netting to hang below the primary length through the active stream channels. Netting hangers to comprise double strand twisted 4mm fencing wire or similar at maximum 2 metre spacings. A T iron or double steel Y post is required on each bank to guide and help support the cables. Across the stable parts of the stream bed the primary length of netting is to be weighed down with rocks or pegged down or supported with Y posts, and through the active channels of the stream the secondary netting is to have posts wired and stapled to the bottom of it to hold it in place. Refer to Diagram 1C attached to these specifications.

- (f) Upgrading will be required on the boundary of "CA3" (floodgate "M2"), shown on the plans attached to these specifications.
- 4.16 A new separately strained floodgate is to be erected across an un-named stream at WPT 195 utilizing any existing materials where possible, and disposing of any surplus materials responsibly.
- 4.17 On the west side the existing fence is to be tied off where it angles at an existing strainer and additional tie backs installed as required. Similarly, the fence is to be tied off on the east side with a new strainer if required.
- 4.18 Two posts are required each side of the stream, separately strained back onto the strainers to provide anchor points for the floodgate. Existing posts may be used if they are sound.
- 4.19 A primary cable comprising wire rope or minimum 4 strands of fencing wire is to be attached to the anchor points and a primary length of sheep netting is to hang from it. If necessary, a secondary, lighter, 2 strand cable is to be positioned to allow a secondary length of netting to hang below the primary length through the active stream channels. Netting hangers to comprise double strand twisted 4mm fencing wire or similar at maximum 2 metre spacings. Across the stable parts of the stream bed the primary length of netting is to be weighed down with rocks or pegged down or supported with Y posts, and through the active channels of the stream the secondary netting, if required, is to have posts wired and stapled to the bottom of it to hold it in place. Refer to Diagram 1C attached to these specifications.

5. Option to Deer Fence

Refer to section 1.2 above for dual tendering procedure to determine the additional costs to be paid by the Holder if the option to deer fence new fences "P-P1-J", "Q-Q1", "R-M", "T-T2-T1", "Z-Z1" and "U-V" is accepted.

In a cost sharing arrangement with the Holder as set out in section 1.2, the Commissioner will erect a deer fence to the following indicative requirements:

- 5.1 3.0 metre x 175 mm treated timber strainer posts with 2.7 metre x 125 mm stay posts to be used for gateways and end of strains.
- 5.2 2.7 metre x 125 mm treated intermediate posts to be used at no greater than 5 metre gaps, 2.1 metres to remain out of the ground. 2.7 metre x 175 mm treated intermediate posts are to be used for corners, angles and the back post for box stays. 3.0 metre x 175 mm strainer posts to be used on angles.
- 5.3 Galvanised deer netting 1.9 metres high x 13 wires at 300 mm spacing.
- 5.4 One x 4 mm (No. 8) galvanized mild steel bottom wire to be 75 mm above the ground.
- 5.5 Where the fence line abuts a track there must be no tie-backs out into the track, if an angle stay is not able to be erected due to the terrace edge a box edge stay should be used.
- 5.6 If new fence "U-V" is to be deer fenced it will required hand dug timber strainers, intermediate timber posts on angles, and "Staplelok" type steel posts between at 5 metre gaps.
- 5.7 4.2 metre x 1.9 metre high swung gates, if required.

6. Earthworks and Vegetation Clearance

Note: Generally earthworks are to be avoided unless essential, and vegetation clearance kept to a minimum.

- (a) New fence "P-P1-J" (refer to section 3(a) above)
- 6.1 Removal of approximately 30 metres of existing fence is required at point "P": The existing fence comprises six plain HT wires and steel Y posts in good condition and