



Crown Pastoral Land Tenure Review

Lease name : Quailburn

Lease number : PO 336

Due diligence report (including status report)

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.

Copied October 2002

DUE DILIGENCE REPORT

CPL PRE TENURE REVIEW ASSESSMENT STANDARD 6:

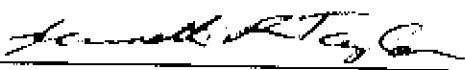
File Ref: Po336 Report No: AT1044 Report Date: 17 August 2001
LINZ Ref: 12581
Office of Agent: Alexandra LINZ Case No: Date sent to LINZ: 17/8/01

RECOMMENDATIONS

- (1) That the Commissioner of Crown Lands or his delegate note this Due Diligence Report which has been prepared in accordance with the re Tenure Review Assessment Standard.
- (2) That the Commissioner of Crown Lands or his delegate note the following incomplete actions which require action by the Manager of Crown Property Contracts.
 - 2.1 The ownership of a hut in the upper Ahuriri Valley requires investigation to confirm that it is not privately owned.
 - 2.2 The northern boundary of the lease has not been identified by survey.

Signed by Knight Frank (NZ) Limited:


P R Diver:


Manager:

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

Name:
Date of decision:

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(1) **Details of lease:**

Lease Name: Quailburn

Location: The property is located in two separate blocks northwest of Omarama in South Canterbury. A lowland block (*Glen Eyrie - Run 671*) extends from Quailburn Road north east towards Lake Ohau Road, while a mountain block (*Quailburn - Part Run 556*) straddles the Ohau Range from the Ahuriri River in the west to Quailburn Road in the east. The main homestead is located just off Quailburn Road on the Glen Eyrie Run.

Lessee: Terence John Cooke and Josephine Cooke

Tenure: Pastoral lease under the Land Act 1948 and Crown Pastoral Land Act 1998. Pastoral Lease 336

Term: 33 years from 1 July 1974 to 30 June 2007

Annual Rent: \$477 (ex GST)

Rental Value: Set at lease issue 1974

Date of Next Review: Renewal on 1 July 2007

Land Registry Folio Ref: CL 11D/1438 (*Otago Registry*)

Legal Description: Part Run 556 and Run 671 Longslipside Ohau Lake, Longslip and Ahuriri Survey Districts being all the land contained in Instrument of Title CL 11D/1438 (*Otago Registry*).

Area: 7413.8 ha (*subject to survey*)

(2) **File Search:**

Files held by Agent in Alexandra on behalf of LINZ:

<i>File Reference</i>	<i>Volume</i>	<i>First Folio</i>	<i>Date</i>	<i>Last Folio</i>	<i>Date</i>
Po 336	1	1	15/10/1974	161	5/12/1995
Po 336	2	1	14/3/1994	99	11/1/1998
Po 336	3	1	26/1/1998	23	13/3/2000
Po 336	4	1	26/7/2000	18	3/11/2000
RP0029 (<i>Recreation Permit</i>)	1	1	15/12/1992	42	29/2/2001

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Additional Files viewed but deemed not to contain any relevance to the property:

9/35-SDN Quailburn road (*funding requests for upgrade*).

3/4/25-SDN-01 Quailburn Water Race (*not on or affecting any part of lease*).

With the exception of a very few missing folios the records are complete since the lease issue in 1974. Files relating to the previous Pastoral Occupation Licence 069 over the original area were not available for search. Confidence is held that all important data has been searched.

John Hardy held a POL (069) over Runs 556 and 672 which expired in 30 June 1974. A pastoral lease was issued to Hardy over Run 672 and Part Run 556 for 33 years from 1 July 1974. A large block of high country land on Run 556 was excluded from the pastoral lease. A Catchment Commission plan to provide offsite grazing and construct a retirement fence to define the boundary and incorporate two areas outside the pastoral lease back into it was reluctantly agreed to by Hardy. A POL was issued in 1974 over the proposed retired land for 3 years and extended in 1977 for 3 years on the condition that a farm plan be entered into within one year.

A farm plan was approved in 1978 involving a total grant for the construction of the retirement fences, 6.7 km of offsite fencing and 350 ha of offsite oversowing and top dressing.

The Waitaki Catchment Commission struggled to successfully establish off-site grazing and the retirement fence was scheduled to be erected in the later stages of the programme. The pastoral lease, although issued, was never registered as it was awaiting survey of the un-erected retirement fence to define the boundaries.

In 1979 John Hardy applied and was granted approval to transfer to his son E C Hardy. The transfer was registered against the POL (9B/387) but withheld against land contained in the unregistered pastoral lease.

A small area of offsite oversowing established poorly in 1979.

Progress with the farm plan stalled due to personal attitude of the landholder and relations with the Waitaki Catchment Commission.

A personal stock exemption was applied for and granted in 1982 for 5025 sheep (*including not more than 1600 breeding ewes for the months of mid December to September inclusive*) and 2925 sheep (*including not more than 1600 breeding ewes October to mid December*).

The stalemate with the owner not wishing to surrender any lands or undertake any improvements and the Waitaki Catchment Commission unwilling to proceed with the fencing, dragged out the non-registration of the pastoral lease due to lack of a boundary to survey through to 1986.

In 1984 Mr Hardy agreed to the removal of the POL in its entirety (*he did not wish to have two areas on the POL fenced back into the lease - see folio 101*). It was reported that he also did not wish to proceed with any off-site grazing provision.

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In 1986 financial authority for the retirement fences expired. The Waitaki Catchment Commission was reluctant to re-submit a new proposal to Soil Council (*at much reduced Grant rates*) for the works.

A RAP survey and PASAC inspection was completed in 1984 - 1987.

The pastoral lease was finally registered in 1988.

A personal stock exemption was applied for and granted in 1988 for 4000 sheep (*including not more than 2000 mixed aged wethers*).

Over the next 4 years files contain only routine burning consents and reports on the emerging wilding pine spread on the lease.

The establishment of QEII Trust covenants to protect values contained in most of the identified RAP areas were processed between 1991 - 1996 but never completed.

In 1993 Mr Hardy discovered that he was still paying rates on the surrendered land and requested the exact date of surrender of the POL to reclaim rates paid. It was determined the POL reverted to UCL on 1 July 1984 (*folio 154*).

In 1996 the property was sold and transferred to Quailburn Station Limited and Glen Eyrie Station Ltd (*Timothy Anderson as agent*). The new owners put forward a large-scale development programme at complete 36 km of fencing, 10 km of and 3000 ha of cultivation over a four year period.

Rabbits and hieracium were badly affecting the property at this time.

Application was received to subdivide the property into the two separate runs in 1997.

The two holding companies that held the lease were placed into liquidation in 1997 and Mirror Lake Investments Limited and Gordon Marketing Limited took Mortgagee possession. Mr Anderson's company debts were of the order of \$8 million and he left New Zealand. An arrest warrant was issued.

A public auction failed to sell the property but it was later approved to be transferred to Lincoln Douglas Cooper (*as agent for a company to be formed*). The personal residence condition was wavered. The company formed was called Merinoat Properties Limited. A second application to transfer was processed after the sale agreement was re negotiated. This also became invalid as the purchaser failed to meet the agreement of sale. The mortgagee was also pursuing the subdivision of the property.

In 1998 the lease was transferred to Cooke Pastoral Limited (*T J Cooke and family*) with a condition that they undertake a programme to consolidate the cultivated land. A new personal stock exemption of 3500 sheep (*including not more than 2500 breeding ewes*) and 100 cattle was approved. The personal residence condition was wavered. The condition of transfer in relation to the cultivated land was reported later as having been met.

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An objection was lodged to the rating valuation in 1998 but not proceeded with.

In 1999 consents for topdressing and sowing seed were processed, and minor activities notified.

The company applied to enter tenure review in July 2000.

In 2000 approval was given for the transfer of the lease to Terence John Cooke and Josephine Cooke.

A new application to undertake tenure review was made and accepted by the CCL on 25 July 2001.

The lease document contains the 11 year review provision but by omission from file data of any rent review report processing and the fact that the original \$477 per year rental is currently being charged it must be concluded that the reviews scheduled for 1985 and 1996 were never carried out. The reason for this oversight is unclear.

A Recreation Permit (RP29) to Alexandra Willis Perriam operating as "Omarama Four Seasons Tours and Omarama Safaris" over a number of leases including Quailburn was granted in 1993 for 5 years. The activity is guided four-wheeled drive trekking. The operation had low numbers per year but was renewed in 1998 for 5 years expiring 30 April 2003.

(3) Summary of lease document:

Terms of lease:

The commencement date of the pastoral lease on Crown files is in agreement with the lease document (CL 11D/1438 Otago Registry).

The lease was issued under the Land Act 1948 for a term of 33 years from 1 July 1974.

No non-standard conditions are recorded.

Original Lease Stock Limit:

3180 Sheep (inclusive of 1250 breeding ewes)

Personal Stock Exemption:

3500 Sheep (including not more than 2500 breeding ewes)
100 Cattle

Renewals and variations:

912418/2 Variation of lease in relation to company share transfers, approval of resident managers and company liability for breaches of covenant conditions - 4 April 1996.

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Area adjustments:

None registered.

Registered interests:

Subject to part IVA Conservation Act 1987 upon disposition.

Mortgages:

None

Other Interests:

Unregistered interests:

The former Waitaki Catchment Commission may have an unregistered agreement entered into with previous lessees related to a Soil and Water Conservation Plan (*not viewed or found in any file reference*).

Recreation Permit RP29 is held by "Omarama Four Seasons Tours and Omarama Safaris" (*A Perriam*) for 5 years from 1 May 1998. The activity is guided four-wheel drive tours.

No mining privileges are registered.

No compensation certificates are registered.

(4) Summarise any Government programmes for the lease:

A Catchment Commission Plan to provide offsite grazing and construct a retirement fence to define the boundary for the POL was reluctantly agreed to by Hardy in 1975. A POL was issued in 1974 over the proposed retired land for 3 years and extended in 1977 for 3 years on the condition that a farm plan be entered into within one year.

A Farm Plan was approved in 1978 involving a total grant for the construction of the retirement fences, 6.7 km of off-site fencing and 350 ha of offsite oversowing and top dressing.

The Waitaki Catchment Commission struggled to successfully establish offsite grazing. A small area (*100 ha*) of offsite oversowing established poorly in 1979.

Some offsite fencing was erected on the Glen Eyrie Block.

Retirement fence materials were purchased for the first section of the fence.

The retirement fence was scheduled to be erected in the later stage of the programme.

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Progress with the farm plan stalled due to the personal attitude of the landholder who was resistant to any works that would require future costs and his poor relations with the Waitaki Catchment Commission.

In 1984 Mr Hardy agreed to the removal of the POL in its entirety (*he did not wish to have two areas on the POL fenced back into the lease*) or pursue offsite grazing as per the Run Plan (*follo 101*). The POL area was transferred to UCL on 1 July 1984.

No legal agreements related to the Run Plan were every registered on the lease documents.

The only outstanding issue appears to be the retirement fencing materials purchased but never erected. It is assumed that this is still held by the Canterbury Regional Council as successor to the Waitaki Catchment Commission.

(5) Summary of Land Status Report:

Copy attached as Schedule A.

5.1 The Pastoral Lease:

The Land Status Report confirms the Crown Land Status under the Land Act subject to pastoral lease registered as CL 11D/1438.

The legal description is confirmed as that being used in this Due Diligence Report.

The Crown retains minerals ownership.

A marginal Strip (*Section 24 (3) Conservation Act 1987*) is identified along the Ahuriri River boundary.

The status check states that no Recreation permits or DoC concessions exist over the pastoral lease or adjacent conservation Land. This is incorrect as recreation permit (RP29) is held on Quailburn by "Omarama Four Seasons Tours and Safaris" (*A Perriam*) for 5 years from 1 May 1998. The activity is guided 4WD tours.

The un-surveyed northern boundary of the lease and its complicated history is reported and the reasons for adopting the boundary shown on the Cadastral plan on top of LINZs file CON/50213/09/12581/A-ZNO given as being that it closest meets the lease diagram CL 11D/1438.

No compensation certificates, electricity agreements, QEII covenants or other issues have been identified by the status check.

5.2 Other Land:

No other land is covered in the status check.

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(6) **Review of topographical and Cadastral data:**

The topographical map shows no national grid power transmission lines crossing the property. A local transmission line servicing the homestead area crosses the Glen Eyrie Run from the North East near the Lake Ohau Road to the homestead. No local transmission line is shown to the buildings on the Quailburn Run.

No airstrips are shown on either of the two Runs on the topographical maps.

A legal road (*Quailburn Road*) adjoins the south-western boundary of the Glen Eyrie Run and terminates at the boundary of the Quailburn Run to the East. This road is metalled. It is fenced both sides.

No internal tracks are shown on the Quailburn Run. Two internal tracks are shown on the Glen Eyrie Run.

No water races could be identified on the topographical maps.

The topographical map shows fences over the Glen Eyrie Run to be on or very near their legal line.

The boundary of the Quailburn Run along the Ahuriri River is shown to be unfenced. The whole of the northern boundary against the Ohau conservation area is shown as unfenced except for a section to the east of the Ahuriri River East branch. This fenced section appears to incorporate two small areas of the Conservation land into the property but as the boundary is not surveyed it is assumed that the survey will follow the fences.

No gravel pits are marked on the topographical maps.

No communication sites are marked on the topographical map.

The topographical map shows a hut in the upper Ahuriri Valley. Investigation to confirm that this hut is part of the property and not privately owned appears required.

The Cadastral map shows no marginal strips on any of the watercourses within the lease. One marginal strip is shown along the Ahuriri River on the western boundary of the lease.

One legal road is shown affecting the lease. Quailburn Road passes along the south-western boundary of the Glen Eyrie Block (*Run 671*) to terminate at the eastern boundary of the Quailburn block (*Part Run 556*). This road appears to be on its correct legal line. No other legal or paper roads are within the boundary of the lease.

The Transitional Plan and Proposed District Plan of the Waitaki District Council have no sites marked or issues that would affect the tenure review process.

The National Conservation Order on the Ahuriri River is assessed as having no implications for tenure review.

(7) Details of neighbouring Crown or Conservation land:

No Conservation land exists within the property.

The unfenced northern boundary of the Quailburn Run bounds on the Ohau conservation area. This is a large collection of former Crown Land allocated to the Minister of Conservation following the dis-establishment of the Lands and Survey Department. It is held subject to the Conservation Act 1987.

The Ahuriri River marginal strip (*Section 24 (3) Conservation Act 1987*) along the full western boundary of the lease is also under the control of the Department of Conservation.

The only other area near the lease administered by the Department of Conservation is opposite to the Glen Eyrie Run on Ben Dhu Lease being Section 1 Block XV Ahuriri Survey District. This another area of former Crown land allocated to the Minister of Conservation subject to the Conservation Act 1987.

The Mackenzie Ecological Region PNA Survey identifies three recommended areas being RAP Omarama Area 6, 7 and 8. Three small areas adjacent to Glen Eyrie Swamp and Serpentine Creek on the Glen Eyrie Run have swamp and wetland values (*RAP 6, 7 and 8*).

A larger area in the Ahuriri adjacent to Snowy Gorge containing tarns and wetlands of significant wild life habitat has been identified (*RAP 7*).

None of these have any legal standing.

The lease borders three other pastoral leases (*Birchwood, Ribbonwood and Ben Dhu*) and has a river boundary with Ben Avon.

No UCL or other Crown land was identified.

(8) Summary of uncompleted actions or potential liabilities:

10.1 The ownership of a hut in the upper Ahuriri Valley requires investigation to confirm that it is not privately owned

10.2 The northern boundary has not been identified by survey.

The following issues are brought to your attention to note only.

A Recreation Permit (*RP29*) to Alexandra Willis Perriam operating as "Omarama Four Seasons Tours and Omarama Safaris" exists on the lease expiring 30 April 2003.

Rent reviews for the lease scheduled for 1985 and 1996 were not carried out and the rental currently charged is the original contained in the lease document. The reason for this oversight is not contained in any file data.

The future of the fencing material purchased for the proposed retirement fence under the Run Plan should be addressed by the Canterbury Regional Council.

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An unregistered Conservation Farm Plan Agreement between the Waitaki Catchment Commission and a previous owner may exist. This has been assessed as having no implications for tenure review.

ATTACHMENTS:

Schedule A Due Diligence Report

Attachment 1 Recent Copy of Lease Document 11D/1438

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SCHEDULE A:

Due Diligence Report.

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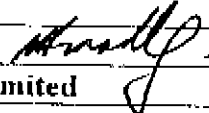
KNIGHT FRANK (NZ) LIMITED

This report has been prepared on the instruction of Land Information New Zealand in terms of the contract number 50240 dated 1 November 2000 and is undertaken for the purposes of the Crown Pastoral Leases Act 1998

LAND STATUS REPORT XXXXXXXXXX				[LIPS ref.12581]
Property	1	of	1	

Land District	Otago
Legal Description	Part Run 556 and Run 671 situated in Longslipside, Ohau Lake, Longslip and Ahuriri Survey Districts.
Area	7413.8 ha (subject to Survey)
Status	Crown Land subject to the Land Act 1948
Instrument of title / lease	All CL 11D/1438 pursuant to section 66 as registered under section 83 Land Act 1948.
Encumbrances	Subject to part IVA Conservation Act 1987 upon Disposition.
Mineral Ownership	Minerals remain with the Crown as the land has never been alienated since its acquisition for settlement purposes from the former Maori owners under the Kemp Purchase 1848 and or its acquisition as Crown Land subject to the Land Act 1948.
Statute	Land Act 1948 and Pastoral Lands Act 1998

Data Correct as at	11 July 2001.
[Certification Attached]	Yes

Prepared by	Murray Bradley 
Crown Accredited Supplier	Knight Frank (NZ) Limited

Certification:

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



M Warburton

Chief Surveyor

Land Information New Zealand, Dunedin.

18 1 7 /2001

Notes : This information does not affect the status of the land but was identified as possibly requiring further investigation at the due diligence stage : See Crown Pastoral Standard 6 paragraph 6

1. While it does not affect the status of the land contained in this lease we note that the northern boundary of Part Run 556 has not been defined by survey.

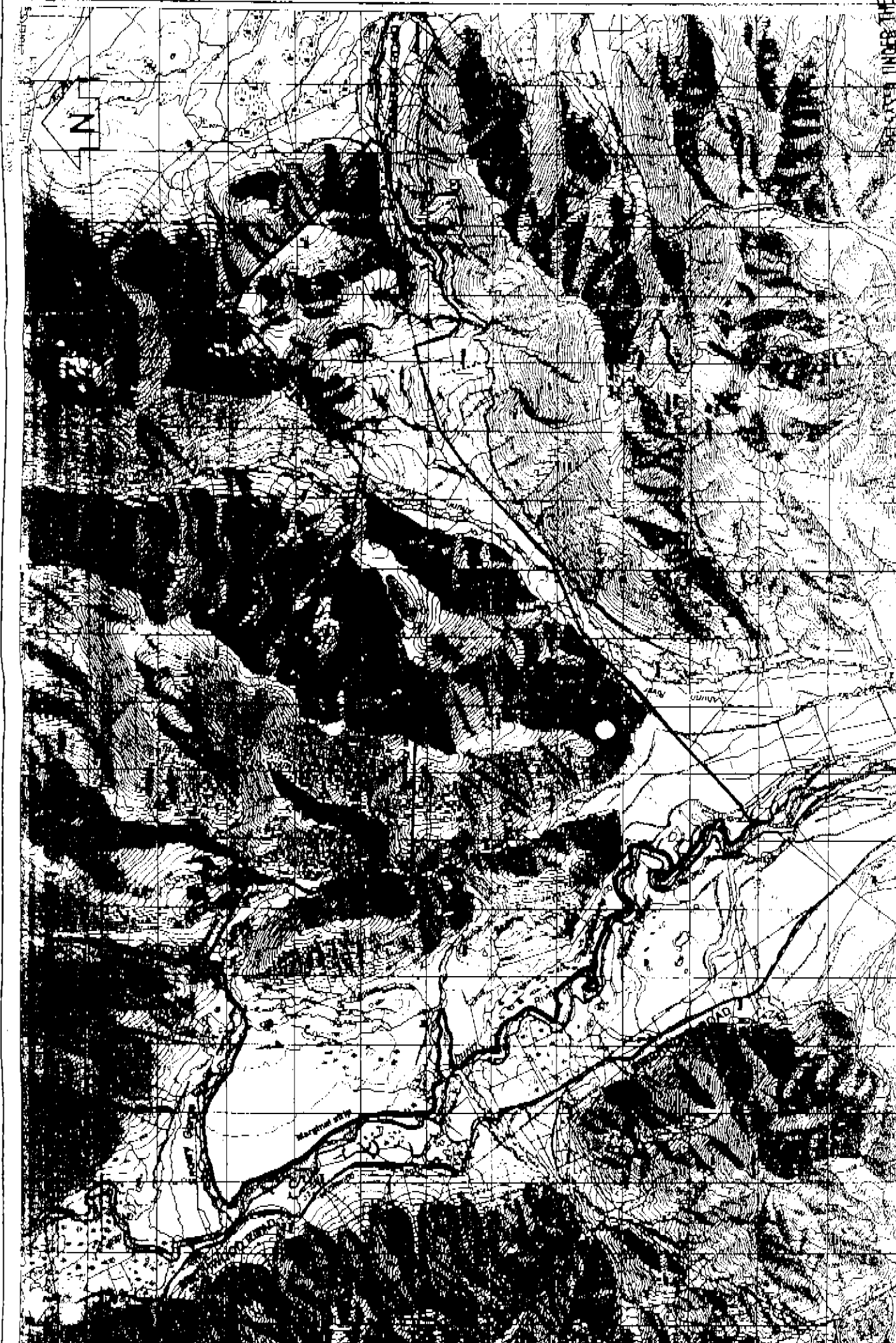
The reason for this appears to be because survey could not be completed until the retirement fence as agreed under the Run Plan with the Waitaki Catchment Commission was erected.

The file (p336) indicates this fence has not yet been completed due to lack of funds and that the lease diagram was prepared by the Draughting Division by adopting the agreed retirement fence boundary line as shown on the plan on folio 118 as amended by the plan on folio 57 and 68. The northern boundary of Part Run 556 boundary adopted for CT 11D/1438 is not shown on the SDI Plan.

Folio 118 indicates that the matter was to be reviewed by DOC when they took over the retired northern portion of part Run 556 formally held in POL 088 (CT 7B/387).

We have therefore adopted the boundaries for the plan attached to this report by following the boundaries as shown on the Cadastral Plan situated on top of LINZ file CON/50213/09/12581/A-ZNO as the boundaries on this plan seem to follow the boundary adopted on the lease diagram attached to lease CT 11D/1438.

2. We also note that a QE II Trust covenant was proposed to protect the Quailburn Bush area (See folio 156A) However it appears this Covenant has not been put in place.



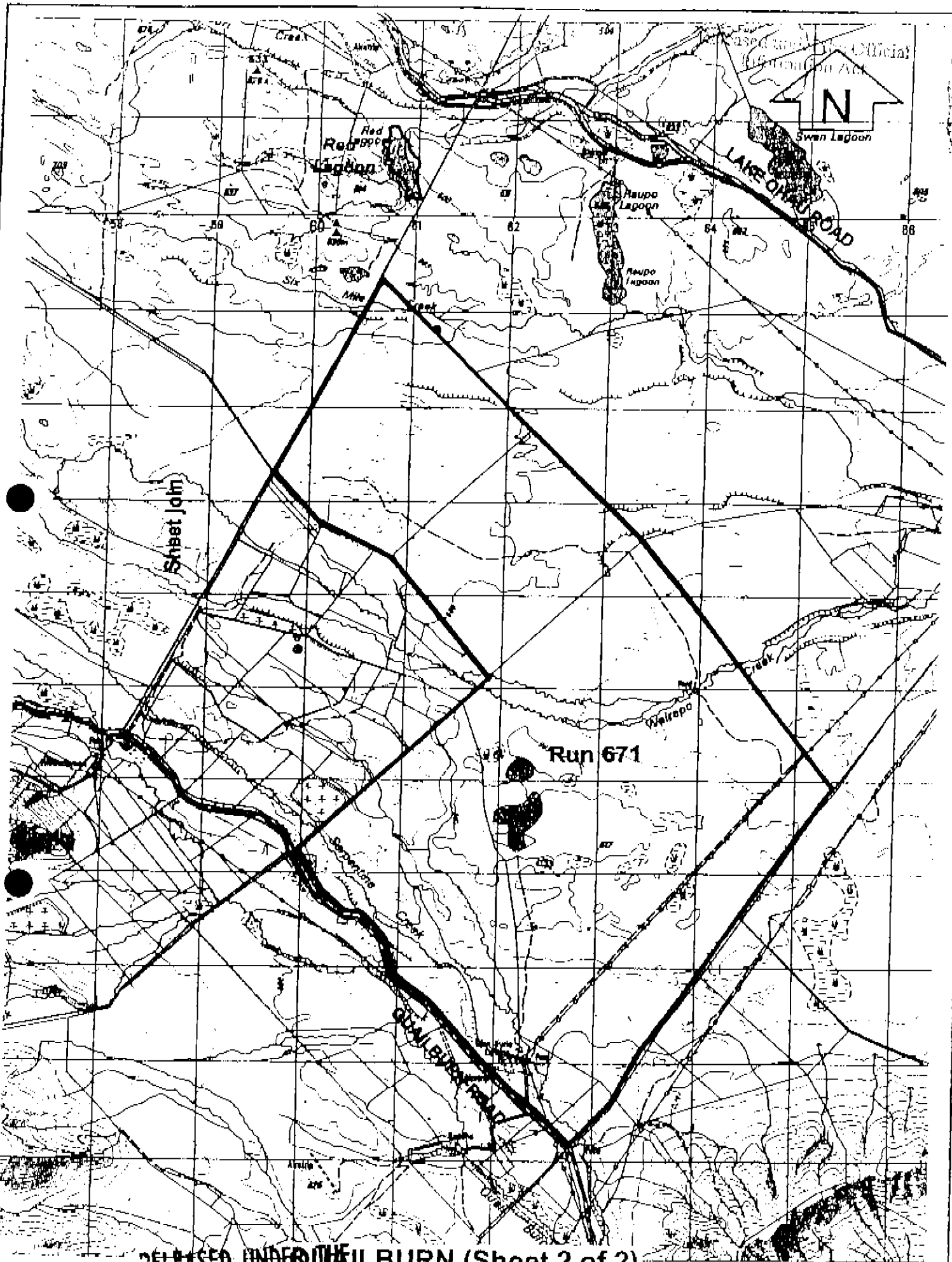
PREPARED UNDER THE
OFFICIAL INFORMATION ACT

Version 1 | 2
Chicago Land District
NZJAS 260 G89 & F-38 Date 17/07/2001

QUAILBURN (Sheet 1 of 2)

1:50,000

INCLUDES ALL LEGAL ROADS
AND MARGINAL STRIPS (IF ANY)



RELEASED UNDER THE OFFICIAL INFORMATION ACT (Sheet 2 of 2)

OFFICIAL INFORMATION ACT 1:50,000

EXCLUDES ALL LEGAL ROADS AND MARGINAL STRIPS (IF ANY)

Version	1	2	3	4	5
Otago Land District					
NZMS 260 G39 & H39					
					Date 17/07/2001

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ATTACHMENT 1:

Copy of Lease Document 11D/1438.

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COMPUTER INTEREST REGISTER
UNDER LAND TRANSFER ACT 1952



Historical Search Copy

R. W. Muir
Registrar-General
of Land

Identifier OT11D/1438
Land Registration District Otago
Date Registered 26 January 1988 10:53 am

Type	Lease under 183 Land Act 1948	
Area	7413.8000 hectares more or less	Term 33 years commencing on the 1st day of July 1974
Legal Description	Part Run 556 and Run 671	
Original Proprietors	Cooke Pastoral Limited	

Interests

- 946557.2 Mortgage to Terence John Cooke and Josephine Cooke - 21.4.1998 at 11:20 am
- 5011863.1 Departmental Dealing correcting the title status from Register Only to Duplicate Exists - 20.10.2000 at 3:50 pm
- 5010842.1 Discharge of Mortgage 946557.2 - 24.10.2000 at 9:00 am
- 5010842.2 Transfer to Terence John Cooke and Josephine Cooke - 24.10.2000 at 9:00 am

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L. & S.—R. 4

Former Ref. Vol. fol.

L. & S. Ref. No. P 336

Abstract 694813

Index

deal 3/2001
engage

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Entered in the Register-book, the

26th day of January

1988, at 10.53 o'clock.

REGISTER

[Signature]
Assistant Land Registrar.

No. 110/1438

Pastoral Lease under the Land Act 1948

This Deed, made the 1st day of July 19 74 between HER MAJESTY THE QUEEN (hereinafter referred to as "the Lessor") of the one part, and

EDWIN CHRISTIAN HARDY of Omarama, Sheep farmer

(hereinafter referred to as "the Lessee"), of the other part: WITNESSETH that, in consideration of the rent hereinafter reserved, and of the covenants, conditions, and agreements herein contained and implied, and on the part of the Lessee to be paid, observed, and performed, the Lessor doth hereby demise and lease unto the Lessee, all that parcel of land containing by estimation 7413.8 hectares

more or less, situated in the Land District of Otago, and being Part Run 596 and Run 671, Stafford, Campbell, Longlipside, Ohau Lake, and Ahuriri Survey Districts

as the same is more particularly delineated with bold black lines on the plan hereon; together with the rights,

SEE ATTACHED SHEET
FOR DIAGRAM

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OFFICIAL INFORMATION ACT

No. 110/1438

ements, and appurtenances thereto belonging. TO HOLD the said premises intended to be hereby demised into the Lessee for the term of 33 years, commencing on the 1st day of July 1974, together with the period between the date of this lease and the aforesaid 1st day of July 1974, YIELDING and paying therefor for the first 11 years of the said term into the Department of Lands and Survey at Land Corporation Limited, the annual rent of \$ 477.00 payable without demand by equal half-yearly payments in advance on the 1st day of January and the 1st day of July in each and every year during the said period of 11 years, and for the next two successive periods of 11 years of the said term a rent determined in respect of each of those periods in the manner provided in Section 66 (4A) of the Land Act 1948. AND also paying in respect of the improvements specified in the Schedule hereto the sum of \$ ----- by a deposit of \$ ----- (which has already been paid) and thereafter by ----- half-yearly instalments of \$ ----- on the 1st day of January and the 1st day of July in each and every year.

REGISTER

AND the Lessee doth hereby covenant with the Lessor as follows:

1. That without derogating from or restricting the covenants contained and implied in this lease and on the part of the Lessee to be performed or complied with the Lessee will not at any time during the said term depasture on the land hereby demised more than 3180 sheep which number shall not include more than 1250 breeding ewes nor more than ----- cattle which number shall not include more than ----- breeding cows PROVIDED HOWEVER that the Lessee may with the prior written consent of the Land Corporation Limited carry such additional stock on such terms and conditions as may therein be specified subject nevertheless to the right of the Land Corporation Limited to revoke or vary such consent at any time.
2. That the Lessee will at all times farm the land hereby demised in a manner to promote soil conservation and prevent erosion and will comply with the provisions of the Soil Conservation and Rivers Control Act 1941.

AND It is hereby agreed and declared by and between the Lessor and Lessee:

THAT pursuant to the provisions of the Noxious Animals Act 1956 officers and employees of the New Zealand Forest Service and other authorised persons shall at all times have a right of ingress, egress, and regress over the land comprised in this lease for the purpose of determining whether such land or any adjoining land is infested with deer, wild goats, wild pigs, opossums, or other animals which the said Service is charged with the duty of exterminating or controlling, or for the purpose of destroying any such animals: Provided that such officers, employees, and other authorised persons in the performance of the said duties shall at all times avoid undue disturbance of the Lessee's stock.

AND it is hereby declared and agreed that these presents are intended to take effect as a Pastoral Lease of pastoral land under Section 66 of the Land Act 1948, and the provisions of the said Act and of the regulations made thereunder applicable to such leases shall be binding in all respects upon the parties hereto in the same manner as if such provisions had been fully set out herein.

SCHEDULE OF IMPROVEMENTS BELONGING TO THE CROWN

Nil

a Property Officer, Land Corporation Limited, Dunedin

IN WITNESS whereof the Commissioner of Crown Lands for the said Land District, on behalf of the Lessor, has hereunto set his hand, and these presents have also been signed by the said Lessee.

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

Witness:

Occupation:

Address:

Commissioner of Crown Lands

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

Witness:

Occupation:

Address:

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

E. C. Hardy
Lessee

RELEASED UNDER THE OFFICIAL INFORMATION ACT

FORWARDED for and on behalf of
HER MAJESTY THE QUEEN pursuant to
a Deed lodged with the District Land
Registrar as No. 681189/2 by
LAND CORPORATION LIMITED
by its Attorney
GARRY RAYMOND PATRICK
in the presence of:

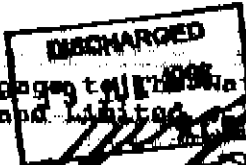
Witness: [Signature]
Occupation: Property Office Landcorp
Address: Dunedin

LAND CORPORATION LIMITED
REGISTER
by its Attorney

946557.1 Transfer in exercise of power of
sale in Mortgage 912418.4 to Cooke Pastoral
Limited

946557.2 Mortgage to Terence John Cooke and
Josephine Cooke
all 21.4.1998 at 11.20

[Signature]
for DLR



771545 Mortgage to National Bank
of New Zealand Limited 20.1.1991
at 9.15 am

[Signature]
A.L.R.

841234 Variation of Mortgage 771545 -
26.10.1993 at 9.04 am

[Signature]
A.L.R.

912418/2 Variation -
19.7.1996 at 11.47 am

[Signature]
A.L.R.

912418/3 Transfer to Quailburn
Station Limited and Glen Eyrie
Station Limited as tenants in common
in equal shares - 19.7.1996 at 11.47

[Signature]
A.L.R.

912418/4 Mortgage to Mirror Lake
Investments Limited and Gordon Marketing
Limited in equal shares - 19.7.1996 at 11.47 am

POWER OF ATTORNEY
EXERCISED
TRANSFER

[Signature]
A.L.R.

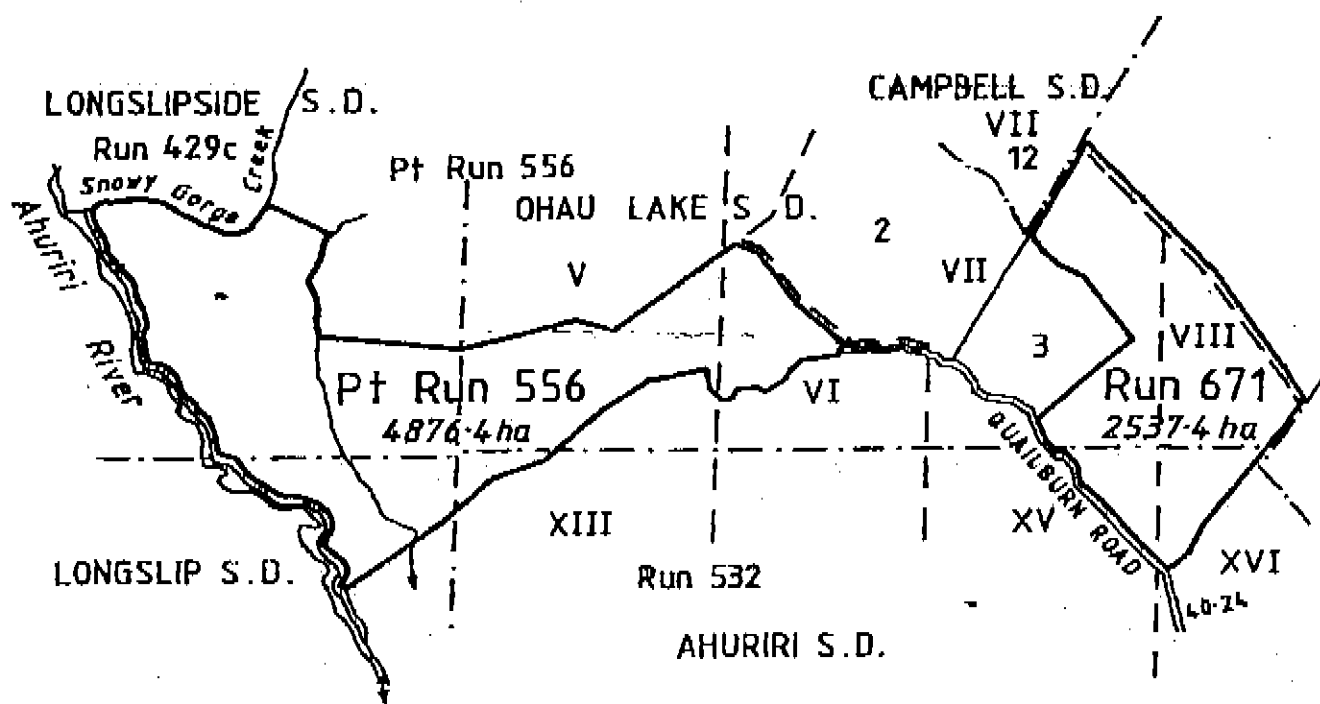
915549 Mortgage to [Signature] - 4
Limited in equal shares as Nominees

POWER OF ATTORNEY
EXERCISED
PRIOR MORTGAGE

[Signature]
A.L.R.

REGISTER

1439



S0'E 246°, 247°, 260°

Total Area : 7413.8 ha

E.C. Hardy

MEMORANDUM OF VARIATION OF LEASE

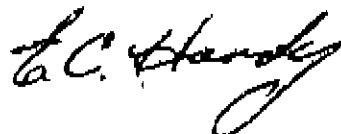
IN THE MATTER of the Land Act 1948

AND

IN THE MATTER of Lease No P336
Volume 11D folio 1438 Otago Registry
from Her Majesty the Queen to EDWIN
CHRISTIAN HARDY

The covenants conditions and restrictions contained or implied in the above-mentioned lease registered in Volume 11D folio 1438 Otago Land Registry, are hereby varied as follows:

1. That should the Lessee with the consent of Her Majesty the Queen transfer, sublet or otherwise dispose of his interest in the land affected by the said lease or any part thereof to a company incorporated under the Companies Act 1955, then the following provisions shall apply.
 - (a) The provisions of Section 89 of the Land Act 1948, shall apply to all such transfers and other dispositions of shares in such a company as if such shares were interests in the said land and no share or shares in such company shall be transferred or otherwise disposed of by any shareholder without the consent of the Commissioner of Crown Lands.
 - (b) The provisions of the Land Act 1948, with regard to the residence shall continue to be applicable to the said lease notwithstanding the transfer or other disposition to such company provided however that such provisions shall be deemed to be complied with by such company only if and when there resides on the said land a person who manages the land on behalf of such company and who has been approved in writing for that purpose by the Commissioner of Crown Lands.
 - (c) A breach by the company or by any shareholder of all or any of the provisions of subclauses (a) and (b) hereof shall be deemed to be in breach of the covenants conditions and restrictions contained in the said lease entitling the lessor to exercise all or any of the powers conferred upon her by the said lease in such circumstances.
2. Save as hereby expressly varied all the covenants conditions and restrictions contained or implied in the Memorandum of Lease shall remain in full force.



IN WITNESS WHEREOF the parties have herunto subscribed their names this 4TH day APRIL 1996.

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

Witness: [Handwritten Signature]

Occupation: LYNETTE PORTER
TEAM MEMBER
Address: NATIONAL OFFICE
DEPARTMENT OF SURVEY
LAND INFORMATION
WELLINGTON

Signed by the said EDWIN CHRISTIAN HARDY Lessee in the presence of:

Witness: [Handwritten Signature]

Occupation: Farmer

Address: [Handwritten Address]

Witness: [Handwritten Signature]
Occupation: Solicitor
Address: Oamaru

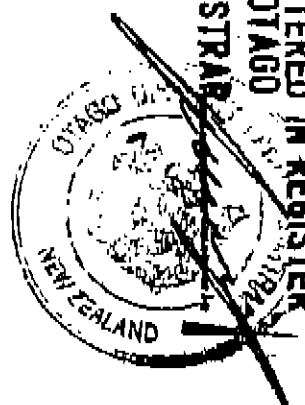
Ivan Hunter Main
Solicitor
Oamaru

Consent for the purposes of The Land Transfer Act
[Handwritten Signature]
Solicitor for Lessee

FILE COPY 1

11.47 19 JUL 96 912418/2

PARTICULARS ENTERED IN REGISTER
LAND REGISTRY OTAGO
ASST. LAND REGISTRAR
169/1438



RELEASED UNDER THE OFFICIAL INFORMATION ACT



MAP_0011697