

Crown Pastoral Land Tenure Review

Lease name : CABERFEIDH

Lease number : PT 134

Substantive Proposal

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

PROPOSAL FOR REVIEW OF CROWN LAND

Under Part 2 of the Crown Pastoral Land Act 1998

Date: 18 April 2016

Parties

Holder: Lone Star Farms Limited
Level 2
295 Trafalgar Street
Nelson

Commissioner of Crown Lands:

C/- Ashley Parris
Portfolio Manager
Crown Property and Investment
Land Information New Zealand
Private Bag 4721
Christchurch 8140

The Land

Lease: Caberfeidh (Pt134)

Legal Description: Rural Section 41381, Rural Section 41298 and Rural Section 41382

Area: 2083.5812 hectares more or less

Certificate of Title/Unique Identifier: CB31F/1199

Summary of Designations

Under this Proposal, the Land is designated as follows:

- (a) The Crown Land (shaded pink on the Plan) is to be restored to, or retained by, the Crown as set out in Schedules One; and
- (b) The Freehold Land (shaded green or yellow on the Plan) is to be disposed by freehold disposal to the Holder as set out in Schedule Three.

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

- 3.1 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 determined; 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:
- (a) 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.
- 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.
- 10.4 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 line 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:
 - (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 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.
- 11.5 If the Holder has accepted this Proposal and that acceptance has taken effect pursuant to the Act, the Commissioner 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.
- 12.5 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

- 13.1 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

- 14.1 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 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 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

- 18.1 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.
- 18.2 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.
- 20.4 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:
 - (i) 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 non-working 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/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;
- (c) 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);
- (g) 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;
- (j) 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;
- (l) if the Holder comprises more than one person, each of those person's 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 shaded pink and labelled CA1 being 124 hectares (approximately), and CA2 being 97 hectares (approximately) is designated as land to be restored to or retained in full Crown ownership and control as conservation area.

2 Schedule One Improvements

Nil.

Schedule Two: Provisions relating to the Schedule Two Land

Nil.

Schedule Three: Provisions relating to the Schedule Three Land

1 Details of designation

- 1.1 Under this Proposal the land shown marked in green on the Plan, being 1,862.5812 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 marked with an orange line and labelled a-b, c-d-e, and d-f on the Plan and substantially as set out in Appendix 4;
 - (d) the covenant shaded yellow and labelled CC on the Plan and substantially as set out in Appendix 5;
 - (e) the continuation in force of the easement embodied in interest 7032093.1 on the title of Caberfeidh pastoral lease, labelled m-n on the Plan, and as set out in Appendix 6.
 - (f) the continuation in force of the easement embodied in interest 7189215.1 on the title of Caberfeidh pastoral lease, labelled m-n on the Plan, and as set out in Appendix 7.
 - (g) the continuation in force of the easement embodied in interest 8457638.1 on the title of Caberfeidh pastoral lease, labelled o-p on the Plan, and as set out in Appendix 8.

2 Existing consents

The following resource consents granted by Environment Canterbury to take and divert surface water are held by and will continue to be held by the consent holders indicated after the completion of the tenure review:

- (a) A consent to divert and take surface water (consent No CRC011989) to Padkins Creek Community Race, substantially as set out in Appendix 9, and
- (b) A consent to divert and take surface water (consent No CRC021585) to Lone Star Farms Limited, substantially as set out in Appendix 10, and
- (c) A consent to divert and take surface water (consent No CRC030733) to Hakataramea Water Scheme Incorporated Society, substantially as set out in Appendix 11, and
- (d) A consent to divert and take surface water (consent No CRC950458.2) to Hakataramea Station Limited, substantially as set out in Appendix 12, and
- (e) A consent to divert and take surface water (consent No CRC951776.6) to Lone Star Farms Limited, substantially as set out in Appendix 13, and
- (f) A consent to divert and take surface water (consent No CRC961543.2) to Lone Star Farms Limited, substantially as set out in Appendix 14.

Schedule Four: Conditions

Nil.

Appendix 1: Consents – Example of Mortgagee Consent

[] as Mortgagee under Mortgage [] ("the Mortgage"), hereby:

- (a) consents to acceptance of the Proposal dated [] ("the Proposal") by [the Holder] ("the Holder") pursuant to the Crown Pastoral Land Act 1998 and agrees and consents to the registration of the documents affecting the Freehold Land referenced in the Proposal prior to the registration of any new mortgage to be granted in its favour over the Freehold Land ; and
- (b) agrees to sign and execute all deeds, agreements, schedules and other documents and do all acts and things as may be reasonably required by the Holder or the Commissioner to register a discharge of the Mortgage and any new mortgage over the Freehold Land.

Dated:

SIGNED by [])
in the presence of: **[])**

Witness Signature:

Witness Name:

Occupation:

Address:

Appendix 1: Consents (continued) - Example of "Other" Consent

[], being the party entitled to the benefit of [] registered
against Lease [], hereby consents to the acceptance of the Proposal dated [] by
[the Holder] pursuant to the Crown Pastoral Land Act 1998.

Dated:

SIGNED for and on behalf of)

[])

in the presence of:)

Witness Signature: _____

Witness Name:

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.]

2. 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

Details of designation

1.1 **Length and location:** **W-X-X1** 1,500m (approximately)

Type: Fence to be a standard 7 wire sheep/cattle fence

Specifications

- Fence to be constructed of five HT (2.4mm) wires plus a bottom No 8 wire and a top barbed wire located on the line shown as W-X-X1 on the plan plus a hot wire and outrigger, with power unit to be supplied by Holder
- Barbed wire to be 2.5mm heavy duty 150mm barb 2 strand reverse twist (soft wire), laced on with 3.15mm wire.
- 1.8 metre x 125mm treated timber posts at 21 metre maximum spacings
- Y posts at 3 metre maximum spacings mostly 1.5m long .1.65m on soft ground (min weight 1.95kg/m).
- 3.6 metre heavy duty cyclone gates to be erected on line W-X at the two locations identified on plans in pre implementation report.
- 2.1 metre x 175mm treated timber strainers with 2.4 metre x 125mm treated stays to be used for gateways and ends of strains.
- All strainers, angle posts and dip posts to be driven or dug in and rammed and footed with acceptable footing material. No8 or 9 wires to be used on foots. All dips and hollows to be tied down.
- T-irons may be used with crossbar instead of posts on high spots and on corners, with tie-backs.
- All strainers and angles to be mortised stayed and blocked. Stays to be one-third of the way up posts.
- Tie-backs are permitted on both sides of the fence.
- All wires are to be securely and neatly tied off and strained evenly. Bottom wire to be kept 10-15 cm off the ground. The line to be cleared manually where required.
- Post staples (barbed, 50 x4mm) to be driven well in but allow the wire to run through.
- Strains not to exceed 400 metres on easy country for HT wire and 250 metres for No8 wire.
- Posts to be driven or dug in to such a depth that 112cm (44") remains out of the ground.
- Strainers and angle posts to be dug in to such a depth that 117cm (46") remains out of the ground.
- Under no circumstances are any strainers, post or stays to be shortened either prior to or subsequent to their placement in the ground.
- Permanent type strainers to be used on all strains.
- Flood gate to be constructed across main stream. Flood Gates to be constructed and secured to allow flood gate to operate independent to fence and to swing free of mean high water level, using 300mm sheep netting and 50mm x 50mm wooden battens fixed vertically to the netting at 300mm spacing. Netting to be swung off 10mm wire rope or multiple twisted wires (min 4 wires of 4mm wire) securely anchored to points either side of creek above flood level and independent of fence.
- Bluff off to be constructed between X and X1, consisting of Y-posts, netting and barbed wire to form a stock proof barrier.
- Materials used are to comply with NZ and associated standards, or other standards where these have been adopted in lieu or in absence of NZ standards. Where standards are not available, fencing contractors are to provide material specifications or manufacturers' warranties.

Current standards that apply to fencing materials include but may not be limited to:

3471:1974(NZS) Specification for galvanized steel fencing wire plain and barbed.

3607:1989(NZS) Specification for round and part round timber fence posts.
3640:1992(NZMP) Specification for the minimum requirements of the NZ Timber Preservation Council Inc.
4534:1998 (AS/NZS) Zinc and Zinc/Aluminium alloy coating on steel wire.
4680:1999 (AS/NZS) Hot dip galvanized (zinc) coating on fabricated ferrous articles.

Specifications for earthworks and vegetation clearance

Lines must be cleared manually as required. For the avoidance of doubt there is to be no line clearance other than by hand. If in the course of fencing work it is considered that a specific section of line should be cleared using machinery, then a separate consent from LINZ will be required prior to any work being undertaken. Such consent is to be sought by LINZ's implementation contractor and approval will require an undertaking of:

- Minimal vegetation disturbance
- Not to cause slope instability
- Not to cause erosion or siltation

Should any earthworks be considered then consent from ECAN must be obtained under the Resource Management Act 1991.

Appendix 4: Form of Easement to be Created

In Gross Easement: Public Access and Management Access – Version 6

DOCDM-254420 – Caberfeidh – September 2012

TRANSFER GRANT OF EASEMENT IN GROSS

1. Public Access
2. Management Access

Land Transfer Act 1952

This page does not form part of the Transfer.

TRANSFER**Land Transfer Act 1952**

If there is not enough space in any of the panels below, cross-reference to and use the approved Annexure Schedule; no other format will be received.

Land Registration District

Canterbury

Certificate of Title No.**All or Part?****Area and legal description – Insert only when part or Stratum, CT****Grantor Surnames must be underlined**

COMMISSIONER OF CROWN LANDS, acting pursuant to section 80 of the Crown Pastoral Land Act 1998

Grantee Surnames must be underlined

HER MAJESTY THE QUEEN, acting by and through the Minister of Conservation

Estate or Interest or Easement to be created: Insert e.g. Fee simple; Leasehold in Lease No.; Right of way etc.

Public Access and Management Purposes Easement in Gross under section 12 of the Reserves Act 1977 (continued on pages 2, 3 and 4 of Annexure Schedule).

Consideration

The various considerations set out in a substantive proposal accepted under the Crown Pastoral Land Act 1998 on the _____ day of _____

Operative Clause

For the above consideration (receipt of which is acknowledged) the GRANTOR TRANSFERS to the GRANTEE all the grantor's estate and interest in the land in the above Certificate(s) of Title and if an easement is described above such is granted or created.

Dated this _____ day of _____

Attestation

Signed by
acting under written delegation
from the Commissioner of Crown
Lands

Signed in my presence by the Grantor
Signature of Witness

Witness to complete in BLOCK letters
(unless typewritten or legibly stamped)

(continued on page 4 of Annexure Schedule)

Witness name

Occupation

Address

Signature, or common seal of Grantor

Certified correct for the purposes of the Land Transfer Act 1952

Certified that Part IIA of the Land Settlement Promotion and Land Acquisition Act 1952 does not apply
Certified that no conveyance duty is payable by virtue of Section 24(1) of the Stamp and Cheque-Duties Act 1971.
(DELETE INAPPLICABLE CERTIFICATE)

Solicitor for the Grantee

Approved by Register-General of Land under No. 1995/5003
Annexure Schedule

Insert below

"Mortgage", "Transfer", "Lease", etc

Dated

Page

of

Pages

Definitions

1. In this transfer unless the context otherwise requires:
 - 1.1 "Easement Area" means that part of the Servient Land being 20 metres wide which is marked "[]" on Deposited Plan/S.O. Plan No [].
 - 1.2 "Management Purposes" means:
 - the protection of a significant inherent value of the land managed by the Grantee; and/or
 - the ecological sustainable management of the land managed by the Grantee.
 - 1.3 "Servient Land" means the land owned by the Grantor and described on page 1.
 - 1.4 "Grantee" means Her Majesty the Queen acting by and through the Minister of Conservation and includes tenants, agents, invitees, contractors, licensees and employees of the Minister of Conservation and the Director-General of Conservation; and for the purposes of clause 2.1 only, includes any member of the public.
 - 1.5 "Grantor" means the owner of the Servient Land described on page 1 and includes the Grantor's tenants and invitees.

Standard Easement Terms

Access

2. The Grantee has the right in common with the Grantor:
 - 2.1 To pass and re-pass at any time over and along the Easement Area "a-b", "c-d-e" and "d-f" on foot, on or accompanied by horses, or by non-motorised vehicle powered by a person or persons.
 - 2.2 To pass and re-pass at any time over and along the Easement Area "a-b", "c-d-e" and "d-f" on foot, or on or accompanied by horses, or by non-motorised vehicle, or by motor vehicle, with or without machinery and implements of any kind, for Management Purposes.
3. The Grantor must keep the Easement Area clear at all times of obstructions whether caused by parked vehicles, deposit of materials or unreasonable impediment to the use and enjoyment of the Easement Area, where such event or outcome is caused by or under the control of the Grantor.

If this Annexure Schedule is used as an expansion of an instrument, all signing parties and either their witnesses or their solicitors must put their signatures or initials here.

Approved by Register-General of Land under No. 1995/5003
Annexure Schedule

Insert below
"Mortgage", "Transfer", "Lease", etc

Dated Page of Pages

Exclusion of Schedules

4. The rights and powers contained in Schedule 4 of the Land Transfer Regulations 2002 and the Fifth Schedule of the Property Law Act 2007 are expressly negated.

Term

5. The easement created by this transfer is to be in perpetuity.

Temporary Suspension

6. The Grantee may, at any time in exercise of her/his powers, temporarily close all or part of the Easement Area for such period as she/he considers necessary.

Dispute Resolution

- 7.1 If a dispute arises between the Grantor and Grantee concerning the rights, management and operation created by this transfer the parties are to enter into negotiations in good faith to resolve it.
- 7.2 If the dispute is not resolved within 14 days of written notice by one party to the other it is to be referred to mediation.
- 7.3 If the dispute is not resolved within 21 days or such other period as agreed to in writing between the parties after the appointment of the mediator, the parties must submit to the arbitration of an independent arbitrator appointed jointly by the parties or, if one cannot be agreed within 14 days, to an independent arbitrator appointed by the President for the time being of the New Zealand Law Society.
- 7.4 The arbitration is to be determined in accordance with the Arbitration Act 1996 and its amendments or any enactment passed in substitution.

Notice

- 8.1 A notice to be given under this transfer by one party to the other is to be in writing and must:
- (a) be hand delivered to the receiving party; or
 - (b) be sent by ordinary post to the receiving party;
 - (c) be sent by facsimile to the receiving party.
- 8.2 If clause 8.1(b) applies the notice will be deemed to be received by the receiving party on such date on which the ordinary post would be delivered.
- 8.3 If clause 8.1(c) applies the notice will be deemed to have been received on the day on which it is dispatched or, if dispatched after 5.00pm, on the next day after the date of dispatch.

If this Annexure Schedule is used as an expansion of an instrument, all signing parties and either their witnesses or their solicitors must put their signatures or initials here.

Approved by Register-General of Land under No. 1995/5003
Annexure Schedule

Insert below

"Mortgage", "Transfer", "Lease", etc

Dated

Page

of

Pages

Special Easement Terms

9. The standard easement terms contained above must be read subject to any special easement terms set out below.
10. The Grantee (not being a member of the public) has the right:
 - 10.1 To mark the Easement Area as appropriate.
 - 10.2 To erect and maintain stiles and/or gates.
 - 10.3 To erect and maintain signs informing the public;
 - (a) of the location of the land managed by the Crown and available for public access and recreation; and
 - (b) of their rights and responsibilities in relation to the Easement Area.
 - 10.4 From time to time to modify the surface of the Easement Area so that it becomes and remains fit for the purpose of clauses 2.1 and 2.2
 - 10.5 To use whatever reasonable means of access he/she thinks fit over the Easement Area to carry out the works in clause 10.1 to 10.4.
11. Where the Grantor erects fences across the Easement Area the Grantor must install gates no less than 1 metre in width and keep gates unlocked at all times unless otherwise agreed with the Grantee.
12. Easement Area "a-b", "c-d-e" and "d-f" may be closed between 5 September and 15 October for livestock management purposes.
13. In accessing Easement Area "a-b", "c-d-e" and "d-f" for management purposes all practical effort will be taken to inform the Grantor of intended use of the easement area with 24 hours notice given where this is possible. The Grantor may offer use of an alternative access route at that time which should be used if it enables more practical access than the easement route.
14. No dogs are permitted on the Easement Area at all.
15. If the Grantee (being a member of the public) has a hunting permit, issued by the Director-General of Conservation for public conservation land to which the Easement Area provides access, they may carry a gun on the Easement Area for the purpose of gaining access to hunt on that land.

If this Annexure Schedule is used as an expansion of an instrument, all signing parties and either their witnesses or their solicitors must put their signatures or initials here.

Continuation of "Attestation"

Signed for and on behalf of
Her Majesty the Queen by
under a written delegation in the
presence of:

)
)
)
)

Witness (Signature)

Name _____

Address _____

Occupation _____

Footnote: In substitution of the SO Plan (which has yet to be prepared), the proposed easement described in clause 1 is marked on the Plan.

If this Annexure Schedule is used as an expansion of an instrument, all signing parties and either their witnesses or their solicitors must put their signatures or initials here.

Approved by Registrar-General
of Land under No. 1995/1004

TRANSFER GRANT OF EASEMENT IN GROSS

1. Public Access to Conservation Areas
2. Management Access

Land Transfer Act 1952

Law Firm Acting
Conservancy Solicitor Department of Conservation 195 Hereford Street Christchurch

Auckland District Law Society
REF 4135

<p>This page is for Land Registry Office use only. (except for "Law Firm Acting")</p>
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Appendix 5: Form of Covenant to be Created

DATED _____

Between

COMMISSIONER OF CROWN LANDS
Pursuant to Section 80 of the Crown Pastoral Land Act 1998

and

MINISTER OF CONSERVATION
("the Minister")

COVENANT UNDER RESERVES ACT 1977
FOR CROWN PASTORAL LAND ACT 1998 PURPOSES



Department of Conservation
Te Papa Atawhai

THIS DEED of COVENANT is made the day of

BETWEEN

COMMISSIONER OF CROWN LANDS acting pursuant to section 80
of the Crown Pastoral Land Act 1998

AND

MINISTER OF CONSERVATION

BACKGROUND

- A. The Commissioner of Crown Lands is deemed for the purposes of section 77 of the Reserves Act 1977 to be the owner of the Land under section 80(5) of the Crown Pastoral Land Act 1998.
- B. The Land contains certain Values specified in Schedule 1.
- C. The parties agree that the Land should be managed so as to preserve the particular Values specified in Schedule 1, and that such purpose can be achieved without the Minister acquiring a fee simple or leasehold interest in the Land.
- D. An approved plan designating the Land as land over which a Covenant under section 77 of the Reserves Act 1977 is to be created has been registered under section 64 of the Crown Pastoral Land Act 1998.
- E. The Commissioner of Crown Lands has agreed to grant the Minister a Covenant over the Land to preserve the particular Values specified in Schedule 1.

OPERATIVE PARTS

In accordance with section 77 of the Reserves Act 1977, and with the intent that the Covenant run with the Land and bind all subsequent Owners of the Land, the Commissioner of Crown Lands and Minister agree as follows:

1. INTERPRETATION

- 1.1 In this Covenant unless the context otherwise requires:

"Act"	means the Reserves Act 1977.
"Covenant"	means this Deed of Covenant made under section 77 of the Act.
"Director-General"	means the Director-General of Conservation.
"Fence"	includes a gate.
"Fire Authority"	means a Fire Authority as defined in the Forest and Rural Fires Act 1977.
"Land"	means the land described in Schedule 1.
"Minerals"	means any mineral that is a Crown owned mineral under section 2 of the Crown Minerals Act 1991.
"Minister"	means the Minister of Conservation.
"Natural Water"	includes water contained in streams the banks of which have, from time to time, been realigned.
"Owner"	means the person or persons who from time to time is or are registered as the proprietor(s) of the Land.

- "Party" or "Parties"** means either the Minister or the Owner or both.
- "Values"** means any or all of the Land's natural environment, biodiversity including botanical and zoological, landscape amenity, wildlife, freshwater life, marine life habitat or historic values as specified in Schedule 1.
- "Working Day"** means the period between any one midnight and the next excluding Saturdays, Sundays, and statutory holidays in the place where the Land is located.

1.2 For avoidance of doubt:

- 1.2.1 the reference to any statute in this Covenant extends to and includes any amendment to or substitution of that statute;
- 1.2.2 clause and other headings are for ease of reference only and are not to be treated as forming any part of the context or to affect the interpretation of this Covenant;
- 1.2.3 words importing the singular number include the plural and vice versa;
- 1.2.4 expressions defined in clause 1.1 bear the defined meaning in the whole of this Covenant including the Background. Where the parties disagree over the interpretation of anything contained in this Covenant and in determining the issue, the parties must have regard to the matters contained in the Background;
- 1.2.5 any obligation not to do anything must be treated to include an obligation not to suffer, permit or cause the thing to be done;
- 1.2.6 words importing one gender include the other gender;
- 1.2.7 the agreements contained in this Covenant bind and benefit the parties and their administrators and executors, successors and assigns in perpetuity;
- 1.2.8 where clauses in this Covenant require further agreement between the parties such agreement must not be unreasonably withheld.

2. OBJECTIVE OF THE COVENANT

- 2.1 The Land must be managed so as to preserve the Values.

3. THE OWNER'S OBLIGATIONS

- 3.1 Unless agreed in writing by the parties, the Owner must not carry out or allow to be carried out on or in relation to the Land:
- 3.1.1 grazing of the Land by livestock;
- 3.1.2 subject to clauses 3.2.1 and 3.2.3, felling, removal or damage of any tree, shrub or other plant;
- 3.1.3 the planting of any species of tree, shrub or other plant;
- 3.1.4 the erection of any Fence, building, structure or other improvement for any purpose;
- 3.1.5 any burning, chemical spraying, top dressing or sowing of seed;
- 3.1.6 any cultivation, earth works or other soil disturbances;
- 3.1.7 any archaeological or other scientific research involving disturbance of the soil;
- 3.1.8 the damming, diverting or taking of Natural Water;

- 3.1.9 any action which will cause deterioration in the natural flow, supply, quantity, or quality of water of any stream, river, lake, pond, marsh, or any other water resource affecting the Land;
- 3.1.10 any other activity which might have an adverse effect on the Values.
- 3.1.11 any prospecting or mining for Minerals, coal or other deposit or moving or removal of rock of any kind on or under the Land;
- 3.1.12 the erection of utility transmission lines across the Land.
- 3.2 The Owner must:
 - 3.2.1 eradicate or control all weeds and pests on the Land to the extent required by any statute; and in particular comply with the provisions of, and any notices given under, the Biosecurity Act 1993;
 - 3.2.2 if it is safe to do so, assist the Fire Authority to extinguish any wildfire upon or threatening the Land;
 - 3.2.3 keep the Land free from exotic tree species;
 - 3.2.4 keep the Land free from rubbish or other unsightly or offensive material arising from the Owner's use of the Land;
 - 3.2.5 subject to consultation between the Owner and the Minister and observance of any reasonable conditions imposed by the Owner, grant to the Minister or authorised agent of the Minister or any employee of the Director-General, a right of access on and to the Land, with or without motor vehicles, machinery, and implements of any kind, to examine and record the condition of the Land, or to carry out protection or maintenance work on the Land, or to ascertain whether the provisions of this Covenant are being observed;

4. THE MINISTER'S OBLIGATIONS

- 4.1 The Minister must have regard to the objective specified in clause 2.1 when considering any requests for approval under this Covenant.
- 4.2 The Minister must repair and replace to its former condition any Fence or other improvement on the Land or on its boundary which may have been damaged in the course of the Minister or any person referred to in clause 3.2.5 exercising any of the rights conferred by this Covenant.

5. IMPLEMENTATION OF OBJECTIVES

- 5.1 The Minister may;
 - 5.1.1 provide to the Owner technical advice or assistance as may be necessary or desirable to assist in meeting the objectives specified in clause 2.1;
 - 5.1.2 prepare, in consultation with the Owner, a joint plan for the management of the Land to implement the objective specified in clause 2.1.

6. DURATION OF COVENANT

- 6.1 This Covenant binds the Minister and Owner in perpetuity to the rights and obligations contained in it.

7. OBLIGATIONS ON SALE OF LAND

- 7.1 If the Owner sells, leases, or parts with possession of the Land, the Owner must ensure that the Owner obtains the agreement of the purchaser, lessee, or assignee to comply with the terms of this Covenant, including any agreement by the purchaser, lessee, or assignee to ensure that on any subsequent sale, lease, or assignment, any subsequent purchaser, lessee, or assignee must also comply with the terms of this Covenant including this clause.
- 7.2 A Transferee of the Land will at law be bound by the registered Covenant. Such transfer is deemed to provide the agreement to comply with the terms of this Covenant required by clause 7.1.

8. MISCELLANEOUS MATTERS**8.1 Rights**

- 8.1.1 The rights granted by this Covenant are expressly declared to be in the nature of a covenant.

8.2 Trespass Act:

- 8.2.1 Except as provided in this Covenant, the Covenant does not diminish or affect the rights of the Owner to exercise the Owner's rights under the Trespass Act 1980 or any other statute or generally at law or otherwise;
- 8.2.2 For avoidance of doubt these rights may be exercised by the Owner if the Owner reasonably considers that any person has breached the rights and/or restrictions of access conferred by this Covenant.

8.3 Reserves Act

- 8.3.1 Subject to the terms and conditions set out in this Covenant, sections 93 to 105 of the Reserves Act 1977, as far as they are applicable and with the necessary modifications, apply to the Land as if the Land were a reserve.

8.4 Titles

- 8.4.1 This Covenant must be signed by the Commissioner of Crown Lands and the Minister and registered against the Certificate of Title to the Land.

8.5 Acceptance of Covenant

- 8.5.1 The parties agree to be bound by the provisions of this Covenant including during the period prior to the Covenant's registration.

8.6 Fire

- 8.6.1 The Owner must notify, as soon as practicable, the appropriate Fire Authority and the Minister in the event of wild fire threatening the Land;
- 8.6.2 If the Minister is not the appropriate Fire Authority for the Land, the Minister will render assistance to the Fire Authority in suppressing the fire if:
- 8.6.2.1 requested to do so; or
- 8.6.2.2 if there is in place between the Minister and the Fire Authority a formalised fire agreement under section 14 of the Forest and Rural Fires Act 1977.

9. NOTICES

- 9.1 A notice to be given under this Covenant by one party to the other is to be in writing and made by personal delivery, by pre-paid post, or by facsimile addressed to the receiving party at the address or facsimile number set out in Schedule 1.
- 9.2 A notice given in accordance with clause 9.1 will be deemed to have been received:
- (a) in the case of personal delivery, on the date of delivery;
 - (b) in the case of pre-paid post, on the third Working Day after posting;
 - (c) in the case of facsimile, on the day on which it is dispatched or, if dispatched after 5.00pm, on the next day after the date of dispatch.
- 9.3 The Owner must notify the Minister of any change of ownership or control of all or part of the Land and must supply the Minister with the name and address of the new owner or person in control.

10. DEFAULT

- 10.1 Where either the Minister or the Owner breaches any of the terms and conditions contained in this Covenant the other party:
- 10.1.1 may take such action as may be necessary to remedy the breach or prevent any further damage occurring as a result of the breach; and
 - 10.1.2 will also be entitled to recover from the party responsible for the breach as a debt due all reasonable costs (including solicitor/client costs) incurred by the other party as a result of remedying the breach or preventing the damage.
- 10.2 Should either the Minister or the Owner become of the reasonable view that the other party (the defaulting party) has defaulted in performance of or observance of its obligations under this Covenant then that party (notifying party) may, by written notice:
- 10.2.1 advise the defaulting party of the default.
 - 10.2.2 state the action reasonably required of the defaulting party to perform or observe in accordance with this Covenant; and
 - 10.2.3 state a reasonable period within which the defaulting party must take action to remedy the default.

11. DISPUTE RESOLUTION PROCESSES

- 11.1 If any dispute arises between the Minister and the Owner in connection with this Covenant, the parties must, without prejudice to any other rights they may have under this Covenant, attempt to resolve the dispute by negotiation or other informal dispute resolution technique agreed between the parties.

11.2 Mediation

- 11.2.1 if the dispute is not capable of resolution by agreement within 14 days of written notice by one party to the other (or such further period as the parties may agree to in writing) either party may refer the dispute to mediation with a mediator agreed between the parties;
- 11.2.2 if the parties do not agree on a mediator, the President of the New Zealand Law Society is to appoint the mediator.

11.3 Failure of Mediation

- 11.3.1 in the event that the dispute is not resolved by mediation within 2 months of the date of referral to mediation the parties agree that the provisions in the Arbitration Act 1996 will apply;

11.3.2 notwithstanding anything to the contrary in the Arbitration Act 1996, if the parties do not agree on the person to be appointed as arbitrator, the appointment is to be made by the President of the New Zealand Law Society;

11.3.3 the parties further agree that the results of arbitration are to be binding upon the parties.

12. JOINT OBLIGATIONS

12.1 The Owner or the Minister may, by mutual agreement, carry out any work or activity or improvements or take any action either jointly or individually to better preserve the Values.

13. SPECIAL CONDITIONS

13.1 Special conditions relating to this Covenant are set out in Schedule 2.

13.2 The standard conditions contained in this Document must be read subject to any special conditions.

Executed as a Deed

Signed by _____ acting under a _____)
delegation from the Commissioner of Crown Lands _____)
deemed pursuant to section 80(5) of the Crown Pastoral _____)
Land Act 1998 to be the Owner of the Land for the _____)
purposes of section 77 of the Reserves Act 1977 _____)
in the presence of: _____)

Witness: _____

Address : _____

Occupation: _____

Signed by _____ exercising his/her _____)
powers under section 117 of the Reserves Act 1977 _____)
as designated Commissioner and acting for and on _____)
behalf of the Minister of Conservation _____)
in the presence of: _____)

Witness: _____

Address : _____

Occupation: _____

SCHEDULE 1

1. Description of Land

CC – Kirkliston Range Mid Slopes.

All that piece of land containing 1331 hectares approximately shown shaded yellow on the plan attached to the Proposal and labelled CC.

2. Values of Land to be Preserved.

CC – Kirkliston Range Mid Slopes – Natural Environment, Historical and Landscape Amenity Values

- The area supports shrubland communities and remnant kowhai and mountain totara that are representative of the original woody vegetation at these sites.
- The area supports the threatened plant species coral broom *Carmichaelia crassicaulis* (threat status – declining) and *Pimelea pseudolyallii* (threat status – naturally uncommon) in tussock lands within the area.
- The area supports the threatened bird species eastern falcon *Falco novaeseelandiae* “eastern” (threat status – nationally vulnerable).
- The area provides habitat for the threatened lizard species green skink and spotted skink (threat status – gradual decline).
- The area above 700m in the Station Stream catchment supports an unnamed species of grasshopper (collected only from the eastern Kirkliston Range) and an unnamed species of carabid beetle (*Oregus* sp).
- The area provides habitat for indigenous lizard species (common gecko, common skink and McCanns skink).
- The area has been identified as containing two archaeological sites; I40/87: South Canterbury Rabbit Fence, being the line of the government funded rabbit fence built to stop the spread of rabbits into Canterbury; and I40/89, a camp site thought to have been used by those building the rabbit fence.
- The area contains part of the old pack track that ascends the Kirkliston Range and is of historic interest.
- The area is an integral part of the Kirkliston Range landscape making a significant contribution to the natural character of the area.
- The area acts as a buffer to the existing Conservation Area higher on the slopes of the Kirkliston Range.

3. Address for Service¹

The address for service (including facsimile number) of the Minister is:

Minister of Conservation
C/- Conservator
Department of Conservation
195 Hereford Street
Private Bag 4715
CHRISTCHURCH
Ph: 03 371-3700
Fax: 03 365-1388

The address for service (including facsimile number) of the Owner is:

Star Holdings Limited
Level 2
295 Trafalgar Street
PO Box 1242
NELSON
Directors:
Thomas Sturgess and Ann Sturgess

Property Contact:
c/o Andrew Harding – Farm Manager
Lone Star Caberfeldh

¹ State Street address not Post Office Box number.

9

330 Milne Road
Hakataramea Valley
Kuroo
Phone: 027-536-0499
Fax: 03-436-0205

SCHEDULE 2**Special Conditions**

Notwithstanding the conditions set out above the following special conditions shall apply in relation to each identified part of the Land;

CC – Kirkliston Range Mid Slopes.

- 1 The Land may be grazed in association with the adjoining land at any time by sheep and/ or cattle, except for merino sheep which are not permitted to be grazed on the Land.
- 2 If stock, at any time are not able to be contained within the natural boundaries of the Land, the Owner, at the Owner's own cost, is to erect fencing which will contain the stock within the Land. If this fencing is required above 800m a.s.l. prior consultation with the Minister is required as to location and construction of the fence.
- 3 The Land, below 800m a.s.l. may have vegetation cleared, including vegetation removal by spraying. The Land above 800m a.s.l. may have spot spraying of weeds only.
- 4 The Land, below 800m a.s.l. may have any new fences or structures erected and new tracks constructed (all subject to local resource consent requirements). The Land above 800m a.s.l. may have routine maintenance of existing fences, structures and maintenance within the alignment of all existing tracks done. Any maintenance undertaken outside the existing alignment of tracks or further upgrading of tracks above 800m a.s.l. requires the prior written consent of the Minister.
- 5 The Land below 800m a.s.l. may be oversown and topdressed, but may not be oversown or topdressed above the 800m a.s.l. contour or within a 20 metre margin adjoining any waterways.
- 6 Work affecting the archaeological sites, including standing structures erected prior to 1900, is subject to the archaeological authority process under the Historic Places Act 1993. An authority (consent) from the New Zealand Historic Places Trust (NZHPT) must be obtained prior to the commencement of any earthworks, construction or clearance that could cause damage to historic values on the covenant area. In particular, any modification of the fence or campsite including, but not limited to, the replacement of wires and posts will require an authority from NZHPT. It is an offence to modify damage or destroy a site for any purpose without an authority. The Historic Places Act 1993 contains penalties for unauthorised site damage.
- 7 The Minister may design and undertake a monitoring programme:
 - a. to ensure that the ecological integrity of the area and associated vegetation is maintained.
 - b. To enable the monitoring of any effects on the vegetation cover and conditions and any other conservation values on the Land.
 The monitoring programme will be reviewed at regular intervals and if in the opinion of the Minister there are any issues identified with the status of any of the species or values on the Land or deterioration in the condition and extent of the ecological condition the Minister reserves the right to take any necessary steps to further protect any species or values including fencing areas of the Land and adjusting stock access. The Minister will liaise with the Owner in implementing these measures and the owner will cooperate in the giving effect to any measures considered necessary by the Minister.
- 8 The Owner will permit Department of Conservation staff and their contractors entry upon the Land at all times, for purposes associated with management of the covenant.

GRANT of

Correct for the purposes of the
Land Transfer Act 1952

CONSERVATION COVENANT UNDER
SECTION 77 OF THE
RESERVES ACT 1977 FOR
CROWN PASTORAL LAND ACT 1998 PURPOSES

Solicitor for the Minister

COMMISSIONER OF CROWN
LANDS

to

MINISTER OF CONSERVATION

Solicitor
Department of Conservation
DUNEDIN/CHRISTCHURCH

Appendix 6: Easement for continuation in force

(7032093.1)

YEC 7032093.1 Deed of 1

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GRANT OF EASEMENT

BETWEEN

**THE COMMISSIONER OF CROWN LANDS
PURSUANT TO THE LAND ACT 1948**

AND

**TIMOTHY BRYAN PETRIE
LEIGH ANN PETRIE
H G W TRUSTEES LIMITED**

**FOR EASEMENT OVER PASTORAL LAND UNDER
SECTION 60(1) LAND ACT 1948**

**Dean & Associates
20 Wear Street
PO Box 242
Oamaru
Tel: (03) 434 5128
Fax: (03) 434 7695**

This deed is made on the 11th day of *August* 2005

1. Parties

- 1.1 Grantor: The Commissioner of Crown Lands pursuant to the Land Act 1948
- 1.2 Grantee: Timothy Bryan Petrie, Leigh Ann Petrie and HGW Trustees Ltd jointly and severally.

2. Background

The nature of the easement sought is a right to convey water from a stream running through the subject land for the purposes of stock water, irrigation and water storage by way of the existing stream and by way of an existing water race. The Grantor has agreed the easements sought on the terms and conditions now stated.

3. Deed of Agreement

3.1 Interpretation Clause

Commencement Date: shall be 1st March 2005.

Deed: means this agreement between the Grantor and the Grantee creating a legal instrument and the right to convey water over the Easement Land through and to the Grantee's land for the purposes of stock water, irrigation and water storage pursuant to the Land Act 1948.

Easement Land: Means that area marked with the letter "A" on SO 329070 and DP 328793 as shown attached.

Grantee: TIMOTHY BRYAN PETRIE, LEIGH ANN PETRIE and HGW TRUSTEES LIMITED, their servants, agents, employees, workers and contractors, any Licensee, Lessee or Tenant of the Grantee.

Grantor's Land: 2,083,5812 hectares more or less over rural sections 41298, 41381 and 41382.

Lessee: STAR HOLDINGS LIMITED

Pastoral Lease: Caberfiedh Pastoral Lease - Lease No: P134 registered in CB Volume 31F, Folio 1199, Canterbury Land Registry from her Majesty the Queen to Caberfiedh Station Limited.

3.2 Construction Clause

- 3.2.1 The terms of construction of this Deed comply with the terms of easement required by the Commissioner for Crown Land.

3.3 Grant of Rights

3.3.1 Pursuant to Section 60 of the Land Act 1948, the Grantor grants to the Grantee:-

3.3.2 A right to convey over the Easement Land for the purposes of stock water, irrigation and water storage by way of easement to appurtenant land 2.0272 hectares more or less contained in Certificate of Title CB333/276 Canterbury Land Registration District and more particularly described as rural section 36885.

3.3.3 A right to convey water over the Easement Land for the purposes of stock water, irrigation and water storage by way of easement to appurtenant land 282.2505 hectares more or less contained in Certificate of Title CB326/137 Canterbury Land Registration District and more particularly described as Part Lot 8 DP 3226.

3.3.4 A right to convey water over the Easement Land for the purposes of stock water, irrigation and water storage by way of easement to appurtenant land 136.5030 hectares more or less contained in Certificate of Title CB31A/748 Canterbury Land Registration District and more particularly described as Lot 12 DP 3226.

3.3.5 The proposed term of the Grant of rights is for twenty five (25) years.

3.4 Consideration

3.4.1 The consideration payable for the grant of easement is to be the nominal amount of \$1.00 payable on demand.

3.4.2 The Grantee will thoroughly observe all of the obligations imposed on it by the terms of this Deed.

3.5 Payment of compensation to Lessee

3.5.1 The Grantee has entered into an agreement with the Lessees recording receipt by the Lessee of a payment from the Grantee, which amount is acknowledged by the Lessee to be paid in lieu of the payment of any compensation by the Grantor pursuant to Section 60(1) of the Land Act 1948, and that agreement records the Lessees' waiver of their right to any compensation from the Grantor in respect of the grant of easements in this Deed.

3.6 Obligations of the Grantee

3.6.1 The Grantee will observe the following covenants governing the grant of rights under this Deed:-

3.6.2 Wherever possible remain on the formed roads and tracks and when on those roads or tracks comply with all traffic laws and regulations as are applicable to public roads.

3.6.3 Immediately after passing through any gates, close such of them as were closed and lock such of them as were locked immediately before such passing through.

- 3.6.4 Take all reasonable precautions for guarding against any danger (including, but without limitation, fire, physical damage or disease), and in particular shall (but without limiting the general obligation to take full and proper precautions pursuant to this Clause 3.6.4) comply with all conditions that may be imposed from time to time by the Grantor or any lawful authority.
- 3.6.5 Ensure that as little damage or disturbance as possible is caused to the surface of the Basement Land and that the surface is restored as nearly as possible to its former condition and any other damage done by reason of the activities permitted on the Basement Land by this Deed is similarly restored.
- 3.6.6 The Grantee shall only enter onto the Basement Land pursuant to this Deed without notice for routine matters such as water flow monitoring minor and routine matters in relation to complying with the terms of the various Resource Consents for taking of the water and minor and routine maintenance of the water race. Where the maintenance required is not of a minor nature nor routine, the Grantee shall give reasonable prior written notice EXCEPT in an emergency where the Grantee may enter without notice if necessary provided that subsequent notice is given as soon as practicable. In both cases notice shall be given to both the Grantor and the Lessee.
- 3.6.7 The Grantee shall, at its cost, repair to the satisfaction of the Grantor any part of the Basement Land, including the tracks, fences, gates, drains, buildings or other structures, which is damaged directly or indirectly by the Grantee.
- 3.6.8 The Grantee shall compensate the Grantor for any loss suffered by the Grantor resulting directly or indirectly from the actions of the Grantee.
- 3.6.9 The Grantee shall at all times, in the exercise of the rights set out in this Deed not obstruct or hamper the Grantor, or any agents, employees and contractors of the Grantor or the Lessee, in its normal or reasonable use of the Basement Land.
- 3.6.10 The Grantee shall not at any time except with the prior written approval of the Grantor carry out any activity which is not included within this Deed on the Basement Land, or do any other thing which would affect the ability of the Grantor to use the Basement Land.
- 3.6.11 The Grantee shall comply at all times with all statutes and regulations and obtain all approvals, consents and authorisations as are necessary for the Grantee to conduct the activities permitted by this Deed.
- 3.7 Covenants implied by Land Transfer Act 1952**
- 3.7.1 Section 90(d) of the Land Transfer Act provides for certain rights and powers of Grantees implied in the right to convey water which are listed at Schedule 7 of the Act. The said rights and powers in the 7th Schedule are hereby excluded.

3.8 Costs

- 3.8.1 The Grantee bears all costs for preparation and registration of this Deed and the installation of structures required for the purposes of the rights created by the easement (if any).

3.9 Indemnity

- 3.9.1 The Grantee hereby indemnifies the Grantor against any loss, claim, damage, costs, expense, liability or proceeding suffered or incurred at any time by the Grantor in connection with this Deed or as a direct result of the exercise by the Grantee of its rights under this Deed, or any breach by the Grantee of its obligations, undertakings or warranties contained or implied by this Deed.

3.10 Exclusion of Grantor's Liability

- 3.10.1 The Grantor is expressly freed from liability in contract, tort or otherwise in relation to any aspect of this Deed (extending to consequential loss, anything arising directly or indirectly from the Deed, any activity of the Grantor on the Easement land).

3.11 Termination

- 3.11.1 The Grantor may bring the Deed to any end on notice (period of notice to be fixed by the Grantor).
- 3.11.2 Upon termination, if there is failure to restore the land to its original condition by the Grantor, the Grantor may restore the land, remove structures (if any) and recover costs from the Grantee.

3.12 Registration

- 3.12.1 This Deed, or a Memorandum of Transfer incorporating the terms of this Deed may be registered and both parties will do all things necessary to enable registration.

3.13 Grantor's Rights of Delegation

- 3.13.1 All rights, benefits and obligations of the Grantor arising under this Deed may be exercised by any person duly appointed by the Grantor PROVIDED THAT the exercise of any such rights, benefits or obligations by that person shall not limit the liability of the Grantor in the performance or observance of the provisions of this Deed.

3.14 Disputes

- 3.14.1 If any dispute arises under the terms of this Deed then both parties will attempt to resolve that dispute through the process of mediation, an independent mediator to be appointed upon agreement of both parties provided that this clause shall be subject, in all respects, to the provisions of Section 17 of the Land Act 1948.

3.15 Notices

3.15.1 Any Notice to be given by one party under this Deed to the other shall be in writing and shall be forwarded by either delivering or posting it to the addressee at the appropriate address set out below or to such address notified by the addressee in writing to the other party.

The Grantor's address

C/- DTZ New Zealand Ltd, PO Box 142, Level 4, 76 Cashel Street, Christchurch.

The Grantee's address

C/- Dean & Associates, PO Box 242, 20 Wear Street, Oamaru.

Any Notice posted shall be deemed to be served three working days after the date of posting.

3.16 Severability

3.16.1 Where any part of this Deed of Baseament is held to be illegal, void or unenforceable, such determination shall not impair the enforceability of the remaining parts of this Deed which shall remain in full force.

SIGNED by the Commissioner }
Of Crown Lands }
In the presence of: }



Signature:



Name:

DAVID MAURICE KILLINGER
PORTFOLIO MANAGER
CROWN PROPERTY MANAGEMENT
C/- LING NATIONAL OFFICE

Address:

Occupation:

SIGNED by TIMOTHY }
BRYAN PETRIE }
In the presence of: }


T B PETRIE

Signature:



Name:

Kate Wilson

Address:

8 Crest St

Occupation:

Secretary

7

SIGNED by LEIGH ANN
PETRIE
In the presence of:

L A Petrie
L A PETRIE

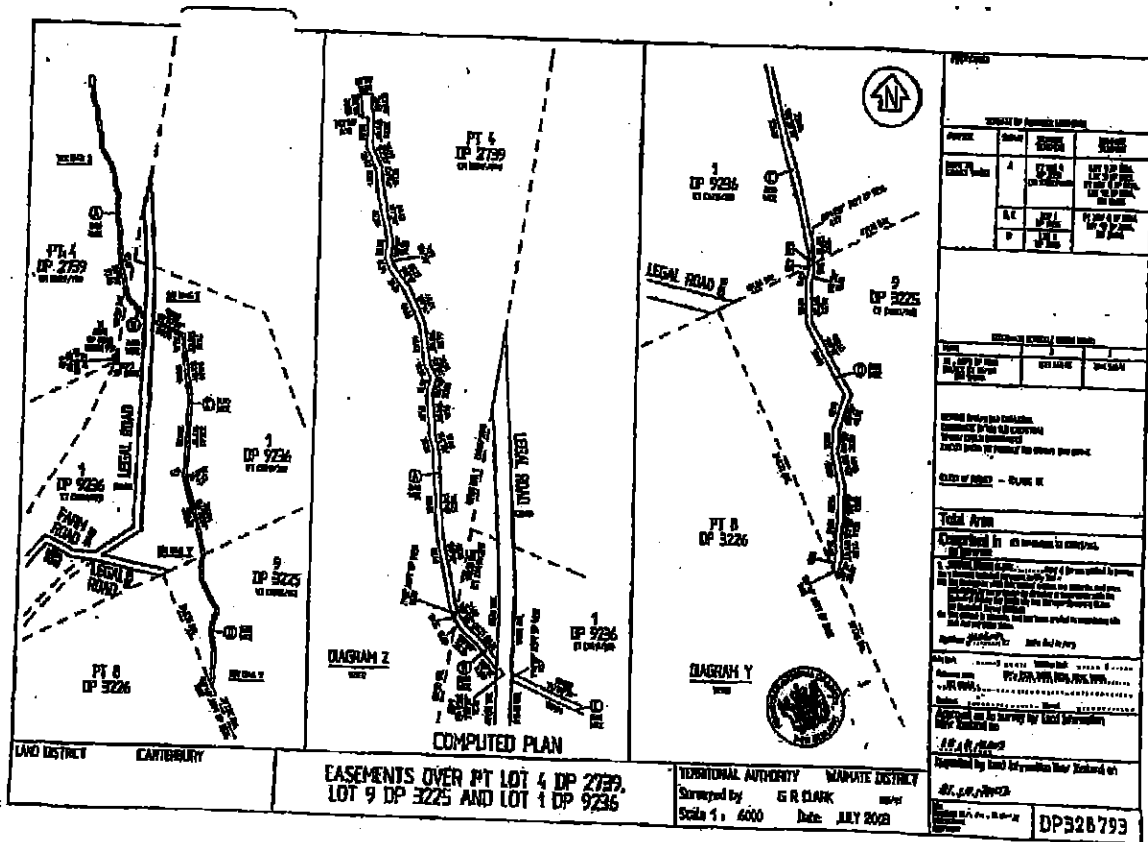
Signature: [Signature]
Name: R A Wilson
Address: Legal Executive
Occupation: Owner

SIGNED by HGW TRUSTEES
LIMITED
In the presence of:

Signature: L. M. Maaka
Name: Leila May Maaka
Address: Secretary
Occupation: Dunedin

[Signature]
Director
A. C. WYATT - Director
HGW Trustee's Limited
Trustee Company

REGISTERED EASEMENT			
DATE 15-06-06	TIME 10:00 AM	DATE 15-06-06	TIME 10:00 AM
REGISTERED EASEMENT EASEMENT OVER PT LOT 4 DP 2739			
TERMINAL AUTHORITY WAHIA DISTRICT			
Surveyed by E H CLARK			
Sale 1: 2500 Date: JULY 2008			
SD 329070			



Appendix 7: Easement for continuation in force

(7189215.1)

YEC 7189215.1 Deed o

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GRANT OF EASEMENT

BETWEEN

**THE COMMISSIONER OF CROWN LANDS
PURSUANT TO THE LAND ACT 1948**

AND

VIEWFIELD LIMITED

**FOR EASEMENT OVER PASTORAL LAND UNDER
SECTION 60(1) LAND ACT 1948**

**Dean & Associates
20 Wear Street
PO Box 242
Oamaru
Tel: (03) 434 5128
Fax: (03) 434 7695**

This deed is made on the 22nd day of November 2006

1. Parties

- 1.1 Grantor: The Commissioner of Crown Lands pursuant to the Land Act 1948
- 1.2 Grantee: Viewfield Limited

2. Background

The nature of the easement sought is a right to convey water from a stream running through the subject land for the purposes of stock water, irrigation and water storage by way of the existing stream and by way of an existing water race. The Grantor has agreed the easements sought on the terms and conditions now stated.

3. Deed of Agreement

3.1 Interpretation Clause

Commencement Date: shall be 1st March 2005.

Deed: means this agreement between the Grantor and the Grantee creating a legal instrument and the right to convey water over the Easement Land through and to the Grantee's land for the purposes of stock water, irrigation and water storage pursuant to the Land Act 1948.

Easement Land: Means that area marked with the letter "A" on SO 329070 and DP 328793 as shown attached.

Grantee: VIEWFIELD LIMITED, their servants, agents, employees, workers and contractors, any Licensee, Lessee or Tenant of the Grantee.

Grantor's Land: 2,083.5812 hectares more or less over rural sections 41298, 41381 and 41382.

Lessee: STAR HOLDINGS LIMITED

Pastoral Lease: Caberfiedh Pastoral Lease - Lease No: P134 registered in CB Volume 31F, Folio 1199, Canterbury Land Registry from her Majesty the Queen to Caberfiedh Station Limited.

3.2 Construction Clause

- 3.2.1 The terms of construction of this Deed comply with the terms of easement required by the Commissioner for Crown Land.

3.3 Grant of Rights

3.3.1 Pursuant to Section 60 of the Land Act 1948, the Grantor grants to the Grantee:-

3.3.2 A right to convey water over the Basement Land for the purposes of stock water, irrigation and water storage by way of easement to appurtenant land 56.9494 hectares more or less contained in Certificate of Title CB419/239 Canterbury Land Registration District and more particularly described as Lot 1 DP 9236.

3.3.3 A right to convey water over the Basement Land for the purposes of stock water, irrigation and water storage by way of easement to appurtenant land 173.8530 hectares more or less contained in Certificate of Title CB327/142 Canterbury Land Registration District and more particularly described as Lot 9 DP 3225.

3.3.4 The proposed term of the Grant of rights is for twenty five (25) years.

3.4 Consideration

3.4.1 The consideration payable for the grant of easement is to be the nominal amount of \$1.00 payable on demand.

3.4.2 The Grantee will thoroughly observe all of the obligations imposed on it by the terms of this Deed.

3.5 Payment of compensation to Lessee

3.5.1 The Grantee has entered into an agreement with the Lessees recording receipt by the Lessee of a payment from the Grantee, which amount is acknowledged by the Lessee to be paid in lieu of the payment of any compensation by the Grantor pursuant to Section 60(1) of the Land Act 1948, and that agreement records the Lessees' waiver of their right to any compensation from the Grantor in respect of the grant of easements in this Deed.

3.6 Obligations of the Grantee

3.6.1 The Grantee will observe the following covenants governing the grant of rights under this Deed:-

3.6.2 Wherever possible remain on the formed roads and tracks and when on those roads or tracks comply with all traffic laws and regulations as are applicable to public roads.

3.6.3 Immediately after passing through any gates, close such of them as were closed and lock such of them as were locked immediately before such passing through.

3.6.4 Take all reasonable precautions for guarding against any danger (including, but without limitation, fire, physical damage or disease), and in particular shall (but without limiting the general obligation to take full and proper precautions pursuant to this Clause 3.6.4) comply with all conditions that may be imposed from time to time by the Grantor or any lawful authority.

- 3.6.5 Ensure that as little damage or disturbance as possible is caused to the surface of the Easement Land and that the surface is restored as nearly as possible to its former condition and any other damage done by reason of the activities permitted on the Easement Land by this Deed is similarly restored.
- 3.6.6 The Grantee shall only enter onto the Easement Land pursuant to this Deed without notice for routine matters such as water flow monitoring minor and routine matters in relation to complying with the terms of the various Resource Consents for taking of the water and minor and routine maintenance of the water race. Where the maintenance required is not of a minor nature nor routine, the Grantee shall give reasonable prior written notice EXCEPT in an emergency where the Grantee may enter without notice if necessary provided that subsequent notice is given as soon as practicable. In both cases notice shall be given to both the Grantor and the Lessee.
- 3.6.7 The Grantee shall, at its cost, repair to the satisfaction of the Grantor any part of the Easement Land, including the tracks, fences, gates, drains, buildings or other structures, which is damaged directly or indirectly by the Grantee.
- 3.6.8 The Grantee shall compensate the Grantor for any loss suffered by the Grantor resulting directly or indirectly from the actions of the Grantee.
- 3.6.9 The Grantee shall at all times, in the exercise of the rights set out in this Deed not obstruct or hamper the Grantor, or any agents, employees and contractors of the Grantor or the Lessee, in its normal or reasonable use of the Easement Land.
- 3.6.10 The Grantee shall not at any time except with the prior written approval of the Grantor carry out any activity which is not included within this Deed on the Easement Land, or do any other thing which would affect the ability of the Grantor to use the Easement Land.
- 3.6.11 The Grantee shall comply at all times with all statutes and regulations and obtain all approvals, consents and authorisations as are necessary for the Grantee to conduct the activities permitted by this Deed.
- 3.7 Covenants implied by Land Transfer Act 1952
- 3.7.1 Section 90(d) of the Land Transfer Act provides for certain rights and powers of Grantees implied in the right to convey water which are listed at Schedule 7 of the Act. The said rights and powers in the 7th Schedule are hereby excluded.
- 3.8 Costs
- 3.8.1 The Grantee bears all costs for preparation and registration of this Deed and the installation of structures required for the purposes of the rights created by the easement (if any).
- 3.9 Indemnity
- 3.9.1 The Grantee hereby indemnifies the Grantor against any loss, claim, damage, costs, expense, liability or proceeding suffered or incurred at any time by the Grantor in

connection with this Deed or as a direct result of the exercise by the Grantee of its rights under this Deed, or any breach by the Grantee of its obligations, undertakings or warranties contained or implied by this Deed.

3.10 Exclusion of Grantor's Liability

3.10.1 The Grantor is expressly freed from liability in contract, tort or otherwise in relation to any aspect of this Deed (extending to consequential loss, anything arising directly or indirectly from the Deed, any activity of the Grantor on the Easement Land).

3.11 Termination

3.11.1 The Grantor may bring the Deed to any end on notice (period of notice to be fixed by the Grantor).

3.11.2 Upon termination, if there is failure to restore the land to its original condition by the Grantee, the Grantor may restore the land, remove structures (if any) and recover costs from the Grantee.

3.12 Registration

3.12.1 This Deed, or a Memorandum of Transfer incorporating the terms of this Deed may be registered and both parties will do all things necessary to enable registration.

3.13 Grantor's Rights of Delegation

3.13.1 All rights, benefits and obligations of the Grantor arising under this Deed may be exercised by any person duly appointed by the Grantor PROVIDED THAT the exercise of any such rights, benefits or obligations by that person shall not limit the liability of the Grantor in the performance or observance of the provisions of this Deed.

3.14 Disputes

3.14.1 If any dispute arises under the terms of this Deed then both parties will attempt to resolve that dispute through the process of mediation, an independent mediator to be appointed upon agreement of both parties provided that this clause shall be subject in all respects to the provisions of Section 17 of the Land Act 1948.

3.15 Notices

3.15.1 Any Notice to be given by one party under this Deed to the other shall be in writing and shall be forwarded by either delivering or posting it to the addressee at the appropriate address set out below or to such address notified by the addressee in writing to the other party.

The Grantor's address

CI-DTZ New Zealand Ltd, PO Box 142, Level 4, 76 Cashel Street, Christchurch.

The Grantee's address

C/- Dean & Associates, PO Box 242, 20 Wear Street, Oamaru.

Any Notice posted shall be deemed to be served three working days after the date of posting.

3.16 Severability

3.16.1 Where any part of this Deed of Easement is held to be illegal, void or unenforceable, such determination shall not impair the enforceability of the remaining parts of this Deed which shall remain in full force.

SIGNED by the Commissioner
Of Crown Lands *by Murray Robert Macdonald*
In the presence of:

Signature:

O. J. Frost

Name:

**OWEN JOHN FROST
PORTFOLIO MANAGER
CROWN PROPERTY MANAGEMENT
C/- LINZ, CHRISTCHURCH**

SIGNED by VIEWFIELD
LIMITED
In the presence of:

[Signature]

Director

Signature:

[Signature]

Name:

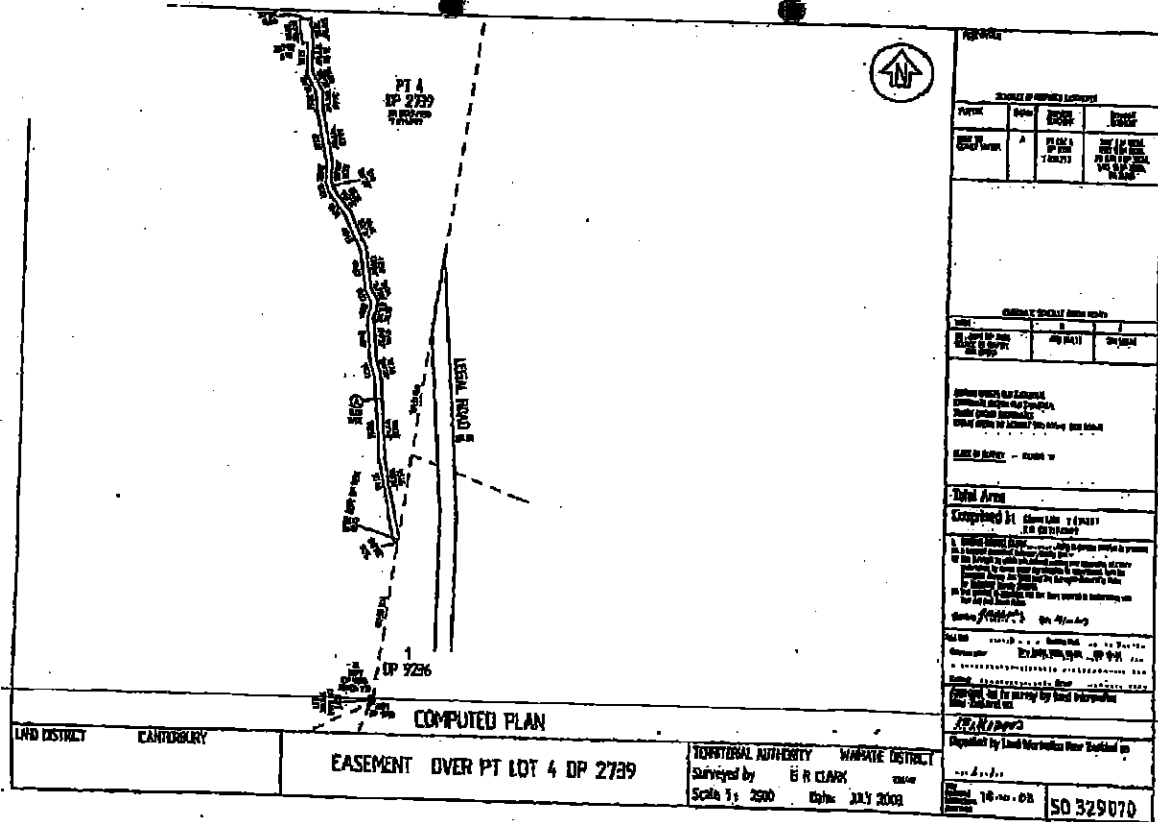
ROS WILLIS

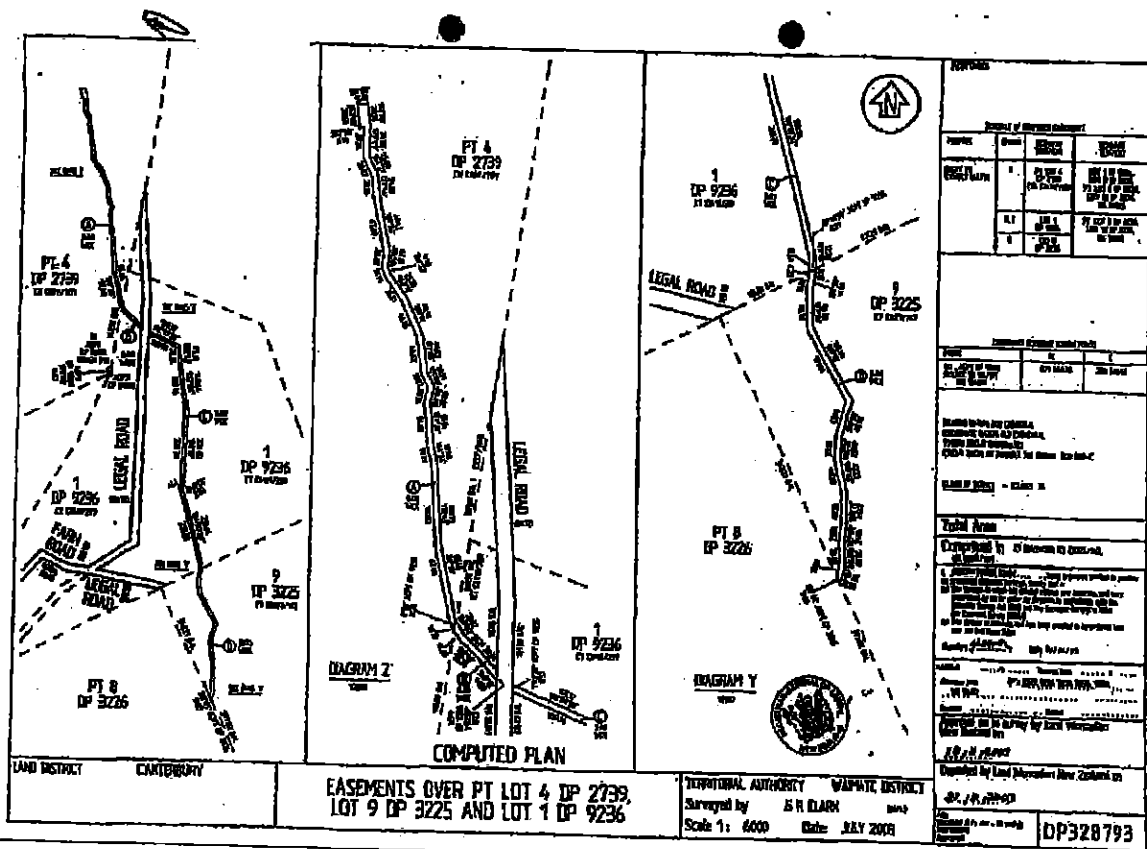
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205 ASHBURTON

Occupation:

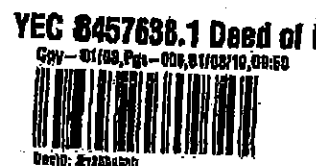
SHAREMILKER





Appendix 8: Easement for continuation in force

(8457638.1)



Entered in the Register Book as

Volume Folio

(Canterbury Registry) this

day of 2010

at o'clock

Assistant District Land Registrar

Canterbury

DEED OF GRANT OF RIGHT OF WAY

DATED 9 March 2010

PARTIES

1. THE COMMISSIONER OF CROWN LANDS
at Wellington pursuant to the Land Act 1948 ("the Grantor").
2. STAR HOLDINGS LIMITED [hereinafter with successors and permitted assigns]
("the Grantee").

BACKGROUND

- A. The Grantee is Registered Proprietor of the land described in this Deed as "the Dominant land"
- B. The Grantor has granted to the Grantee a Lease under Section 68 of the Land Act 1948 of the Land described in this Deed as "the Pastoral Lease".
- C. The Grantee agreed to a land swap involving the Dominant Land and as a condition of the land swap subdivision the Waimate District Council required that the Dominant Land has right of way access over the narrow portion of land comprising the Servient land owned by the Grantor for the purpose of providing access to Lot 1 DP 390124 which is to be compulsorily amalgamated into one Certificate of Title with Lot 1 DP 53772 (CB32B/341) (CT 491901). This will prevent Lot 1 DP 390124 from being Landlocked.
- D. The Grantor has agreed to grant to the Grantee the right of way easement sought over the Servient land on the terms and conditions set out in this Deed.

AGREEMENT

1. DEFINITIONS and INTERPRETATION
 - 1.1 In this Deed (including the Schedules), unless the context otherwise requires "Deed" means this deed, the background and the schedules.

1154534V03080204AJF_AF

"Servient land" means the area of the Grantor's Land and marked "D" on Deposited Plan 380124 and contained in Rural Section 41381 (part CB31F/1189) within which the Grantee may exercise the rights granted by this Deed;

"Dominant land" means the amalgamated Certificate of Title encompassing Lot 1 Deposited Plan 68772 and Lot 1 Deposited Plan 380124 (CT 491901)

"Grantee" includes the Grantee's servants, agents, employees, workers, invitees, licencees and contractors and tenant or lessees.

"Lessee" means the lessee from time to time of pastoral lease No. (134 in Register Book as Volume CB31F folio 1189 (Canterbury Land District))

"Pastoral Lease" means pastoral lease no P134 recorded in the Register Book as Volume CB31F folio 1189 Canterbury Land district)

- 1.2 In the interpretation of this Deed unless the context otherwise requires:
- 1.3 the headings and subheadings appear as a matter of convenience and shall not affect the interpretation of this Deed;
- 1.4 references to any statute, regulation or other statutory instrument or bylaw shall be deemed to be references to the statute, regulation, instrument or bylaw as from time to time amended and includes substitution provisions that substantially correspond to those referred to and;
- 1.5 the singular includes the plural and vice versa and words incorporating any gender shall include every gender.

2 GRANT OF RIGHT OF WAY

- 2.1 Pursuant to section 60 of the Land Act 1948 the Grantor grants to the Grantee, a right of way easement as defined in the fourth Schedule of the Land Transfer Regulations 2002 and subject to the conditions contained in that Schedule, as varied by this Deed, over the Servient land to be forever appurtenant to the Dominant land.
- 2.2 The rights granted under this Deed are non-exclusive and are exercisable in common with the Grantor and any other person having similar rights either now or in the future.
- 2.3 Should any conflict arise between the provisions set out in this Deed and the provisions of the Land Transfer Regulations 2002 the provisions set out in this Deed shall prevail.

3 CONSIDERATION

- 3.1 In consideration of the grant of easement in this Deed:-
- 3.2 The Grantee shall pay the Grantor a lump sum payment of \$7,000.00.
- 3.3 The Grantee shall observe the obligations imposed on it under this Deed.

4 REGISTRATION

- 4.1 It is intended that this Deed shall be registered pursuant to section 60 of the Land Act 1948.

5. PAYMENT OF COMPENSATION TO LESSEES

- 5.1 The Grantee as Lessee under the Pastoral Lease waives its right to any compensation from the Grantor in respect of the grant of easement in this Deed pursuant to Section 80(1) of the Land Act 1948.

6. OBLIGATIONS OF THE GRANTEE

- 6.1 The Grantee shall when on the Servient Land:
- Not use vehicles prohibited by the Grantor;
 - Immediately after passing through any gates, close such of them as were closed and lock such of them as were locked immediately before such passing through;
 - Take all reasonable precautions for guarding against any danger (including, but without limitation, fire, physical damage or disease), and in particular shall (but without limiting the general obligation to take full and proper precautions pursuant to this clause 6.1) comply with all conditions that may be imposed from time to time by the Grantor or any lawful authority;
 - Ensure that as little damage or disturbance as possible is caused to the surface of the Servient land and that the surface is restored as nearly as possible to its former condition and any other damage done by reason of the activities permitted on the Servient land by this Deed is similarly restored.
- 6.2 The Grantee shall, at its cost, maintain and repair to the satisfaction of the Grantor any part of the Servient land, including the tracks, fences, gates, drains, buildings or other structures, which is damaged directly or indirectly by the Grantee.
- 6.3 The Grantee shall compensate the Grantor for any stock loss suffered by the Grantor resulting directly or indirectly from the actions of the Grantee.
- 6.4 The Grantee shall at all times in the exercise of the rights set out in this Deed not obstruct or hamper the Grantor, or any agents, employees and contractors of the Grantor, in its or their normal or reasonable use of the Servient Land.
- 6.5 The Grantee shall not at any time except with the prior written approval of the Grantor carry out any activity which is not included within clause 2 of this Deed on the Servient land, or do any other thing which would affect the ability of the Grantor to use the Servient land.
- 6.6 The Grantee shall comply at all times with all statutes and regulations and obtain all approvals, consents and authorisations as are necessary for the Grantee to conduct the activities permitted by this Deed.
- 6.7 The Grantee shall at all times use its best endeavours to keep the Servient land clear of noxious weeds and pests.
- ## 7. COSTS
- 7.1 The Grantee shall bear all reasonable costs and expenses (including the Grantor's legal costs) in relation to the preparation, registration and enforcement of any provisions in this Deed including any costs in relation to the right of way itself.
- 7.2 The Grantee shall be solely responsible for the registration (if any) of this Deed and any associated costs.

8. INDEMNITY

- 8.1 The Grantee hereby indemnifies the Grantor against any loss, claim, damage, costs, expense, liability or proceeding suffered or incurred at any time by the Grantor in connection with this Deed or as a direct result of the exercise by the Grantee of its rights under this Deed, or any breach by the Grantee of its obligations, undertakings or warranties contained or implied in this Deed.

9. GRANTOR'S LIABILITY EXCLUDED

- 9.1 Under no circumstances will the Grantor be liable in contract, tort, or otherwise to the Grantee for any expense, costs, loss, injury, or damage whether consequential or otherwise, arising directly or indirectly from this Deed or any activity undertaken by the Grantor on the Servient Land, whether the expense, cost, loss, injury or damage is the direct or indirect result of negligence or otherwise.

10. DISPUTES

- 10.1 If any dispute arises between the Grantor and the Grantee concerning the rights created by this Deed the parties shall enter into negotiations in good faith to resolve their dispute. If the dispute is not resolved within one month of the date on which the parties begin their negotiations the parties shall submit to the arbitration of an independent arbitrator appointed jointly by the parties, and if one cannot be agreed upon within 14 days, to an independent arbitrator appointed by the President for the time being of the District Law Society in which the Servient Land is situated. Such arbitration shall be determined in accordance with the Arbitration Act 1996, excluding the second schedule thereof, and the parties' execution of this Deed shall be deemed to be a submission to arbitration PROVIDED THAT this clause shall be subject in all respects to the provisions of section 17 of the Land Act 1948.

11. GRANTOR'S RIGHTS OF DELEGATION

- 11.1 All rights, benefits and obligations of the Grantor arising under this Deed may be exercised by any person duly appointed by the Grantor PROVIDED THAT the exercise of such rights, benefits or obligations by that person shall not limit the liability of the Grantor in the performance or observation of the provisions of this Deed.

12. NOTICES

- 12.1 Any notice to be given by one party under this Deed to the other shall be in writing and shall be forwarded by either delivering or posting it to the addressee at the appropriate address set out below or to such address notified by the addressee in writing to the other party.
- 12.2 The Grantor's Address is :-
The Office of the Commissioner of Crown Lands, Private Box 5504, Wellington.
- 12.3 The Grantee's Address is:- Star Holdings Limited P O Box 1242, Nelson.
- 12.4 Any notice posted shall be deemed to be served five (5) working days after the date of posting.

13. SEVERABILITY

13.1 If any part of this Deed is held by any court or administration body of competent jurisdiction to be illegal, void, or unenforceable, such determination shall not impair the enforceability of the remaining parts of this Deed which shall remain in full force.

IN WITNESS WHEREOF this Deed has been duly executed on the date first written above.

SIGNED by the Commissioner of Crown Lands as Grantor in the presence of:

[Signature]

DARYL HEJLEMANN NIELSEN
PORTFOLIO MANAGER PASTORAL
CROWN PROPERTY MANAGEMENT
G/LINZ, CHRISTCHURCH

or

SIGNED by acting for and on behalf of the Commissioner of Crown Lands pursuant to a delegation under Section 41 of the State Sector Act 1989 in the presence of:

[Signature]

Mathew Clark (Manager Pastoral)
Land Information New Zealand
Under delegated authority of the
Commissioner of Crown Lands.

SIGNED on behalf Star Holdings Limited as Grantee in the presence of:

[Signature]
For and on behalf of
Star Holdings
by *[Signature]*
Director.

Witness: *[Signature]*

Occupation:

Address:

Dallas Elizabeth Keenan
Registered Legal Executive
Christchurch

**Appendix 9 Copy of unregistered consent to divert and take water (consent No CRC011989) in
favour of Padkins Creek Community Race**

RESOURCE CONSENT CRC011989

Pursuant to Section 104 of the Resource Management Act 1991.

The Canterbury Regional Council (known as Environment Canterbury).

GRANTS TO: Padkine Creek Community Race
A WATER PERMIT: To take water for stock, domestic and community supply.
COMMENCEMENT DATE: 20 July 2010
EXPIRY DATE: 19 July 2045
LOCATION: HAKATARAMEA VALLEY

SUBJECT TO THE FOLLOWING CONDITIONS:

LOCATION OF DIVERSION

- 1) Water may only be diverted from Kirkliston Stream at map reference NZMS 260 140:131-197 into Padkine Stream, Bellfield Stream and Farm Stream, Hakataramea Valley.

RATE OF DIVERSION AND ANNUAL VOLUME

- 2) Water shall be diverted at a rate not exceeding 110 litres per second, with a volume not exceeding 68,528 cubic metres in any period of seven consecutive days, and 534,500 cubic metres between 1st July and the following 30th June.

USE OF WATER

- 3) The water diverted in condition (1) shall only be taken and used for domestic and stock water supply by the Padkine Creek Community Race members on properties Hillside, Viewfield, Montana, Roadlands and Bellfield Stations.

FLOW METER DIVERSION

- 4)
 - (a) The consent holder shall, prior to exercising this consent, install a water level measuring device in a location that will enable the determination of the continuous rate of flow and volume of water being diverted to within an accuracy of 10 percent.
 - (b) The measuring device shall, as far as is practicable, be installed at a site likely to retain a stable relationship between flow and water level. The measuring device shall be installed in accordance with the manufacturer's instructions.
 - (c) The flow at the measuring site shall be gauged at least every three months whilst this consent is being exercised, and at any other time when required as determined by a site inspection required by condition (4)(d) below.
 - (d) Gaugings and site inspections shall be carried out in accordance with the following manuals: Hydrologists Field Manual (NIWA 1991) and Procedure for Rating a Flow Station (NIWA 1983).
 - (e) The level of water in the race, and times of diversion, shall be recorded by electronic means, at not greater than fifteen minute intervals in a tamper-proof recording device such as a data-logger, kept for that purpose.
 - (f) The measuring and recording devices described in clauses (a) and (e) shall be available for inspection at all times by the Canterbury Regional Council.
 - (g) All data from the recording device described in clause (e), and the corresponding relationship between the water level and flow, shall be provided to the Canterbury Regional Council annually, and shall be accessible and available for downloading at all times by the Canterbury Regional Council.

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- (h) The recorded data shall not be changed or deleted by any person, unless twelve months have passed since the date of recording and the data has been provided to the Canterbury Regional Council.
- (i) Within one month of the commencement of this consent, at two-yearly intervals thereafter, and at any other time when requested by Canterbury Regional Council, the consent holder shall calibrate the measuring device and provide to the Canterbury Regional Council:
 - (i) a certificate signed by a suitably qualified person certifying the current accuracy of the measuring and recording devices, and also certifying that data from the recording device described in clause (e) can be readily accessed in accordance with clause (f); and
 - (ii) supporting information containing details of the calibration test.

CERTIFICATION

- 5) Within one month of the installation of the measuring or recording device(s) or any subsequent replacement measuring or recording device(s), and at five-yearly intervals thereafter, and at any time when requested by the Council, the consent holder shall provide a certificate to the Council, Attention: RMA Compliance and Enforcement Manager, signed by a suitably qualified person certifying, and demonstrating by means of a clear diagram, that:
 - (a) Each measuring and recording device(s) is installed in accordance with the manufacturers specifications; and
 - (b) Data from the recording device can be readily accessed and/or retrieved in accordance with the conditions above.

EFFICIENT USE OF WATER

- 6) The consent holder shall take all practicable steps to:
 - (a) Ensure that the volume of water used for domestic and stock water does not exceed that required for reasonable use; and
 - (b) Avoid leakage from pipes and structures.

REVIEW

- 7) The Canterbury Regional Council may, once per year, on any of the last five working days of May or November, serve notice of its intention to review the conditions of this consent for the purposes of dealing with any adverse effect on the environment which may arise from the exercise of the consent and which it is appropriate to deal with at a later stage.

LAPSING DATE

- 8) The lapsing date for the purposes of section 125 of the Resource Management Act 1991 shall be five years.

Issued at Christchurch on 10 September 2010

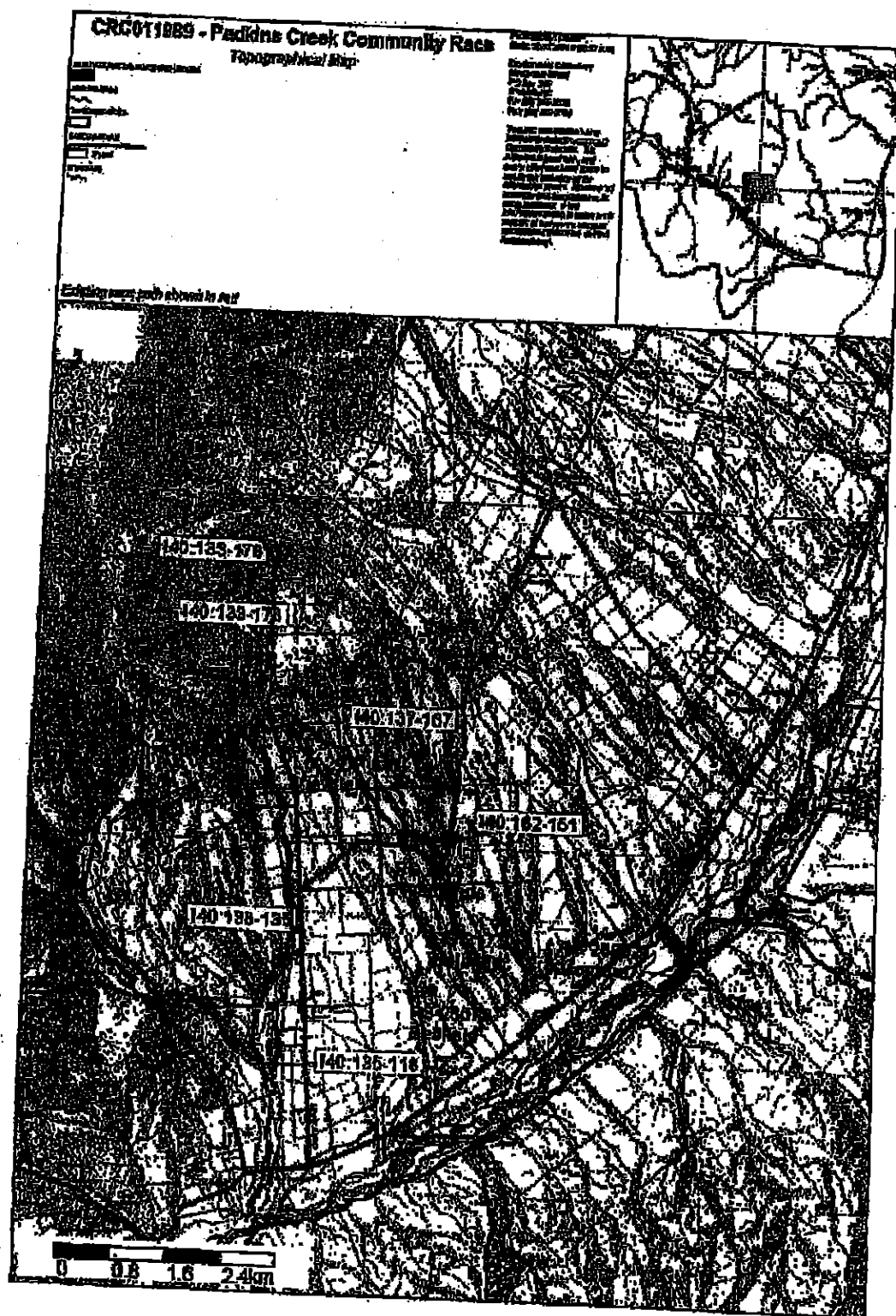
Canterbury Regional Council

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PLAN GRC011989



Consent No:
Our Ref:

CRC011989
CO6C/17887

Exercising of resource consent

It is important that you notify Environment Canterbury when you first start using your consent.

GRANTED TO:
A WATER PERMIT:
LOCATION:

Pedkins Creek Community Race
To take water for stock, domestic and community supply.
HAKATARAMEA VALLEY

Even if the consent is replacing a previous consent for the same activity, you need to complete and return this page.

Providing this information will:

- Validate your consent through to its expiry date
- Minimise compliance monitoring charges
- Help provide an accurate picture of the state of the environment.

If consent CRC011989 is not used before 19/07/2015 this consent will lapse and no longer be valid.

Declaration:

I have started using this resource consent.

Action taken: (e.g. pasture irrigated, discharge from septic tank/boller/spray booth etc).

Approximate start date (Note: this may be different to the date the consent was granted):

Signed:

Date:

Full name of person signing (please print):

Please return to:

Environmental Protection - Administration
Environment Canterbury
PO Box 343
Christchurch



Environment
Canterbury

**Appendix 10 Copy of unregistered consent to divert and take water (consent No CRC021585) in
favour of Lone Star Farms Limited**

RESOURCE CONSENT CRC021585*Pursuant to Section 104 of the Resource Management Act 1991***The Canterbury Regional Council (known as Environment Canterbury)**

GRANTS TO: Star Holdings Limited

A WATER PERMIT: To divert water and to take surface water.

COMMENCEMENT DATE: 20 July 2010

EXPIRY DATE: 19 July 2045

LOCATION: Caberfeldh Station, Middle Road, HAKATERAMEA

SUBJECT TO THE FOLLOWING CONDITIONS:

- 1) Water shall only be diverted from Station Stream, into a diversion channel at or about map reference NZMS 260 139:1610-2250, with a volume not exceeding 3,740,000 cubic metres in combination with CRC951778.8 between 1 July and the following 30 June.
- 2) The rate at which water is diverted from Station Stream, shall be in accordance with the following Table, and shall not exceed 50 percent of the flow in Station Stream at any time.

Flow in the Hakateramea River at SH82 (m ³ /s)	Diversion Rate (L/s)
4.5 - 10	103
10-16	250
16-25	400
25-30	500
>30	600

- 3) Water shall be diverted to an irrigation storage dam constructed under consent CRC021221.2.
- 4) The diversion of water under this consent shall cease when flows in the Hakateramea River at SH82, as estimated by Canterbury Regional Council, fall below 4.5 cubic metres per second.
- 5)
 - (a) Water shall only be diverted when a fish screen with a maximum mesh width and height size of three millimetres or slot width and height of two millimetres is operated and maintained across the intake to ensure that fish and fish fry are prevented from passing through the intake screen.
 - (b) The fish screen shall be positioned to ensure that there is unimpeded fish passage to and from the waterway and to avoid the entrapment of fish at the point of abstraction, and to minimise the risk of fish being damaged by contact with the screen face.
 - (c) The fish screen shall be designed and installed to ensure that:
 - (i) The majority of the screen surface is oriented parallel to the direction of water flow.
 - (ii) Where practicable, the screen is positioned in the water column a minimum of 300 millimetres above the bed of the waterway and a minimum of one screen radius from the surface of the water.
 - (iii) The approach velocity perpendicular to the face of the screen shall not exceed 0.06 metres per second if no self-cleaning mechanism exists or 0.12 metres per second if a self-cleaning mechanism is operational.
 - (iv) The sweep velocity parallel to the face of the screen shall exceed the design approach velocity.

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FISH SCREEN

- 6) (a) The fish screen shall be designed or supplied by a suitably qualified person who shall ensure that the design criteria specified in condition (5)(a)-(c)(iv) of this consent is achieved. Prior to the installation of the fish screen, a report containing final design plans and illustrating how the fish screen will meet the required design criteria, and an operation and maintenance plan for the fish screen shall be provided to Environment Canterbury, Attention: RMA Compliance and Enforcement Manager.
- (b) A certificate shall be provided to Environment Canterbury by the designer or supplier of the fish screen to certify that the fish screen has been installed in accordance with the details provided to Environment Canterbury in accordance with condition (6)(a) of this consent.
- (c) The fish screen shall be maintained in good working order. Records shall be kept of all inspections and maintenance, and those records shall be provided to Environment Canterbury upon request.

FLOW RECORDER

- 7) (a) The consent holder shall, prior to exercising this consent, install a water level measuring device in a location that will enable the determination of the continuous rate of flow and volume of water being diverted to within an accuracy of 10 percent.
- (b) The measuring device shall, as far as is practicable, be installed at a site likely to retain a stable relationship between flow and water level. The measuring device shall be installed in accordance with the manufacturer's instructions.
- (c) The flow at the measuring site shall be gauged at least every three months whilst this consent is being exercised, and at any other time when required as determined by a site inspection, to be carried out at least once every month.
- (d) Gaugings and site inspections shall be carried out in accordance with the following manuals: Hydrologists Field Manual (NIWA 1991) and Procedure for Rating a Flow Station (NIWA 1993).
- (e) The level of water in the race, and times of abstraction, shall be recorded by electronic means, at not greater than fifteen minute intervals in a tamper-proof recording device such as a data logger, kept for that purpose. The recorded data shall not be changed or deleted by any person, unless twelve months have passed since the date of recording.
- (f) The measuring and recording devices described in clauses (a) and (e) shall be available for inspection at all times by the Canterbury Regional Council.
- (g) All data from the recording device described in clause (e), and the corresponding relationship between the water level and flow, shall be provided to the Canterbury Regional Council on request, and shall be accessible and available for downloading at all times by the Canterbury Regional Council.
- (h) Within one month of the commencement of this consent, at two-yearly intervals thereafter, and at any other time when requested by Canterbury Regional Council, the consent holder shall calibrate the measuring device and provide to the Canterbury Regional Council:
 - (i) A certificate signed by a suitably qualified person certifying the current accuracy of the measuring and recording devices, and also certifying that data from the recording device described in clause (e) can be readily accessed in accordance with clause (f); and
 - (ii) Supporting information containing details of the calibration test.
- 8) The taking of water in terms of this permit shall cease for a period of up to 48 hours on notice from the Canterbury Regional Council, to allow measurement of the flow in Station Stream.
- 9) The Canterbury Regional Council may, once per year, on any of the last five working days of May or November, serve notice of its intention to review the conditions of this consent for the purposes of dealing with any adverse effect on the environment which may arise from the exercise of the consent and which it is appropriate to deal with at a later stage.

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10) The lapsing date for the purposes of section 125 shall be 30 September 2013.

Issued at Christchurch on 18 September 2010

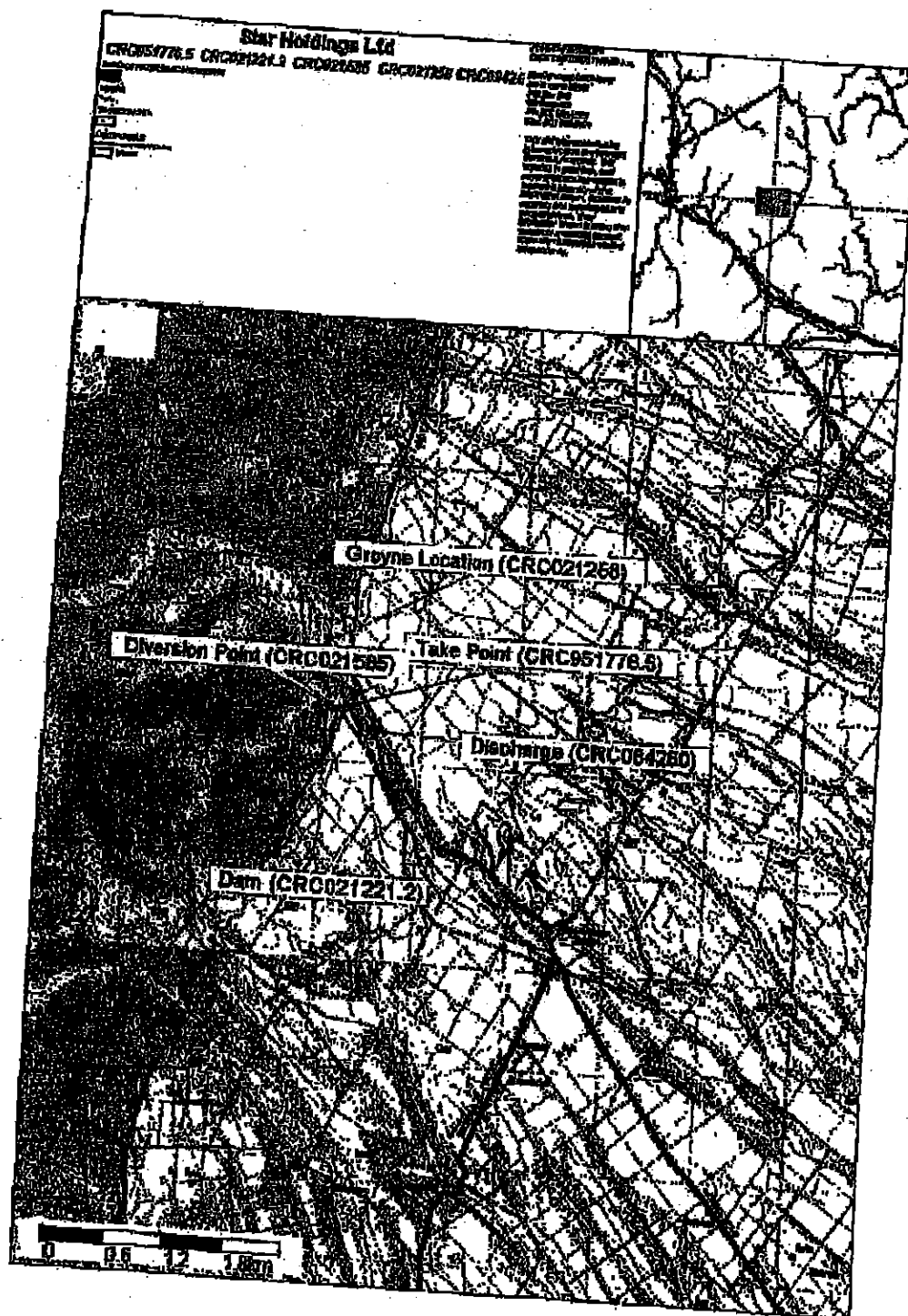
Canterbury Regional Council

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PLAN CRC021585



Consent No:
Our Ref:

CRC021585
CO6C/22260

Exercising of resource consent

It is important that you notify Environment Canterbury when you first start using your consent.

GRANTED TO:
A WATER PERMIT:
LOCATION:

Star Holdings Limited
To divert water and to take surface water.
Caberfeild Station, Middle Road, HAKATERAMEA

Even if the consent is replacing a previous consent for the same activity, you need to complete and return this page.

Providing this information will:

- Validate your consent through to its expiry date
- Minimise compliance monitoring charges
- Help provide an accurate picture of the state of the environment.

If consent CRC021585 is not used before 30/09/2013 this consent will lapse and no longer be valid.

Declaration:

I have started using this resource consent.

Action taken: (e.g. pasture irrigated, discharge from septic tank/boller/spray booth etc).

Approximate start date (Note: this may be different to the date the consent was granted):

Signed: _____ Date: _____

Full name of person signing (please print): _____

Please return to:

Environmental Protection - Administration
Environment Canterbury
PO Box 345
Christchurch



Environment
Canterbury

**Appendix 11. Copy of unregistered consent to divert and take water (consent No CRC030733) in
favour of Hakataramea Water Scheme Incorporated Society**

CRC030733

RESOURCE CONSENT

Pursuant to Section 104 of the Resource Management Act 1991
The Canterbury Regional Council (known as Environment Canterbury)

GRANTS TO: Hakataramea Water Scheme Inc Society

A Water Permit: To divert, take and use surface water.

DATE GRANTED: 25 August 2003

EXPIRY DATE: 25 August 2038

IN CONNECTION WITH THE FOLLOWING PROPERTY:


LOCATION: Kirkliston Stream

LEGAL DESCRIPTION: PT LOT 2 DP 2739 BLK II HAKATARAMEA SD

SUBJECT TO THE FOLLOWING CONDITIONS:

- 1) The rate at which water is diverted from Kirkliston Stream, at or about map reference NZMS 260 140: 1305-1978, shall not exceed 12.6 litres per second.
- 2)
 - (a) Water shall only be taken from Padkine Community Water Race, at or about map reference NZMS 260 140: 1309-1972, at a rate not exceeding 6.1 litres per second.
 - (b) Water shall only be taken and used as described in the application, and in particular:
 - (i) Through a piped, gravity-fed water scheme into an intake gallery, then piped into two galleries, one of which uses a sand filter.
 - (ii) All tanks used for the storage of water within the Hakataramea Water Scheme shall have restriction valves.
- 3) A fish screen shall be operated and maintained on the race intake to ensure that fish are prevented from passing into the intake.
- 4) The taking of water shall only occur when water is being discharged in accordance with resource consent CRC030734.
- 5) The lapsing date for the purposes of section 125 shall be the 30th of September 2008.
- 6) The Canterbury Regional Council may once per year, on any of the last five working days of either May or November, serve notice of its intention to review the conditions of this consent for the purpose of dealing with any adverse effect on the environment which may arise from the exercise of the consent and which it is appropriate to deal with at a later stage.

ISSUED AT CHRISTCHURCH ON 26 AUGUST 2003



Tania Harris
TEAM LEADER CONSENTS ADMINISTRATION
on behalf of the Canterbury Regional Council

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**Appendix 12 Copy of unregistered consent to divert and take water (consent No CRC950458.2)
in favour of Hakataramea Station Limited**

CR0950458.2

RESOURCE CONSENT

Pursuant to Section 136 of the Resource Management Act 1991
The Canterbury Regional Council (known as Environment Canterbury)

TRANSFERS TO: Hakataramea Station Limited

A WATER PERMIT: to take and use water.

DATE COMMENCED: 3 August 1995

DATE TRANSFERRED: 19 June 2008

EXPIRY DATE: 3 August 2030

LOCATION: Hakataramea Station, MIDDLE ROAD

SUBJECT TO THE FOLLOWING CONDITIONS:

The rate at which water is taken from the top intake at or about map reference 139:161-232 shall not exceed 45 litres per second, with a volume not exceeding 3,888 cubic metres per day.

The rate at which water is taken from the intake at or about map reference 139:171-205 shall not exceed 10 litres per second, with a volume not exceeding 8 cubic metres per day.

(a) The taking of water in terms of this permit shall cease whenever the flow in the Hakataramea River at SH82 recorder site (map reference 140:112-062), as estimated by the Canterbury Regional Council, falls below 500 litres per second.

(b) The taking of water in terms of this permit shall be reduced to one half the weekly allocation noted in condition 13 above whenever the flow in the Hakataramea River at SH82 recorder site (map reference 140:112-062), as estimated by the Canterbury Regional Council, falls below 1500 litres per second.

PROVIDED THAT whenever the Canterbury Regional Council, in consultation with the Water Users Committee representing all water users who are subject to this condition, has determined upon a water taking regime which restricts abstraction from the Hakataramea River in accordance with the minimum flow of part (a) of this condition, then the taking of water in accordance with that determination shall be deemed to be a compliance with this condition.

The hours and rate at which water is taken shall be measured to within an accuracy of 10 percent and recorded weekly in a log kept for that purpose, and a copy of the records submitted to the Canterbury Regional Council before 31 January each year, for the previous period August-December inclusive and before 31 May each year for the previous period January-April inclusive.

(c) The Canterbury Regional Council may annually, on the last working day of March each year, serve notice of its intention to review the conditions of this consent for the purposes of:

- (i) dealing with any adverse effect on the environment which may arise from the exercise of the consent; or
- (ii) complying with the requirements of a regional plan.
- (iii) implementing a minimum flow and allocation regime for Station Stream.

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- 6) Charges, set in accordance with section 36(2) of the Resource Management Act 1991, shall be paid to the Regional Council for the carrying out of its functions in relation to the administration, monitoring and supervision of resource consents and for the carrying out of its functions under section 36 of the Act.

ISSUED AT CHRISTCHURCH ON 23 JUNE 2008


Gavin Smith
TEAM LEADER CONSENTS OPERATIONS
on behalf of the Canterbury Regional Council

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**Appendix 13 Copy of unregistered consent to divert and take water (consent No CRC951776.6)
in favour of Lone Star Farms Limited**

RESOURCE CONSENT CRC951776.6

Pursuant to Section 104 of the Resource Management Act 1981

The Canterbury Regional Council (known as Environment Canterbury)

GRANTED TO:

Star Holdings Limited

A WATER PERMIT:

To take surface water.

DATE DECISION:

21 October 2010

EXPIRY DATE:

20 October 2030

LOCATION:

Homeslead Road, HAKATARAMEA VALLEY

SUBJECT TO THE FOLLOWING CONDITIONS:

- 1) Water may only be diverted from Station Stream at or about map reference NZMS 260 139:1515-2250 and at or about map reference NZMS 260 139:1898-2042.
- 2) (a) The combined rate at which water is diverted from either location referred to in Condition 1 shall not exceed 103 litres per second, with a volume not exceeding 8,900 cubic metres per day.
(b) The total combined volume of water diverted from either location referred to in Condition 1, and CRC021585, shall not exceed 3,740,000 cubic metres between 1 July and 30 June each year.
- 3) Water diverted in accordance with Condition 2) shall be used for storage in a dam at map reference NZMS 260 139:1515-2250 (consented under resource consent CRC021221.2) and a dam at map reference NZMS 260 139:1898-2042.
- 4) For the period between 15 March and 15 May the taking of water under this permit shall be subject to the following restrictions:
 - (a) When flows are between 1,500 litres per second and 500 litres per second taking shall be reduced to 50 percent of the peak rate of take.
 - (b) When flows are below 500 litres per second taking shall cease.For the period from 15 August inclusive the taking of water under this permit shall be subject to the following restrictions:
 - (c) When flows are between 1,500 litres per second and 750 litres per second taking shall be reduced to 50 percent of the peak rate of take.
 - (d) When flows are below 750 litres per second taking shall cease.Flows shall be estimated at the Hakataramea River State Highway 82 recorder site (map reference NZMS 260 140:112-062) by the Canterbury Regional Council and expressed in cubic metres per second.
- 6) (a) Water shall only be diverted when a fish screen with a maximum mesh width and height size of three millimetres or slot width and height of two millimetres is operated and maintained across the intake to ensure that fish and fish fry are prevented from passing through the intake screen.
(b) The fish screen shall be positioned to ensure that there is unimpeded fish passage to and from the waterway and to avoid the entrapment of fish at the point of abstraction, and to minimise the risk of fish being damaged by contact with the screen face.
(c) The fish screen shall be designed and installed to ensure that:
 - (i) The majority of the screen surface is oriented parallel to the direction of water flow.
 - (ii) Where practicable, the screen is positioned in the water column a minimum of 300 millimetres above the bed of the waterway and a minimum of one screen radius from the

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surface of the water.

- (iii) The approach velocity perpendicular to the face of the screen shall not exceed 0.06 metres per second if no self-cleaning mechanism exists or 0.12 metres per second if a self-cleaning mechanism is operational.
- (iv) The sweep velocity parallel to the face of the screen shall exceed the design approach velocity.

FISH SCREEN

- 6) (a) The fish screen shall be designed or supplied by a suitably qualified person who shall ensure that the design criteria specified in condition (5)(a) — (c)(iv) of this consent is achieved. Prior to the installation of the fish screen, a report containing final design plans and illustrating how the fish screen will meet the required design criteria, and an operation and maintenance plan for the fish screen shall be provided to Environment Canterbury, Attention: RMA Compliance and Enforcement Manager.
- (b) A certificate shall be provided to Environment Canterbury by the designer or supplier of the fish screen to certify that the fish screen has been installed in accordance with the details provided to Environment Canterbury in accordance with condition (6)(a) of this consent.
- (c) The fish screen shall be maintained in good working order. Records shall be kept of all inspections and maintenance, and those records shall be provided to Environment Canterbury upon request.

FLOW MEASUREMENT

- (a) The consent holder shall, prior to exercising this consent, install a water level measuring device(s) in a location(s) that will enable the determination of the continuous rate of flow and volume of water being diverted to within an accuracy of 10 percent.
- (b) The measuring device(s) shall, as far as is practicable, be installed at a site likely to retain a stable relationship between flow and water level. The measuring device(s) shall be installed in accordance with the manufacturer's instructions.
- (c) The flow at the measuring device(s) shall be gauged at least every three months whilst this consent is being exercised, and at any other time when required as determined by a site inspection. Calibration shall be carried out at least once every month.
- (d) Gaugings and site inspections shall be carried out in accordance with the following manuals: Procedures for Gauging (NIWA 1991) and Procedure for Rating a Flow Station (NIWA 1993).
- (e) The level of water in the device(s), and times of abstraction, shall be recorded by electronic means at not greater than fifteen minute intervals in a tamper-proof recording device such as a data logger, kept for that purpose. The recorded data shall not be changed or deleted by any person, unless twelve months have passed since the date of recording.
- (f) The measuring and recording devices described in clauses (a) and (e) shall be available for inspection at all times by the Canterbury Regional Council.
- (g) All data from the recording device(s) described in clause (e), and the corresponding relationship between the water level and flow, shall be provided to the Canterbury Regional Council on request, and shall be accessible and available for downloading at all times by the Canterbury Regional Council.
- (h) Within one month of the commencement of this consent, at two-yearly intervals thereafter, and at any other time when requested by Canterbury Regional Council, the consent holder shall calibrate the measuring device(s) and provide to the Canterbury Regional Council:
 - (i) A certificate signed by a suitably qualified person certifying the current accuracy of the measuring and recording devices, and also certifying that data from the recording device(s) described in clause (e) can be readily accessed in accordance with clause (f); and
 - (ii) Supporting information containing details of the calibration test.

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CRC951776.8

8) Prior to first exercise of this consent, the consent holder shall surrender consents CRC951804.2 and CRC951698.1.

9) The Canterbury Regional Council may annually, on the last working day of March each year, serve notice of its intention to review the conditions of this consent for the purposes of:
(a) dealing with any adverse effect on the environment which may arise from the exercise of the consents or
(b) complying with the requirements of a regional plan;
(c) implementing a minimum flow and allocation regime for Station Stream.

10) Charges, not in accordance with section 38 of the Resource Management Act 1991, shall be paid to the Regional Council for the carrying out of its functions in relation to the administration, monitoring and supervision of resource consents and for the carrying out of its functions under section 35 of the Act.

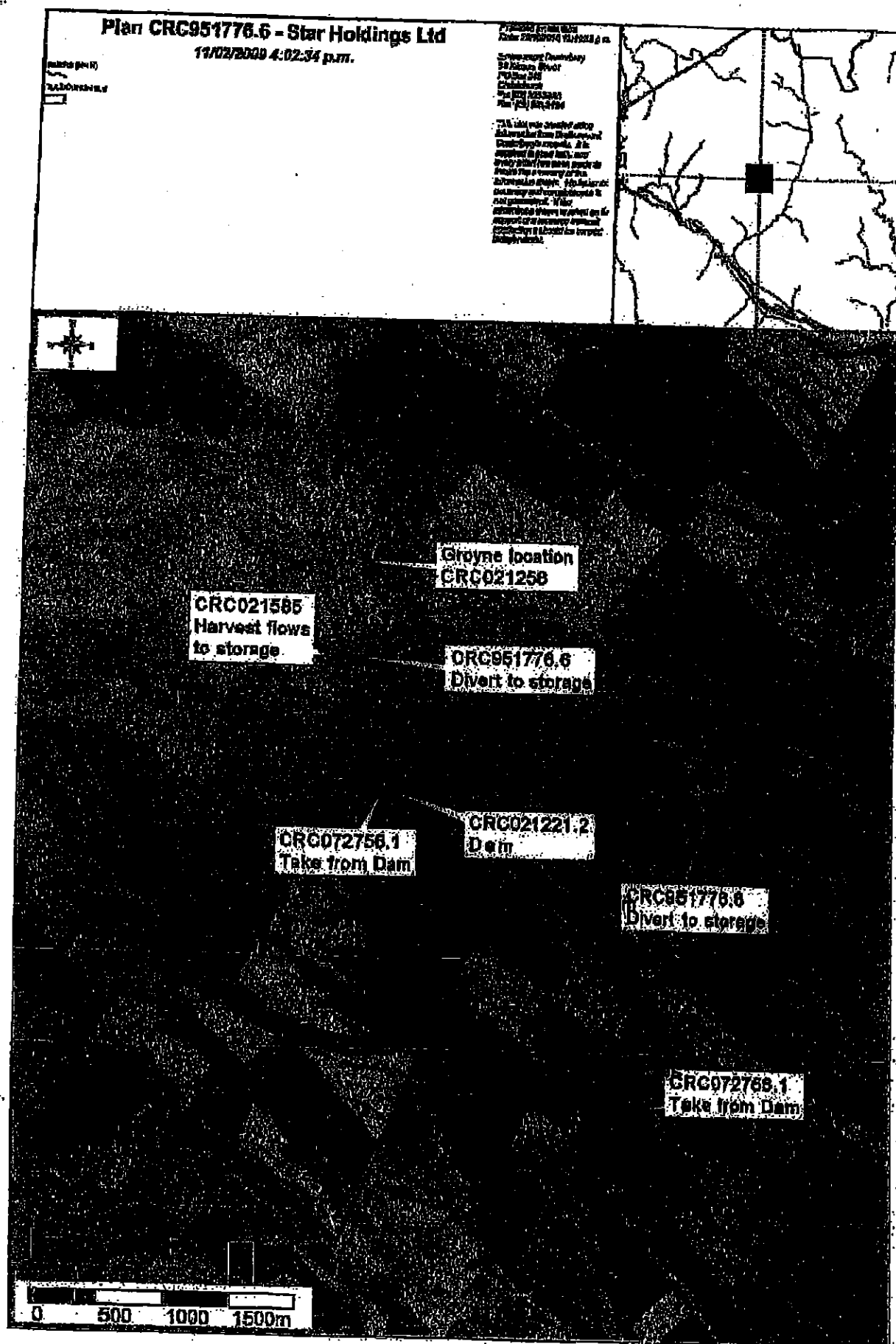
Witnessed at Christchurch on 22 October 2010

Canterbury Regional Council

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Environment
Canterbury



**Appendix 14 Copy of unregistered consent to divert and take water (consent No CRC961543.2)
in favour of Lone Star Farms Limited**

CRC961543.2

RESOURCE CONSENT

Pursuant to Section 136 of the Resource Management Act 1991
The Canterbury Regional Council (known as Environment Canterbury)

TRANSFERS TO: Star Holdings Limited
A WATER PERMIT: to take and use water.
DATE COMMENCED: 22 February 1997
DATE TRANSFERRED: 26 February 2007
EXPIRY DATE: 18 February 2032
LOCATION: Farm Road, Hakataramea

SUBJECT TO THE FOLLOWING CONDITIONS:

- 1) Water shall only be taken from Farm Stream, at or about map reference NZM8260 140:114-165, at a rate not exceeding 40 litres per second, with a volume not exceeding 3,456 cubic metres per day.
- 2) The height of dammed water in the top dam shall not exceed the reference level of 125.85 metres as shown in plan 31456/1 attached to this consent.
- 3) The height of dammed water in the lower dam shall not exceed the reference level of 117.2 metres as shown in plan 31456/2 attached to this consent.
- 4)
 - (a) The taking of water for irrigation in terms of this permit shall cease whenever the flow in the Hakataramea River at SH82 recorder site (map reference 140:112-082), as estimated by the Canterbury Regional Council, falls below 800 litres per second.
 - (b) The taking of water for irrigation in terms of this permit shall be reduced to one half the allocation noted in condition (1) above, whenever the flow in the Hakataramea River at SH82 recorder site (map reference 140:112-082), as estimated by the Canterbury Regional Council, falls below 1500 litres per second. PROVIDED THAT Whenever the Canterbury Regional Council, in consultation with the Water Users Committee representing all water users who are subject to this condition, has determined upon a water sharing regime which restricts abstraction from the Hakataramea River in accordance with the minimum flow of part (a) of this condition, then the taking of water in accordance with that determination shall be deemed to be in compliance with this condition.
- 5) Water shall be used only for irrigation of crops and pasture for sheep, beef and non-milking cattle, on the area of land shown on the accompanying plan CRC961543*.
- 6) The consent holder shall take all practicable steps to:
 - (a) ensure that the volume of water used for irrigation does not exceed that required for the soil to reach field capacity; and
 - (b) avoid leakage from pipes and structures; and
 - (c) avoid the use of water onto non-productive land such as impermeable surfaces and river or stream riparian strips.
- 7) When requested by the Canterbury Regional Council, the consent holder shall, within six months of the request, install, or provide for the installation of:
 - (a) an easily accessible straight pipe, of a length at least 16 times the diameter of the pipe, or
 - (b) a water flow measurement device which will measure the rate at which water is taken to within an accuracy of plus or minus ten percent as part of the pump outlet plumbing or within the mainline distribution system.

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- 8) When requested in writing by the Canterbury Regional Council, the hours and rate at which water is diverted and taken shall be recorded to within an accuracy of 10 percent. A copy of the records shall be provided to the Canterbury Regional Council when requested.
- 9) The Canterbury Regional Council may annually, on the last working day of February serve notice of its intention to review the conditions of this consent for the purposes of:
 - (a) dealing with any adverse effect on the environment which may arise from the exercise of the consent and which is appropriate to deal with at a later stage; or
 - (b) complying with the requirements of a relevant rule in an operative regional plan.
- 10) Charges, set in accordance with section 36 of the Resource Management Act 1991, shall be paid to the Regional Council for the carrying out of its functions in relation to the administration, monitoring and supervision of resource consents and for the carrying out of its functions under section 36 of the Act.

ISSUED AT CHRISTCHURCH ON 9 JUNE 2007


Jania Harris
TEAM LEADER CONSENTS OPERATIONS
on behalf of the Canterbury Regional Council

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09-12 '02 MON 11:51 FAX +61 3 3883201

ENVIRONMENTAL CANTY

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CRC950499* & CRC961543* Area to be irrigated

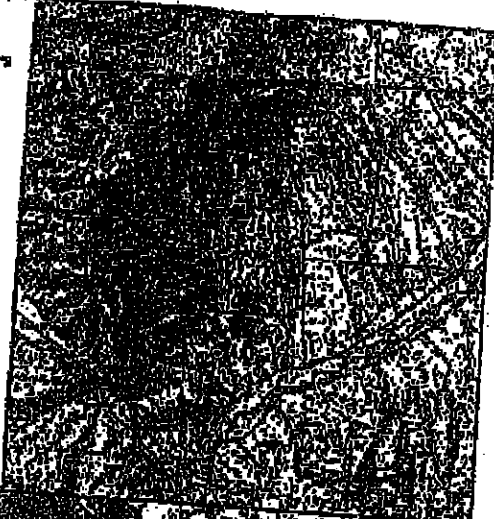
THE FOLLOWING IS A SUMMARY OF THE
FINDINGS OF THE INVESTIGATION INTO THE
ALLEGED VIOLATION OF THE
WATER ACT 1989 BY THE
DEFENDANT IN THE MATTER OF
THE PROSECUTION OF
THE DEFENDANT

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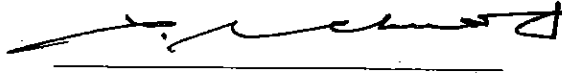


Additional
area to be
added to
plan

Execution Section

This Proposal (including the schedules and appendices) is signed by the Commissioner and the Holder as a binding agreement.

SIGNED by the **Commissioner of Crown Lands** pursuant to the Crown Pastoral Land Act 1998 in the presence of:





Witness

Occupation Simon Mark Espie
Solicitor
Wellington

Address _____

SIGNED for and on behalf of Lone Star Farms Limited
by two of its directors:


[name of director]
C. B. JACKSON
[name of director] M. J. JACKSON
as a director
For Thomas & Morgan