



Land Information
New Zealand
Toitū te whenua

Crown Pastoral Land Tenure Review

Lease name: DUNSTAN
DOWNS

Lease number: Po019

Preliminary Proposal Pt1

A Preliminary Proposal is advertised for public submissions as per Section 43 of the Crown Pastoral Land Act 1998.

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

Sept

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

Date: 24 June 2020

Parties

Holder: **Dunstan Downs Limited**
1723 Omarama-Lindis Pass Road
OMARAMA

Commissioner of Crown Lands:

c/- Mike Sherman
Land Information New Zealand
Portfolio Manager
Private Bag 4721
CHRISTCHURCH 8140

The Land

Lease: Po019, Dunstan Downs

Legal Description: Part Run 201A, situated in Ahuriri, Hawkdun, Lindis, Longslip and St Bathans Survey Districts, Section 4 SO Plan 23073 and Section 2, Block 16 Longslip Survey District

Area: 12351.3705 hectares more or less

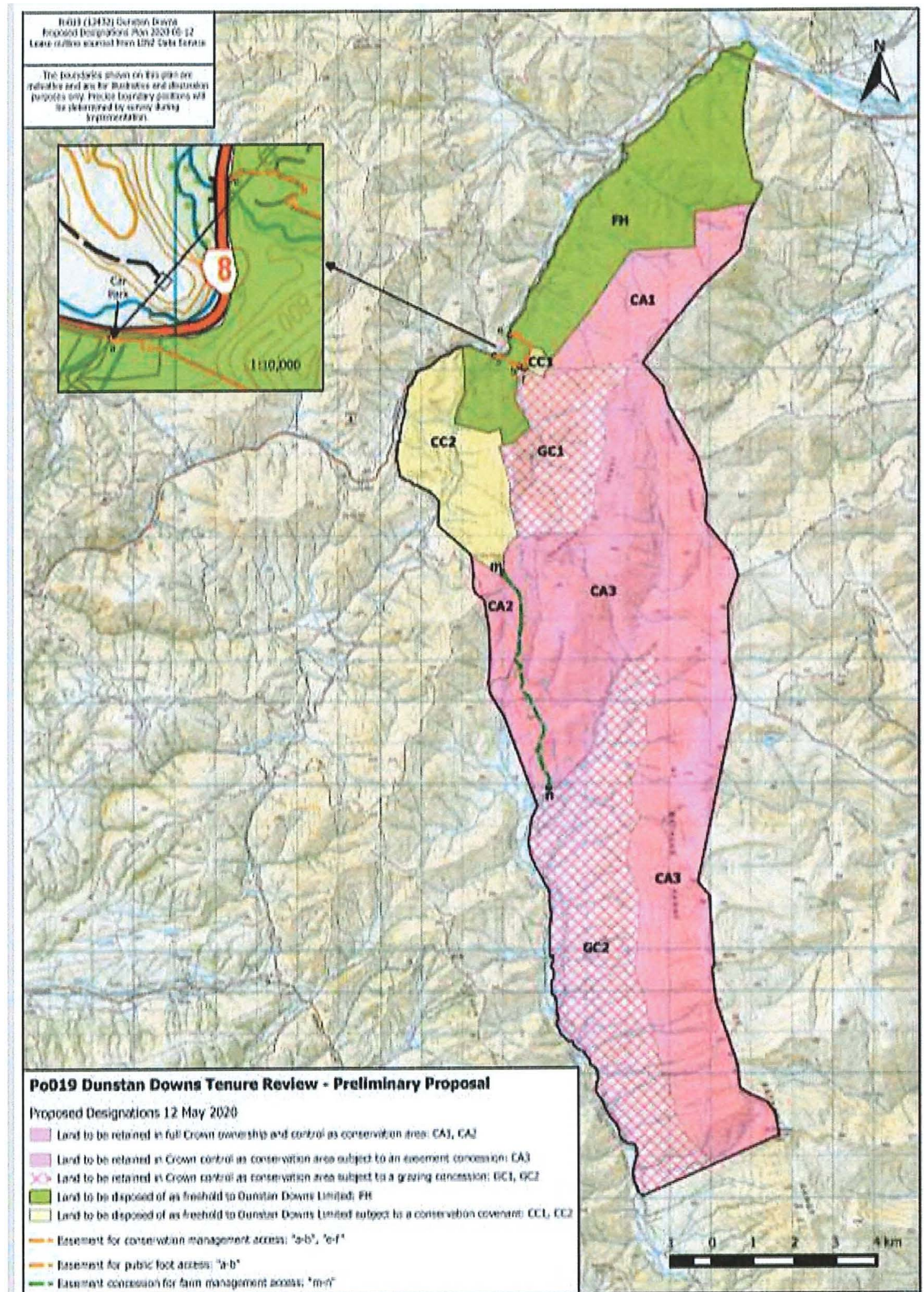
Certificate of Title/Unique Identifier: OT338/47

Summary of Designations

Under this Proposal, the Land is designated as follows:

- (a) The Crown Land (shown shaded in pink and cross hatched pink on the Plan) is to be restored to, or retained by, the Crown as set out in Schedules One and Two; and
- (b) The Freehold Land (shown shaded green and 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; andthe 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 shown shaded pink and labelled CA1 on the Plan, being 800 hectares (approximately) is designated as land to be restored to or retained in full Crown ownership and control as conservation area.
- 1.2 Under this Proposal the land shown shaded pink and labelled CA2 on the Plan, being 200 hectares (approximately) is designated as land to be restored to or retained in full Crown ownership and control as conservation area.

Schedule Two: Provisions relating to the Schedule Two Land

1 Details of designation

- 1.1 Under this Proposal the land shown cross hatched pink and labelled GC1 on the Plan, being 850 hectares (approximately) is designated as land to be restored to or retained in Crown control as conservation area subject to:
- (a) the granting of the grazing concession substantially as set out in Appendix 4; and
 - (b) the continuation of easement recorded in Gazette Notice 6182320.2 a copy of which is attached as Appendix 9.

2 Information Concerning Proposed Concession

2.1 Description of proposed activities [s.39(a)]:

Grazing of sheep only on the Land for up to 100 stock units on an annual basis during each year of the term. It is not anticipated that this area will be grazed every year. To cater for this the Concessionaire will file a return of stock in the form in Schedule 5 to the Grantor by 30 June in each year showing the stock carried on the Land over the preceding 12 months.

2.2. Description of place(s) where proposed activity to be carried out and proposed status [s.39(b)]

Morrisons Block is 846ha and will become conservation land.

2.3. Description of potential effects of proposed activity and any actions proposed to avoid, mitigate or remedy any adverse effect, [s.39(c)] noting the requirements of s.51(3)(a) and s.51(2)(d) of the CPLA

DOC staff will periodically visit the proposed conservation land as part of the normal management regime and may therefore be aware if the concession activity is having any negative effects. However, some monitoring of the overall condition of the block by DOC would be beneficial.

Before this concession there are (currently) many more stock units run on this area. The proposal is for a much lower stocking rate. This is a high altitude block with only about 170 ha is below 1200m.

2.4. Details of the proposed types of concession:

The proposed concession will be in terms of Section 17Q Conservation Act 1987.

2.5. Proposed duration of concession and reasons for proposed duration [s.39(e)]:

- a) Proposed duration - The concession will be for a term of 15 years with no right of renewal.
- b) Reasons for proposed duration-
While we look forward to the removal of grazing, this concession gives the holder the opportunity to develop lower country in the new freehold to accommodate displaced stock which could take some time.
The term is a negotiated outcome of the tenure review. This is a marginal property.

6. Relevant information about the proposed grantee including information relevant to the grantee's ability to carry out the proposed activity [s.39(f)]:

- a) Proposed grantee- Dunstan Downs Limited
- b) Relevant information-

The holders have been farming this property for many years.

3 Details of designation

- 3.1 Under this Proposal the land shown shaded pink and labelled CA3 on the plan, being an area of 5356ha (approximately); and the land shown cross hatched pink and labelled GC2 on the Plan, being 2330 hectares (approximately) is designated as land to be restored to or retained in Crown control as conservation area subject to:

- (a) the granting of the grazing and easement concession substantially as set out in Appendix 5.

4 Information Concerning Proposed Concession

- 4.1 Description of proposed activities [s.39(a)]:

Grazing on the Land for up to 1500 ewes in the "Bottom Dunstan Block" for 2 months within the period from 1 February to 30 April during each year of the term.

In order that the activity fee may be calculated, the Concessionaire will file a return of stock in the form in Schedule 5 to the Grantor by 30 June in each year showing the stock carried on the Land over the preceding 12 months.

Access to the grazing area.

- 4.2. Description of place(s) where proposed activity to be carried out and proposed status [s.39(b)]

The Bottom Dunstan Block has been grazed for many years and is the lower altitude portion of Dunstan Creek. The access follows an existing farm track from the concessionaire's freehold via Old Man Peak.

- 4.3. Description of potential effects of proposed activity and any actions proposed to avoid, mitigate or remedy any adverse effect, [s.39(c)] noting the requirements of s.51(3)(a) and s.51(2)(d) of the CPLA

DOC staff will periodically visit the proposed conservation land as part of the normal management regime and may therefore be aware if the concession activity is having any negative effects. However, some monitoring of the overall condition of the block by DOC would be beneficial.

Before this concession there are (currently) 3000 wethers for part of the year and 1800 ewes from mid-April to mid- February being grazed each year. The grazing concession numbers are a significant reduction on the historical grazing levels and should allow vegetation to recover.

- 4.4. Details of the proposed types of concession:

The proposed concession will be in terms of Section 17Q Conservation Act 1987.

4.5. Proposed duration of concession and reasons for proposed duration [s.39(e)]:

a) Proposed duration- The concession will be for a term of 10 years with no right of renewal.

b) Reasons for proposed duration-

While we look forward to the removal of grazing, this concession gives the holder the opportunity to develop lower country in the new freehold to accommodate displaced stock. The term is a negotiated outcome of the tenure review. This is a marginal property.

4.6. Relevant information about the proposed grantee including information relevant to the grantee's ability to carry out the proposed activity [s.39(f)]:

a) Proposed grantee- Dunstan Downs Limited

b) Relevant information-

The holders have been farming this property for many years.

Schedule Three: Provisions relating to the Schedule Three Land

1 Details of designation

- 1.1 Under this Proposal the land shown shaded green and yellow on the Plan, being 2815 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 as “a-b” and “e-f” on the Plan and substantially as set out in Appendix 6; and
 - (d) the covenant (shown on the Plan shaded yellow and labelled CC1) substantially as set out in Appendix 7; and
 - (e) the covenant (shown on the Plan shaded yellow and labelled CC2) substantially as set out in Appendix 8; and
 - (f) the continuation of easement recorded in Gazette Notice 6182320.2 a copy of which is attached as Appendix 9; and
 - (g) the continuation of easement recorded as registration 5063428.1 a copy of which is attached as Appendix 10.

Schedule Four: Conditions

- 1 The Commissioner is under no obligation, and may decide, in its sole discretion, not to proceed further with the Tenure Review unless and until:
 - (a) the Commissioner considers that sufficient funds will be obtained in order to complete the Tenure Review;
 - (b) the Director General of Conservation has completed all actions required under Part IVA of the Conservation Act 1987;

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

Fenceline

Nil

Construction

Nil

Appendix 4: Form of Grazing Concession to be granted (GC1)



Concession Document (Grazing Licence)

THIS CONCESSION is made this day of

PARTIES:

- 1. Minister of Conservation** (the Grantor)
- 2. Dunstan Downs Limited** (the Concessionaire)

BACKGROUND

- A. The Department of Conservation ("Department") Te Papa Atawhai is responsible for managing and promoting conservation of the natural and historic heritage of New Zealand on behalf of, and for the benefit of, present and future New Zealanders.
- B. The land described in Item 1 of Schedule 1 as the Land is a Conservation Area or a Reserve under the management of the Grantor.
- C. Sections 66 and 68 of the Crown Pastoral Land Act 1998 authorise the Grantor to grant a Concession for a Concession Activity in a Conservation Area and a Reserve under section 17Q(1) of the Conservation Act 1987 or section 59A of the Reserves Act 1977 (whichever is relevant in the circumstances).
- D. The Concessionaire wishes to carry out the Concession Activity on the Land subject to the terms and conditions of this Concession.
- E. The parties wish to record the terms and conditions of this Concession and its Schedules.

OPERATIVE PARTS

1. In exercise of the Grantor's powers under the Crown Pastoral Land Act 1998, and the Conservation Act 1987 or the Reserves Act 1977 as relevant, the Grantor **GRANTS** to the Concessionaire a **GRAZING LICENCE** to carry out the Concession Activity on the Land subject to the terms and conditions contained in this Concession and its Schedules.

SIGNED by **Dunstan Downs Limited** by
two of its Directors:

SIGNED on behalf of the Minister of
Conservation by *[insert name and title of
delegate]*

Signature

Director name:

acting under delegated authority

in the presence of:

Signature

Witness Signature: _____

Director name:

Witness Name:

Witness Occupation: _____

Witness Address: _____

A copy of the Instrument of Delegation may
be inspected at the Director-General's office
at 18-22 Manners Street, Wellington.

SCHEDULE 1

1. **Land**
(Schedule 4)

As marked on the Proposed Designations Plan attached in Schedule 4 being the area marked in pink and labelled GC1:

Physical description/ Common name:

Land Status: Proposed stewardship area held under Section 62 of the Conservation Act 1987.

Area: 850 hectares

Legal description:

2.	Concession Activity (clause 2)	Grazing of sheep only on the Land for up to 100 stock units on an annual basis during each year of the term.
3.	Term (clause 3)	15 years commencing on the date that an approved plan is registered vesting the Land in the Crown as a conservation area or reserve.
4.	Renewal(s) (clause 3)	None.
5.	Final Expiry Date (clause 3)	The 15th anniversary of the commencement date.
6.	Concession Fee (clause 4 and Schedule 5)	<p>Concession Activity Fee</p> <p>An activity fee will be calculated on the basis of \$10.00 per stock unit per annum plus GST for the stock units run on the Land during the permitted grazing period for that year.</p> <p>In order that the activity fee may be calculated, the Concessionaire will file a return of stock in the form in Schedule 5 to the Grantor by 30 June in each year showing the stock carried on the Land over the preceding 12 months.</p> <p>If a return is not made by this date, the activity fee will be charged assuming the maximum stock numbers had been run for the total permitted period.</p> <p>Annual Management Fee:</p> <p>\$400.00 per annum plus GST</p> <p>Annual Environmental Monitoring Fee</p> <p>Not required</p>

Concessionaire's initials

Grantor's initials

7.	Concession Fee Payment Instalments (clause 4)	Insert: Annually
8.	Concession Fee Payment Date(s) (clause 4)	On 30 September in each year of the term. (TBC)
9.	Penalty Interest Rate (clause 4)	Double the current Official Cash Rate (OCR). See Reserve Bank of New Zealand website
10.	Concession Fee Review Date(s) (clause 5)	On the third anniversary of the date of commencement of this Concession as set out in item 3 above and the corresponding date every 3 years thereafter until the expiry of the term.
11.	Health and Safety (clause 12)	Safety Plan: Not required
12.	Insurance (To be obtained by Concessionaire) (clause 11)	Types and amounts: Public Liability Insurance for general indemnity for an amount no less than \$1,000,000.00; and Third party vehicle liability for an amount no less than \$500,000.00. Subject to review on each Concession Fee Review Date
13.	Addresses for Notices (clause 21)	The Grantor's address is: Department of Conservation Level 1, John Wickliffe House 265 Princes Street Dunedin 9016 New Zealand Postal Address: PO Box 5244 Dunedin 9058 New Zealand Phone: +64 (0)3 477 0677 Email: permissionsdunedin@doc.govt.nz
		The Concessionaire's address in New Zealand is: Dunstan Downs <div style="display: flex; justify-content: space-between; width: 100%;"> <div style="border-top: 1px solid black; width: 45%; text-align: center;">Concessionaire's initials</div> <div style="border-top: 1px solid black; width: 45%; text-align: center;">Grantor's initials</div> </div>

	1723 Omarama – Lindis Pass Road Lindis Pass Omarama 9412 New Zealand Phone: +64 (0)3 438 9696 Email: ctinnes@farmside.co.nz
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Note: The clause references are to the Minister of Conservation's Standard Terms and Conditions for Grazing Licences set out in Schedule 2.

Note: Please initial each page of Schedule 1

SCHEDULE 2

STANDARD TERMS AND CONDITIONS FOR GRAZING LICENCES

1. Interpretation

1.1 In this Concession, unless the context otherwise requires:

“Background” means the matters referred to under the heading ‘Background’ on the first page of this Document, and words used in the Background have the meaning given to them in this clause 1.1.

“Commencement date” means the date that an approved plan is registered vesting the Land in the Crown as a conservation area.

“Concession” means this document and any subsequent amendments and all schedules, annexures, and plans attached to it.

“Concession Activity” means the activity described in Item 2 of Schedule 1.

“Conservation Area” has the same meaning as “conservation area” in section 2 of the Conservation Act 1987.

“Director-General” means the Director-General of Conservation

“Land” means the land described in Item 1 of Schedule 1.

“Reserve” has the same meaning as “reserve” in section 59A of the Reserves Act 1977.

“Structure” includes a bridge, a culvert, and a fence, but not a temporary electric fence.

“Term” means the period of time specified in Item 5 of Schedule 1 during which this Concession operates.

- 1.2 The Concessionaire is responsible for the acts and omissions of its employees, contractors, agents, clients and invitees (excluding other members of the public accessing the Land). The Concessionaire is liable under this Concession for any breach of the terms of the Concession by its employees, contractors, agents, clients and invitees (excluding other members of the public accessing the Land), as if the breach had been committed by the Concessionaire.

2. What is being authorised?

- 2.1 The Concessionaire is only allowed to use the Land for the Concession Activity.

3. How long is the Concession for - the Term?

- 3.1 This Concession commences on the date set out in Item 3 of Schedule 1 and ends on the Final Expiry Date specified in Item 5 of Schedule 1.
- 3.2 No renewals of this Concession are permitted.

4. What are the fees and when are they to be paid?

- 4.1 The Concessionaire must pay to the Grantor in the manner directed by the Grantor the Concession Fee (which includes the Annual Activity Fees, the Management Fee,

and the Environmental Monitoring Fee) plus GST in the instalments and on the Concession Fee Payment Dates specified in Items 6, 7 and 8 of Schedule 1.

- 4.2 If the Concessionaire fails to make payment within 14 days of the Concession Fee Payment Date then the Concessionaire is to pay interest on the unpaid Concession Fee from the Concession Fee Payment Date until the date of payment at the Penalty Interest Rate specified in Item 9 of Schedule 1.

5. When can the fees be reviewed?

- 5.1 The Grantor is to review the Concession Fee on the Concession Fee Review Date stated in Item 10 of Schedule 1. The new Concession Fee is to be the market value of the Concession Activity carried out on the Land having regard to the matters set out in section 17Y(2) of the Conservation Act 1987.
- 5.2 Both parties are to agree on the new fee within 30 working days of the Grantor giving the Concessionaire written notice of the review.
- 5.3 If the parties cannot so agree then each party is to appoint a Registered Valuer who must meet and agree on the new fee. If the Registered Valuers fail to reach agreement the new fee is to be determined by an umpire appointed by the two Registered Valuers. Each party is to bear that party's own costs and half the costs of the umpire (if any).

6. Are there any other charges?

- 6.1 The Concessionaire must pay all levies rates and other charges, including utility charges payable in respect of the Land or for the services provided to the Land which relate to the Concessionaire's use of the Land or the carrying on of the Concession Activity. Where the Grantor has paid such levies, rates or other charges the Concessionaire must on receipt of an invoice from the Grantor pay such sum to the Grantor within 14 days of receiving the invoice. If payment is not made within the 14 days then the Concessionaire is to pay interest on the unpaid sum from the date payment was due until the date of payment at the Penalty Interest Rate specified in Item 9 of Schedule 1.

7. When can the Concession be assigned?

- 7.1 The Concessionaire must not transfer, sub licence, assign, mortgage or otherwise dispose of the Concessionaire's interest under this Concession or any part of it (which includes the Concessionaire entering into a contract or any other arrangement whatsoever whereby the Concession Activity would be carried out by a person (called the assignee) other than the Concessionaire) without the prior written consent of the Grantor.
- 7.2 The Grantor may in the Grantor's discretion decline any application for consent under clause 7.1.
- 7.3 Sections 17P, 17S, 17T, 17U, 17W, 17X, 17ZB and 17ZC of the Conservation Act 1987 apply to applications for consent under this clause unless the Grantor, in the Grantor's discretion, decides otherwise.

- 7.4 If the Grantor gives consent under this clause then the Concessionaire remains liable to observe and perform the terms and conditions of this Concession throughout the Term and is to procure from the Assignee a covenant to be bound by the terms and conditions of this Concession.
- 7.5 The Concessionaire must pay the costs reasonably incurred by the Grantor incidental to any application for consent, whether or not such consent is granted.
- 7.6 Any change in the shareholding of the Concessionaire altering the effective control of the Concessionaire is to be deemed to be an assignment and requires the consent of the Grantor.

8. What are the obligations to protect the environment?

- 8.1 The Concessionaire must not cut down or damage any vegetation; or damage any natural feature or historic resource on the Land; or light any fire on the Land without the prior consent of the Grantor.
- 8.2 The Concessionaire must use and manage the Land in a good and husband like manner, and not impoverish or waste its soil.
- 8.3 The Concessionaire must keep the Land free from plant and animal pests and must comply with the Biosecurity Act 1993 and relevant pest management strategies.
- 8.4 The Concessionaire must not bury
- (a) any toilet waste within 50 metres of a water source on the Land; or
 - (b) any animal or fish or any part thereof within 50 metres of any water body, water source or public road or track.

9. When can structures be erected?

- 9.1 The Concessionaire must not place any Structure on the Land nor alter the Land without the prior written consent of the Grantor.
- 9.2 The Concessionaire must keep all Structures, gates, stiles, cattle stops drains and other physical improvements now or hereafter upon the Land, in good order, condition and repair and must keep the land in a clean and tidy condition and must not store hazardous materials on the Land, or store other materials on the Land where they may obstruct the public or create a nuisance.
- 9.3 Despite clause 9.1, where there are existing tracks on the Land, the Concessionaire may maintain these tracks within their existing alignment at its own cost, without obtaining the prior written consent of the Grantor.

10. What if the Concessionaire wishes to surrender the Concession?

- 10.1 If the Concessionaire wishes to surrender this Concession during the currency of the Term, then the Grantor may accept that surrender on such conditions as the Grantor considers appropriate.

11. What are the liabilities and who insures?

- 11.1 The Concessionaire agrees to use the Land at the Concessionaire's own risk and releases to the full extent permitted by law the Grantor and the Grantor's employees and agents from all claims and demands of any kind and from all liability which may arise in respect of any accident, damage or injury occurring to any person or property in or about the Land.
- 11.2 The Concessionaire must indemnify the Grantor against all claims, actions, losses and expenses of any nature which the Grantor may suffer or incur or for which the Grantor may become liable arising from the Concessionaire's performance of the Concession Activity.
- 11.3 This indemnity is to continue after the expiry or termination of this Concession in respect of any acts or omissions occurring or arising before its expiry or termination.
- 11.4 Without prejudice to or in any way limiting its liability under this clause 12 the Concessionaire at the Concessionaire's expense must take out and keep current policies for insurance and for the amounts not less than the sums stated in Item 12 of Schedule 1 with a substantial and reputable insurer.
- 11.5 The Grantor may on each Concession Fee Review Date on giving 10 working days' notice to the Concessionaire, alter the amounts of insurance required under clause 11.4. On receiving such notice, the Concessionaire must within 10 working days take out and keep current policies for insurance and for the amounts not less than the sums specified in that notice.
- 11.6 The Concessionaire must, provide to the Grantor within 5 working days of the Grantor so requesting:
- (a) details of any insurance policies required to be obtained under this Concession, including any renewal policies if such renewal occurs during the Term; and/ or;
 - (b) a copy of the current certificate of such policies.

12. What about Health and Safety?

- 12.1 The Concessionaire must exercise the rights granted by this Concession in a safe and reliable manner and must comply with the Health and Safety at Work Act 2015 and its regulations and all other provisions or requirements of any competent authority relating to the exercise of this Concession. The Concessionaire must comply with its safety plan (if one is required in Item 11 of Schedule 1), and with any safety directions of the Grantor.
- 12.2 Before commencing the Concession Activity, the Concessionaire must, if required by Item 11 of Schedule 1 prepare a safety plan;
- 12.3 The Grantor may at any time request the Concessionaire to provide the Grantor with a copy of the current safety plan in which case the Concessionaire must provide the copy within 10 working days of receiving the request.
- 12.4 The Concessionaire must notify the Grantor of any natural events or activities on the Land or surrounding area which may endanger the public or the environment.

13. What are the compliance obligations of the Concessionaire?

- 13.1 The Concessionaire must comply where relevant:
- (a) with the provisions of any conservation management strategy or conservation management plan under the Conservation Act 1987 or Part 2A of the Reserves Act 1977, or any general policy statement made under the Conservation Act 1987, National Parks Act 1980, Reserves Act 1977, or the Wildlife Act 1953, or management plan under section 45 of the National Parks Act 1980, whichever is appropriate to the Land, together with any amendment or review of any policy, strategy or plan whether approved before, on, or after the date on which this Concession takes effect; and
 - (b) with the Conservation Act 1987, the Reserves Act 1977, National Parks Act 1980, Wildlife Act 1953 and any other statute, ordinance, regulation, bylaw, or other enactment (collectively the "Legislation") affecting or relating to the Land or affecting or relating to the Concession Activity, including any regulations made under the Conservation Act 1987 and Wildlife Act 1953 or bylaws made under the Reserves Act 1977; and
 - (c) with all notices and requisitions of any competent authority affecting or relating to the land or affecting or relating to the conduct of the Concession Activity.
- 13.2 The Concessionaire must comply with this Concession.
- 13.3 A breach or contravention by the Concessionaire of a relevant conservation management strategy, conservation management plan, management plan or any statement of general policy referred to in clause 13.1 (a) is deemed to be a breach of this Concession.
- 13.4 A breach or contravention by the Concessionaire of any Legislation affecting or relating to the Land or affecting or relating to the Concession Activity is deemed to be a breach of this Concession.
14. **When can the Concession be suspended?**
- 14.1 If, in the Grantor's opinion, there is a temporary risk to any natural or historic resource on or in the vicinity of the Land or to public safety whether arising from natural events such as earthquake, land slip, volcanic activity, flood, or arising in any other way, whether or not from any breach of the terms of this Concession on the part of the Concessionaire, then the Grantor may suspend this Concession.
- 14.2 If, in the Grantor's opinion, the activities of the Concessionaire is having or may have an adverse effect on the natural, historic or cultural values or resources of the Land and the Grantor considers that the effect can be avoided, remedied or mitigated to an extent satisfactory to the Grantor, then the Grantor may suspend this Concession until the Concessionaire avoids, remedies or mitigates the adverse effect to the Grantor's satisfaction.
- 14.3 The Grantor may suspend the Concession for such period as the Grantor determines where the Concessionaire has breached any terms of this Concession.
- 14.4 The Grantor may suspend this Concession while the Grantor investigates any of the circumstances contemplated in clauses 14.1 and 14.2 and also while the Grantor investigates any potential breach or possible offence by the Concessionaire, whether or not related to the Concession Activity under the Conservation Act 1987 or any of the Acts mentioned in the First Schedule of that Act.

- 14.5 The word “investigates” in clause 14.4 includes the laying of charges and awaiting the decision of the Court.
- 14.6 During any period of temporary suspension arising under clauses 14.1 or 14.2 the Concession Fee payable by the Concessionaire is to abate in fair proportion to the loss of use by the Concessionaire of the Land.
- 14.7 The Grantor is not to be liable to the Concessionaire for any loss sustained by the Concessionaire by reason of the suspension of the Concession under this clause 14 including loss of profits.

15. When can the Concession be terminated?

- 15.1 If:
- (a) the Concessionaire breaches any of the conditions of this Concession; or
 - (b) the whole or any part of the Land is required for the Grantor’s use
- the Grantor may terminate this Concession at any time in respect of the whole or any part of the Land. Before so terminating the Grantor must give the Concessionaire either
- (c) one calendar month's notice in writing; or
 - (d) such other time period which in the sole opinion of the Grantor appears reasonable and necessary
- of the Grantor’s intention so to terminate this Concession. If this Concession is terminated then the Grantor, at the Grantor’s sole discretion, may adjust the Concession Fee payable or refund any Concession Fee paid in advance.

16. What are the Grantor’s Rights to remedy defaults?

- 16.1 The Grantor may choose to remedy at any time without notice any default by the Concessionaire under this Concession. Where that occurs, the Concessionaire must pay forthwith on demand all reasonable costs incurred by the Grantor in remedying such default.

17. What happens on termination or expiry of the Concession?

- 17.1 On expiry or termination of this Concession, either as to all or part of the Land, the Concessionaire is not entitled to compensation for any Structures or other improvements placed or carried out by the Concessionaire on the Land.
- 17.2 The Concessionaire may, with the Grantor’s written consent, remove any specified Structures, gates, drains and other physical improvements erected or placed on the land by the Concessionaire on the Land. Removal under this clause must occur within the time specified by the Grantor and the Concessionaire is to make good any damage and leave the Land in a clean and tidy condition.
- 17.3 The Concessionaire must, if the Grantor gives written notice, remove any specified Structures, gates, drains and other physical improvements on the Land. Removal under this clause must occur within the time specified by the Grantor and the Concessionaire is to make good any damage and leave the Land in a clean and tidy

condition.

18. When is the Grantor's consent required?

- 18.1 Where the Grantor's consent or approval is expressly required under this Concession then the Concessionaire must seek that approval or consent for each separate time it is required even though the Grantor may have given approval or consent for a like purpose on a prior occasion. Any such consent or approval may be made on such conditions as the Grantor considers appropriate.

19. Are there limitations on public access and closure?

- 19.1 The Concessionaire acknowledges that the Land is open to the public for access and that the Grantor may close public access during periods of high fire hazard or for reasons of public safety or emergency.

20. How will disputes be resolved?

- 20.1 If a dispute arises between the parties in connection with this Concession the parties must, without prejudice to any other rights or entitlements they may have, attempt to resolve the dispute by agreement using informal dispute resolution techniques such as negotiation, mediation, independent expert appraisal or any other alternative dispute resolution technique. The rules governing any such technique adopted are to be agreed between the parties.
- 20.2 If the dispute cannot be resolved 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 the Disputes Tribunal, where relevant, or to arbitration which arbitration is to be carried out in accordance with the provisions of the Arbitration Act 1996.
- 20.3 If the parties do not agree on an arbitrator within 10 working days of a party giving written notice of the requirement to appoint an arbitrator the President of the New Zealand Law Society is to appoint the arbitrator. In either case the arbitrator must not be a person who has participated in an informal dispute resolution procedure in respect of the dispute.
- 20.4 The arbitrator must include in the arbitration award reasons for the determination.
- 20.5 Despite the existence of a dispute, each party must continue to perform its obligations under this Concession.

21. How are notices sent and when are they received?

- 21.1 Any notice to be given under this Concession is to be in writing and made by personal delivery, fax, by pre paid post or email to the receiving party at the address, fax number or email address specified in Item 13 of Schedule 1. Any such notice is to be deemed to have been received:
- (a) in the case of personal delivery, on the date of delivery;
 - (b) in the case of fax, on the date of dispatch;
 - (c) in the case of post, on the 3rd working day after posting;

- (d) in the case of email, notice will be deemed to have been received on the day on which it is emailed if that is a working day or, if dispatched after 5.00pm, on the next working day after the date of email.

- 21.2 If either party's details stated out in Item 13 of Schedule 1 change then the party whose details change must within 5 working days of such change provide the other party with the changed details.

22. What about the payment of costs?

- 22.1 The Concessionaire must pay the Grantor's legal costs and expenses of and incidental to preparing and signing any variation of this Concession.
- 22.2 The Concessionaire must pay in full immediately and on demand all costs and fees (including solicitor's costs and fees of debt collecting agencies engaged by the Grantor) arising out of and associated with steps taken by the Grantor to enforce or attempt to enforce the Grantor's rights and powers under this Concession. This includes the right to recover outstanding money owed to the Grantor.

23. When can the conditions of the Concession be varied?

- 23.1 The Grantor may on each Concession Fee Review Date, after first consulting with the Concessionaire, vary any condition of this Concession to make the condition more effective in addressing any adverse effects resulting from the Concession Activity.
- 23.2 Nothing in clause 23.1 otherwise affects the Grantor's rights to vary the Concession under section 17ZC of the Conservation Act 1987.

24. What are the Special Conditions?

- 24.1 Special conditions are specified in Schedule 3. If there is a conflict between this Schedule 2 and the Special Conditions in Schedule 3, the Special Conditions shall prevail.

25. The Law

- 25.1 This Concession is to be governed by, and interpreted in accordance with the laws of New Zealand.

SCHEDULE 3

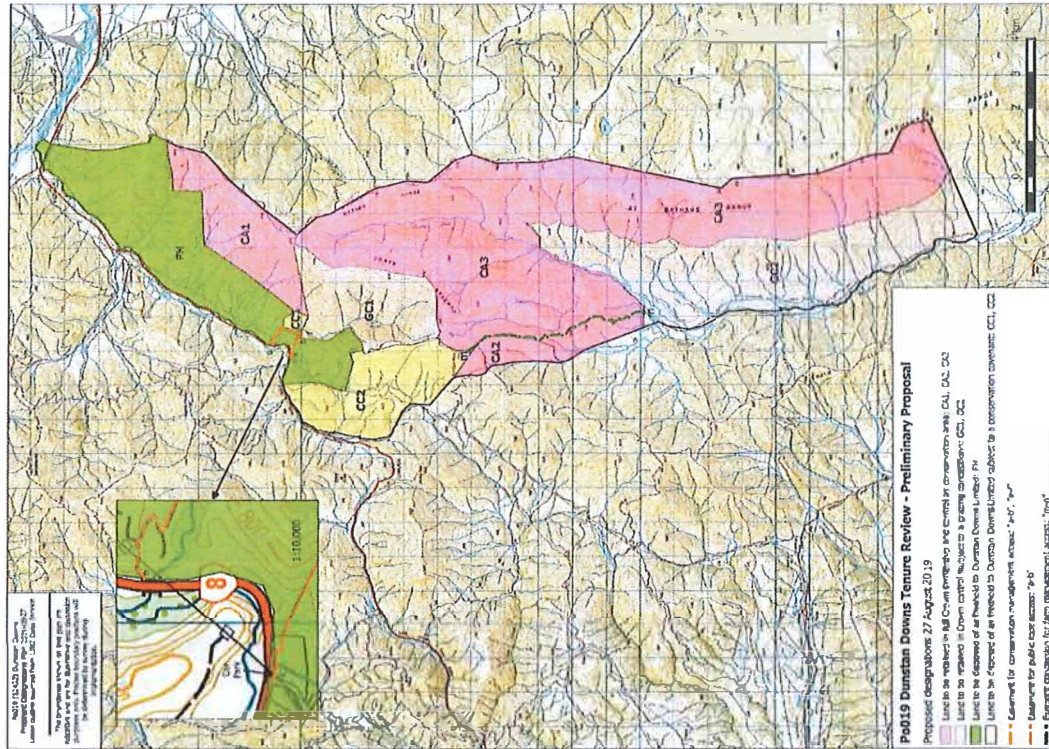
SPECIAL CONDITIONS – Note: Please initial each page of Schedule 3

1. Stock matters	<p>The Concessionaire must monitor stock at regular intervals to ensure that:</p> <ul style="list-style-type: none">(a) they are contained within the Land; and(b) there is sufficient feed available on the Land to discourage stock from grazing other land administered by the Grantor and not part of this Concession; and(c) they do not graze to a level resulting in damage to, or pugging of, the Land. <p>The Concessionaire must not develop wintering pads, stand off pads or silage pits on the Land.</p> <p>The Concessionaire must not graze, nor permit to be grazed on the Land, any stock, which the Concessionaire knows or ought to have reasonably known, would be dangerous to any person entering the Land.</p>
2. Farm vehicles	<p>The Concessionaire may use farm vehicles for the purposes of the Concession Activity and for pest management on existing formed tracks on the Land.</p>
3. Firearms	<p>The Concessionaire may use firearms on the Land for the purposes of the Concession Activity and for pest management.</p>
4. Dogs and horses	<p>The Concessionaire may use dogs and horses on the Land for the purposes of the Concession Activity and for pest management.</p>
5. Fencing	<p>The Concessionaire must at its cost ensure that stock is adequately contained within the land.</p> <p>The Concessionaire must ensure the Land is fenced so as to prevent stock access to any watercourses adjoining or on the Land and that an adequate ungrazed vegetation strip is maintained along all watercourses so as to minimize effluent from stock entering watercourses to the satisfaction of the Grantor.</p> <p>If any upgrade of any existing fence is required or additional fences are required to give effect to the requirement to contain stock, then the costs of so doing is to be the responsibility of the Concessionaire. Where the Grantor has agreed in writing to such work being carried out the Grantor may at its sole option agree to waive the Concession Fee or portion of it until such time as the cost</p>

	<p>of such work agreed to by the Grantor has been reimbursed to the Concessionaire. In such case the fence is to be owned by the Grantor.</p> <p>The Concessionaire must place on a prominent position on any electric fence placed on the Land a warning sign advising that the fence is electric.</p> <p>The Concessionaire is solely responsible for meeting the cost of work (as that word is defined in section 2 of the Fencing Act 1978) on any fence between the Land and any adjoining land administered by the Department of Conservation.</p>
6. Gates	<p>The Concessionaire may lock any gates located on the Land. Where gates are to be so locked the Concessionaire must give the Grantor a key so where necessary the Grantor can unlock the gates. Where any gate is so locked the Grantor may require the Concessionaire to erect a stile near the locked gate</p>
7. Adverse effects	<p>If, in the opinion of the Grantor, stock effluent discharge occurring as a result of the Concession Activity is having an adverse effect on any adjoining or downstream river, stream, waterway or wetland, then the Grantor may require the Concessionaire to modify the Concession Activity or the manner in which it is carried out so as to avoid, remedy or mitigate that adverse effect. The Grantor, at the sole discretion of the Grantor, may adjust the Concession Fee payable or refund any Concession Fee paid in advance.</p> <p>If, in the opinion of the Grantor, the Concession Activity is having or may have an adverse effect on the Land or adjoining bush or riparian margins administered by the Grantor, the Grantor may require the Concessionaire to comply with all reasonable notices and directions by the Grantor concerning the activities conducted by the Concessionaire including but not limited to notices or directions regarding the numbers of stock that may be grazed on the Land or any part of the Land. The Grantor, at the sole discretion of the Grantor, may adjust the Concession Fee payable or refund any Concession Fee paid in advance.</p>
8. Didymo	<p>The Concessionaire must comply with all guidelines and notices put out by Biosecurity New Zealand regarding measures to avoid spreading the pest organism <i>Didymosphenia geminata</i> ("Didymo"), and or any other pest organism identified during the term of this Concession.</p>

9.	Hunters	The Grantor reserves the right to authorise hunters who hold a current hunting permit issued by the Director-General to hunt on the Land accompanied by dogs.
10.	Changes in Concessionaire's shareholding	Notwithstanding clause 7.6 in Schedule 2, where any change in the shareholding of the Concessionaire involves the same shareholders or immediate family members of the shareholders in the Concessionaire, the Grantor's consent is not required.
11.	Use of huts and woolshed	The Concessionaire may use the huts and woolshed on the Land during the term of this concession.
12.	Monitoring	The Grantor may monitor the effect of grazing on the Land.

SCHEDULE 4



Concessions Contract - Grazing Licence over area CG1 - Tenure Review - Dunstan Downs - DOC-3095428
August 2019

SCHEDULE 5

Activity Return

Stock type (if more than one type available)	Numbers	Date stock placed on Land	Date stock removed from land	Total weeks Land grazed (not exceeding xx)	Price per stock unit per annum (Exclusive GST)	Total annual activity fee
					\$10.00	

Appendix 5: Form of Grazing and Easement Concession to be Granted (GC2)



Concession Document (Grazing Licence and Easement)

THIS CONCESSION is made this day of

PARTIES:

1. **Minister of Conservation** (the Grantor)
2. **Dunstan Downs Limited** (the Concessionaire)

BACKGROUND

- A. The Department of Conservation ("Department") Te Papa Atawhai is responsible for managing and promoting conservation of the natural and historic heritage of New Zealand on behalf of, and for the benefit of, present and future New Zealanders.
- B. The land described in Item 1 of Schedule 1 as the Land is a Conservation Area or a Reserve under the management of the Grantor.
- C. Sections 66 and 68 of the Crown Pastoral Land Act 1998 authorise the Grantor to grant a Concession for a Concession Activity in a Conservation Area or a Reserve under section 17Q(1) of the Conservation Act 1987 or section 59A of the Reserves Act 1977 (whichever is relevant in the circumstances).
- D. The Concessionaire wishes to carry out the Concession Activity on the Land subject to the terms and conditions of this Concession.
- E. The parties wish to record the terms and conditions of this Concession and its Schedules.

OPERATIVE PARTS

1. In exercise of the Grantor's powers under the Crown Pastoral Land Act 1998, and the Conservation Act 1987 or the Reserves Act 1977 as relevant, the Grantor **GRANTS** to the Concessionaire a **GRAZING LICENCE AND EASEMENT** to carry out the Concession Activity on the Land subject to the terms and conditions contained in this Concession and its Schedules.

SIGNED by **Dunstan Downs Limited** by
two of its Directors:

SIGNED on behalf of the Minister of
Conservation by *[insert name and title of
delegate]*

Signature

Director name:

acting under delegated authority

in the presence of:

Signature

Witness Signature: _____

Director name:

Witness Name: _____

Witness Occupation: _____

Witness Address: _____

A copy of the Instrument of Delegation may
be inspected at the Director-General's office
at 18-22 Manners Street, Wellington.

SCHEDULE 1

1.	Land (Schedule 4)	<p><u>Licence Land</u></p> <p>As marked on the Proposed Designations plan attached in Schedule 4 being the area crosshatched in pink and labelled GC2:</p> <p><i>Physical description/ Common name:</i></p> <p><i>Land Status: Proposed stewardship area held under Section 62 of the Conservation Act 1987.</i></p> <p><i>Area: 850 hectares</i></p> <p><i>Legal description:</i></p> <p><u>Burdened Land</u></p> <p>As marked on the Proposed Designations plan attached in Schedule 4 being the areas shaded in pink and labelled CA2 and CA3:</p> <p><i>Physical description/ Common name:</i></p> <p><i>Land Status: Proposed stewardship area held under Section 62 of the Conservation Act 1987.</i></p> <p><u>Easement Land</u></p> <p>The track being 10m wide from "m-n" across the Burdened Land and shown as a dashed green line on the Proposed Designations Plan:</p> <p><i>Area: Approximately 1.95 hectares</i></p> <p><i>Legal description:</i></p>
2.	Concession Activity (clause 2)	<p>(i) Grazing on the Licence Land for up to 1500 ewes in the "Bottom Dunstan Block" for 2 months within the period from 1 February to 30 April inclusive during each year of the term.</p> <p>a right of way: in gross over the Easement Land for farm management purposes only to provide access on and to the Licence Land, for the Concessionaire (including the Concessionaire's tenants and contractors) on foot, on or accompanied by horses, by motor vehicles, with or without machinery and implements of any kind, and with or without domestic livestock, guns and farm dogs.</p> <p>(ii) .</p>

Concessionaire's initials

Grantor's initials

3.	Term <i>(clause 3)</i>	10 years commencing on the date that an approved plan is registered vesting the Land in the Crown as a conservation area.				
4.	Renewal(s) <i>(clause 3)</i>	None.				
5.	Final Expiry Date <i>(clause 3)</i>	The 10th anniversary of the commencement date for both the grazing activity and the associated right of way easement.				
6.	Concession Fee <i>(clause 4 and Schedule 5)</i>	<p>Concession Activity Fee</p> <p>Grazing</p> <p>An activity fee will be calculated on the basis of \$1.50 per ewe per annum plus GST for the ewes run on the Land during the permitted grazing period for that year.</p> <p>In order that the activity fee may be calculated, the Concessionaire will file a return of stock in the form in Schedule 6 to the Grantor by 30 June in each year showing the stock carried on the Land over the preceding 12 months.</p> <p>If a return is not made by this date, the activity fee will be charged assuming the maximum stock numbers had been run for the total permitted period.</p> <p>Easement</p> <p><u>\$360.00 per annum plus GST</u></p> <p>Annual Management Fee:</p> <p>\$400.00 per annum plus GST</p> <p>Annual Environmental Monitoring Fee</p> <p>Not required</p>				
7.	Concession Fee Payment Instalments <i>(clause 4)</i>	Annually				
8.	Concession Fee Payment Date(s) <i>(clause 4)</i>	On 30 September in each year of the term. <i>(To Be Confirmed)</i>				
9.	Penalty Interest Rate <i>(clause 4)</i>	Double the current Official Cash Rate (OCR). See Reserve Bank of New Zealand website				
10.	Concession Fee	On the third anniversary of the date of commencement of				
		<table><tr><td>Concessionaire's initials</td><td></td><td>Grantor's initials</td><td></td></tr></table>	Concessionaire's initials		Grantor's initials	
Concessionaire's initials		Grantor's initials				

	Review Date(s) (clause 5)	this Concession as set out in item 3 above and the corresponding date every 3 years thereafter until the expiry of the term.
11.	Health and Safety (clause 12)	Safety Plan: Not required
12.	Insurance (To be obtained by Concessionaire) (clause 11)	Types and amounts: Public Liability Insurance for general indemnity for an amount no less than \$1,000,000.00; and Third party vehicle liability for an amount no less than \$500,000.00. Subject to review on each Concession Fee Review Date
13.	Addresses for Notices (clause 21)	The Grantor's address is: Department of Conservation Level 1, John Wickliffe House 265 Princes Street Dunedin 9016 New Zealand Postal Address: PO Box 5244 Dunedin 9054 New Zealand Phone: +64 (0)3 477 0677 Email: permissionsdunedin@doc.govt.nz
		The Concessionaire's address in New Zealand is: Dunstan Downs 1723 Omarama – Lindis Pass Road Lindis Pass Omarama 9412 New Zealand Phone: +64 (03) 438 9696 Email: ctinnes@farmside.co.nz

Note: The clause references are to the Minister of Conservation's Standard Terms and Conditions for Grazing Licences set out in Schedule 2.

Concessionaire's initials		Grantor's initials	
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Note: Please initial each page of Schedule 1

	<i>Concessionaire's initials</i>	<i>Grantor's initials</i>
Concessions Contract - Grazing Licence over area CG2 - Tenure Review - Dunstan Downs - DOC-3096060		November 2019

SCHEDULE 2

STANDARD TERMS AND CONDITIONS FOR GRAZING LICENCES

1. Interpretation

1.1 In this Concession, unless the context otherwise requires:

“Background” means the matters referred to under the heading ‘Background’ on the first page of this Document, and words used in the Background have the meaning given to them in this clause 1.1.

“Burdened Land” means the land described as Burdened Land in Item 1 of Schedule 1

“Commencement date” means the date that an approved plan is registered vesting the Land in the Crown as a conservation area.

“Concession” means this document and any subsequent amendments and all schedules, annexures, and plans attached to it.

“Concession Activity” means the activity described in Item 2 of Schedule 1.

“Conservation Area” has the same meaning as “conservation area” in section 2 of the Conservation Act 1987.

“Director-General” means the Director-General of Conservation

“Easement Land” means the land described as Easement Land in Item 1 of Schedule 1.

“Land” means the land described in Item 1 of Schedule 1 and includes the Licence Land, the Burdened Land and the Easement Land.

“Licence Land” means the land described as Licence Land in Item 1 of Schedule 1.

“Reserve” has the same meaning as “reserve” in section 59A of the Reserves Act 1977.

“Structure” includes a bridge, a culvert, and a fence, but not a temporary electric fence.

“Term” means the period of time specified in Item 5 of Schedule 1 during which this Concession operates.

1.2 The Concessionaire is responsible for the acts and omissions of its employees, contractors, agents, clients and invitees (excluding other members of the public accessing the Land). The Concessionaire is liable under this Concession for any breach of the terms of the Concession by its employees, contractors, agents, clients and invitees (excluding other members of the public accessing the Land), as if the breach had been committed by the Concessionaire.

1.3 The rights and powers implied in the relevant easements by Schedule 5 to the Land Transfer Regulations 2018 (as set out in Schedule 5 of this Concession) apply to this Concession EXCEPT to the extent set out in Schedule 3 of this Concession.

2. What is being authorised?

2.1 The Concessionaire is only allowed to use the Land for the Concession Activity.

3. How long is the Concession for - the Term?

- 3.1 This Concession commences on the date set out in Item 3 of Schedule 1 and ends on the Final Expiry Date specified in Item 5 of Schedule 1.
- 3.2 No renewals of this Concession are permitted.

4. What are the fees and when are they to be paid?

- 4.1 The Concessionaire must pay to the Grantor in the manner directed by the Grantor the Concession Fee (which includes the Annual Activity Fees, the Management Fee, and the Environmental Monitoring Fee) plus GST in the instalments and on the Concession Fee Payment Dates specified in Items 6, 7 and 8 of Schedule 1.
- 4.2 If the Concessionaire fails to make payment within 14 days of the Concession Fee Payment Date then the Concessionaire is to pay interest on the unpaid Concession Fee from the Concession Fee Payment Date until the date of payment at the Penalty Interest Rate specified in Item 9 of Schedule 1.

5. When can the fees be reviewed?

- 5.1 The Grantor is to review the Concession Fee on the Concession Fee Review Date stated in Item 10 of Schedule 1. The new Concession Fee is to be the market value of the Concession Activity carried out on the Land having regard to the matters set out in section 17Y(2) of the Conservation Act 1987.
- 5.2 Both parties are to agree on the new fee within 30 working days of the Grantor giving the Concessionaire written notice of the review.
- 5.3 If the parties cannot so agree then each party is to appoint a Registered Valuer who must meet and agree on the new fee. If the Registered Valuers fail to reach agreement the new fee is to be determined by an umpire appointed by the two Registered Valuers. Each party is to bear that party's own costs and half the costs of the umpire (if any).

6. Are there any other charges?

- 6.1 The Concessionaire must pay all levies rates and other charges, including utility charges payable in respect of the Land or for the services provided to the Land which relate to the Concessionaire's use of the Land or the carrying on of the Concession Activity.
- 6.2 Where the Grantor has paid such levies, rates or other charges the Concessionaire must on receipt of an invoice from the Grantor pay such sum to the Grantor within 14 days of receiving the invoice. If payment is not made within the 14 days then the Concessionaire is to pay interest on the unpaid sum from the date payment was due until the date of payment at the Penalty Interest Rate specified in Item 9 of Schedule 1.

7. When can the Concession be assigned?

- 7.1 The Concessionaire must not transfer, sub licence, assign, mortgage or otherwise dispose of the Concessionaire's interest under this Concession or any part of it (which includes the Concessionaire entering into a contract or any other arrangement

whatsoever whereby the Concession Activity would be carried out by a person (called the assignee) other than the Concessionaire) without the prior written consent of the Grantor.

- 7.2 The Grantor may in the Grantor's discretion decline any application for consent under clause 7.1.
- 7.3 Sections 17S to 17ZC of the Conservation Act 1987 apply to applications for consent under this clause unless the Grantor, in the Grantor's discretion, decides otherwise.
- 7.4 If the Grantor gives consent under this clause then the Concessionaire remains liable to observe and perform the terms and conditions of this Concession throughout the Term and is to procure from the Assignee a covenant to be bound by the terms and conditions of this Concession.
- 7.5 The Concessionaire must pay the costs reasonably incurred by the Grantor incidental to any application for consent, whether or not such consent is granted.
- 7.6 Any change in the shareholding of the Concessionaire altering the effective control of the Concessionaire is to be deemed to be an assignment and requires the consent of the Grantor.

8. What are the obligations to protect the environment?

- 8.1 The Concessionaire must not cut down or damage any vegetation; or damage any natural feature or historic resource on the Land; or light any fire on the Land without the prior consent of the Grantor.
- 8.2 The Concessionaire must use and manage the Land in a good and husband like manner, and not impoverish or waste its soil.
- 8.3 The Concessionaire must keep the Land free from plant and animal pests and must comply with the Biosecurity Act 1993 and relevant pest management strategies.
- 8.4 The Concessionaire must not bury
 - (a) any toilet waste within 50 metres of a water source on the Land; or
 - (b) any animal or fish or any part thereof within 50 metres of any water body, water source or public road or track.

9. When can structures be erected?

- 9.1 The Concessionaire must not place any Structure on the Land nor alter the Land without the prior written consent of the Grantor.
- 9.2 The Concessionaire must keep all Structures, gates, stiles, cattle stops, drains and other physical improvements now or hereafter upon the Land, in good order, condition and repair and must keep the land in a clean and tidy condition and must not store hazardous materials on the Land, or store other materials on the Land where they may obstruct the public or create a nuisance.

- 9.3 Despite clause 9.1, where there are existing tracks on the Land, the Concessionaire may maintain these tracks within their existing alignment at its own cost, without obtaining the prior written consent of the Grantor.
10. **What if the Concessionaire wishes to surrender the Concession?**
- 10.1 If the Concessionaire wishes to surrender this Concession during the currency of the Term, then the Grantor may accept that surrender on such conditions as the Grantor considers appropriate.
11. **What are the liabilities and who insures?**
- 11.1 The Concessionaire agrees to use the Land at the Concessionaire's own risk and releases to the full extent permitted by law the Grantor and the Grantor's employees and agents from all claims and demands of any kind and from all liability which may arise in respect of any accident, damage or injury occurring to any person or property in or about the Land.
- 11.2 The Concessionaire must indemnify the Grantor against all claims, actions, losses and expenses of any nature which the Grantor may suffer or incur or for which the Grantor may become liable arising from the Concessionaire's performance of the Concession Activity.
- 11.3 This indemnity is to continue after the expiry or termination of this Concession in respect of any acts or omissions occurring or arising before its expiry or termination.
- 11.4 Without prejudice to or in any way limiting its liability under this clause 12 the Concessionaire at the Concessionaire's expense must take out and keep current policies for insurance and for the amounts not less than the sums stated in Item 12 of Schedule 1 with a substantial and reputable insurer.
- 11.5 The Grantor may on each Concession Fee Review Date on giving 10 working days' notice to the Concessionaire alter the amounts of insurance required under clause 11.4. On receiving such notice, the Concessionaire must within 10 working days take out and keep current policies for insurance and for the amounts not less than the sums specified in that notice.
- 11.6 The Concessionaire must, provide to the Grantor within 5 working days of the Grantor so requesting:
- (a) details of any insurance policies required to be obtained under this Concession, including any renewal policies if such renewal occurs during the Term; and/ or;
 - (b) a copy of the current certificate of such policies.
12. **What about Health and Safety?**
- 12.1 The Concessionaire must exercise the rights granted by this Concession in a safe and reliable manner and must comply with the Health and Safety at Work Act 2015 and its regulations and all other provisions or requirements of any competent authority relating to the exercise of this Concession. The Concessionaire must comply with its safety plan (if one is required in Item 11 of Schedule 1), and with any safety directions of the Grantor.

- 12.2 Before commencing the Concession Activity, the Concessionaire must, if required by Item 11 of Schedule 1 prepare a safety plan;
- 12.3 The Grantor may at any time request the Concessionaire to provide the Grantor with a copy of the current safety plan in which case the Concessionaire must provide the copy within 10 working days of receiving the request.
- 12.4 The Concessionaire must notify the Grantor of any natural events or activities on the Land or surrounding area which may endanger the public or the environment.

13. What are the compliance obligations of the Concessionaire?

- 13.1 The Concessionaire must comply where relevant:
- (a) with the provisions of any conservation management strategy or conservation management plan under the Conservation Act 1987 or Part 2A of the Reserves Act 1977, or any general policy statement made under the Conservation Act 1987, National Parks Act 1980, Reserves Act 1977, or the Wildlife Act 1953, or management plan under section 45 of the National Parks Act 1980, whichever is appropriate to the Land, together with any amendment or review of any policy, strategy or plan whether approved before, on, or after the date on which this Concession takes effect; and
 - (b) with the Conservation Act 1987, the Reserves Act 1977, National Parks Act 1980, Wildlife Act 1953 and any other statute, ordinance, regulation, bylaw, or other enactment (collectively the "Legislation") affecting or relating to the Land or affecting or relating to the Concession Activity, including any regulations made under the Conservation Act 1987 and Wildlife Act 1953 or bylaws made under the Reserves Act 1977; and
 - (c) with all notices and requisitions of any competent authority affecting or relating to the land or affecting or relating to the conduct of the Concession Activity.
- 13.2 The Concessionaire must comply with this Concession.
- 13.3 A breach or contravention by the Concessionaire of a relevant conservation management strategy, conservation management plan, management plan or any statement of general policy referred to in clause 13.1 (a) is deemed to be a breach of this Concession.
- 13.4 A breach or contravention by the Concessionaire of any Legislation affecting or relating to the Land or affecting or relating to the Concession Activity is deemed to be a breach of this Concession.

14 When can the Concession be suspended?

- 14.1 If, in the Grantor's opinion, there is a temporary risk to any natural or historic resource on or in the vicinity of the Land or to public safety whether arising from natural events such as earthquake, land slip, volcanic activity, flood, or arising in any other way, whether or not from any breach of the terms of this Concession on the part of the Concessionaire, then the Grantor may suspend this Concession.
- 14.2 If, in the Grantor's opinion, the activities of the Concessionaire is having or may have an adverse effect on the natural, historic or cultural values or resources of the Land and the Grantor considers that the effect can be avoided, remedied or mitigated to an extent satisfactory to the Grantor, then the Grantor may suspend this

Concession until the Concessionaire avoids, remedies or mitigates the adverse effect to the Grantor's satisfaction.

- 14.3 The Grantor may suspend the Concession for such period as the Grantor determines where the Concessionaire has breached any terms of this Concession.
- 14.4 The Grantor may suspend this Concession while the Grantor investigates any of the circumstances contemplated in clauses 14.1 and 14.2 and also while the Grantor investigates any potential breach or possible offence by the Concessionaire, whether or not related to the Concession Activity under the Conservation Act 1987 or any of the Acts mentioned in the First Schedule of that Act.
- 14.5 The word "investigates" in clause 14.4 includes the laying of charges and awaiting the decision of the Court.
- 14.6 During any period of temporary suspension arising under clauses 14.1 or 14.2 the Concession Fee payable by the Concessionaire is to abate in fair proportion to the loss of use by the Concessionaire of the Land.
- 14.7 The Grantor is not to be liable to the Concessionaire for any loss sustained by the Concessionaire by reason of the suspension of the Concession under this clause 14 including loss of profits.

15 When can the Concession be terminated?

- 15.1 If:
- (a) the Concessionaire breaches any of the conditions of this Concession; or
 - (b) the whole or any part of the Land is required for the Grantor's use
- the Grantor may terminate this Concession at any time in respect of the whole or any part of the Land. Before so terminating the Grantor must give the Concessionaire either
- (c) one calendar month's notice in writing; or
 - (d) such other time period which in the sole opinion of the Grantor appears reasonable and necessary
- of the Grantor's intention so to terminate this Concession. If this Concession is terminated then the Grantor, at the Grantor's sole discretion, may adjust the Concession Fee payable or refund any Concession Fee paid in advance.

16 What are the Grantor's Rights to remedy defaults?

- 16.1 The Grantor may choose to remedy at any time without notice any default by the Concessionaire under this Concession. Where that occurs, the Concessionaire must pay forthwith on demand all reasonable costs incurred by the Grantor in remedying such default.

17 What happens on termination or expiry of the Concession?

- 17.1 On expiry or termination of this Concession, either as to all or part of the Land, the Concessionaire is not entitled to compensation for any Structures or other improvements placed or carried out by the Concessionaire on the Land.

17.2 The Concessionaire may, with the Grantor's written consent, remove any specified Structures, gates, drains and other physical improvements erected or placed on the land by the Concessionaire on the Land. Removal under this clause must occur within the time specified by the Grantor and the Concessionaire is to make good any damage and leave the Land in a clean and tidy condition.

17.3 The Concessionaire must, if the Grantor gives written notice, remove any specified Structures, gates, drains and other physical improvements on the Land. Removal under this clause must occur within the time specified by the Grantor and the Concessionaire is to make good any damage and leave the Land in a clean and tidy condition.

18 When is the Grantor's consent required?

18.1 Where the Grantor's consent or approval is expressly required under this Concession then the Concessionaire must seek that approval or consent for each separate time it is required even though the Grantor may have given approval or consent for a like purpose on a prior occasion. Any such consent or approval may be made on such conditions as the Grantor considers appropriate.

19 Are there limitations on public access and closure?

19.1 The Concessionaire acknowledges that the Land is open to the public for access and that the Grantor may close public access during periods of high fire hazard or for reasons of public safety or emergency.

20 What about other concessions?

20.1 Nothing expressed or implied in this Concession is to be construed as preventing the Grantor from granting other concessions, whether similar or not, to other persons provided that the Grantor must not grant another concession that would derogate in any material way from the Concessionaire's ability to carry out the Concession Activity.

21 How will disputes be resolved?

21.1 If a dispute arises between the parties in connection with this Concession the parties must, without prejudice to any other rights or entitlements they may have, attempt to resolve the dispute by agreement using informal dispute resolution techniques such as negotiation, mediation, independent expert appraisal or any other alternative dispute resolution technique. The rules governing any such technique adopted are to be agreed between the parties.

21.2 If the dispute cannot be resolved 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 the Disputes Tribunal, where relevant, or to arbitration which arbitration is to be carried out in accordance with the provisions of the Arbitration Act 1996.

21.3 If the parties do not agree on an arbitrator within 10 working days of a party giving written notice of the requirement to appoint an arbitrator the President of the New Zealand Law Society is to appoint the arbitrator. In either case the arbitrator must not be a person who has participated in an informal dispute resolution procedure in respect of the dispute.

- 21.4 The arbitrator must include in the arbitration award reasons for the determination.
- 21.5 Despite the existence of a dispute, each part must continue to perform its obligations under this Concession.

22 How are notices sent and when are they received?

- 22.1 Any notice to be given under this Concession is to be in writing and made by personal delivery, fax, by pre paid post or email to the receiving party at the address, fax number or email address specified in Item 13 of Schedule 1. Any such notice is to be deemed to have been received:
- (a) in the case of personal delivery, on the date of delivery;
 - (b) in the case of fax, on the date of dispatch;
 - (c) in the case of post, on the 3rd working day after posting;

in the case of email, notice will be deemed to have been received on the day on which it is emailed if that is a working day or, if dispatched after 5.00pm, on the next working day after the date of email

- 22.2 If either party's details stated out in Item 3 of Schedule 1 change then the party whose details change must within 5 working days of such change provide the other party with the changed details

23 What about the payment of costs?

- 23.1 The Concessionaire must pay the Grantor's legal costs and expenses of and incidental to preparing and signing any variation of this Concession.
- 23.2 The Concessionaire must pay in full immediately and on demand all costs and fees (including solicitor's costs and fees of debt collecting agencies engaged by the Grantor) arising out of and associated with steps taken by the Grantor to enforce or attempt to enforce the Grantor's rights and powers under this Concession. This includes the right to recover outstanding money owed to the Grantor.

24. What about the powers implied by statute?

- 24.1 The rights and powers implied in the relevant easements by Schedule 5 to the Land Transfer Regulations 2018 (as set out in Schedule 5 of this Concession) apply to this Concession **EXCEPT** to the extent set out in Schedule 3 of this Concession.
- 24.2 The rights and powers implied by Schedule 5 to the Property Law Act 2007 do not apply to this Concession.

25. When can the conditions of the Concession be varied?

- 25.1 The Grantor may on each Concession Fee Review Date, after first consulting with the Concessionaire, vary any condition of this Concession to make the condition more effective in addressing any adverse effects resulting from the Concession Activity.
- 25.2 Nothing in clause 25.1 otherwise affects the Grantor's rights to vary the Concession under section 17ZC of the Conservation Act 1987.

26 What are the Special Conditions?

26.1 Special conditions are specified in Schedule 3. If there is a conflict between this Schedule 2 and the Special Conditions in Schedule 3, the Special Conditions shall prevail.

27 **The Law**

27.1 This Concession is to be governed by and interpreted in accordance with the laws of New Zealand.

SCHEDULE 3

SPECIAL CONDITIONS – Note: Please initial each page of Schedule 3

1. Stock matters	<p>The Concessionaire must monitor stock at regular intervals to ensure that:</p> <ul style="list-style-type: none">(a) they are contained within the Licence Land; and(b) there is sufficient feed available on the Licence Land to discourage stock from grazing other land administered by the Grantor and not part of this Concession; and(c) they do not graze to a level resulting in damage to, or pugging of, the Licence Land. <p>The Concessionaire must not develop wintering pads, stand off pads or silage pits on any part of the Land.</p> <p>The Concessionaire must not graze, nor permit to be grazed on any part of the Land, any stock, which the Concessionaire knows or ought to have reasonably known, would be dangerous to any person entering any part of the Land.</p> <p>When the Concessionaire is taking stock over the Easement Land, the Concessionaire must keep stock actively moving to minimise the time stock are on the Easement Land.</p>
2. Farm vehicles	<p>The Concessionaire may use farm vehicles for the purposes of the Concession Activity and for pest management on existing formed tracks on the Land.</p>
3. Firearms	<p>The Concessionaire may use firearms on the Licence Land for the purposes of the Concession Activity and for pest management.</p>
4. Dogs and horses	<p>The Concessionaire may use dogs and horses on the Land for the purposes of the Concession Activity and for pest management.</p>
5. Fencing	<p>The Concessionaire must at its cost ensure that stock is adequately contained within the Licence Land.</p> <p>The Concessionaire must ensure the Licence Land is fenced so as to prevent stock access to any watercourses adjoining or on the Licence Land and that an adequate ungrazed vegetation strip is maintained along all watercourses so as to minimize effluent from stock entering watercourses to the satisfaction of the Grantor</p>

and in compliance with any other regulatory requirements.

If any upgrade of any existing fence is required or additional fences are required to give effect to the requirement to contain stock, then the costs of so doing is to be the responsibility of the Concessionaire. Where the Grantor has agreed in writing to such work being carried out the Grantor may at its sole option agree to waive the Concession Fee or portion of it until such time as the cost of such work agreed to by the Grantor has been reimbursed to the Concessionaire. In such case the fence is to be owned by the Grantor.

The Concessionaire must place on a prominent position on any electric fence placed on the Licence Land a warning sign advising that the fence is electric. No electric fence is to be placed on the Easement Land

The Concessionaire is solely responsible for meeting the cost of work (as that word is defined in section 2 of the Fencing Act 1978) on any fence between the Licence Land and any adjoining land administered by the Department of Conservation.

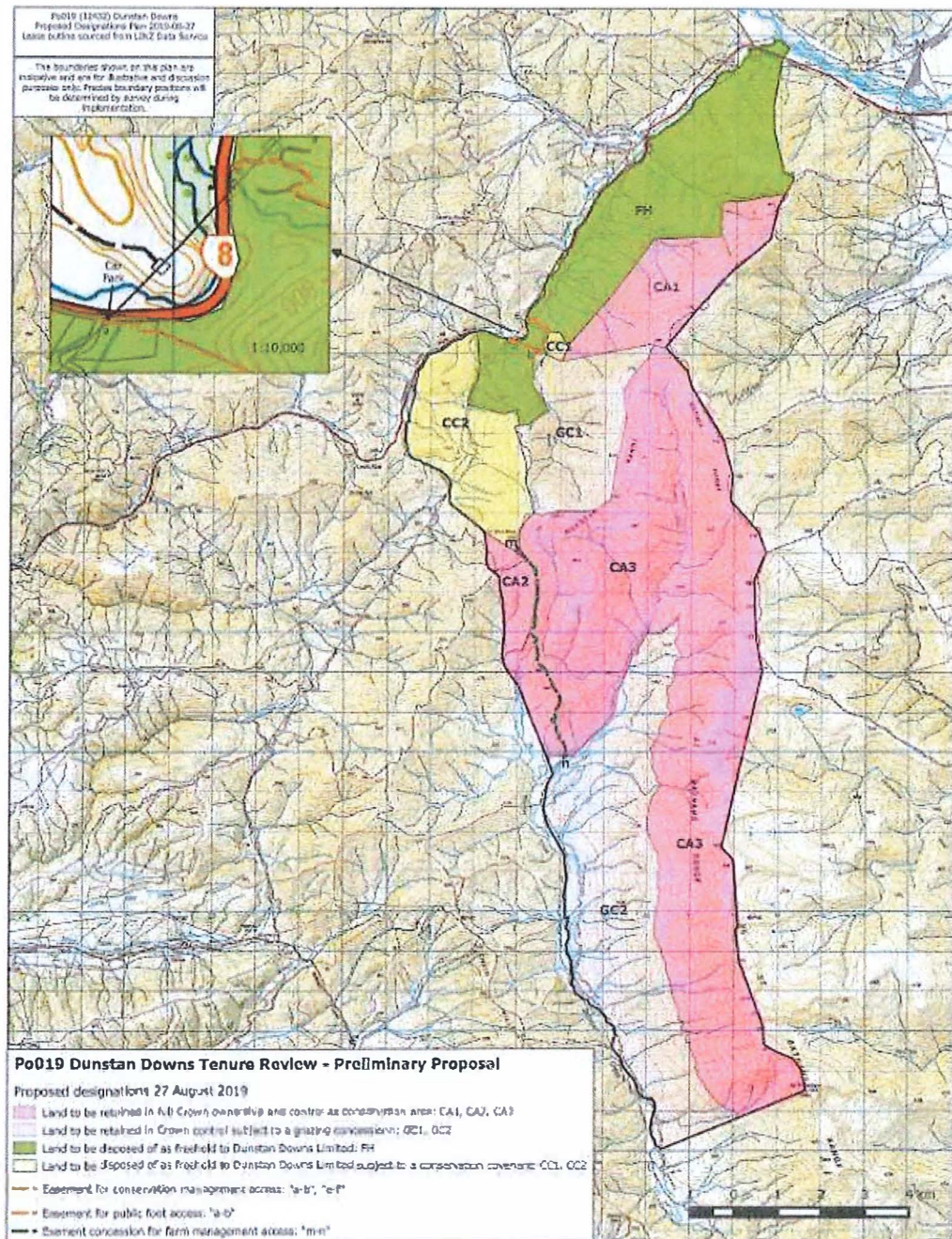
6. Gates	The Concessionaire may lock any gates located on the Land. Where gates are to be so locked the Concessionaire must give the Grantor a key so where necessary the Grantor can unlock the gates. Where any gate is so locked the Grantor may require the Concessionaire to erect a stile near the locked gate
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7. Adverse effects	If, in the opinion of the Grantor, stock effluent discharge occurring as a result of the Concession Activity is having an adverse effect on any adjoining or downstream river, stream, waterway or wetland, then the Grantor may require the Concessionaire to modify the Concession Activity or the manner in which it is carried out so as to avoid, remedy or mitigate that adverse effect. The Grantor, at the sole discretion of the Grantor, may adjust the Concession Fee payable or refund any Concession Fee paid in advance.
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If, in the opinion of the Grantor, the Concession Activity is having or may have an adverse effect on the Licence Land or adjoining bush or riparian margins administered by the Grantor, the Grantor may require the Concessionaire to comply with all reasonable notices and directions by the Grantor concerning the activities conducted by the Concessionaire including but not limited to notices or directions regarding the numbers of stock that may be grazed on the Licence Land or any part of the Licence Land. The Grantor, at the sole discretion of the Grantor,

		may adjust the Concession Fee payable or refund any Concession Fee paid in advance.
8.	Didymo	The Concessionaire must comply with all guidelines and notices put out by Biosecurity New Zealand regarding measures to avoid spreading the pest organism <i>Didymosphenia geminata</i> ("Didymo"), and or any other pest organism identified during the term of this Concession.
9.	Hunters	The Grantor reserves the right to authorise hunters who hold a current hunting permit issued by the Director-General to hunt on the Land accompanied by dogs.
10.	Changes in Concessionaire's shareholding	Notwithstanding clause 7.6 in Schedule 2, where any change in the shareholding of the Concessionaire involves the same shareholders or immediate family members of the shareholders in the Concessionaire, the Grantor's consent is not required.
11.	Use of huts and woolshed	The Concessionaire may use the huts and woolshed on the Licence Land for purposes associated with the Concession Activity during the term of this concession.
12.	Monitoring	The Grantor may monitor the effect of grazing on the Licence Land.
13.	Easement	<p>The rights and powers implied in easements under Schedule 5 of the Land Transfer Regulations 2018, apply as is relevant to the class of easement provided for in this Concession. Schedule 5 of the Regulations (excluding clauses 13 and 14) is set out in Schedule 5 of this Concession and the clauses are varied as follows:</p> <ul style="list-style-type: none"> (a) Clause 1 is amended by adding the words "in Schedule 4" after the words "on a plan" in paragraph (a) of the interpretation of "easement land" (b) Clause 1 is amended by deleting the words "grantee and" from the interpretation of "grantee and grantor" (c) Schedule 5 is amended by adding a new clause 1A: "Any reference to "grantee" in this Schedule is to be read as "Concessionaire" and includes the Concessionaire's agents, employees, contractors, tenants, licensees and invitees." (d) Clause 11(2) is deleted and clause 11(4) is amended by deleting the reference to (2). (e) Clauses 13 and 14 are deleted.

SCHEDULE 4



Concessions Contract - Grazing Licence over area CG2 - Tenure Review - Dunstan Downs - DOC-3096060
November 2019

SCHEDULE 5

RIGHTS AND POWERS IMPLIED IN EASEMENTS

LAND TRANSFER REGULATIONS 2018

The following are the rights and powers implied in easements as set out in Schedule 5 of the Land Transfer Regulations 2018. The Regulation Schedule applies to all classes of easement and so it is only the specific provisions which relate to the class of easement dealt with in this Concession which apply, along with those that apply to all forms of easement. This Schedule does not include clauses 13 and 14 of Schedule 5 of the Regulations as they are deleted and replaced by the specific default and dispute provisions of the Concession. Refer to Schedule 3 of the Concession for changes to these implied rights and powers.

1 Interpretation

In this schedule, unless the context otherwise requires,—

benefited land, in relation to an easement that benefits land, means the land that takes the benefit of the easement and that is described by reference to the register in the relevant easement instrument, transfer instrument, or deposit document

burdened land, in relation to an easement,—

- (a) means the land over which the easement is registered and that is described by reference to the register in the relevant easement instrument, transfer instrument, or deposit document; and
- (b) includes the easement area

easement area, in relation to an easement, means an area that—

- (a) is shown on a plan in Schedule 4; and
- (b) is referred to in the relevant easement instrument, transfer instrument, or deposit document as the area to which the easement applies

easement facility,—

- (a) for a right to convey water, means pipes, pumps, pump sheds, storage tanks, water purifying equipment, other equipment suitable for that purpose (whether above or under the ground), and anything in replacement or substitution:
- (b) for a right to convey electricity or a right to convey telecommunications, means wires, cables (containing wire or other media conducting materials), ducts, surface boxes, towers, poles, transformers, switching gear, other equipment suitable for that purpose (whether above or under the ground), and anything in replacement or substitution:
- (c) for a right of way, means the surface of the land described as the easement area, including any driveway:

- (d) for a right to drain water, means pipes, conduits, open drains, pumps, tanks (with or without headwalls), manholes, valves, surface boxes, other equipment suitable for that purpose (whether above or under the ground), and anything in replacement or substitution:
- (e) for a right to drain sewage, means pipes, conduits, pumps, tanks (with or without headwalls), manholes, valves, surface boxes, other equipment suitable for that purpose (whether above or under the ground), and anything in replacement or substitution:
- (f) for a right to convey gas, means pipes, conduits, valves, other equipment suitable for that purpose (whether above or under the ground), and anything in replacement or substitution

grantor—

- (a) have the meanings given by section 107 of the Act; and
- (b) in clauses 3 to 9 and 12(1), include those persons' agents, employees, contractors, tenants, licensees, and invitees

repair and maintenance, in relation to an easement facility, includes the replacement of the easement facility

telecommunication means the conveyance by electromagnetic means from one device to another of any encrypted or non-encrypted sign, signal, impulse, writing, image, sound, instruction, information, or intelligence of any nature, whether for the information of any person using the device or not.

- 1A** Any reference to “grantee” in this Schedule is to be read as “Concessionaire” and includes the Concessionaire’s agents, employees, contractors, tenants, licensees and invitees.

2 Classes of easements

For the purposes of regulation 21, easements are classified by reference to the following rights:

- (a) a right to convey water:
- (b) a right to drain water:
- (c) a right to drain sewage:
- (d) a right of way:
- (e) a right to convey electricity:
- (f) a right to convey telecommunications:
- (g) a right to convey gas.

Rights and powers implied in easements granting certain rights

3 Right to convey water

3(1) to 3(4) deleted as not relevant.

4 Right to drain water

4(1) to 4(3) deleted as not relevant.

5 Right to drain sewage

5(1) to 5(3) deleted as not relevant.

6 Rights of way

- (1) A right of way includes the right for the grantee, in common with the grantor and other persons to whom the grantor may grant similar rights, at all times, to go over and along the easement facility.
- (2) The right to go over and along the easement facility includes the right to go over and along the easement facility with or without any kind of—
 - (a) vehicle, machinery, or implement; or
 - (b) domestic animal or (if the burdened land is rural land) farm animal.
- (3) A right of way includes the right to have the easement facility kept clear at all times of obstructions (whether caused by parked vehicles, deposits of materials, or unreasonable impediment) to the use and enjoyment of the easement facility.
- (4) The right to go over and along the easement facility, and to have the easement facility kept clear, is limited to the extent by any period of necessary repair or maintenance of the easement facility.
- (5) The easement facility for the relevant easement is the surface of the land described as the easement area, including any easement facility laid or to be laid along the easement area in accordance with clause 10(1).

7 Right to convey electricity

7(1) to 7(3) deleted as not relevant

8 Right to convey telecommunications

8(1) to 8(3) deleted as not relevant.

9 Right to convey gas

9(1) to 9(3) deleted as not relevant.

Rights and powers implied in all classes of easement

10 General rights

- (1) All the easements referred to in this schedule include—
 - (a) the right to use any easement facility already situated in the easement area for the purpose of the easement granted; and

- (b) if no suitable easement facility exists in the easement area, the right to lay, install, and construct in the easement area (including the right to excavate land for the purpose of that construction) an easement facility that the grantee reasonably requires and for which the grantor has given prior consent; and
 - (c) the right to repair and maintain the easement facility.
- (2) The grantor must not unreasonably withhold consent under subclause (1)(b).
- (3) The grantor must not do and must not allow to be done on the burdened land anything that may interfere with or restrict the rights of any other party or interfere with the efficient operation of the easement facility.
- (4) The grantee must not do and must not allow to be done on the benefited land (if any) or the burdened land anything that may interfere with or restrict the rights of any other party or interfere with the efficient operation of the easement facility.
- (5) To avoid doubt, all the easements referred to in this schedule (other than for a right to convey electricity) include the right to convey electricity necessary to operate a pump or other equipment that is part of the easement facility.

11 Repair, maintenance, and costs

- (1) If the 1 or more grantees have exclusive use of the easement facility, each grantee is responsible for arranging the repair and maintenance of the easement facility, and for the associated costs, so as to keep the facility in good order and to prevent it from becoming a danger or nuisance.
- (2) Deleted.
- (3) If the easement is in gross, the grantee bears the cost of all work done outside the burdened land.
- (4) The parties responsible for maintenance under subclause (1) or (5) (as the case may be) must meet any associated requirements of the relevant local authority.
- (5) Any repair or maintenance of the easement facility that is attributable solely to an act or omission by the grantor or the grantee must be promptly carried out by that grantor or grantee at their sole cost.
- (6) However, if the repair and maintenance of the easement facility is only partly attributable to an act or omission by the grantor or grantee,—
 - (a) that party must pay the portion of the costs of the repair and maintenance that is attributable to that act or omission; and
 - (b) the balance of those costs is payable in accordance with subclause (2).
- (7) The costs of any electricity used for the conveyance of water must be apportioned between users of the water in proportion to their usage of the water.

12 Rights of entry

- (1) The grantee may, for the purpose of exercising any right or power, or performing any related duty, implied in an easement by these regulations,—
 - (a) enter upon the burdened land by a reasonable route and with all necessary tools, vehicles, and equipment; and
 - (b) remain on the burdened land for a reasonable time for the sole purpose of completing the necessary work; and
 - (c) leave any vehicles or equipment on the burdened land for a reasonable time if work is proceeding.
- (2) However, the grantee must first give reasonable notice to the grantor.
- (3) The grantee must ensure that as little damage or disturbance as possible is caused to the burdened land or to the grantor.
- (4) The grantee must ensure that all work is performed properly.
- (5) The grantee must ensure that all work is completed promptly.
- (6) The grantee must immediately make good any damage done to the burdened land by restoring the surface of the land as nearly as possible to its former condition.
- (7) The grantee must compensate the grantor for all damage caused by the work to any crop (whether ready for harvest or not) or to any buildings, erections, or fences on the burdened land.

13 Default

Deleted.

14 Disputes

Deleted.

SCHEDULE 6

Activity Return

Stock type (if more than one type available)	Numbers	Date stock placed on Land	Date stock removed from land	Total weeks Land grazed (not exceeding xx)	Price per stock unit per annum (Exclusive GST)	Total annual activity fee
					\$1.50	