

Crown Pastoral Land Tenure Review

Lease name : IRISHMAN CREEK

Lease number : PT 014

Substantive Proposal

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

June

16

**EXECUTION
COPY**

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

Date: 11 NOVEMBER 2015

Parties

Holder: Irishman Creek Station Limited
C/- Kendons Scott MacDonald Limited
119 Blenheim Road
Christchurch 8041

Commissioner of Crown Lands: C/- The Manager Tenure Review
Rural Value
41-43 Tarbert Street
PO Box 27
Alexandra 9320

The Land

Lease: Irishman Creek
Legal Description: Part Run 343 and Section 1, SO 15864
Area: 9,770.7039 ha more or less
Certificate of Title/Unique Identifier: CB529/19

Summary of Designations

Under this Proposal, the Land is designated as follows:

- (a) The Crown Land (shown shaded in pink on the Plan) is to be restored to, or retained by, the Crown as set out in Schedules One and Two; and
- (b) The Freehold Land (shown shaded in 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 fences" on the Plan; and
 - (b) to the specifications in Appendix 3;
 - (c) the Commissioner to only pay a half share of the rabbit proofing cost of new fencing 'S-T'. The Holder to pay the other half share of the rabbit proofing cost of new fencing 'S-T.'
- ("the Fencing").
- 11.2 If the Fencing requires a resource consent or any other consent from any local or territorial authority ("the Fencing Consent"), the following provisions shall apply:
- (a) The Commissioner shall use reasonable endeavours to obtain the Fencing Consent within 6 months of this Proposal taking effect pursuant to the Act.
 - (b) If the Fencing Consent:

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

12 Apportionments

- 12.1 Rent payable under the Lease in respect of the Freehold Land shall be apportioned as follows:
 - (a) Rent paid or payable will be apportioned on the Settlement Date as at the Settlement Date and either deducted from or added to (as the case may be) the amount required to settle.
 - (b) Notwithstanding that the Lease continues in effect until a certificate of title issues for the Freehold Land, the Holder shall not be required to pay any rent under the Lease for the Freehold Land from the Settlement Date.
- 12.2 Rent paid or payable under the Lease for the Crown Land will be apportioned on the Settlement Date as at the Vesting Date and either deducted from or added to (as the case may be) the amount required to settle.

- 12.3 All rates, levies, and all other incomings and outgoings and other charges receivable from or charged upon the Freehold Land will, unless otherwise agreed by the parties, be apportioned on the Settlement Date as at the Settlement Date.
- 12.4 All rates, levies and all other incomings and outgoings and other charges receivable from or charged upon the Crown Land will be apportioned on the Settlement Date as at the Vesting Date and either deducted from or added to (as the case may be) the amount required to settle.
- 12.5 Following the date that a certificate of title issues for the Freehold Land, the Commissioner will undertake a final apportionment and either the Commissioner will pay to the Holder, or the Holder will pay to the Commissioner, any additional amounts due because of any payments made or received by one party on behalf of the other for the period from the Settlement Date to the date on which a new certificate of title issues for the Freehold Land.

13 Risk

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

14 Survey

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

15 Holder's Acknowledgements

- 15.1 If the Holder accepts this Proposal and that acceptance takes effect under the Act, the Holder acknowledges that:
 - (a) it is obtaining the freehold interest in the Freehold Land:
 - (i) "as is", solely in reliance on its own investigations and judgement; and
 - (ii) not in reliance on any representation or warranty made by the Commissioner, its employees, agents or any other person or persons directly or indirectly associated with the Commissioner;
 - (b) the Holder has carried out all inspections of the Freehold Land which the Holder considers necessary to satisfy itself as to all matters relating to the Freehold Land;
 - (c) the Holder, at its cost, is entirely responsible for all work to ensure that the Freehold Land complies with all applicable laws including (without limitation):
 - (i) the Resource Management Act 1991 any rule in any plan, resource consent or other requirement issued under the Resource Management Act 1991, and

(iii) the Building Act 2004; and

the Holder hereby indemnifies and will indemnify the Commissioner against all losses, damages and expenses incurred by the Commissioner and against all claims made against the Commissioner in respect of any work or costs for which the Holder is liable under this clause 15;

- (d) nothing in this Proposal is affected by, and the Commissioner has no liability of any nature in respect of, the existence or terms of any leases, licences or other occupation rights of any nature (if any) granted by the Holder in respect of the Land; and
- (e) the Holder has no claim (and will not have any claim) whatsoever against the Crown and/or Commissioner in relation to the Tenure Review and/or this Proposal, including (without limitation) any claim for any misrepresentation or for any loss or damage suffered whether in contract, tort (including negligence) or otherwise.

16 No Representations or Warranties by the Commissioner

16.1 The Commissioner gives no representations or warranties of any nature in respect of the Freehold Land. Without limitation, the Commissioner does not warrant:

- (a) the accuracy of any matter in the Notice or this Proposal or in any notice, or any correspondence or other information provided to the Holder by the Commissioner or by any agent, contractor or employee of the Commissioner; or
- (b) that the Freehold Land is or will remain suitable for the Holder's use; or
- (c) that the Freehold Land complies with all or any statutory, territorial authority or any other legal requirements affecting or relevant to the Freehold Land.

17 Acceptance

17.1 The Holder's acceptance of this Proposal is irrevocable and constitutes a binding agreement between the Commissioner and the Holder.

17.2 If the Commissioner does not receive an acceptance to this Proposal from the Holder within three (3) months of putting it (in its substantive form) to the Holder, the Holder is deemed to have rejected this Proposal.

18 Solicitors Certificate

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

18.2 The Holder must return the completed solicitor's certificate to the Commissioner with this Proposal on its acceptance by the Holder.

19 Default

19.1 If from any cause whatever (except the default of the Commissioner) all or any part of the Holder's Payment or any other money payable by the Holder to the Commissioner is not paid on the due date the Holder will pay to the Commissioner interest at the Default Rate on the part of the Holder's Payment or any other money payable by the Holder to the Commissioner so unpaid from the due date until the date of actual payment in full.

19.2 The Commissioner's rights under this clause 19 are without prejudice to any other rights or remedies available to the Commissioner at law or in equity.

20 Goods and Services Tax

- 20.1 Unless the context otherwise requires, words and phrases used in this clause have the same meaning as in the GST Act.
- 20.2 If the supplies evidenced by the Holder's Consideration and the Commissioner's Consideration are taxable supplies under the GST Act, then:
- (a) the Commissioner and the Holder warrant to each other that they are registered for GST purposes as at the Holder's acceptance of this Proposal and that they will be so registered on the Settlement Date;
 - (b) the Commissioner and the Holder confirm that as at the Settlement Date:
 - (i) each is acquiring the goods supplied with the intention of using the goods for making taxable supplies; and
 - (ii) the Commissioner and any associated person in terms of section 2A(1)(c) of the GST Act do not intend to use the Crown Land and the Holder and any associated person in terms of section 2A(1)(c) of the GST Act do not intend to use the Freehold Land as a principal place of residence; and
 - (c) the Commissioner and the Holder agree that the supplies evidenced by the Holder's Consideration and the Commissioner's Consideration are to be zero-rated for GST purposes under section 11(1)(mb) of the GST Act.
- 20.3 If any of the circumstances set out in clause 20.2 change between the date of the Holder's acceptance of this Proposal and the Settlement Date, then the relevant party will notify the other of the changed circumstances as soon as practicable and in any event not later than 2 working days before the Settlement Date and such party shall warrant that the changed circumstances are correct as at the Settlement Date. If the GST treatment of the supplies evidenced by the Holder's Consideration and the Commissioner's Consideration changes as a result of the changed circumstances and a party has already provided the other with a GST invoice, then that party will issue a debit note or credit note, as the case may be, for GST purposes.
- 20.4 On the 10th working day following the Unconditional Date, the Commissioner will provide to the Holder a GST invoice in respect of the supply evidenced by the Holder's Consideration. The invoice will specify the Commissioner's GST Date.
- 20.5 The Holder will pay GST (if any) on the Holder's Consideration to the Commissioner by bank cheque on the Commissioner's GST Date, time being of the essence.
- 20.6 On the 10th working day following the Unconditional Date, the Holder will provide to the Commissioner a GST invoice in respect of the supply evidenced by the Commissioner's Consideration.
- 20.7 The Commissioner will pay GST (if any) on the Commissioner's Consideration to the Holder on the Commissioner's GST Date, time being of the essence.
- 20.8 Where any GST is not paid to the Commissioner or to the Holder (as the case may be) in accordance with this clause 20, the Holder will pay to the Commissioner, or the Commissioner will pay to the Holder (as the case may be), upon demand and together with the unpaid GST:
- (a) interest, at the Default Rate, on the amount of the unpaid GST and which will accrue from the Commissioner's GST Date until the date of payment of the unpaid GST; and
 - (b) any Default GST.

21 Lowest price

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

22 Costs

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

23 No nomination or assignment

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

24 Recreation Permit

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

25 Consents for Activities

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

26 General

- 26.1 This Proposal and the Notice:
- (a) constitute the entire understanding and agreement between the Commissioner, the Crown and the Holder in relation to the Tenure Review; and
 - (b) supersede and extinguish all prior agreements and understandings between the Crown, the Commissioner and the Holder relating to the Tenure Review.
- 26.2 Each provision of this Proposal will continue in full force and effect to the extent that it is not fully performed at the Settlement Date.
- 26.3 The Holder must comply with the Commissioner's requirements for the implementation and settlement of the Tenure Review contemplated by this Proposal.
- 26.4 The Commissioner and the Holder will sign and execute all deeds, agreements, schedules and other documents and do all acts and things as may be reasonably required by the other to effectively carry out and give effect to the terms and intentions of this Proposal.
- 26.5 This Proposal is governed by, and must be construed under, the laws of New Zealand and the Commissioner and the Holder irrevocably submit to the jurisdiction of the New Zealand courts or other New Zealand system of dispute resolution.
- 26.6 The illegality, invalidity or unenforceability of any provision in this Proposal will not affect the legality, validity or enforceability of any other provision.
- 26.7 In relation to notices and other communications under this Proposal:
- (a) each notice or other communication is to be in writing, and sent by facsimile, personal delivery or by post to the addressee at the facsimile number or address, and marked for the attention of the person or office holder (if any), from time to time designated for that purpose by the addressee to the other party. Other than the address to which the Holder is to send its acceptance of this Proposal (which the Commissioner will

specifically notify the Holder of) the address, person or office holder (if any) for each party is shown on the front page of this Proposal;

- (b) no communication is to be effective until received. A communication will be deemed to be received by the addressee:
 - (i) in the case of a facsimile, on the working day on which it is despatched or, if despatched after 5.00 p.m. on a working day or, if despatched on a non-working day, on the next working day after the date of dispatch;
 - (ii) in the case of personal delivery (including, but not limited to, courier by a duly authorised agent of the person sending the communication), on the working day on which it is delivered, or if delivery is not made on a working day, on the next working day after the date of delivery; and
 - (iii) in the case of a letter, on the fifth working day after mailing (postage paid).

27 Interpretation

27.1 Definitions

In this Proposal unless the context otherwise requires:

Act means the Crown Pastoral Land Act 1998;

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

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

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

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

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

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

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

Fencing means any stock proof farm fence.

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

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

Freehold Land means the land set out in Schedule Three;

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

GST Act means the Goods and Services Tax Act 1985;

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

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

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

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

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

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

Mortgagee means the holder of any Mortgage;

Notice means the notice to the Holder setting out:

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

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

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

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

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

Settlement Date means the settlement date defined in clause 3.1;

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

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

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

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

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

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

27.2 Construction of certain references

In this Proposal, unless inconsistent with the context:

- (a) a reference to a certificate of title includes a reference to a computer register;

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

Schedule One: Provisions relating to the Schedule One Land

1 Details of Designation

1.1 Nil

Schedule Two: Provisions relating to the Schedule Two Land

1 Details of designation

- 1.1 Under this Proposal the land shown shaded in pink on the Plan, being **2535** hectares (approximately) labelled "CA1", "CA2" and "CA3" is designated as land to be restored to or retained in Crown control as conservation area subject to:
- (a) the granting of the easement concession (shown on the Plan as a dashed pink line and labelled "j-k-l") substantially as set out in Appendix 4; and
 - (b) the granting of a grazing concession (shown on the Plan shaded pink and labelled "CA2" and "CA3") substantially as set out in Appendix 5; and
 - (c) an easement of right to convey water and right of way for irrigation purposes to be registered pursuant to a decision to grant an easement of the Commissioner of Crown Lands under s60 Land Act 1948, dated 20 September 2011 substantially as set out in Appendix 6. For the avoidance of doubt, the Holder agrees that Pukaki Irrigation Company Limited (including its successors and assigns) may lodge a caveat in respect of its interest pursuant to the Commissioner of Crown Land's decision to grant such easement against any computer register comprising the land affected by such easement, including CB 529/45.
- 1.2 Under this Proposal the land shown marked in pink on the Plan, being **1316** hectares (approximately) labelled "SR1" is designated as land to be restored to or retained in Crown control as scenic reserve subject to:
- (a) the granting of the easement concession (shown on the Plan as a dashed pink line and labelled "c-d", "e-f" and "g-h-i") substantially as set out in Appendix 4; and
 - (a) the granting of a grazing concession (shown on the Plan shaded pink and labelled ("SR1") substantially as set out in Appendix 5.
- 1.3 Under this Proposal the land shown shaded red on the Plan, being **12** hectares (approximately) labelled "CL1" and "CL2" is designated as land to be restored to or retained in Crown control as Crown land under the Land Act 1948 subject to:
- (a) the granting of the easement (shown on the Plan as a dashed dark green line and labelled "a-b") substantially as set out in Appendix 7.

2 Information Concerning Proposed Concessions

2.1 Easement Concession

(a) Description of the proposed activity:

Easement Concession to the adjoining landholder for the establishment and maintenance of a stock water supply in three locations.

(b) Description of area where proposed activity to be carried out and proposed status:

A total of four easement concession routes are required. These are for stock water supply purposes. The four easement routes are for the establishment and maintenance of a stock water supply at the northern end of the property on a proposed Scenic Reserve ("SR1") and Conservation Area ("CA1").

(c) Description of potential effects of proposed activity and any actions proposed to avoid, mitigate or remedy any adverse effect:

The water supply easement routes will initially require establishment to bury a pipeline but once in place will only require maintenance. They are confined to 10 metres in width so effects will be limited to this area.

(d) Details of the proposed type of concession:

An easement concession under S.17Q(1) Conservation Act 1987.

(e) Proposed duration of concession and reason for proposed duration:

Proposed duration: Sixty Years

The easement concessions are essential to enable a continuous stock water supply to the proposed freehold land ("FH2"). The period of the concession will allow surety for the ongoing operation of the farm.

(f) Relevant information:

Irishman Creek Station Limited has entered into this review voluntarily. The stock water supply is essential to the continued farming of the property.

2.2 Grazing Concession

(a) Description of the proposed activity:

Grazing concession for 950 stock units annually during the proposed term of the Grazing Concession. CA2 500 su and SR1 450 su. Lambing occurs in proposed area CA2. Restricted public access to part of CA2 during the lambing period is proposed with the rest of the area being available for public use. Access to proposed area CA2 is via stock and farm management access routes in proposed Area CA3.

(b) Description of area where proposed activity to be carried out and proposed status:

The location of the Grazing Concession (CA2) is across the mid altitudinal slopes of the western slopes of Mt Mary. The larger area, SR1 is located at the northern end of the property. CA2 will be designated as land to be restored to Crown control as Conservation Area and SR1 will be designated as land to be restored to Crown control as a Scenic Reserve. Proposed area CA3, where the stock and farm management access routes are located is adjacent to CA2 and south of the Tekapo Canal.

(c) Description of potential effects of proposed activity and any actions proposed to avoid, mitigate or remedy any adverse effect:

The area contains plant communities that are representative of the original vegetation of the area and contributes to the altitudinal sequence of these communities. These include tall tussockland, shrubland and rock outcrop vegetation.

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

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

- (i) Stock unit limits as detailed in clause 2.2(a) above during the proposed term of the Grazing Concession.
- (ii) The stock and vehicle access routes on proposed area CA3 are for stock and farm access purposes to CA2 land only.
- (iii) The Minister of Conservation may set up a monitoring system to ascertain the effects of on-going grazing and this monitoring system may be reviewed every three years. The Minister of Conservation reserves the right to adjust the stock numbers in order to meet conservation objectives.
- (iv) The term of the concession is limited to five years for proposed area CA2, CA3 and ten years for proposed area SR1.
- (v) Public access is provided for part of proposed area CA2 during the lambing period so as to still continue to provide for public access while minimising stock disturbance.

(d) Details of the proposed type of concession:

A Grazing Licence under section 17Q(1) of the Conservation Act 1987.

(e) Proposed duration of concession and reason for proposed duration:

Proposed duration: CA2, CA3, 5 years from inception of the concession. No right of renewal.
SR1, 10 years from inception of the concession. No right of renewal.

Reason for Proposed duration: to allow security of tenure to the Concessionaire for farm management purposes while adjustments are made to the current farming practises.

(f) Relevant information about the proposed Grantee including information relevant to the Grantee's ability to carry out the proposed activity:

Proposed Grantee: Irishman Creek Station Limited

Relevant Information: The significant inherent values have been surviving under the current grazing regime. Irishman Creek Station Limited has the ability to farm the area without serious effects on conservation objectives while adjustments are made to current farming practises.

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 **5908** hectares (approximately) labelled "FH1", "FH2", "FH3", "FH4", "CC1" and "CC2" is designated as land to be disposed of by freehold disposal to the Holder subject to:
- (a) Part IVA of the Conservation Act 1987; and
 - (b) Section 11 of the Crown Minerals Act 1991; and
 - (c) the conservation covenant (shown on the Plan shaded yellow and labelled "CC1") substantially as set out in Appendix 8; and
 - (d) the conservation covenant (shown on the Plan shaded yellow and labelled "CC2") substantially as set out in Appendix 9; and
 - (e) an easement of right to convey water and right of way for irrigation purposes to be registered pursuant to a decision to grant an easement of the Commissioner of Crown Lands under s60 Land Act 1948, dated 12 June 2015 substantially as set out in Appendix 10. For the avoidance of doubt, the Holder agrees that Classic Properties Limited (including its successors and assigns) may lodge a caveat in respect of its interest pursuant to the Commissioner of Crown Land's decision to grant such easement against any computer register comprising the land affected by such easement, including CB 529/45 and/or any computer freehold register which issues for the Freehold Land.

Schedule Four: Conditions

1 Nil

Appendix 1: Consents – Example of Mortgagee Consent

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

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

Dated:

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

Witness Signature: _____

Witness Name:
Occupation:
Address:

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

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

Dated:

SIGNED for and on behalf of) _____
[])
in the presence of:)

Witness Signature: _____

Witness Name:
Occupation:
Address:

Appendix 2: Example of Solicitors Certificate

Certifications

I [] hereby certify as follows:

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

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

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

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

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

Yours faithfully

[signed by principal of law firm]

Appendix 3: Indicative Fencing and Construction Requirements

The agreement between the Commissioner of Crown Lands (Commissioner) and Irishman Creek Station Limited (the Holder) requires the erection of new fences on the boundary of the conservation areas marked on the designations plan. Detailed specifications are set out separately to this agreement.

Length and location:

New fences are to be erected along the lines marked as follows:

- (a) Conservation area "CA1" / Freehold boundary fence shown marked "U-V" (approximately 1370 metres).
- (b) Scenic Reserve "SR1" / Freehold boundary fence shown marked "S-T" (approximately 6150 metres).

Total new fencing: approximately 7520 metres

Specifications:

1. General description:

New fence construction shall be seven wire with timber posts and steel Y stakes to the following specification:

- Six 2.5 mm galvanized high tensile wires, plus bottom wire being 4 mm galvanized mild steel, total seven wires.
- 2.1 metre x 175 mm treated timber strainer posts with 2.4 metre x 125mm horizontal box strainer assembly to be used for gateways and end of strains.
- 1.8 metre x 125 mm treated intermediate posts to be used at 20 metre gaps or at lesser intervals as appropriate on high points and with tie downs at low points as required.
- Steel Y stakes evenly spread not more than 2.8 metres apart to be used between timber intermediate posts. Y stakes will be mostly 1.5 metre (5') with 1.35 metres (4'6") on rocky ground and 1.65 metre (5'6") to be used on soft ground.
- Rabbit netting is to be installed on new fences "U-V" and "S-T". Rabbit-proof netting should be galvanized hex netting 41mm mesh x 1.4mm thick by 1066mm high. To be attached to new or existing fence with an RP22 2.0mm staple applied with a jambro ring plier. Rabbit netted gateways to have a concrete or timber sill to a minimum of 150mm below ground level, and gates to close to a maximum of 50mm above the sill, to prevent rabbits burrowing under gateways.
- On high ground additional intermediate posts are to be placed, or additional steel Y stakes on slight rises. These must be suitably blocked to stop the fence sinking, except where the stake is into rock and cannot penetrate the ground further.
- Rocks or fill may be required at sharp low points if the bottom wire is more than 150mm above ground level.

2. Earthworks and Vegetation Clearance

Earthworks and vegetation clearance is to be kept to a minimum on fragile soils.

3. Materials

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

- 3471:1974 (NZS) Specifications for galvanized steel fencing wire plain and barbed.
- 3607:1989 (NZS) Specifications for round and part round timber fence posts.

- 3640:1992 (NZMP) Specifications of the minimum requirements of the NZ Timber Preservation Council Inc.
- D360:1986 (NZS/ASTM) Creosote Treatment
- 4534:1998 (AS/NZS) Zinc and zinc/aluminium alloy coating on steel wire.
- 4680:1999 (AS/NZS) Hot dip galvanized (zinc) coating on fabricated ferrous articles.

All fencing and associated works is to comply with best practice as set out in the detailed fencing specification.

4. Resource Management Consents

The construction of fencing is subject to the Commissioner obtaining any and all consents required pursuant to the Resource Management Act 1991.

Construction

Nil

Appendix 4: Form of Easement Concession to be Created

Concession number: _____

DATED _____

Between

MINISTER OF CONSERVATION
("the Grantor")

and

IRISHMAN CREEK STATION LIMITED
("the Concessionaire")

EASEMENT CONCESSION
UNDER CROWN PASTORAL LAND ACT 1998



Department of Conservation
Te Papa Atawhai

- 2 -

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

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

“**Dominant Land**” means the land specified in Item 2 of Schedule 1.

“**Easement**” means the Appurtenant Easement granted under this Document by the Grantor to the Concessionaire under section 17Q of the Conservation Act 1987 or section 59A of the Reserves Act 1977 (whichever is relevant in the circumstances).

“**Easement Area**” means that part of the Servient Land specified in Item 3 of Schedule 1.

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

“**Servient Land**” means a Conservation Area and a Scenic Reserve being the area more particularly described in Item 1 of Schedule 1.

“**Structure**” includes a bridge, a culvert, and a fence.

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

“**Working Day**” means the period between any one midnight and the next excluding Saturdays, Sundays and Statutory holidays in the place where the Concession Activity is being carried out.

1.2 In this Document unless the context otherwise requires:

- (a) a reference to a party is a reference to a party to this Document;
- (b) schedules and annexures form part of this Document and have effect accordingly;
- (c) words appearing in this Document which also appear in Schedule 1 mean and include the details appearing after them in that Schedule;
- (d) a provision of this Document to be performed by two or more persons binds those persons jointly and severally;
- (e) words in a singular number include the plural and vice versa;
- (f) words importing a gender include other genders;
- (g) references to a statute or statutory provision, or order or regulation made under it, include that statute, provision, or regulation as amended, modified, re-enacted or replaced from time to time whether before or after the date of this Document;
- (h) where the Grantor’s consent or approval is expressly required under a provision of this Document, the Concessionaire must seek the consent or approval of the Grantor for each separate occasion it is required notwithstanding that the Grantor has granted consent or approval for a like purpose on a prior occasion.

1.3 Words used in the Background to this Document have the same meaning given to them in clause 1.1.

2.0 GRANT OF APPURTENANT EASEMENT

2.1 In exercise of the Grantor’s powers under either section 66 or section 68 of the Crown Pastoral Land Act 1998 (whichever is relevant in the circumstances) the Grantor **GRANTS** to the Concessionaire an **EASEMENT APPURTENANT** to the Dominant Land under either section 17Q(1) of the Conservation Act 1987 or section 59A of the Reserves Act 1977 (whichever is relevant in the circumstances) to carry out the Concession Activity on the Easement Area subject to the terms and conditions contained in this Document.

3.0 TERM

3.1 The Easement is for the Term specified in Item 5 of Schedule 1.

4.0 COMPENSATION

4.1 The Concessionaire must pay to the Grantor in the manner specified by the Grantor the Compensation specified in Item 6 of Schedule 1.

5.0 OTHER CHARGES

5.1 In addition to Compensation, the Concessionaire must pay all rates, levies, taxes, duties, assessments, charges, and other outgoings which may be charged, levied, or reasonably assessed, or which may become payable in relation to the Easement Area and which are attributable to the Concessionaire's use of or activity on the Easement Area.

6.0 CONCESSION ACTIVITY

6.1 The Concessionaire is not to use the Easement Area for any purpose other than the Concession Activity.

7.0 COMPLIANCE

7.1 The Concessionaire will comply where relevant:

- (a) with the provisions of any conservation management strategy or conservation management plan under Part 3A of the Conservation Act 1987 together with any amendment or review of any strategy or plan whether approved before, on, or after the date on which this Document takes effect; and
- (b) with the Conservation Act 1987, the Reserves Act 1977, the Resource Management Act 1991 and the Health and Safety in Employment Act 1992 and any other statute, ordinance, regulation, bylaw, or other enactment (collectively the "Legislation") affecting or relating to the Easement Area or affecting or relating to the Concession Activity.

8.0 CONCESSIONAIRE'S STRUCTURES, FACILITIES AND LAND ALTERATIONS

8.1 The Concessionaire must not erect or bring on to the Easement Area any Structure, install any facility, or alter the Land in any way without the prior written consent of the Grantor.

8.2 The Concessionaire must keep and maintain any Structures, and facilities on and alterations to the Easement Area in good repair.

8.3 On expiry or early termination of this Document either as to the whole or any part of the Easement Area, the Concessionaire will not be entitled to compensation for any improvements and any Structure or facilities remaining on the Easement Area are to become the property of the Grantor.

8.4 If requested by the Grantor, the Concessionaire must, within such time as the Grantor determines, remove all Structures, facilities or other improvements erected or installed by the Concessionaire and make good at the Concessionaire's own expense all damage done by the removal and must leave the Easement Area in a clean and tidy condition to the satisfaction of the Grantor.

9.0 PROTECTION OF THE ENVIRONMENT

- 9.1 Except as approved in writing by the Grantor the Concessionaire will not, whether by act or omission:
- (a) interfere with, remove, damage, or endanger the natural features, indigenous animals and plants, or historic resources on the Easement Area; or
 - (b) bring any plants, or animals (except those stipulated in Item 4 of Schedule 1) on to the Easement Area; or
 - (c) deposit on the Easement Area debris, rubbish or other dangerous or unsightly matter, or contaminate any water body on the Easement Area; or
 - (d) pile or store materials in any place on the Easement Area where they may obstruct the public or create a nuisance; or
 - (e) conduct any noxious, noisome, dangerous or offensive activity on the Easement Area; or
 - (f) top-dress, burn, sow seed, or carry out earthworks (including tracking, drainage or ditching) on the Easement Area; or
 - (g) disturb or allow stock to disturb any stream or watercourse on the Easement Area; or
 - (h) light any fire on the Easement Area.
- 9.2 The Concessionaire, must at the Concessionaire's expense:
- (a) if required by the Grantor take all steps necessary to control any pest, insect, or rodent infestation occurring on or emanating from the Easement Area or any Structure or facility on the Easement Area;
 - (b) comply strictly with the provisions of the Biosecurity Act 1993.
- 9.3 The Concessionaire must ensure that the Concessionaire's employees, agents, contractors, licensees and invitees comply with the obligations imposed on the Concessionaire under clause 9
- 9.4 The Concessionaire may bring firearms on to the Easement Area for use in connection with the Concession Activity and pest control operations.
- 9.5 The Concessionaire may for purposes of the Concession Activity take onto or use vehicles on the Easement Area on existing formed access tracks only.
- 10. TEMPORARY SUSPENSION**
- 10.1 The Grantor may, at any time in exercise of the Grantor's powers, on reasonable notice close all or part of the Easement Area for such period as she/he considers necessary.
- 11.0 TERMINATION**
- 11.1 The Grantor may terminate this Document by notice in writing to the Concessionaire if:
- (a) the Concessionaire breaches any terms of this Document; and
 - (b) the Grantor has notified the Concessionaire in writing of the breach; and
 - (c) the Concessionaire does not rectify the breach within 28 days of receiving notification.
- 11.2 Immediately on termination the Concessionaire must execute a surrender of this Document if the Grantor so requires it.

12.0 INDEMNITIES AND INSURANCE

- 12.1 The Concessionaire will indemnify and keep indemnified the Grantor against all claims made by any person in respect of any injury, loss, or damage, including fire, caused or suffered as a result of or arising out of any acts or omissions of the Concessionaire, its employees, agents, contractors, licensees or invitees or otherwise caused as a result of its use of the Easement Area or the Concessionaire's carrying out of the Concession Activity on the Easement Area.
- 12.2 This indemnity is to continue after the expiry or other determination of this Document in respect of those acts or omissions occurring or arising before its expiry or determination.
- 12.3 Without prejudice to or in any way limiting its liability under clause 12.1 the Concessionaire must take out and keep in force during the Term if required by the Grantor:
- (a) a policy of public liability insurance against liability for loss, damage or injury from any one single accident or event arising out of its conduct of the Concession Activity on the Easement Area and covering:
 - (i) general indemnity for a sum not less than the amount specified in Item 7 of Schedule 1; and
 - (ii) Forest and Rural Fires Act 1977 extension for a sum not less than the amount specified in Item 8 of Schedule 1; and
 - (b) statutory liability insurance for the amount specified in Item 9 of Schedule 1; and
 - (c) such other policy or policies of insurance against any other liability and for such other sums which the Grantor specifies in Item 10 of Schedule 1.
- 12.4 With respect to clause 12.3 the Concessionaire must before commencing the Concession Activity and on each renewal of insurance, provide the Grantor with certificates of insurance issued by the Concessionaire's insurer confirming the nature, amount and duration of cover.

13.0 ASSIGNMENT

- 13.1 The Concessionaire is not to transfer, sublicense, assign, mortgage or otherwise dispose of the Concessionaire's interest under this Document or any part of it without the prior written consent of the Grantor. The Grantor may, in the Grantor's discretion, decline to grant consent under this clause.
- 13.2 If the Grantor gives consent under this clause the Concessionaire is to remain liable to observe and perform the terms and conditions of this Document throughout the Term and is to procure from the transferee, sublicensee, or assignee a covenant to be bound by the terms and conditions of this Document unless the Grantor otherwise provides in writing.
- 13.3 The Concessionaire must pay the costs reasonably incurred by the Grantor incidental to any application for consent, whether or not such consent is granted.
- 13.4 Any change in the shareholding of the Concessionaire altering the effective control of the Concessionaire will require the consent of the Grantor.

14.0 DISPUTE RESOLUTION AND ARBITRATION

- 14.1 If any dispute arises between the parties in connection with this Document, the parties must, without prejudice to any other rights they have under this Document, attempt to resolve the dispute by negotiation or other informal dispute resolution techniques agreed by the parties.

- 14.2 If the dispute is not capable of resolution by agreement within 14 days of written notice by one party to the other (or such further period as the parties may agree to in writing) either party may refer the dispute to the Disputes Tribunal, where relevant, or to mediation with a mediator agreed between the parties.
- 14.3 If the parties do not agree on a mediator, the President of the New Zealand Law Society is to appoint the mediator.
- 14.4 In the event that the dispute is not resolved by mediation within 2 months of the date of referral to mediation the parties agree that the provisions of the Arbitration Act 1996 will apply.
- 14.5 Notwithstanding any provision to the contrary in the Arbitration Act 1996, 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. The arbitrator must not be a person who has participated in an informal dispute resolution procedure in respect of the dispute.
- 14.6 All arbitration proceedings are to take place in New Zealand and to be governed by New Zealand law.
- 14.7 The parties agree that the results of any arbitration are to be binding on the parties.

15.0 NOTICES

- 15.1 Any notice to be given under this Document by one party to the other is to be in writing and made by personal delivery, by pre-paid post or by email addressed to the receiving party at the address or facsimile or email address set out in Item 11 of Schedule 1.
- 15.2 A notice given in accordance with clause 15.1 will be deemed to have been received:
- (a) in the case of personal delivery, on the date of delivery;
 - (b) in the case of pre-paid post, on the third working day after posting;
 - (c) in the case of email, on the Working Day on which it is dispatched or, if dispatched on any day after 5.00pm or not on a Working Day, on the next Working Day after the date of dispatch.

16.0 RELATIONSHIP OF PARTIES

- 16.1 Nothing expressed or implied in this Document shall be construed as:
- (a) conferring on the Concessionaire any right of exclusive occupation or use of the Easement Area;
 - (b) preventing the Grantor from granting similar concessions to other persons;
 - (c) derogating from the rights of the Grantor and the public to have access across the Easement Area.

17.0 SPECIAL CONDITIONS

- 17.1 Special conditions relating to this Document are set out in Schedule 2.
- 17.2 The standard conditions contained in this Document must be read subject to any special conditions.

Signed by:

for and on behalf of
the **Minister of Conservation**
pursuant to a written delegation (or designation as the case may be)
in the presence of :

Witness Name:
Occupation:
Address:

Signed by:

Director
Irishman Creek Station Limited

Director
Irishman Creek Station Limited

SCHEDULE 1

1. **Servient Land:** The land described as being part of _____ being Conservation Land and Scenic Reserve situated in the Canterbury Land District and designated as Conservation Area and Scenic Reserve on the south-eastern slopes of the Old Man Range and northern part of the property, and being outlined in pink in the plan attached to the Proposal.

(see definition of Servient Land in clause 1.1)

2. **Dominant Land:** The land described as being _____ situated in _____ Survey Districts and described in Certificate of Title CB _____ (Canterbury Registry).

(see definition of Dominant Land in clause 1.1)

3. **Easement Area:** That part of the land labelled "c-d", "e-f", "g-h-i" and "j-k-l" shown as a dashed pink line on the plan attached to the Proposal and having a width of 10 metres.

(see definition of Easement Area in clause 1.1)

4. **Concession Activity:**

The Concessionaire has the right to take and convey water at all times to the Dominant Land over and along the Easement Area more particularly as follows;

In respect of Easement Area "c-d" the right to install, maintain and repair an in-ground water supply pipeline of approximately 32 mm diameter for conveying a stock water supply,

In respect of Easement Area "e" the right to install, maintain and repair minor headworks for a stock water intake,

In respect of Easement Area "e-f" the right to install, maintain and repair an in-ground water supply pipeline of approximately 32 mm diameter for conveying a stock water supply,

In respect of Easement Area "g-h" the right to access Easement location "h" and to install, maintain and repair minor headworks for a stock water intake at point "h",

In respect of Easement Area "h-i" to install, maintain and repair an above ground stock water supply pipeline of approximately 32 mm diameter,

In respect of Easement Area "j-k" to install, maintain and repair an above ground stock water supply pipeline of approximately 32 mm diameter to point "k"

In respect of Easement Area "k-l" the right to install, maintain and repair an in-ground water supply pipeline of approximately 32 mm diameter for conveying a stock water supply,

For the purposes of exercising these rights to enter upon the Easement Area with all necessary tools, vehicles and equipment.

(see definition of Concession Activity in clause 1.1.)

5. **Term:** Sixty (60) years commencing on the day that an approved plan affecting Certificate of Title CB529/19 (Canterbury Registry) is registered vesting the Servient Land in the Crown as a scenic reserve and a conservation area (the commencement date), being the day of 20 .

The Concession finally expires on the 60th anniversary of the commencement date.

(see clause 3.1)

6. **Compensation: \$ Nil**
A one-off fee has (in effect) been accounted for on behalf of the Grantor as part of the substantive proposal put by the Commissioner of Crown Lands and accepted by the Concessionaire on [date] and for which an approved plan has been registered pursuant to section 65 of the Crown Pastoral Land Act 1998.
(see clause 4.1)
7. **Public Liability General Indemnity Cover:** *(see clause 12.3)*
for \$1,000,000
8. **Public Liability Forest & Rural Fire Act Extension:** *(see clause 12.3)*
for \$1,000,000
9. **Statutory Liability Insurance** *(see clause 12.3)*
For \$500,000.
10. **Other Types of Insurance:** *(see clauses 12.3)*
Nil
11. **Address for Notices (including email address):** *(see clause 15)*

(a) Grantor Director Conservation Partnerships
South and Eastern South Island Region
Department of Conservation
Conservation House
77 Stuart Street
P O Box 5244
DUNEDIN 9058
PH: (03) 477 0677
E-mail: dunedinvc@doc.govt.nz

(b) Concessionaire Irishman Creek Station Limited
Directors:
Christine Ellen Rietveld and Johannes Adrianus Cornelius Rietveld
Irishman Creek Station
Private Bag
TIMARU
PH: (03) 680-6603

Registered Office and Address for Service:
c/- Kendons Scott MacDonald Limited
119 Blenheim Road
CHRISTCHURCH 8041
Ph (03) 343 4448
Email: kendons@accounting.co.nz

SCHEDULE 2

Special Conditions

1. **THE** rights granted under this Document are non-exclusive and are exercisable in common with the Grantor and any other person granted similar rights by the Grantor, whether now or in the future, and without limitation the Grantor may grant the following persons access rights over the Easement Area:
 - i. members of the public;
 - ii any lessee or licensee of the Grantors land

2. **THAT** in exercising rights under this Document the Concessionaire shall take all reasonable care to avoid damage to the soil and vegetation of the Servient Land and in particular will avoid using the Easement Area conditions render the Servient Land particularly vulnerable to damage.

3. **THE** cost and responsibility of any maintenance of the Easement Area shall be borne by the Concessionaire and any other person or person(s) to whom the Grantor has granted similar rights in respect of the Easement Area, according to each persons use of the Easement Area PROVIDED THAT if any repair or maintenance is rendered necessary by the act, neglect, or default of any user or its servants, agents, contractors, workmen, licensees or invitees, then that user shall promptly carry such repair and maintenance and bear the cost of the work PROVIDED THAT the Grantor shall not be required to contribute to the cost of any maintenance in respect to the Easement Area PROVIDED further that any routine maintenance undertaken by the Concessionaire within the existing alignment does not require the prior consent in writing of the Grantor HOWEVER maintenance outside of the existing alignment undertaken by the Concessionaire requires the prior consent in writing of the Grantor.

4. **THAT** the Concessionaire shall ensure that no action by them or on their behalf has the effect of preventing the Easement Area being kept clear at all times of obstructions whether caused by parked vehicles, deposit of materials, or any other unreasonable impediment to the use and enjoyment of the said land.

5. Notwithstanding clause 10.1, any temporary suspension of access to the Servient Land shall not apply to the Concessionaire's rights to take and convey water under this Document. During the period of any such temporary suspension of access, the Grantor shall not unreasonably withhold permission for the Concessionaire to access the Easement Area to repair or maintain any of the Concessionaire's facilities and structures used to take and convey water.

6. Clause 13.0 is deleted. The Concessionaire is liable to pay the Grantor's reasonable costs incidental to any application by the Concessionaire for variation, consent, permission or approval under this Document..

7. If required by the Grantor, the Concessionaire is to remediate the Easement Area to the Grantor's specifications on completion of any physical works undertaken by the Concessionaire as part of the Concession Activity.

Appendix 5: Form of grazing concession to be created

Concession number: _____

DATED _____

Between

MINISTER OF CONSERVATION
("the Grantor")

and

IRISHMAN CREEK STATION LIMITED
("the Concessionaire")

GRAZING CONCESSION
UNDER CROWN PASTORAL LAND ACT 1998



Department of Conservation
Te Papa Atawhai

THIS LICENCE is made this day of

PARTIES:

1. **MINISTER OF CONSERVATION**, ("the Grantor")
2. **IRISHMAN CREEK STATION LIMITED** ("the Concessionaire")

BACKGROUND

- A. The Grantor manages the Land described in Schedule 1.
- B. Sections 66 and 68 of the Crown Pastoral Land Act 1998 authorise the Grantor to grant, under section 17Q(1) of the Conservation Act 1987 or section 59A of the Reserves Act 1977 (whichever is relevant in the circumstances), a Concession for a Concession Activity to be carried out on the Land.
- C. The Concessionaire wishes to carry out the Concession Activity on the Land subject to the terms and conditions of this Document.

OPERATIVE PARTS

TERMS AND CONDITIONS

1.0 DEFINITIONS AND INTERPRETATION

1.1 In this Document, unless the context otherwise requires:

"Access" means the right, in common with others, to pass and repass over the Land and any roads of the Grantor for ingress to and egress from the Land as is reasonably necessary for the Concessionaire to exercise its rights under this Licence.

"Administration Fee" means the amount specified in Item 6(b) of Schedule 1 and is the annual fee for administering the Concession imposed by the Grantor under section 60D of the Conservation Act 1987. It includes any variation in that amount following a Concession Fee Review.

"Background" means the matters referred to under the heading 'Background' on page 1 of this Document.

"Concession" means a concession as defined in section 2 of the Conservation Act 1987.

"Concessionaire" includes the Concessionaire's successors, assigns, executors, and administrators.

"Concession Activity" means the use of the Land for purposes of the activity carried out by the Concessionaire and specified in Item 2 of Schedule 1.

"Concession Fee" means the amount specified in Item 6(a) of Schedule 1 and charged by the Grantor for the Concessionaire's right to carry out the Concession Activity on the Land. It includes any variation in that amount following a Concession Fee Review. It also includes, where relevant, the amount which the parties agree to be the new Concession Fee on a renewal of the Document.

"Concession Fee Payment Date" means the date specified in Item 7 of Schedule 1 on which the Concession Fee falls due for payment.

"Concession Fee Review" means a review of the Concession Fee determined in accordance with clause 6 of this Document.

"Concession Fee Review Date" means the date specified in Item 9 of Schedule 1 on which the Concession Fee Review occurs being at 3 year intervals calculated from the date of commencement of the term of this Document; and includes any additional dates inserted into Item 9 of Schedule 1 following a renewal of this Document.

"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.

"Document" means this Licence and any subsequent amendments and all schedules, annexures, and plans attached to it.

"Final Expiry Date" means the date specified in Item 5 of Schedule 1.

"Land" means a Conservation Area or a Reserve (whichever is relevant in the circumstances) being the area more particularly described in Item 1 of Schedule 1.

"Licence" for purposes of this Document is the Licence granted under this Document by the Grantor to the Concessionaire under section 17Q(1) of the Conservation Act 1987 or section 59A of the Reserves Act 1977 (whichever is relevant in the circumstances).

"Penalty Interest Rate" means the rate specified in Item 8 of Schedule 1.

"Renewal Date" means the date specified in Item 4(a) of Schedule 1.

"Renewal Period" means the period specified in Item 4(b) of the Schedule 1.

"Reserve" has the same meaning as "reserve" in section 2 of the Reserves Act 1977.

"Structure" includes a bridge, a culvert, and a fence.

"Term" means the period of time specified in Item 3 of Schedule 1 during which this Document operates. It includes, where relevant, any period of renewal of the Term.

"Working Day" means the period between any one midnight and the next excluding Saturdays, Sundays and Statutory holidays in the place where the Concession Activity is being carried out.

1.2 In this Document unless the context otherwise requires:

- (a) a reference to a party is a reference to a party to this Document;
- (b) schedules and annexures form part of this Document and have effect accordingly;
- (c) words appearing in this Document which also appear in Schedule 1 mean and include the details appearing after them in that Schedule;
- (d) a provision of this Document to be performed by two or more persons binds those persons jointly and severally;
- (e) words in a singular number include the plural and vice versa;
- (f) words importing a gender include other genders;
- (g) references to a statute or statutory provision, or order or regulation made under it, include that statute, provision, or regulation as amended, modified, re-enacted or replaced from time to time whether before or after the date of this Document;
- (h) where the Grantor's consent or approval is expressly required under a provision of this Document, the Concessionaire must seek the consent or approval of the Grantor for each separate occasion it is required notwithstanding that the Grantor has granted consent or approval for a like purpose on a prior occasion.

1.3 Words used in the Background to this Document have the same meaning given to them in clause 1.1.

2.0 GRANT OF LICENCE

2.1 In exercise of the Grantor's powers under either section 66 or section 68 of the Crown Pastoral Land Act 1998 (whichever is relevant in the circumstances) the Grantor **GRANTS** to the Concessionaire a **LICENCE** under either section 17Q(1) of the Conservation Act 1987 or section 59A of the Reserves Act 1977 (whichever is relevant in the circumstances) to carry out the Concession Activity on the Land subject to the terms and conditions contained in this Document.

3.0 TERM

3.1 The Licence is for the Term specified in Item 3 of Schedule 1.

3.2 Unless otherwise specified in Items 4 and 5 of Schedule 1, if the Concessionaire has not been in breach of this Document and has given to the Grantor written notice to renew the Document at least three months before the end of the Term, the Grantor will, at the cost of the Concessionaire, renew the Document from the Renewal Date for the next Renewal Period on the following terms:

- (a) the new Concession Fee is to be agreed upon before the end of the Term or, failing agreement, is to be determined as though it were a Concession Fee Review under clause 6;
- (b) the Concession Fee is to be subject to review during the Renewal Period on each Concession Fee Review Date;
- (c) the renewed Document is otherwise to be in accordance with and subject to the covenants and agreements expressed and implied in this Document except that the Term of the Document and all renewals, if any, end on the Final Expiry Date;
- (d) pending the determination of the new Concession Fee, the Concessionaire is to pay the new Concession Fee proposed by the Grantor. Upon determination an appropriate adjustment is to be made to the Concession Fee.

4.0 CONCESSION FEE AND ADMINISTRATION FEE

4.1 The Concessionaire must pay to the Grantor in the manner directed by the Grantor on or before the Concession Fee Payment Date specified in Item 7 of Schedule 1:

- (a) the Concession Fee plus GST specified in Item 6(a) of Schedule 1; and
- (b) the Administration Fee plus GST specified in Item 6(b) of Schedule 1.

4.2 If the Concessionaire defaults in payment of the Concession Fee and Administration Fee for 14 days after a Concession Fee Payment Date the Concessionaire is to pay interest on the unpaid Concession Fee and Administration Fee from the Concession Fee Payment Date until the date of payment at the Penalty Interest Rate specified in Item 8 of Schedule 1.

4.3 For purposes of clause 6.0, a reference to Concession Fee includes a reference to the Administration Fee.

5.0 OTHER CHARGES

5.1 In addition to the Concession Fee and Administration Fee the Concessionaire must pay all rates, levies, taxes, duties, assessments, charges, and other outgoings which may be charged, levied, or reasonably assessed, or which become payable in relation to the Land as a result of the grant of this Licence.

6.0 CONCESSION FEE AND ADMINISTRATION FEE REVIEW

- 6.1 The Grantor will review the Concession Fee and the Administration Fee on the Concession Fee Review Dates.
- 6.2 The Grantor will commence the review not earlier than 3 months before a Concession Fee Review Date and no later than 9 months following the Concession Fee Review Date by giving written notice to the Concessionaire.
- 6.3 The notice must specify the Concession Fee which the Grantor considers to be the market value for the Concession Activity as at the Concession Fee Review Date having regard to the matters specified in section 17Y(2) of the Conservation Act 1987. The notice must also specify the Administration Fee which the Grantor intends to impose until the next Concession Fee Review Date.
- 6.4 If, within 28 days of receipt of the Grantor's notice, the Concessionaire gives written notice to the Grantor that the Concessionaire disputes the proposed new Concession Fee the new Concession Fee is to be determined in accordance with clause 18.
- 6.5 Until determination of the new Concession Fee, the Concession Fee payable by the Concessionaire from the Concession Fee Review Date is to be the Concession Fee payable immediately before the Concession Fee Review Date. On determination of the new Concession Fee an adjustment is to be made and paid, either by the Grantor or by the Concessionaire, whichever is applicable notwithstanding anything in this clause, the new Administration Fee will be payable by the Grantor upon receipt of the notice referred to in clause 6.3.
- 6.6 If the Concessionaire does not give notice to the Grantor under clause 6.4 the Concessionaire will be deemed to have accepted the Concession Fee specified in the Grantor's notice.

7.0 CONCESSION ACTIVITY

- 7.1 The Concessionaire is not to use the Land for any purpose other than the Concession Activity.

8.0 COMPLIANCE

- 8.1 The Concessionaire will comply where relevant:
- (a) with the provisions of any conservation management strategy or conservation management plan under Part 3A of the Conservation Act 1987 together with any amendment or review of the strategy or plan whether approved before, on, or after the date on which this Document takes effect; and
 - (b) with the Conservation Act 1987, the Reserves Act 1977, the Health and Safety in Employment Act 1992, the Resource Management Act 1991, and any other statute, ordinance, regulation, bylaw, or other enactment affecting or relating to the Land, or affecting or relating to the Concession Activity.

9.0 CONCESSIONAIRE'S STRUCTURES, FACILITIES AND LAND ALTERATIONS

- 9.1 The Concessionaire must not erect or bring on to the Land any Structure, install any facility, or alter the Land in any way without the prior written consent of the Grantor.
- 9.2 The Concessionaire must keep and maintain at the Concessionaire's cost any Structures, facilities and alterations to the Land in good repair.
- 9.3 On expiry or early termination of this Document either as to the whole or any part of the Land, the Concessionaire will not be entitled to compensation for any improvements (including pasture) and any Structures or facilities remaining on the Land are to become the property of the Grantor.

9.4 If requested by the Grantor, the Concessionaire must, within such time as the Grantor determines, remove all Structures, facilities or other improvements erected or installed by the Concessionaire and make good at the Concessionaire's own expense all damage done by the removal and must leave the Land in a clean and tidy condition to the satisfaction of the Grantor.

10.0 PROTECTION OF THE ENVIRONMENT

10.1 Except as approved in writing by the Grantor the Concessionaire will not, whether by act or omission:

- (a) interfere with, remove, damage, or endanger the natural features, indigenous animals and plants, or historic resources on the Land; or
- (b) bring any plants, or animals (other than farm stock described in Item 2 of Schedule 1, farm dogs and horses for purposes of the Concession Activity) on to the Land; or
- (c) deposit on the Land debris, rubbish or other dangerous or unsightly matter, or contaminate any water body on the Land; or
- (d) pile or store materials in any place on the Land where they may obstruct the public or create a nuisance; or
- (e) conduct any noxious, noisome, dangerous or offensive activity on the Land; or
- (f) top-dress, burn, sow seed, or carry out earthworks (including tracking, drainage or ditching) on the Land; or
- (g) light any fire on the Land.

10.2 The Concessionaire, must at the Concessionaire's expense:

- (a) if required by the Grantor:
 - (i) take all steps necessary to control any pest, insect, or rodent infestation occurring on or emanating from the Land or any Structure or facility on the Land;
 - (ii) engage a pest exterminator approved by the Grantor; and
- (b) comply strictly with the provisions of the Biosecurity Act 1993.

10.3 The Concessionaire must ensure that the Concessionaire's employees, agents, contractors, licensees and invitees comply with the obligations imposed on the Concessionaire under clause 10.

10.4 The Concessionaire may bring firearms on to the Land for use in connection with the Concession Activity and pest control operations.

10.5 The Concessionaire for purposes of the Concession Activity may take onto or use farm vehicles on the Land on existing formed access tracks only.

11.0 HEALTH AND SAFETY

11.1 The Concessionaire is to carry out the Concession Activity on the Land in a safe and reliable manner and must comply with the Health and Safety in Employment Act 1992 and its regulations.

11.2 The Concessionaire must notify the Grantor of any natural events or activities on the Land or the surrounding area which may endanger the public or the environment.

12.0 TEMPORARY SUSPENSION

12.1 The Grantor may suspend this Document:

- (a) if, in the opinion of the Grantor the activities of the Concessionaire, its employees, agents, contractors, licensees or invitees are having or may have an adverse effect on the environment and the Grantor considers that the effect can not be avoided, remedied or mitigated to an extent satisfactory to the Grantor;
- (b) while the Grantor investigates any of the circumstances contemplated by this clause and also while the Grantor investigates any potential breach or possible offence by the Concessionaire related to the Concession Activity under the Conservation Act 1987 or any of the Acts mentioned in the First Schedule of that Act of which the Grantor has become aware.

12.2 The Grantor is not liable to the Concessionaire for any loss sustained by the Concessionaire by reason of a suspension under clause 12.1 including loss of profits.

12.3 During any period of temporary suspension the Concession Fee payable by the Concessionaire is to abate in fair proportion to the loss of use by the Concessionaire of the Land.

13.0 ASSIGNMENT

13.1 The Concessionaire is not to transfer, sublicense, assign, mortgage or otherwise dispose of the Concessionaire's interest under this Document or any part of it without the prior written consent of the Grantor. The Grantor may, in the Grantor's discretion, decline to grant consent under this clause.

13.2 If the Grantor gives consent under this clause the Concessionaire is to remain liable to observe and perform the terms and conditions of this Document throughout the Term and is to procure from the transferee, sublicensee, or assignee a covenant to be bound by the terms and conditions of this Document unless the Grantor otherwise provides in writing.

13.3 The Concessionaire must pay the costs reasonably incurred by the Grantor incidental to any application for consent, whether or not such consent is granted.

13.4 Any change in the shareholding of the Concessionaire altering the effective control of the Concessionaire will require the approval of the Grantor.

14.0 TERMINATION

14.1 The Grantor may terminate this Document by notice in writing to the Concessionaire if:

- (a) the Concession Fee or the Administration Fee or any other money payable to the Grantor under this Document is in arrears and unpaid for 14 days after any of the days appointed for payment whether it has been lawfully demanded or not; or
- (b) the Concessionaire breaches any terms of this Document; and
 - (i) the Grantor has notified the Concessionaire in writing of the breach; and
 - (ii) the Concessionaire does not rectify the breach within 28 days of receiving notification; or
- (c) the Concessionaire ceases to conduct the Concession Activity; or
- (d) the Concessionaire is convicted of an offence, related to the Concession Activity, under the Conservation Act 1987 or any of the Acts listed in the First Schedule to that Act; or the Resource

Management Act 1991; or the Biosecurity Act 1993; or the Health and Safety in Employment Act 1992; or

- (e) the Concessionaire is dissolved; or enters into any composition with or assignment for the benefit of its creditors; or is adjudged bankrupt; or being a company has a receiver appointed; or is put into liquidation; or is placed under statutory management; or has a petition for winding up presented against it; or is otherwise unable to pay its debts as they fall due; or the estate or interest of the Concessionaire is made subject to a writ of sale or charging order; or the Concessionaire cease to function or operate.

14.2 If the Grantor terminates the Document under this clause 14 all rights of the Concessionaire are to cease absolutely; but the Concessionaire is not to be released from any liability to pay the Concession Fee or Administration Fee or other monies up to the date of termination or for any breach of any term up to the date of termination.

14.3 The Grantor may exercise the Grantor's right under this clause to terminate the Concession notwithstanding any prior waiver or failure to take action by the Grantor or any indulgence granted by the Grantor for any matter or default.

15.0 INDEMNITIES AND INSURANCE

15.1 The Concessionaire will indemnify and keep indemnified the Grantor against all claims made by any person in respect of any injury, loss, or damage, including fire, caused or suffered as a result of or arising out of any acts or omissions of the Concessionaire, its employees, contractors, or invitees or otherwise caused as a result of its use of the Land or the Concessionaire's carrying out of the Concession Activity on the Land.

15.2 This indemnity is to continue after the expiry or other determination of this Document in respect of those acts or omissions occurring or arising before its expiry or determination.

15.3 Without prejudice to or in any way limiting its liability under clause 15.1 the Concessionaire must take out and keep in force during the Term if required by the Grantor:

- (a) a policy of public liability insurance against liability for loss, damage or injury from any one single accident or event arising out of its conduct of the Concession Activity on the Land and covering:

(i) general indemnity for a sum not less than the amount specified in Item 10 of Schedule 1; and

(ii) Forest and Rural Fires Act 1977 extension for a sum not less than the amount specified in Item 11 of Schedule 1; and

(b) statutory liability insurance for the amount specified in Item 12 of Schedule 1; and

(c) such other policy or policies of insurance against any other liability and for such other sums which the Grantor specifies in Item 13 of Schedule 1.

15.4 With respect to clause 15.3 the Concessionaire must, within 5 working days of any written request by the Grantor provide the Grantor with certificates of insurance issued by the Concessionaire's insurer confirming the nature, amount and duration of cover.

16.0 ENVIRONMENTAL MONITORING

16.1 The Concessionaire must, during the Term, if required in writing by the Grantor, pay to the Grantor the annual environmental monitoring contribution specified in Item 14 of Schedule 1 to enable the Grantor to

design and undertake a programme to monitor the environmental effects of the Concessionaire's conduct of the Concession Activity on the Land.

17.0 FORCE MAJEURE

17.1 Neither party will be liable to the other party for any delay in performance of, or failure to perform, its obligations (other than a payment of money) under this Document as a result of any cause beyond its reasonable control.

18.0 DISPUTE RESOLUTION AND ARBITRATION

18.1 If any dispute arises between the parties in connection with this Document, the parties must, without prejudice to any other rights they have under this Document, attempt to resolve the dispute by negotiation or other informal dispute resolution techniques agreed by the parties.

18.2 If the dispute is not capable of resolution by agreement within 14 days of written notice by one party to the other (or such further period as the parties may agree to in writing) either party may refer the dispute to mediation with a mediator agreed between the parties.

18.3 If the parties do not agree on a mediator, the President of the New Zealand Law Society is to appoint the mediator.

18.4 In the event that the dispute is not resolved by mediation within 2 months of the date of referral to mediation the parties agree that the provisions of the Arbitration Act 1996 will apply.

18.5 Notwithstanding anything in the Arbitration Act 1996, 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.

18.6 All arbitration proceedings are to take place in New Zealand and to be governed by New Zealand law.

18.7 The parties agree that the results of any arbitration are to be binding on the parties.

19.0 NOTICES

19.1 Any notice to be given under this Document by one party to the other is to be in writing and made by personal delivery, by pre-paid post, by facsimile or by email addressed to the receiving party at the address or facsimile number or email address set out in Item 15 of Schedule 1.

19.2 A notice given in accordance with clause 19.1 will be deemed to have been received:

- (a) in the case of personal delivery, on the date of delivery;
- (b) in the case of pre-paid post, on the third working day after posting;
- (c) in the case of facsimile, on the Working Day on which it is dispatched or, if dispatched after 5.00pm on a Working Day or on a non-working day, on the next Working Day after the date of dispatch.
- (d) in the case of email, on the Working Day on which it is dispatched or, if dispatched after 5.00pm on a Working Day or on a non-working day, on the next Working Day after the date of dispatch.

20.0 RELATIONSHIP OF PARTIES

20.1 Nothing expressed or implied in this Document shall be construed as:

- (a) conferring on the Concessionaire any right of exclusive occupation or use of the Land;
- (b) derogating from the rights of the Grantor and the public to have access across the Land;
- (c) preventing the Grantor from granting other concessions (except a grazing licence) to other persons.

20.2 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.

21.0 COSTS

21.1 The Concessionaire must pay the Grantor's legal costs and expenses associated with preparing and signing this Document or any extension or variation to it.

21.2 The Concessionaire must pay in full immediately and on demand all costs and fees (including solicitor's costs and the 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 including the right to recover outstanding money owed to the Grantor.

22.0 OFFENCES

22.1 Where any breach of this Concession by the Concessionaire also constitutes an offence under the Conservation Act 1987 or any of the Acts listed in the First Schedule to that Act:

- (a) no waiver or failure to act by the Grantor under this Document is to preclude the Grantor from prosecuting the Concessionaire; and
- (b) no failure by the Grantor to prosecute the Concessionaire is to preclude the Grantor from exercising the Grantor's remedies under this Document; and
- (c) any action of the Grantor in prosecuting the Concessionaire is not to preclude the Grantor from exercising the Grantor's remedies under this Document.

23.0 SPECIAL CONDITIONS

23.1 Special conditions relating to this Document are set out in Schedule 2.

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

Signed by :

for and on behalf of
the Minister of Conservation
pursuant to a written delegation (or designation as the case may be)
in the presence of :

Witness _____

Occupation _____

Address _____

Signed by:

Director
Irishman Creek Station Limited

Director
Irishman Creek Station Limited

SCHEDULE 1

1. **Land:**

CA2 Conservation Area of 389 hectares approximately located on the western slopes of Mount Mary above Lake Pukaki and being _____ and described in Land Registry Folio Ref CB _____ (Canterbury Registry) and shown on the plan attached to the Proposal as CA2 being shaded in pink and herein referred to as the Land.

SR1 Scenic Reserve of 1316 hectares approximately located on the Southern slopes of the Old Man Range (Irishman Creek Station), encompassing Irishman Creek and is adjacent to the Tekapo Twizel Road and being _____ and described in Land Registry Folio Ref CB _____ (Canterbury Registry) and shown on the plan attached to the Proposal as SR1 being shaded in pink and herein referred to as the Land.

CA3 Conservation Area of 1309 hectares approximately located on the western slopes of Mount Mary above Lake Pukaki and being _____ and described in Land Registry Folio Ref CB _____ (Canterbury Registry) and shown on the plan attached to the Proposal as CA3 and herein referred to as the Land.

(see definition of Land in clause 1.1)

2. **Concession Activity:**

CA3:

Stock and vehicle access to that part of the Land being CA2 on the access routes shown on the attached map in Schedule 3.

CA 2:

Grazing at any time of the year of not more than 500 stock units on an annual basis.

SR1 :

Grazing at any time of the year of not more than 450 stock units on an annual basis. This is subject to special condition 12 in Schedule 2.

(see definition of Concession Activity in clause 1.1)

3. **Term:**

For those parts of the Land being **CA3 and CA2:** 5 year term commencing on the day of registration of an approved plan affecting Certificate of Title (Canterbury Registry) vesting these parts of the Land in the Crown as conservation areas (the commencement date).

For that part of the Land being **SR1:** 10 year term commencing on the day of registration of an approved plan affecting Certificate of Title (Canterbury Registry) vesting this part of the Land in the Crown as a scenic reserve (the commencement date).

(see clause 3)

4. **Right of Renewal: CA3 and CA2:** No right of renewal.

SR1: No right of renewal.

(see clause 3.2)

5. **Expiry Date:**

CA3 and CA2: The fifth anniversary of the commencement date.

SR1: The tenth anniversary of the commencement date.

(see clause 3.2)

6. (a) **Concession Fee (per annum):**

CA3 and CA2 \$1,750.00 + GST

SR1 \$1,700.00 + GST

TOTAL \$3,450.00 + GST

(see clause 4)

(b) **Administration Fee: \$250 per annum + GST** (see clause 4)

7. **Concession Fee Payment Date:** Annually in arrears upon each anniversary of the commencement date.

(see clause 4)

8. **Penalty Interest Rate:** (see clause 4.2)
Double the Grantor's bank's current highest 90 day bank bill buy rate

9. **Concession Fee Review Date:** On the third anniversary of the commencement date, and every subsequent three yearly anniversary during the term of the concession.

(see clause 6)

10. **Public Liability General Indemnity Cover:** (see clause 15.3)
for \$500,000.

11. **Public Liability Forest & Rural Fire Extension:** (see clause 15.3)
for \$500,000.

12. **Statutory Liability Insurance:** NIL (see clause 15.3)

13. **Other Types of Insurance:** NIL (see clause 15.3)

14. **Environmental Monitoring Contribution:** NIL (see clause 16)

15. **Address for Notices (including facsimile number):** (see clause 19)

(a) Grantor

Minister of Conservation

C/- Director Conservation Partnership
South and Eastern South Island Region
Department of Conservation
Conservation House
77 Stuart Street
P O Box 5244
DUNEDIN 9058
Ph: 03 4770677
Email: dunedinvc@doc.govt.nz

(b) Concessionaire

Irishman Creek Station Limited
Directors:
Christine Ellen Rietveld and Johannes Adrianus Cornelius Rietveld
Irishman Creek Station
Private Bag
TIMARU
PH: (03) 680-6603

Registered Office and Address for Service:
c/- Kendons Scott MacDonald Limited

- 14 -

119 Blenheim Road
CHRISTCHURCH 8041
Ph (03) 343 4448
Email: kendons@accounting.co.nz

SCHEDULE 2

Special Conditions

Special Conditions Applying to All Parts of the Land

Land Management

1. Cultivation of the soil and any maintenance of the Land and any other earth disturbance except for existing track maintenance requires the written consent of the Grantor.
2. The public shall at all times have access to and across those parts of the Land shown as CA3 and SR1.
3. The public shall at all times have access to and across that part of the Land shown as CA2 marked with crosshatching shown in the attached plan in Schedule 3 being the western slopes of the Mt Mary Range. The public shall have access to and across the remaining non-crosshatched part of the Land shown as CA2 in the attached plan in Schedule 3 at all times except during the period 10 October to 21 November inclusive for lambing..
4. Where fences occur on any part of the Land the Grantor will erect gates or stiles in suitable places and mark the public access route through the Land so as to minimize farming and stock disturbance.
5. Notwithstanding clause 10.2, the concessionaire shall not be required to control pests on or emanating from the Land, nor shall the concessionaire be required to engage a pest exterminator.

Fencing

6. The Concessionaire must, at no expense to the Grantor, ensure that stock is adequately contained within the Land.
7. The Grantor is not to be called upon at any time to contribute to the costs of any boundary fencing between the Land and any adjoining land if the purpose of the fencing is to assist the Concessionaire to comply with special condition 6.
8. The Concessionaire must keep and maintain all fences (including boundary fences) or gates on the Land in good repair.

Inspection

9. The Grantor reserves the right for the Grantor's employees or agents to enter on the Land at any time for the purpose of inspecting the Land.

Special Conditions applying solely to those parts of the Land being CA3 and CA2

10. The Concessionaire is allowed grazing at any time of the year of not more than 500 stock units on an annual basis on the Mount Mary faces (CA2), although the concessionaire may, with prior written consent of the Grantor, increase the stock numbers in any one year.
11. The stock and vehicle access routes on CA3 shown on the map in Schedule 3 are for farm access purposes to CA2 Land only.

Special Conditions applying solely to that part of the Land being SR1

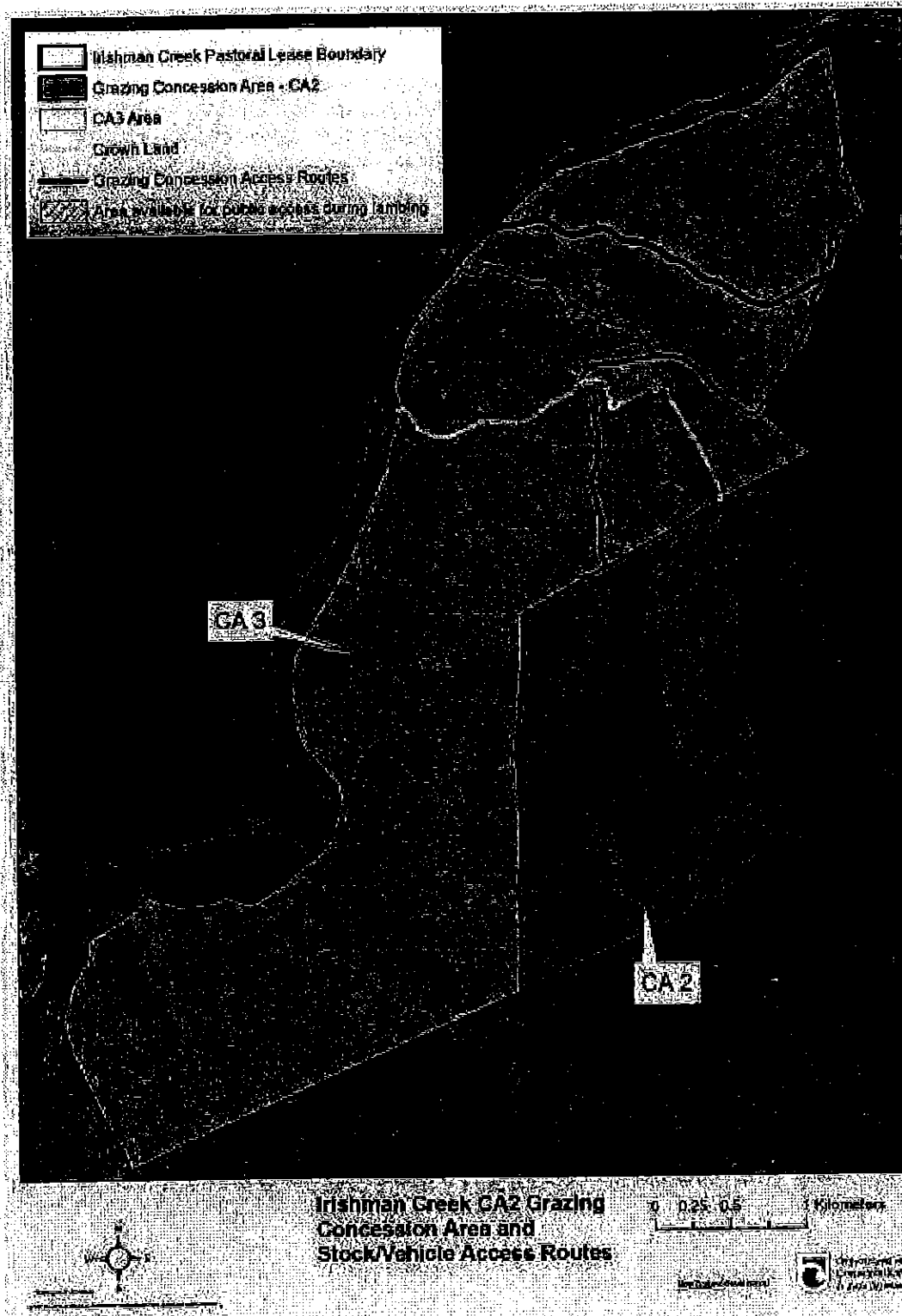
12. Notwithstanding the stock limit stated in the Concession Activity at Schedule 1 Item 2, the Concessionaire may, with the prior written consent of the Grantor, increase the stock numbers in any one year.
13. The Minister may design and undertake an indigenous monitoring programme in relation to the Land:

- 16 -

- (a) to ensure that the ecological integrity of the area and associated indigenous vegetation and fauna is maintained.
- (b) to enable the monitoring of any effects on the indigenous vegetation cover and conditions, faunal values and any other conservation values on the Land.

Any monitoring programme will be reviewed at regular intervals and, if in the sole opinion of the Minister there are any issues identified with the status of any of the species on the Land or deterioration in the condition and extent of the ecological condition of the Land, the Minister reserves the right to take any necessary steps to further protect any species, including by reducing the stock units permitted to graze on the Land. The Minister will liaise with the Concessionaire in implementing these measures and the Concessionaire will cooperate in the giving effect to any measures considered necessary by the Minister.

Schedule Three
Map of CA2 Grazing Area, Access Routes and Year-round Public Access



Appendix 6: Form of easement granted to Pukaki Irrigation Company Limited

GRANT OF EASEMENT OVER CROWN PASTORAL LEASE

PARTIES

(1) **THE COMMISSIONER OF CROWN LANDS** at Wellington ("the Grantor")

AND

(2) **PUKAKI IRRIGATION COMPANY LIMITED** hereinafter with its successors and permitted assigns ("the Grantee")

BACKGROUND

- A. The Grantee wishes to obtain an easement to convey water.
- B. The Grantor has agreed to grant to the Grantee easements over the Easement Land on the terms and conditions set out in this Deed.

TERMS OF THIS DEED

1. DEFINITIONS and INTERPRETATION

1.1 In this Deed

"Deed" means this deed and the background.

"Easement Land" means the stipulated course being the areas of the Servient Land being those parts marked "*" and "#" on Deposited Plan *** within which the Grantee may exercise the rights granted by this Deed.

"Grantee" means the Pukaki Irrigation Company Limited and includes the Grantee's servants, agents, employees, workers, invitees, licensees and contractors.

"Grantor" means the Commissioner of Crown Lands and includes the Grantor's servants, agents, employees, workers, invitees, licensees and contractors and all other persons authorised by the Grantor to enjoy the rights granted by this Deed.

"Servient Land" means the following area of the Grantor's Land being:

- A. All that parcel of land containing 10832.9438 hectares being Part Run 343 and marked V Survey Office Plan 15884, being all the land in Computer Interest Register CB529/19. The Lessee being Irishman Creek Station Limited;
- B. All that parcel of land containing 8809.3789 hectares being Part Run 85B, Rural Section 39017, Rural Section 39018, Rural Section 41708 and Part Run 85A, being all the land in Computer Interest Register CB529/16. The Lessee being The Wolds Station Limited;
- C. All that parcel of land containing 8477.0031 hectares being Part Run 85 and Part Run 85A and Rural Section 41616 and Rural Section 41617, being all the land in Computer Interest Register CB529/45. The Lessee being Classic Properties Limited.

"Works" includes the excavation, construction, maintenance and upkeep of a vehicular farm track, water pipelines, intake structures, sheds, fences and associated works across the Easement Land.

1.2 In the interpretation of this Deed unless the context otherwise requires:

1.2.1 The headings and subheadings appear as a matter of convenience and shall not affect the interpretation of this Deed;

1.2.2 References to any statute, regulation or other statutory instrument or bylaw shall be deemed to be references to the statute, regulation, instrument or bylaw as from time to time amended and includes substitution provisions that substantially correspond to those referred to and;

1.2.3 The singular includes the plural and vice versa and words incorporating any gender shall include every gender.

2. GRANT OF EASEMENT

2.1 Pursuant to section 60 of the Land Act 1948 the Grantor grants to the Grantee, subject to clause 2.2, a right to convey water by means of a covered line of pipes over the Easement Land, together with such rights and powers set out in Schedule Four to the Land Transfer Regulations 2002 except to the extent that they are inconsistent with the terms and conditions set out in this Deed or modified, varied or negated by the terms and conditions set out in this Deed to the intent that the easements shall be an Easement in Gross forever. This Grant includes the structures associated with the covered line of pipes including an uncovered intake structure and uncovered air release valves.

2.2 Pursuant to section 60 of the Land Act 1948 the Grantor grants to the Grantee the right for the Grantee to construct and maintain water pipelines across the Easement Land and to construct and maintain intake works.

2.3 Pursuant to section 60 of the Land Act 1948 the Grantor grants to the Grantee the right from time to time and at all times to enter, exit, pass and remain on, under or over such part of the Grantor's adjoining land as is reasonable for the exercise of the rights granted under this Deed with or without vehicles or machinery necessary for such purposes but subject to the limitations expressed in this Deed.

2.4 For the avoidance of doubt this Deed confers no general right of access to the public, the rights of access are solely those set out in clause 2.1, 2.2 and 2.3 herein.

2.5 The rights granted under this Deed are non-exclusive and are exercisable in common with the Grantor and any other person having similar rights either now or in the future.

3. CONSIDERATION

3.1 In consideration of the grant of easement in this Deed:

3.1.1 The Grantee shall pay the Grantor the sum of _____ plus GST.

3.1.2 The Grantee shall observe the obligations imposed on it under this Deed.

4. REGISTRATION

4.1 The deed, or a transfer instrument incorporating the terms of the deed may be registered and both parties will do all things necessary to enable registration.

5. OBLIGATIONS OF THE GRANTEE

- 5.1 The Grantee shall when on the Easement Land or the Grantor's adjoining land (in terms of clause 2) of this Deed:
- 5.1.1 Take all reasonable precautions for guarding against any danger (including, but without limitation, fire, physical damage or disease).
- 5.1.2 Ensure that as little damage or disturbance as possible is caused to the Grantor's adjoining lands and that such land is restored as nearly as possible to its former condition and any other damage done by reason of the activities permitted on the Easement Land by this Deed is similarly restored.
- 5.2 The Grantee shall compensate the Grantor for any loss suffered by the Grantor resulting directly or indirectly from the actions of the Grantee.
- 5.3 The Grantee shall at all times in the exercise of the rights set out in this Deed not obstruct or hamper the Grantor, the Grantor's Lessees or any agents, employees and contractors of the Grantor or the Grantor's Lessees, in its normal or reasonable use of the Easement Land.
- 5.4 The Grantee shall not at any time except with the prior written approval of the Grantor carry out any activity which is not included within clause 2 of this Deed on the Easement Land, or do any other thing which would affect the ability of the Grantor to use the Easement Land.
- 5.5 The Grantee shall comply at all times with all statutes and regulations and obtain all approvals, consents and authorisations as are necessary for the Grantee to conduct the activities permitted by this Deed.

6. OWNERSHIP OF STRUCTURES

- 6.1 All structures and Works placed by the Grantee on the Easement Land for the purposes of exercising the rights of the Grantee created by this Deed will remain the property of the Grantee and no part of them will become a fixture on the Grantor's Land.

7. COSTS

- 7.1 The Grantee shall bear all reasonable costs and expenses (including the Grantor's legal costs including costs as between solicitor and client) in relation to the enforcement or attempted enforcement of any of the provisions of this Deed.
- 7.2 The Grantee shall be solely responsible for and bear all costs of the registration of this Deed.
- 7.3 All costs for the installation and maintenance of the Works, and carrying out of associated works, permitted by this Deed shall be the Grantee's.

8. INDEMNITY

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

9. EXCLUSION OF GRANTOR' LIABILITY

- 9.1 The grantor holds no liability in contract, tort, or otherwise in relation to any aspect of this deed. This exclusion of liability extends to consequential loss, anything arising directly or indirectly from the deed, and any activity of the grantor on the grantor's land.

10. GRANTOR'S RIGHTS OF DELEGATION

- 10.1 The Grantor may delegate all of any rights, benefits and obligations conferred by this deed; provided that the exercise of any such rights, benefits or obligations be that person shall not limit the liability of the grantor in the performance of observance of the provisions of this deed.

11. DISPUTES

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

12. SEVERABILITY

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

13. NOTICES

- 13.1 Any notice or other communication given under this agreement must be in writing and to the address notified by that party in writing from time to time.

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

SIGNED by)
acting for and on behalf of the Commissioner)
of Crown Lands pursuant to a delegation under)
section 41 of the State Sector Act 1988)
in the presence of:

Witness name:

Occupation:

Address:

SIGNED by **PUKAKI IRRIGATION**)
COMPANY LIMITED)
.....

Appendix 7: Form of Land Act Easement to be Created

DEED OF GRANT OF EASEMENT

Dated

2015

Parties

1. HER MAJESTY THE QUEEN acting by and through the Commissioner of Crown Lands, under the Land Act 1948 ("the Grantor").
2. IRISHMAN CREEK STATION LIMITED at Christchurch ("the Grantee").

Background

- A. The Grantor is the owner of the Grantors Land under the Land Act 1948.
- B. The Grantee requires access to land held under a grazing concession pursuant to Section 17Q(1) Conservation Act 1977.
- C. The Grantor has, pursuant to Section 60 Land Act 1948, agreed to grant to the Grantee an easement in gross being a right of way in favour of the Grantee's Land on the terms specified in this Deed.

This Deed Witnesses:

1. Interpretation

In this Deed, unless the context otherwise requires:

- (a) "Act" and "Regulations" have the meaning given to them in the Interpretation Act 1999.
- (b) "Commencement Date" means the date on which an approved plan is lodged with the District Land Registrar pursuant to Section 64 Crown Pastoral Land Act 1948 for the tenure review of pastoral lease Pt014, Irishman Creek.
- (c) "Deed" means this deed, the background and the schedules.
- (d) "Easement Facility" means that part of the Grantor' Land described as the Stipulated Area.
- (e) A reference to "Grantee" includes its respective servants, agents, employees, workers and contractors, and any licensee, lessee or tenant of the Grantee, and the Grantee's successors and transferees.
- (f) "Grantor's Land" means that land containing ha more or less being
..... [currently marked "CL" on the designations plan attached in Schedule 1]
- (g) "Stipulated Area" means that part of the Grantors Land, marked
[currently marked "a-b" on the designations plan attached in Schedule 1], on the terms specified in this Deed.

2. Rights Granted

2.1 Pursuant to section 60 of the Land Act 1948 the Grantor grants to the Grantee from the Commencement Date and for a term of five years a right of way over the Easement Facility appurtenant to the Grantees Land, on the terms specified in this Deed.

2.2 The rights and powers set out in Schedule 4 of the Land Transfer Regulations 2002 shall apply to the easement rights created by this Deed except as varied in the following paragraphs:

2.2.1. The maintenance provisions in Schedule 4 are modified as follows:

2.2.1.1 Subject to the provisions of subclauses (5) and (6) of clause 11, no Grantor or Grantee shall be liable to contribute to the cost of maintaining, repairing or replacing any part of the Easement Facility which is not used by the Grantor or the Grantee or in respect of which use by the Grantor or Grantee has not commenced.

2.2.1.2 The word "equally" in clause 11(2) shall be read as "for a reasonable contribution in proportion to their use."

2.3 The covenants implied in Schedule 5 of the Property Law Act 2007 are expressly excluded.

2.4 Where there is a conflict between different provisions of this easement the following provisions will have priority (in decreasing order of paramountcy):

2.4.1 This Deed

2.4.2 Schedule 4 of the Land Transfer Regulations 2002

3. Consideration

3.1 This Deed is entered into by the Grantor in consideration of the sum of \$1.00 paid to the Grantor by the Grantee (the receipt of which is acknowledged).

3.2 The Grantee will meet the obligations imposed by this Deed.

4. Costs

4.1 The Grantor shall meet the costs of preparing and registering this Deed.

4.2 The Grantee shall meet its own costs in relation to this Deed.

5. Grantee obligations in exercising Easement Rights

5.1 In exercising the Grantee's rights and obligations under this Deed, the Grantee shall:

- (a) where practicable, keep vehicles within existing tracks on the Easement Facility and leave the gates as found and if requested by the Grantor locked when not used by the Grantee for passing through; and
- (b) not obstruct the Grantor or invitees, agents, employees and contractors of the Grantor; and
- (c) not erect any structures on the Easement Facility; and
- (d) comply with all Acts and Regulations.

6. Indemnity

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

7. Exclusion of Grantor liability

7.1 The Grantor holds no liability in contract, tort, or otherwise in relation to any aspect of this Deed. This exclusion of liability extends to consequential loss, anything arising directly or indirectly from this Deed, and any activity of the Grantor on the Grantor's land.

8. Termination

8.1 The Grantor may terminate the rights created by this Deed if the Grantee breaches any of the terms of this Deed and the breach remains unremedied following written notice to the Grantees specifying the breach and seeking rectification within 28 days or such later date specified in the notice.

8.2 If the breach remains unremedied (or is unable to be remedied) then the Grantor may by a further written notice terminate this Deed.

8.3 Upon termination (for whatever reason) of the grant of easement evidenced by this Deed all rights of the Grantee shall immediately cease. Upon termination the Grantee shall formally surrender the rights under this Deed and surrender the grant of easement.

9. Registration

9.1 This Deed, or a transfer instrument incorporating the terms of the Deed may be registered and both parties will do all things necessary to enable registration.

10. Grantor's rights of delegation

10.1 The Grantor may delegate all or any right, benefits and obligations conferred by this Deed; provided that in the exercise of any such rights, benefits or obligations by that person shall not limit the liability of the Grantor in the performance or observance of the provisions of this Deed.

11. Disputes

11.1 If any party requires the resolution of a dispute between them regarding the rights or obligations under this Deed then:

(a) the procedure set out in section 17 of the Land Act 1948 shall be followed if that section can be applied; and

(b) if section 17 of the Land Act 1948 cannot be applied to the dispute, then clause 14 of Schedule 4 of the Land Transfer Regulations 2002 shall apply.

12. Notices

12.1 A written notice to be sent pursuant to the terms of this Deed shall be:

(a) delivered to that person; or

- (b) posted by ordinary mail to that person's address if it is a natural person and if it is a company then to its registered office; or
- (c) sent by facsimile machine to a telephone number used by that person for the transmission of documents by facsimile.
- (d) transmitted by electronic mail to a known electronic address for that person.

- 12.2**
- (a) A notice delivered to a natural person shall be served by handing the notice to that person. If service is to a company then delivery shall be by handing the notice to an officer of the company or to a person working at the registered office of the company.
 - (b) A posted notice shall be deemed to be received three working days after it is posted.
 - (c) A notice sent by facsimile machine or electronic mail is deemed to have been received on the working day following the day on which it was properly transmitted.

13. Severability

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

SIGNED for and on behalf of Her Majesty
the Queen by
pursuant to a delegation from the
Commissioner of Crown Lands in the
presence of:

Witness Signature

Print Name

Witness Occupation

Place of residence

SIGNED for and on behalf of Irishman
Creek Station Limited by two of its
directors:

Christine Ellen Rietveld

Johannes Adrianus Cornelius
Rietveld

SCHEDULE 1

Appendix 8: Form of Conservation Covenant (CC1) to be Created

DATED _____

Between

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

and

MINISTER OF CONSERVATION
("the Minister")

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



Department of Conservation
Te Papa Atawhai

- “Minerals”** means any mineral that is a Crown owned mineral under section 2 of the Crown Minerals Act 1991.
- “Minister”** means the Minister of Conservation.
- “Natural Water”** includes water contained in streams the banks of which have, from time to time, been realigned.
- “Owner”** means the person or persons who from time to time is or are registered as the proprietor(s) of the Land.
- “Party” or “Parties”** means either the Minister or the Owner or both.
- “Values”** means any or all of the Land’s natural environment, landscape amenity, wildlife habitat, freshwater life habitat, marine life habitat or historic values as specified in Schedule 1.
- “Working Day”** means the period between any one midnight and the next excluding Saturdays, Sundays, and statutory holidays in the place where the Land is located.

1.2 For avoidance of doubt:

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

2. OBJECTIVE OF THE COVENANT

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

3. THE OWNER’S OBLIGATIONS

- 3.1 Unless agreed in writing by the parties, the Owner must not carry out or allow to be carried out on or in relation to the Land:

- 3.1.1 grazing of the Land by livestock;
 - 3.1.2 subject to clauses 3.2.1 and 3.2.3, felling, removal or damage of any tree, shrub or other plant;
 - 3.1.3 the planting of any species of tree, shrub or other plant;
 - 3.1.4 the erection of any Fence, building, structure or other improvement for any purpose;
 - 3.1.5 any burning, chemical spraying, top dressing or sowing of seed;
 - 3.1.6 any cultivation, earth works or other soil disturbances;
 - 3.1.7 any archaeological or other scientific research involving disturbance of the soil;
 - 3.1.8 the damming, diverting or taking of Natural Water;
 - 3.1.9 any action which will cause deterioration in the natural flow, supply, quantity, or quality of water of any stream, river, lake, pond, marsh, or any other water resource affecting the Land;
 - 3.1.10 any other activity which might have an adverse effect on the Values.
 - 3.1.11 any prospecting or mining for Minerals, coal or other deposit or moving or removal of rock of any kind on or under the Land;
 - 3.1.12 the erection of utility transmission lines across the Land.
- 3.2 The Owner must:
- 3.2.1 eradicate or control all weeds and pests on the Land to the extent required by any statute; and in particular comply with the provisions of, and any notices given under, the Biosecurity Act 1993;
 - 3.2.2 if it is safe to do so, assist the Fire Authority to extinguish any wildfire upon or threatening the Land;
 - 3.2.3 keep the Land free from exotic tree species;
 - 3.2.4 keep the Land free from rubbish or other unsightly or offensive material arising from the Owner's use of the Land;
 - 3.2.5 subject to consultation between the Owner and the Minister and observance of any reasonable conditions imposed by the Owner, grant to the Minister or authorised agent of the Minister or any employee of the Director-General, a right of access on and to the Land, with or without motor vehicles, machinery, and implements of any kind, to examine and record the condition of the Land, or to carry out protection or maintenance work on the Land or to ascertain whether the provisions of this Covenant are being observed;
 - 3.2.6 keep all Fences on the boundary of the Land in good order and condition and, notwithstanding clause 3.1.4, rebuild or replace all such Fences when reasonably required except as provided in clause 4.2.

4. THE MINISTER'S OBLIGATIONS

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

5. IMPLEMENTATION OF OBJECTIVES

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

6. DURATION OF COVENANT

- 6.1 This Covenant binds the Minister and Owner for a period of up to 15 years from the date of registration to the rights and obligations contained in it, subject to special condition 4 set out in Schedule 2.

7. OBLIGATIONS ON SALE, ASSIGNMENT OR OTHER DISPOSAL OF LAND

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

8. MISCELLANEOUS MATTERS

8.1 Rights

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

8.2 Trespass Act:

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

8.3 Reserves Act

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

8.4 Titles

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

8.5 Acceptance of Covenant

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

8.6 Fire

8.6.1 The Owner must notify, as soon as practicable, the appropriate Fire Authority and the Minister in the event of wild fire threatening the Land;

8.6.2 If the Minister is not the appropriate Fire Authority for the Land, the Minister will render assistance to the Fire Authority in suppressing the fire if:

8.6.2.1 requested to do so; or

8.6.2.2 if there is in place between the Minister and the Fire Authority a formalised fire agreement under section 14 of the Forest and Rural Fires Act 1977.

9. NOTICES

9.1 A notice to be given under this Covenant by one party to the other is to be in writing and made by personal delivery, by pre-paid post, or by email addressed to the receiving party at the address or email set out in Schedule 1.

9.2 A notice given in accordance with clause 9.1 will be deemed to have been received:

- (a) in the case of personal delivery, on the date of delivery;
- (b) in the case of pre-paid post, on the third Working Day after posting;
- (c) in the case of email, on the day on which it is emailed provided that day is a Working Day or, if emailed after 5.00pm or on a non-Working Day, on the next Working Day after the date of dispatch.

9.3 The Owner must notify the Minister of any change of ownership or control of all or part of the Land and must supply the Minister with the name and address of the new owner or person in control.

10. DEFAULT

10.1 Where either the Minister or the Owner breaches any of the terms and conditions contained in this Covenant the other party:

10.1.1 may take such action as may be necessary to remedy the breach or prevent any further damage occurring as a result of the breach; and

10.1.2 will also be entitled to recover from the party responsible for the breach as a debt due all reasonable costs (including solicitor/client costs) incurred by the other party as a result of remedying the breach or preventing the damage.

10.2 Should either the Minister or the Owner become of the reasonable view that the other party (the defaulting party) has defaulted in performance of or observance of its obligations under this Covenant then that party (notifying party) may, by written notice:

10.2.1 advise the defaulting party of the default.

10.2.2 state the action reasonably required of the defaulting party to perform or observe in accordance with this Covenant; and

10.2.3 state a reasonable period within which the defaulting party must take action to remedy the default.

11. DISPUTE RESOLUTION PROCESSES

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

11.2 Mediation

11.2.1 if the dispute is not capable of resolution by agreement within 14 days of written notice by one party to the other (or such further period as the parties may agree to in writing) either party may refer the dispute to mediation with a mediator agreed between the parties;

11.2.2 if the parties do not agree on a mediator, the President of the New Zealand Law Society is to appoint the mediator.

11.3 Failure of Mediation

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

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

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

12. JOINT OBLIGATIONS

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

13. SPECIAL CONDITIONS

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

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

Executed as a Deed

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

Witness: _____

Address : _____

Occupation: _____

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

Witness: _____

Address : _____

Occupation: _____

SCHEDULE 1

1. Description of Land

CC1 –Lake Pukaki Lakeside Face Conservation Covenant

All that piece of land containing 1,754 hectares approximately shown shaded yellow on the plan attached to the Proposal and labelled CC1.

2. Address for Service¹

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

Minister of Conservation
C/- Director Conservation Partnerships
South and Eastern South Island Region
Department of Conservation
Conservation House
77 Stuart Street
P O Box 5244
DUNEDIN 9058

Phone: (03) 477 0677
Email: dunedinvc@doc.govt.nz

The address for service of the Owner is:

Irishman Creek Station Limited
Directors:
Christine Ellen Rietveld and Johannes Adrianus Cornelius Rietveld
Irishman Creek Station
Private Bag
TIMARU
PH: (03) 680-6603

Registered Office and Address for Service:
c/- Kendons Scott MacDonald Limited
119 Blenheim Road
CHRISTCHURCH 8041
Ph (03) 343 4448
Email: kendons@accounting.co.nz

¹ State street address not Post Office Box number.

3. Values of Land to be Protected

CC1 - Lake Pukaki Lakeside Face – Landscape Amenity

Landscape Context

The land is situated with in one of the most extensive outstanding natural landscapes in the Canterbury Region - the Mackenzie Basin (BMP and LA 1993²).

The landscape exhibits a range of key attributes to support its outstanding status.

- the clearly expressed landforms, the variety of landforms, their huge scale
- the visual character – the impression of vast openness, strong horizontal emphasis, the overwhelming dominance of landform, overall unity, simplicity and coherence of the landscape and high apparent naturalness.

The landscape is perceived as being a highly natural landscape. It is also New Zealand's most spectacular illustration of glacial morphology on a grand scale (Molloy 1988).

The Mackenzie Basin landscape generally is a highly visible one. Much of it can be viewed from state highways in the Basin.

Landscape description

The Land comprises the rolling to undulating area comprising of a variety of small ridges and hillocks and flatter inter-montane depressions and fluvial surfaces descending from around 680 – 700m asl to Hayman Road north of the Tekapo Canal.

Landscape evaluation

The Land area is clearly visible from SH80, from a point about 6.5km north of the SH8 turn-off to approximately Jacks Stream. The impressively long even landform horizon and part skyline and the uniform brown colour are the most notable things about the landscape on the east side of the lake in these views³.

The Land area is a highly important area for the natural landscape setting for Lake Pukaki⁴.

² Boffa Miskell and Lucas Associates – Canterbury Regional Landscape study, vol. 1 & 2

³ Steven, A. 2002. Report on the Natural Landscape Values, Irishman Creek Pastoral Lease, Mackenzie Basin, South Canterbury.

⁴ Steven A. 2007. Review of Assessment of Landscape Values of the Central "Dryland" Mackenzie Basin.

DOCDM -55497 – Conservation Covenant under Reserves Act 1977 – Version 5.0

Irishman Creek - Lakeside Conservation Covenant - June 2015 - DOCDM-998908 - DOC-2512069 January 2014

June 2015-DOC-2512069

SCHEDULE 2

Special Conditions

- 1.0 Notwithstanding the provisions of clause 3.1 the following shall apply;
 - 1.1 Grazing of the Land by livestock is allowed.
 - 1.2 Maintenance of existing fences and farm tracks including associated earthworks for farming purposes is permitted. New internal fencing, including associated earthworks is permitted for farming purposes, provided that earthwork disturbance is reseeded as soon as practically possible.
 - 1.3 Clearance of exotic weeds, native shrubland species and short tussock for farming purposes on the Land using mechanical and chemical means is permitted. Spraying of the Land is permitted where this is necessary for farming purposes except within a 20 metre margin of watercourses.
 - 1.4 Oversowing and topdressing is permitted except within a 20 metre margin of watercourses.
 - 1.5 Planting of crops for farming purposes on the Land is permitted except within a 20 metre margin of watercourses.
 - 1.6 Disturbance of the soil on the Land for the purpose of cultivation, including seed drilling, is permitted except within a 20 metre margin of watercourses.
 - 1.7 The Owner is allowed to establish one new set of permanent stockyards on the Land and additional temporary stockyards as required from time to time.
 - 1.8 The Owner is allowed to establish one new dwelling on the Land for farming purposes. The Owner shall seek the Minister's prior approval (which shall not be unreasonably withheld) to the proposed location and design of the new farm dwelling.
- 2.0 Subdivision of the Land is not permitted.
- 3.0 Plantation forestry is not permitted on the Land.
- 4.0 Notwithstanding clause 6 above, the term of the Covenant shall be determined as follows:
 - 4.1 Subject to special condition 4.3 below, the Covenant shall operate for an initial term of 10 years from the date of registration.
 - 4.2 If in the sole opinion of the Minister it is necessary to continue to protect the Values on the Land, the Covenant shall be renewed for a further period of 5 years and the parties shall continue to be bound by the rights and obligations contained in it.
 - 4.3 If, in the sole opinion of the Minister, the Mackenzie District Plan provides appropriate protection of the Values on the Land, the Minister may agree to surrender the Covenant on the Land at an earlier date.
 - 4.4 In any event, the Covenant shall terminate on the 15th anniversary of the date of its registration.

GRANT of

Correct for the purposes of the
Land Transfer Act 1952

Solicitor for the Minister

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

COMMISSIONER OF CROWN
LANDS

to

MINISTER OF CONSERVATION

**Solicitor
Department of Conservation
DUNEDIN/CHRISTCHURCH**

Appendix 9: Form of Conservation Covenant (CC2) to be Created

DATED _____

Between

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

and

MINISTER OF CONSERVATION
("the Minister")

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



Department of Conservation
Te Papa Atawhai

THIS DEED of COVENANT is made the day of

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

AND **MINISTER OF CONSERVATION**

BACKGROUND

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

OPERATIVE PARTS

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

1. INTERPRETATION

1.1 In this Covenant unless the context otherwise requires:

- “Act”** means the Reserves Act 1977.
- “Covenant”** means this Deed of Covenant made under section 77 of the Act.
- “Director-General”** means the Director-General of Conservation.
- “Fence”** includes a gate.
- “Fire Authority”** means a Fire Authority as defined in the Forest and Rural Fires Act 1977.
- “Land”** means the land described in Schedule 1.
- “Minerals”** means any mineral that is a Crown owned mineral under section 2 of the Crown Minerals Act 1991.

- “Minister”** means the Minister of Conservation.
- “Natural Water”** includes water contained in streams the banks of which have, from time to time, been realigned.
- “Owner”** means the person or persons who from time to time is or are registered as the proprietor(s) of the Land.
- “Party” or “Parties”** means either the Minister or the Owner or both.
- “Values”** means any or all of the Land’s natural environment, landscape amenity, wildlife, freshwater life, marine life habitat or historic values as specified in Schedule 1.
- “Working Day”** means the period between any one midnight and the next excluding Saturdays, Sundays, and statutory holidays in the place where the Land is located.

1.2 For avoidance of doubt:

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

2. OBJECTIVE OF THE COVENANT

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

3. THE OWNER’S OBLIGATIONS

- 3.1 Unless agreed in writing by the parties, the Owner must not carry out or allow to be carried out on or in relation to the Land:
- 3.1.1 grazing of the Land by livestock;

- 3.1.2 subject to clauses 3.2.1 and 3.2.3, felling, removal or damage of any tree, shrub or other plant;
 - 3.1.3 the planting of any species of tree, shrub or other plant;
 - 3.1.4 the erection of any Fence, building, structure or other improvement for any purpose;
 - 3.1.5 any burning, chemical spraying, top dressing or sowing of seed;
 - 3.1.6 any cultivation, earth works or other soil disturbances;
 - 3.1.7 any archaeological or other scientific research involving disturbance of the soil;
 - 3.1.8 the damming, diverting or taking of Natural Water;
 - 3.1.9 any action which will cause deterioration in the natural flow, supply, quantity, or quality of water of any stream, river, lake, pond, marsh, or any other water resource affecting the Land;
 - 3.1.10 any other activity which might have an adverse effect on the Values.
 - 3.1.11 any prospecting or mining for Minerals, coal or other deposit or moving or removal of rock of any kind on or under the Land;
 - 3.1.12 the erection of utility transmission lines across the Land.
- 3.2 The Owner must:
- 3.2.1 eradicate or control all weeds and pests on the Land to the extent required by any statute; and in particular comply with the provisions of, and any notices given under, the Biosecurity Act 1993;
 - 3.2.2 if it is safe to do so, assist the Fire Authority to extinguish any wildfire upon or threatening the Land;
 - 3.2.3 keep the Land free from exotic tree species;
 - 3.2.4 keep the Land free from rubbish or other unsightly or offensive material arising from the Owner's use of the Land;
 - 3.2.5 subject to consultation between the Owner and the Minister and observance of any reasonable conditions imposed by the Owner, grant to the Minister or authorised agent of the Minister or any employee of the Director-General, a right of access on and to the Land, with or without motor vehicles, machinery, and implements of any kind, to examine and record the condition of the Land, or to carry out protection or maintenance work on the Land or to ascertain whether the provisions of this Covenant are being observed;
 - 3.2.6 keep all Fences on the boundary of the Land in good order and condition and, notwithstanding clause 3.1.4, rebuild or replace all such Fences when reasonably required except as provided in clause 4.2.

4. THE MINISTER'S OBLIGATIONS

- 4.1 The Minister must have regard to the objective specified in clause 2.1 when considering any requests for approval under this Covenant.

- 4.2 The Minister must repair and replace to its former condition any Fence or other improvement on the Land or on its boundary which may have been damaged in the course of the Minister or any person referred to in clause 3.2.5 exercising any of the rights conferred by this Covenant.

5. IMPLEMENTATION OF OBJECTIVES

- 5.1 The Minister may;

5.1.1 provide to the Owner technical advice or assistance as may be necessary or desirable to assist in meeting the objectives specified in clause 2.1;

5.1.2 prepare, in consultation with the Owner, a joint plan for the management of the Land to implement the objective specified in clause 2.1.

6. DURATION OF COVENANT

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

7. OBLIGATIONS ON SALE, ASSIGNMENT OR OTHER DISPOSAL OF LAND

- 7.1 If the Owner sells, leases, or parts with possession of the Land, or hands over control of the Land to any other person, the Owner must ensure that the Owner obtains the agreement of the purchaser, lessee, assignee or manager to comply with the terms of this Covenant, including any agreement by the purchaser, lessee, assignee or manager to ensure that on any subsequent sale, lease, assignment, or change in control of the Land, any subsequent purchaser, lessee, assignee or manager must also comply with the terms of this Covenant including this clause.

- 7.2 A Transferee of the land will at law be bound by the registered Covenant. Such transfer is deemed to provide the agreement to comply with the terms of this covenant required by Clause 7.1

8. MISCELLANEOUS MATTERS

8.1 Rights

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

8.2 Trespass Act:

- 8.2.1 Except as provided in this Covenant, the Covenant does not diminish or affect the rights of the Owner to exercise the Owner's rights under the Trespass Act 1980 or any other statute or generally at law or otherwise;

- 8.2.2 For avoidance of doubt these rights may be exercised by the Owner if the Owner reasonably considers that any person has breached the rights and/or restrictions of access conferred by this Covenant.

8.3 Reserves Act

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

8.4 Titles

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

8.5 Acceptance of Covenant

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

8.6 Fire

8.6.1 The Owner must notify, as soon as practicable, the appropriate Fire Authority and the Minister in the event of wild fire threatening the Land;

8.6.2 If the Minister is not the appropriate Fire Authority for the Land, the Minister will render assistance to the Fire Authority in suppressing the fire if:

8.6.2.1 requested to do so; or

8.6.2.2 if there is in place between the Minister and the Fire Authority a formalised fire agreement under section 14 of the Forest and Rural Fires Act 1977.

9. NOTICES

9.1 A notice to be given under this Covenant by one party to the other is to be in writing and made by personal delivery, by pre-paid post, or by email addressed to the receiving party at the address or email set out in Schedule 1.

9.2 A notice given in accordance with clause 9.1 will be deemed to have been received:

- (a) in the case of personal delivery, on the date of delivery;
- (b) in the case of pre-paid post, on the third Working Day after posting;
- (c) in the case of email, on the day on which it is emailed provided that day is a Working Day or, if emailed after 5.00pm or on a non-Working Day, on the next Working Day after the date of dispatch.

9.3 The Owner must notify the Minister of any change of ownership or control of all or part of the Land and must supply the Minister with the name and address of the new owner or person in control.

10. DEFAULT

10.1 Where either the Minister or the Owner breaches any of the terms and conditions contained in this Covenant the other party:

10.1.1 may take such action as may be necessary to remedy the breach or prevent any further damage occurring as a result of the breach; and

10.1.2 will also be entitled to recover from the party responsible for the breach as a debt due all reasonable costs (including solicitor/client costs) incurred by the other party as a result of remedying the breach or preventing the damage.

10.2 Should either the Minister or the Owner become of the reasonable view that the other party (the defaulting party) has defaulted in performance of or observance of its obligations under this Covenant then that party (notifying party) may, by written notice:

- 10.2.1 advise the defaulting party of the default.
- 10.2.2 state the action reasonably required of the defaulting party to perform or observe in accordance with this Covenant; and
- 10.2.3 state a reasonable period within which the defaulting party must take action to remedy the default.

11. DISPUTE RESOLUTION PROCESSES

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

11.2 Mediation

11.2.1 if the dispute is not capable of resolution by agreement within 14 days of written notice by one party to the other (or such further period as the parties may agree to in writing) either party may refer the dispute to mediation with a mediator agreed between the parties;

11.2.2 if the parties do not agree on a mediator, the President of the New Zealand Law Society is to appoint the mediator.

11.3 Failure of Mediation

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

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

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

12. JOINT OBLIGATIONS

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

13. SPECIAL CONDITIONS

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

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

Executed as a Deed

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

Witness: _____

Address : _____

Occupation: _____

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

Witness: _____

Address : _____

Occupation: _____



SCHEDULE 1

1. Description of Land

CC2 – Outwash Fan

All that piece of land comprising 208 hectares approximately shown shaded yellow on the plan attached to the Proposal and labelled CC2.

2. Address for Service¹

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

Minister of Conservation
C/- Director Conservation Partnerships
South and Eastern South Island Region
Department of Conservation
Conservation House
77 Stuart Street
P O Box 5244
DUNEDIN 9058

Phone: (03) 477 0677
Email: dunedinvc@doc.govt.nz

The address for service of the Owner is:

Irishman Creek Station Limited
Directors:
Christine Ellen Rietveld and Johannes Adrianus Cornelius Rietveld
Irishman Creek Station
Private Bag
TIMARU
PH: (03) 680-6603

Registered Office and Address for Service:

c/- Kendons Scott MacDonald Limited
119 Blenheim Road
CHRISTCHURCH 8041
Ph (03) 343 4448
Email: kendons@accounting.co.nz

¹ State street address not Post Office Box number.

3. Values of Land to be Protected

Landscape Amenity and Natural Environment

The outwash fan forms part of the iconic landscape of the Mackenzie Basin between State Highway 8 and Irishman Creek. Vegetation comprises predominantly fescue tussock grasslands including isolated *Aciphylla* spp and *Carmichaelia*. Grey shrubland dominated by matagouri with limited *Olearia* spp and *Coprosma* spp is present in the vicinity of Irishman Creek.

SCHEDULE 2

Special Conditions

1. Grazing of the Land is permitted for up to 1500 sheep on up to three occasions only in any calendar year for a maximum continual period of 48 hours.
2. Driving of sheep across the Land to access other areas is permitted.
3. If in the sole opinion of the Minister the permitted grazing is having an effect on the values of the Land, the Minister may review this grazing and in discussion with the Owner agree on limits to the numbers and/or stock types and any restrictions on periods when such stock is able to graze the Land. If the construction of a fence on the western boundary of the Land is required due to wandering stock across Irishman Creek the Owner is solely responsible for the purchase of fence materials and construction of the fence on the Land boundary.
4. The Minister may design and undertake a monitoring programme for this part of the Land
 - a) To ensure that the ecological integrity of the Land is maintained;
 - b) To enable the monitoring of any grazing on the vegetation cover and conditions, faunal vales and any other conservation values of this part of the Land.

Any monitoring programme will be reviewed at three yearly intervals and if in the opinion of the Minister there is a deterioration in the condition and extent of the ecological condition of the Land, the Minister reserves the right to adjust stock numbers conditions for the Land.

5. The enhancement of the Land through re-vegetation using native plant species appropriate to the ecological district and eco sourced along a 200m corridor is allowed subject to prior agreement by the Minister, whose consent will not be unreasonably withheld.
6. Provision of a stock water system on the Land is permitted subject to prior agreement by the Minister whose consent will not be unreasonably withheld.
7. Control of exotic weeds on the Land is permitted. Employees and/ or contractors of the Director-General of Conservation will be responsible for an initial one-off lupin control operation, with ongoing lupin control undertaken in conjunction by the Owner and the Minister. The Owner will allow access on and to the Land for the purpose of lupin control upon requests for access by such persons for this purpose. The Owner will be responsible for the control of all other weed species on the Land.

GRANT of

Correct for the purposes of the
Land Transfer Act 1952

Solicitor for the Minister

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

COMMISSIONER OF CROWN
LANDS

to

MINISTER OF CONSERVATION

Solicitor
Department of Conservation
DUNEDIN/CHRISTCHURCH

Appendix 10: Form of easement granted to Classic Properties Limited

DEED OF EASEMENT (PURSUANT TO SECTION 60 LAND ACT 1948)

Dated this day of 2015.

PARTIES

1. **THE COMMISSIONER OF CROWN LANDS** at Wellington under the Land Act 1948 (the Grantor).

AND

2. **Classic Properties Limited** at Timaru (the Grantee).

BACKGROUND

A. The Grantor has agreed to grant the Grantee a right to convey water over the Grantor's Land (being the Irishmans Creek Land and The Wolde Land as set out in the Second Schedule) on the terms and conditions set out in this Deed.

TERMS OF THIS DEED

1 DEFINITIONS AND INTERPRETATION

1.1 In this Deed (including the Schedules):

"Commencement Date" means the date of this Grant of Easement;

"Deed" means this Deed, the Background and the Schedules;

"Construct" includes construct, install, lay, inspect, use, replace, maintain, remove and replace and "Construction" and "constructing" has a similar meaning.

"Dominant Land" means part of the Grantee's land described as Part Run 85 and Part Run 85A situated in the Mackenzie Survey District being subject to Pastoral Lease PT 41 and contained in Computer Interest Register GB529/45 (Canterbury Land Registry) but further defined as the land coloured green on the Tenure Review Designation Plan (reference 12688/P1 041) attached as the Third Schedule to this Deed (which land is to be freehold in favour of the Grantee, to the intent that the easement provided by this Deed is intended to register on the Grantee's freehold land as coloured green on the Tenure Review Designation Plan attached as the Third Schedule to this Deed).

"Easement Land" means that area of the Grantor's Land described as the easement and defined on the plans attached as the Second Schedule to this Deed;

"Equipment" includes equipment, tools, machinery, vehicles, cables, lines, wires and all materials and items required for the purposes of exercising any of the rights granted by this Deed.

"Grantee" means the current registered proprietor for the time being of the Dominant Land and includes the Grantee's servants, agents, employees, workers and contractors, and any licensee, lessee, or tenant of the Grantee.

"Grantor's Land" means the land described as the Irishman Creek Land and The Wolde Land as set out in the Second Schedule.

"Lessees" means:

- (a) In respect of the Irishmans Creek Land (part of the Grantor's Land) means Irishman Creek Station Limited.
- (b) In respect of The Wolds Land (part of the Grantor's Land) means Wolds Run Company (1972) Limited.

"Maintain" includes maintain, repair, renew, alter, and inspect and **"maintenance"** has a similar meaning.

"Pastoral Lease" means:

- (a) In respect of the Irishmans Creek Land means PT.014, recorded in Computer Interest Register CB529/19 being the lease registered against the Irishman Creek Land, being part of the Grantor's Land as set out in the Second Schedule.
- (b) In respect of The Wolds Land means PT.08 recorded in Computer Interest Register CB529/16 being the lease registered against The Wolds Land, being part of the Grantor's Land as set out in the Second Schedule.

"Pipeline" means a pipe under the Easement Land for the purpose of conveying water together with release valves (above or on the Easement Land) and any other equipment suitable to assist in the conveying of water, and anything in replacement or substitution.

"Working Day" means any day of the week excluding Saturday, Sunday, national statutory holidays, and the anniversary days commonly observed in the locality in which the Easement Land is situated.

1.2 In the interpretation of this Deed unless the context otherwise requires:

- 1.2.1 The headings and subheadings appear as a matter of convenience and shall not affect the interpretation of this Deed;
- 1.2.2 References to any statute, regulation or other statutory instrument or bylaw shall be deemed to be references to the statute, regulation, instrument or bylaw as from time to time amended and includes substitution provisions that substantially correspond to those referred to and;
- 1.2.3 The singular includes the plural and vice versa and words incorporating any gender shall include every gender.

2 GRANT OF EASEMENT

2.1 Pursuant to section 60 of the Land Act 1948 the Grantor grants to the Grantee an easement for a Right to Convey Water over the Easement Land, to be appurtenant to the Dominant Land in perpetuity, for the right from time to time and at all times:

- 2.1.1 To take, lead and convey water in any quantity in a free and unimpeded flow from the point of entry through the Pipeline to the Dominant Land;
- 2.1.2 To construct a Pipeline, provided that the pipes forming part of the Pipeline shall be laid at a depth of between 70cm and 1800cm below the Easement Land and that the internal diameter of the pipes shall not exceed 40cm;
- 2.1.3 To construct any release valves or pressure mechanism or any other construction or mechanism ancillary to the conveying of water through or on the surface of the Easement Land;
- 2.1.4 The right from time to time and at all times to enter, exit, pass and remain on, under or over the Easement Land for all purposes reasonably necessary for the exercise of the

rights granted under this Deed and with or without Equipment necessary for such purposes but subject to the limitations expressed in this Deed;

- 2.1.5 To undertake all inspections, investigations and surveys necessary for the Grantee to exercise its rights under this Deed; and
- 2.1.6 To clear and keep the Easement Land clear of any trees, shrubs, building or other structure which is, or is likely, in the sole and reasonable opinion of the Grantee to be a danger or hazard to the safety or operation of the Pipeline.

3 CONSIDERATION

3.1 In consideration of the grant of easement in this Deed:

- 3.1.1 The Grantee shall pay the Grantor the sum of \$1.00 plus GST (if any) or any higher sum that the Grantor and Grantee may agree on before the Commencement Date of this Deed;
- 3.1.2 The Grantee shall observe the obligations imposed on it under this Deed.

4 COSTS

4.1 The Grantee shall bear all costs and expenses (including the Grantor's legal costs and expenses) in relation to the preparation and registration of this Deed and for all costs of the construction, operation and maintenance of the Pipeline, and the carrying out of all associated works permitted by this Deed shall be at the Grantee's cost.

5 REGISTRATION

5.1 This easement may be registered pursuant to section 60 of the Land Act 1948.

6 OBLIGATIONS OF THE GRANTEE

6.1 The Grantee shall only enter onto the Grantor's Land pursuant to this Deed upon reasonable notice to the Grantor and the Lessee (if any) of at least two (2) working days, provided however that in the case of an emergency the Grantee may enter onto the Grantor's Land without notice if necessary provided that subsequent notice is given to the Grantor and the Lessee (if any) as soon as practicable.

6.2 The Grantee shall when on the Grantor's Land:

- 6.2.1 Wherever possible remain on the formed roads and tracks and when on those roads or tracks comply with all traffic laws and regulations as are applicable to public roads or in accordance with the Grantor's reasonable directions;
- 6.2.2 Immediately after passing through any gates, close such of them as were closed and lock such of them as were locked immediately before such passing through;
- 6.2.3 Take all reasonable precautions for guarding against any danger (including, but without limitation, fire, physical damage or disease), and in particular shall (but without limiting the general obligation to take full and proper precautions pursuant to this clause 6.2.3) comply with all reasonable conditions that may be imposed from time to time by the Grantor or any lawful authority;
- 6.2.4 Ensure that as little damage or disturbance as possible is caused to the surface of the Grantor's Land and that the surface is restored as nearly as possible to its former condition and any other damage done by reason of the activities permitted on the Easement Land by this Deed is similarly restored;

- 6.3 The Grantee shall be solely responsible to construct at its expense (to the standard determined by the Grantor) any access road which it may require and which would be solely used for the purposes of the Grantee exercising its rights under this Deed.
- 6.4 The Grantee shall, at its cost, repair to the reasonable satisfaction of the Grantor any part of the Grantor's Land, including the tracks, fences, gates, drains, buildings or other structures, which is damaged directly or indirectly by the Grantee.
- 6.5 The Grantee shall at all times in the exercise of the rights set out in this Deed not obstruct or hamper the Grantor, or any agents, employees and contractors of the Grantor, in its normal or reasonable use of the Grantor's Land.
- 6.6 The Grantee shall comply at all times with all laws (including statutes and regulations and codes of practice) placing obligations on the Grantee in respect of the Easement Land and/or the Pipeline and obtain all approvals, consents and authorisations as are necessary for the Grantee to conduct the activities permitted by this Deed.
- 6.7 The Grantee shall at all times keep the Easement Land clear of noxious weeds and or vegetation considered in the reasonable opinion of the Grantee to be a danger or hazard to the safety or operation of the Pipeline.
- 6.8 The Grantee shall prevent the Pipeline the Grantee placed on the Easement Land from becoming a danger or a nuisance.
- 6.9 The Grantee will comply with all obligations imposed on the Grantee at law as the person in charge of a place of work and will be responsible for the health and safety of any person who enters on any part of the Grantor's Land at the request of the Grantee.
- 6.10 The Grantee shall take all practicable steps (as far as is legally permissible) to ensure that any obligations imposed on the Grantor under the Health and Safety in Employment Act 1992 are complied with at all times and shall comply with any reasonable obligations imposed by the Grantor regarding the identification and mitigation of hazards and the health and safety of persons the Grantor's Land and/ or the Easement Land.

7. OBLIGATIONS OF THE GRANTOR

- 7.1 The Grantor shall not do anything on the Easement Land whereby the rights, powers and liberties granted to the Grantee by this Deed may be interfered with and in particular the Grantor shall not without the consent in writing of the Grantee (which will not be unreasonably withheld or delayed):
 - 7.1.1 Alter or disturb the present grades and contours of the surface of the Easement Land except in the course of normal farming and grazing operations or otherwise with the prior consent in writing of the Grantee on each occasion;
 - 7.1.2 Erect or permit the erection of any structures on the Easement Land except as allowed in clause 7.1.7;
 - 7.1.3 Plant any trees or shrubs on the Easement Land;
 - 7.1.4 Excavate or deposit material on the Easement Land;
 - 7.1.5 Impede the Grantee's access to the Easement Land;
 - 7.1.6 Make any alterations or additions to any structure on the Easement Land which affects its overall dimensions; and
 - 7.1.7 Erect any fence of a height of more than three (3) metres on the Easement Land.

7.2. The Grantor shall not light or permit to light any fires or burn off vegetation within the Easement Land and or close proximity to the Easement Land without the consent of the Grantee (which will not be unreasonably withheld or delayed).

7.3. The Grantor will do all things reasonably necessary to enable the Grantee to obtain and register this Deed against the Dominant Land and the Grantor's Land.

8 OWNERSHIP OF PIPELINE

8.1. The Pipeline will remain the property of the Grantee and will not for any reason become the property of the Grantor.

8.2. The Grantee will remove the Pipeline as soon as practicable on termination of the rights created by this Deed and will restore the Grantor's Land as nearly as possible to the condition that it was in at the Commencement Date.

8.3. If the Grantee has not taken the steps set out in clause 8.2 of this Deed within the specified time, the Grantor may remove the Pipeline from the Easement Land and restore the Grantor's Land as nearly as possible to the condition that it was in at the Commencement Date and recover the costs of removal from the Grantee.

9 COVENANTS, RIGHTS AND POWERS

9.1. The covenants, right and powers outlined in the Fourth Schedule to the Land Transfer Regulations are specifically excluded and replaced with those included in this Deed.

10 INDEMNITY

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

11 GRANTOR'S LIABILITY EXCLUDED

11.1. The Grantor holds no liability in contract, tort or otherwise in relation to any aspect of this Deed. This exclusion of liability extends to consequential loss, anything arising directly or indirectly from the Deed and any activity of the Grantor on the Grantor's Land.

12 TERMINATION

12.1. The Grantor may terminate the rights created by this Deed if the Grantee breaches any of the terms of this Deed and the breach remains unrectified following written notice to the Grantee specifying the breach and seeking rectification within 20 Working Days or such other time agreed in writing by the parties.

12.2. If the breach remains unrectified (or is unable to be rectified) then termination must be by written notice from the Grantor.

12.3. Upon termination (for whatever reason) of the grant of easement evidenced by this Deed all rights of the Grantee shall immediately cease (subject to clause 8.2 of this Deed) but the Grantee shall not be released from any liability to pay consideration or other moneys up to date of termination.

12.4. Upon termination the Grantee shall formally surrender the rights under this Deed and surrender the grant of easement.

13 REGISTRATION

13.1 The Deed, or a transfer instrument incorporating the terms of the Deed may be registered and both parties will do all things necessary to enable registration.

14 GRANTOR'S RIGHTS OF DELEGATION

14.1 The Grantor may delegate all or any rights, benefits and obligations conferred by this Deed, provided that the exercise of any such rights, benefits or obligations by that person shall not limit the liability of the Grantor in the performance or observance of the provisions of this Deed.

15 RESOLUTION OF DISPUTES

15.1 If any dispute arises between the Grantor and the Grantee concerning the rights and obligations created by this Deed, the parties will enter into negotiations in good faith to resolve their dispute. If the dispute is not resolved within 20 Working Days of the date on which the dispute was notified, the parties will submit to arbitration of an independent arbitrator appointed jointly by the parties. If the parties cannot agree on the arbitrator within a further 10 Working Days the President or his nominee for the time being of the New Zealand Law Society will appoint an independent arbitrator in the area. In the event that the President of the New Zealand Law Society fails or refuses to appoint an arbitrator, either party may request the High Court to make an appointment. The appointment decision of the High Court may not be appealed. The arbitration proceedings will be conducted in accordance with the Arbitration Act 1996, excluding the Second Schedule thereof, and the parties' execution of this Deed shall be deemed to be a submission to arbitration provided that this clause shall be subject in all respects to the provisions of section 17 of the Land Act 1948.

16 NOTICES

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

16.1.1 The Grantor's Address as set out in the First Schedule;

16.1.2 The Grantee's Address as set out in the First Schedule.

16.2 All such notices are deemed to have been delivered:

16.2.1 if posted, three Working Days following deposit in the mail with postage prepaid; or

16.2.2 if delivered, when delivered by hand; or

16.2.3 if sent by facsimile, when a completed transmission report is received by the sender unless a verifiable query as to material legibility is promptly raised by the recipient.

provided, however, that a notice sent or delivered on a day which is not a Working Day shall be deemed to be received at 8am on the next Working Day.

17 SEVERABILITY

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

18 NO WAIVER

18.1 A waiver of any provision of this Deed shall not be effective unless given in writing, and then it shall be effective only to the extent that it is expressly stated to be given.

18.2 A failure, delay or indulgence by one party in exercising any power or right shall not operate as a waiver of that power or right. A single exercise or partial exercise of any power or right shall not preclude further exercises of that power or right or the exercise of any other power or right.

19 DISPOSAL OF FEE SIMPLE

19.1 If the Grantor, for any reason, transfers ownership of a fee simple estate in the Grantor's Land, including the Easement Land to any person who is not the Crown, the Grantor will at the Grantee's cost register an easement on the Computer Freehold Register of the Grantor's Land on similar terms to this easement but with all necessary modifications, including the exclusion of those clauses applying specifically to the Crown. The Grantor will also accept a surrender of this Deed. The new easement and the surrender of this Deed will take effect at the same time, with the effect that the transfer of the Computer Freehold Register of the Grantor's Land will take title subject to the new easement.

20 BINDING ON SUCCESSORS

20.1 This Deed will be binding on and enure for the benefit of the executors, administrators, successors and assigns of all parties.

21 FURTHER ASSURANCES

21.1 Each of the parties agrees to execute and deliver any documents and to do all acts and things as may reasonably be required by the other party or parties to obtain the full benefit of this Deed according to its true intent.

EXECUTION

Signed by and on behalf of the
Commissioner of Crown Lands
pursuant to a delegation under
section 41 of the State Sector
Act 1988
In the presence of:

Witness signature

Witness name

Witness occupation

Witness town of residence

Signed by and on behalf of
Classic Properties Limited
by its director
In the presence of:

Witness signature

Witness name

Witness occupation

Witness town of residence



FIRST SCHEDULE

1 Grantor's Land

- "Inghams Creek Land": Run 843 situated in the Mackenzie Survey District (being subject to Pastoral Lease PT.014 and contained in Computer Interest Register CB629/19 (Canterbury Land Registry))
- "The Woods Land": Part Run 85B situated in the Mackenzie Survey District (being subject to Pastoral Lease PT.08 and contained in Computer Interest Register CB529/16 (Canterbury Land Registry))

2 Grantor's Address

LINZ Pastoral Team
Private Bag 4721
Christchurch 8140

3 Grantee's Address

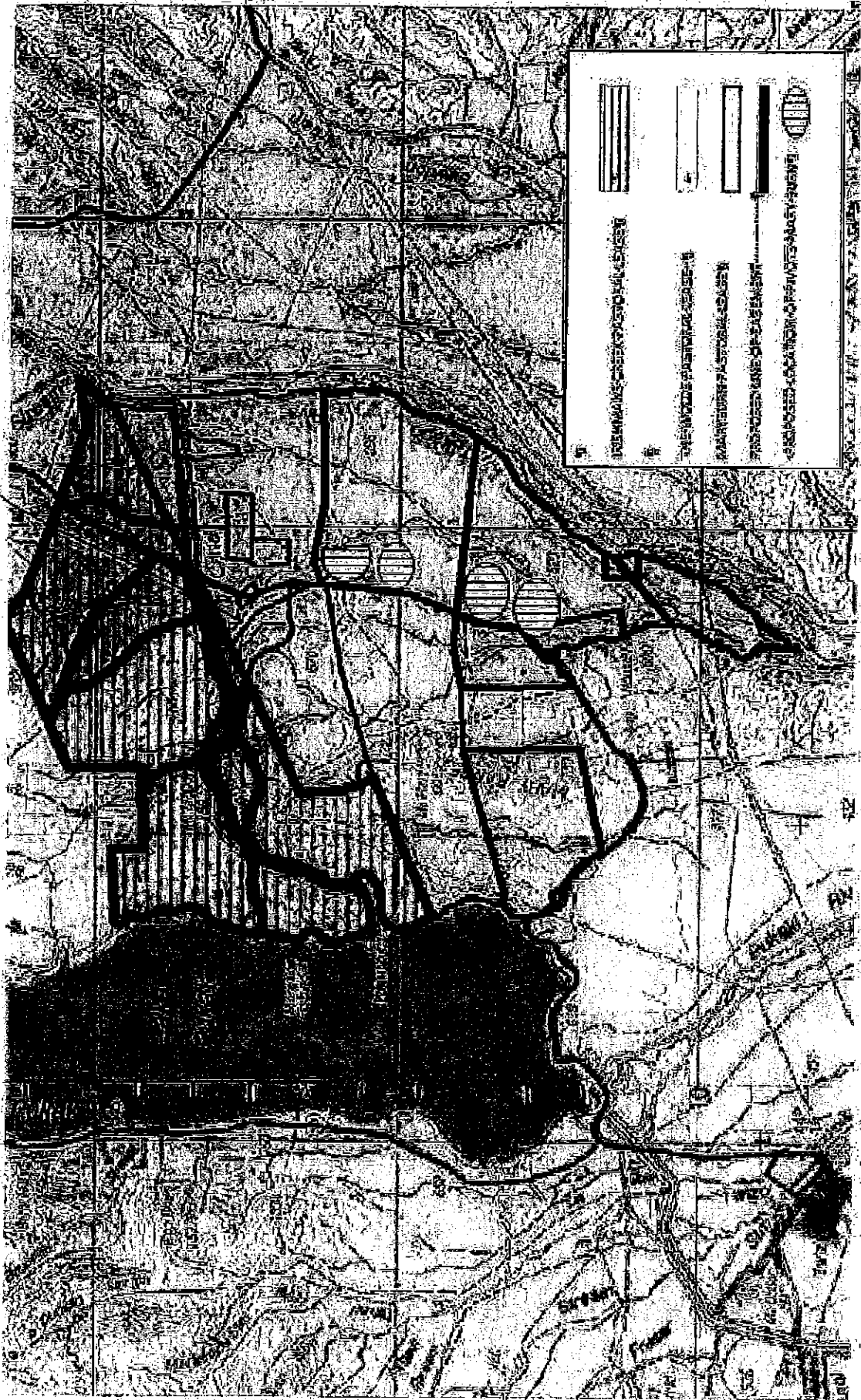
Classic Properties Limited
C/- Mr M D & Mrs P J Murray
Maryburn Station
Private Bag 66005
Fairlie

SECOND SCHEDULE

1 Easement Land

See attached Plan

Essex and Land Caveling

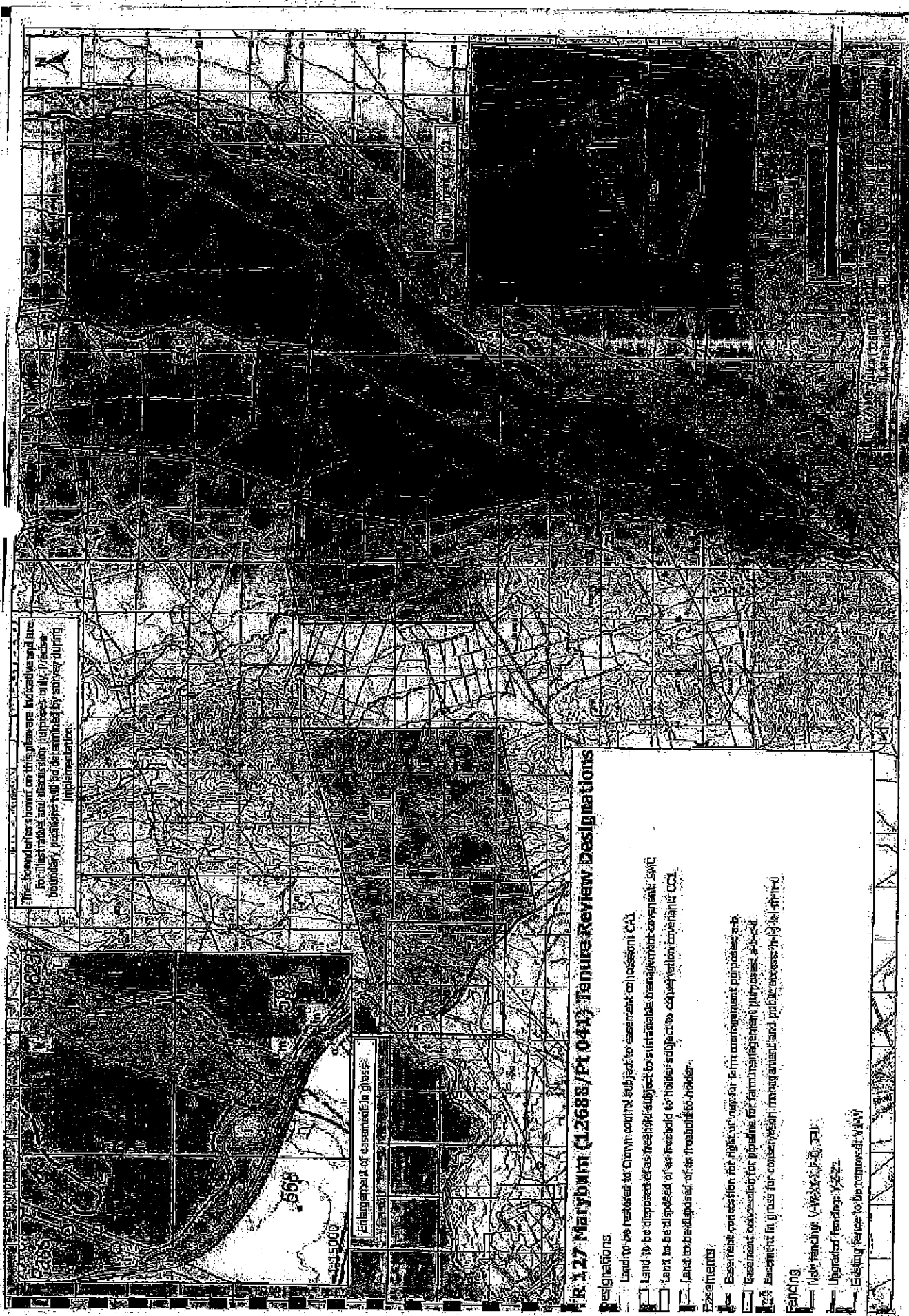


THIRD SCHEDULE

1 Grantee's Land

See attached Plan





Pr 1.27 Maryland (12688/Pt 041) Future Review Designations

- Land to be retained to Crown control subject to easement on possession: C41
- Land to be disposed of as residential subject to sustainable management covenant: SMC
- Land to be disposed of as residential to holder subject to competition covenant: CC
- Land to be disposed of as residential to holder.
- Easements:**
- Easement, possession for right of way for farm management purposes: 46
- Easement, possession for pipeline for farm management purposes: 46-47
- Easement in gross for competition management and public access: 46-47-48-49-50
- Fencing:**
- New fencing: 46-47-48-49-50
- Improved fencing: 46-47
- Existing fences to be removed: 46-47

Execution Section

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

SIGNED for and on behalf of the
Commissioner of Crown Lands
by **BRIAN JOHN USHERWOOD**
pursuant to a delegation under the
Crown Pastoral Land Act 1998 in
the presence of:



Brian John Usherwood



Witness

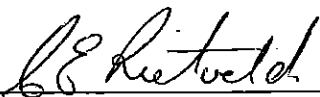


Occupation

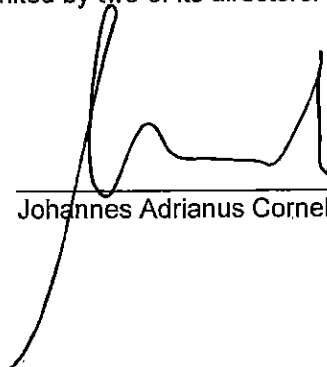
LAND INFORMATION NEW ZEALAND, WELLINGTON

Address

SIGNED for and on behalf of Irishman Creek Station Limited by two of its directors:



Christine Ellen Rietveld



Johannes Adrianus Cornelius Rietveld