

- E. The Council and the Licensee have agreed to enter into this Deed to record the terms and conditions upon which the Licensee will occupy and use the Licensed Area.

IT IS HEREBY AGREED that pursuant to the Reserves Act 1977, the Local Government Act 2002 and such other powers the Council may have the Council hereby grants to the Licensee a non-exclusive licence to enter upon and use all that part of the land more particularly described in the Schedule (hereinafter called "the Licensed Area") upon the following terms and conditions.

1. **TERM**

- 1.1 The term of this Licence shall be the number of years from the commencement date prescribed in the Schedule **PROVIDED ALWAYS** that this Licence may be terminated prior to the expiry date in the manner herein provided.
- 1.2 If the Licensee has not been in breach of this Licence and has given to the Council written notice at least three (3) calendar months before the end of the term that the Licensee wish to take a new Licence of the Licensed Area, and the Council decides at its discretion that it is desirable or appropriate for a new Licence to be granted for the Licensed Area or part of the Licensed Area, then the Council will give the Licensee the right of first refusal to a new Licence at such terms and conditions as the Council decides at its discretion to be appropriate for the then requirements of the Council. The Licensee acknowledges that part of the Licensed Area is a Recreation Reserve under the Reserves Act 1977, and no warranty is given by the Council a new Licence or extended term of this Licence will be available upon expiration of the initial term of this Licence.

2. **USE**

- 2.1 The Licensee shall not use or permit the whole or any part of the Licensed Area to be used for any use other than the use prescribed in the Schedule.

- 2.2 The Council does not warrant that the Licensed Area and/or buildings and improvements on the Licensed Area is or will remain suitable or adequate for any of the purposes of the Licensee. The Licensee shall rely on his own inspection of the Licensed Area and/or buildings and improvements.
- 2.3 The Licensee shall not commit or permit any act or thing (other than normal farming activities) which may be a nuisance or annoyance to the public or the Council or the occupiers of neighbouring properties.
- 2.4 That the Licensee will not do or permit to be done anything that will cause damage to or destruction of any natural, scenic, historic, cultural, archaeological, biological, geological or other scientific features, or indigenous flora and fauna in the Licensed Area.
- 2.5 The Licensee shall permit such recreational and educational use of the Licensed Area by members of the public as may be permitted or contemplated by the Reserves Act 1977 or by the Park Management Plan. Subject to the primary use of the Licensed Area for a commercial farming operation, the Licensee will implement a policy of encouraging visitor use of the Licensed Area for recreation and education purposes. The Licensee shall only be entitled to restrict access to any area of the Licensed Area for reason of public safety and in accordance not only with reasonable farm practices but also in accordance with the Reserves Act 1977.
- 2.6 The Licensee shall not erect on the Licensed Area any commercial advertising signs which are unrelated to its use of the Licensed Area but may with the consent of the Council (which shall not be unreasonably withheld) erect signs which relate to or advertise its permitted use of the Licensed Area.
- 2.7 Any vehicles brought onto the Licensed Area or any part of the Park by the Licensee shall be driven in a manner having regard to the public use of the Park.
- 2.8 Dogs are not permitted on the farmed areas of the Park. Dogs are permitted on some other areas of the Park but only if properly controlled by the owner. The Licensee will be permitted to use working dogs on the Licensed Area as part of the farming operation. The Council shall not be liable for any loss of stock or any other damage caused by dogs entering onto the Licensed Area.

- 2.9 The Council may restrict access to and/or use of any part of the Licensed Area identified or suspected to contain buried or otherwise concealed World War II ordinances and/or munitions. No excavations shall be permitted in any part of the Licensed Area without the prior written approval of the Council.

3. **COMPLIANCE WITH STATUTES ETC**

- 3.1 The Licensee shall observe and comply with all statutory provisions, regulations and by-laws at any time in force so far as the same are applicable to the Licensee and/or the Licensed Area or the Licensee's use of the Licensed Area.

- 3.2 Without limiting the generality of clause 3.1:

- (a) the Licensee shall take all reasonable steps in accordance with good farming practices to clear and keep clear the Licensed Area from all noxious weeds and agricultural pests to the same standard as at 1 November 2005 and in particular will duly and fully comply with the provisions of the Biosecurity Act 1993 and all amendments thereto,
- (b) the Licensee shall not light or permit to be lit any fires on or in the vicinity of the Licensed Area and will in particular duly and fully comply with the Forest and Rural Fires Act 1977 and all amendments thereto.
- (c) the Licensee shall promptly comply with all notices or demands lawfully made or given by any person or authority pursuant to the said Acts.

- 3.3 The Licensee acknowledges that the Licensee has been provided with and had perused a copy of the Park Management Plan and further agrees to comply with and have regard to the Rules and Policy of the said plan.

- 3.4 (a) The Licensee shall comply with the requirements of the Health and Safety in Employment Act 1992.

(b) The Licensee will take all necessary precautions to ensure that their actions do not create or increase hazards or dangers to the users of the Licensed Area.

3.5 The Licensee shall at all times comply with the then current Annual Farming Operation Plan approved by Council in accordance with Clause 5.1 of this Licence.

4. **FARMING OF THE LICENSED AREA**

4.1 The Licensee shall stock the pasture on the Licensed Area in accordance with the rules of good husbandry generally recognised in the area in which the Licensed Area is situated. The Licensee shall not:

(a) at any time overstock the Licensed Area or depasture more stock than it will reasonably carry;

(b) at any time depasture more stock than the maximum number of stock specified in the Schedule;

(c) place the Licensed Area or any part of the Licensed Area in crops other than grass or such crops that shall be used in normal commercial farming practise.

4.2 The stock are to be healthy, sound and well-presented. Dead animals (whether stock or pests) shall be removed from the Licensed Area by the Licensee as soon as is practicable.

4.3 The Licensee shall properly care for and tend all stock on the Licensed Area from time to time during the term of this Licence and take reasonable precautions to keep the same on the Licensed Area.

4.4 No unruly stock or stock with temperament disorders are to be grazed on the Licensed Area. Stock which prove or cause a safety concern to members of the public shall be isolated and then removed from the Licensed Area by the Licensee as soon as possible.

4.5 The Licensee shall procure and apply sufficient fertiliser to achieve and maintain reasonable soil fertility levels to the same standard as at 1 November 2005.

- 4.6 The Licensee shall take all reasonable steps in accordance with good farming practices to clear and keep clear the Licensed Area from all noxious and pasture weeds to the same standard as at 1 November 2005.
- 4.7 The Licensee shall graze the land in accordance with the good management practices of farming and animal husbandry to achieve a well presented and efficient farming operation within the constraints of the educational and recreational use of the Licensed Area.
- 4.8 The Licensee shall not impoverish or waste the soil of the Licensed Area and shall take such steps as are necessary to minimise the erosion of any stream banks.

5. **ANNUAL FARMING OPERATION PLAN**

- 5.1 The Licensee shall prepare and submit to the Council for approval prior to the commencement of this Licence or commencement of each year (as the case may be) a plan (to be known as "the Annual Farming Operation Plan") giving sufficient details of the farming operation for the year. Without limiting the generality of this provision, the Annual Farming Operation Plan shall include the following information:
- (a) the number of stock to be grazed on the Licensed Area and what the stock would consist of,
 - (b) maintenance programme to comply with clause 9.2.
 - (c) actions to be taken to control weeds and agricultural pests, including actions to comply with the Conditions for Undertaking Weed Control and Application of Agrichemicals attached to this Licence as Appendix I,
 - (d) actions to be taken to achieve and maintain reasonable soil fertility levels, including an annual nutrient budget prepared using "MAF Overseer Nutrient Budget" software or equivalent approved software,

(e) and such other details as the Council may reasonably require relating to a commercial farming operation.

5.2 Failure to submit and/or obtain approval of the Annual Farming Operation Plan shall be deemed to be a breach of the terms of this Licence entitling the Council to terminate this Licence.

6. **FARM EDUCATIONAL PROGRAMMES**

6.1 The Licensee will cooperate with the Council in the use of the Licensed Area as an educational resource by various interested groups. The Licensee shall, at suitable times, permit observation of the farming operation.

6.2 The use of the Licensed Area for farm education services requires the Licensee to attain a good standard of presentation of the stock and the pasture and to farm the Licensed Area using the best farming practices and animal husbandry.

7. **RECREATIONAL USE**

7.1 The Licensee acknowledges that the Licensed Area is part of the Park which is used for a wide range of recreational activities. Recreational developments on the park include vehicle entry and parking, toilets and basic visitor information facilities, picnic areas, marked walking tracks and riding tracks, and a cross-country equestrian course.

7.2 The recreational use of the Licensed Area consists of:

(a) Mountain bike riders, walkers, runners and horse riders.

(b) entry on to the Licensed Area by individuals or groups (approved by Council) for the purposes of inspection, observation or study of any natural scenic, historic, cultural, archaeological, biological, geological or other scientific features, or indigenous flora and fauna which may be found in the Licensed Area.

- 7.3 The Licensee acknowledges and agrees that this Licence does not grant to the Licensee exclusive occupation of the Licensed Area and that the farming operation would be subject to use by other uses referred in this Licence.
- 7.4 The Council and the Licensee shall regularly consult and liaise with each other to co-ordinate the recreational, educational and farming operations of the Licensed Area so as to minimise conflicts or potential conflicts between the three uses.
- 7.5 It is the Council's intention to promote and develop horse riding trails through parts of the Licensed Area, but riding is to be restricted to designated trails. The Council will consult with the Licensee when designating new riding trails and shall endeavour to minimise any disturbance or nuisance to the farming operations of the Licensee **PROVIDED ALWAYS** that the Council shall have the sole right to decide whether the proposed designation proceeds or not.
- 7.6 The Council recognises that the Licensee undertakes a commercial farming operation on the Licensed Area and shall take this into account when considering whether public access would be permitted, restricted or regulated.

8. **ANNUAL LICENCE FEE AND OUTGOINGS**

- 8.1 The Licensee shall pay the licence fee on the licence fee payment date without any deductions and in the manner the Council may direct.
- 8.2 The annual Licence Fee shall be reviewed by the Council on the review date as follows:
- (a) The Council shall commence a review by not earlier than three months prior to the review date giving written notice to the Licensee specifying the annual Licence Fee considered by the Council to be the current market Licence Fee as at that review date.
 - (b) If, by written notice to the Council within 28 days after the receipt of the Council's notice, the Licensee disputes that the proposed new annual Licence Fee is the current market Licence Fee, then the new Licence Fee shall be determined in accordance with paragraph (e).

- (c) If the Licensee fails to give such notice (time being of the essence), the Licensee shall be deemed to have accepted the annual Licence Fee specified in the Council's notice.
 - (d) Pending the determination of the new annual Licence Fee, the Licensee shall pay the annual Licence Fee specified in the Council's notice. Upon determination of the new annual Licence Fee, an appropriate adjustment shall be made.
 - (e) In the event that the Licensee gives written notice pursuant to paragraph (b), then the new annual Licence Fee shall determined by two independent valuers, one to be appointed by each party. If the two valuers are unable to agree on the new annual Licence Fee, then a valuer shall be appointed by the two said valuers and the valuation of the third valuer shall be final and binding on the parties. The cost of such valuations shall be borne equally by the parties. The provision for arbitration contained herein shall not apply to Licence Fee review.
- 8.3 The Licensee shall pay all charges for local authority rates, water, gas, electricity, telephones and other utilities or services incurred by the Licensee on the Licensed Area.

9. **BUILDINGS AND OTHER IMPROVEMENTS**

- 9.1 The Licensee shall not erect or construct any buildings or structures (whether permanent or temporary) upon the Licensed Area without the prior written consent of the Council. If consent is given by the Council, such consent may be subject to such terms and conditions as the Council deems fit.
- 9.2 The Licensee shall throughout the term of this Licence keep and maintain the buildings, fences, gates, yards, watering systems, troughs and farm roads and tracks in the same order, repair and condition as they were in at the commencement of this Licence. The Licensee shall be liable for any damage caused by the Licensee to any buildings, erections and permanent improvements. In the event that the fences, gates and yards are upgraded during the term of this Licence, then the Licensee shall maintain the same to its upgraded condition.

- 9.3 An inventory of the Council's improvements and its condition as at the commencement date is attached to this Licence and marked Appendix II.

10. **EQUIPMENT**

- 10.1 The Licensee shall at their own expense supply, install and maintain all equipment and implements required for an efficient farming operation on the Licensed Area during the term of this Licence.
- 10.2 The Licensee shall comply with all rules and regulations as to the safe operations of the equipment and implements.

11. **ENTRY AND INSPECTION**

- 11.1 The Licensee acknowledges and agrees that the Council and members of the public (educational and recreational users) have right of entry onto the Licensed Area at any time, except when it disrupts normal farming operations. The Licensed Area shall generally remain open to the members of the public except during lambing and calving seasons when the Licensee may close the Licensed Area to members of public for up to two months.
- 11.2 The Council may from time to time impose restrictions on entry onto the Licensed Area to assist the farming operation of the Licensee. The Council will liaise with the Licensee to assist and minimise the potential disruption to the stock.
- 11.3 The Council may enter any buildings and improvements at all reasonable times to view the condition of the buildings and improvements. In respect to the dwellings, the Council shall provide reasonable notice of its intention to enter the dwellings.

12. **BREACH OF TERMS OF LICENCE**

- 12.1 If at any time the annual licence fee shall be in arrears for one (1) month or more the Council may levy the same by distress in the same manner as if such arrears were arrears of rental under a lease.

12.2 If:

- (a) The Licensee shall make default for one (1) month or more in payment of the annual licence fee or any part thereof, whether formally demanded by the Council or not; or
- (b) The Licensee shall fail to perform or observe, or shall commit a breach of any of the terms and conditions herein contained or implied, then

the Council may give one month's notice in writing of its intention to terminate this Licence and upon the expiration of the said period, this Licence shall terminate without payment of compensation to the Licensee **PROVIDED ALWAYS** that the Licensee shall not be released from liability in respect of any antecedent breach of this Licence.

13. **EXPIRATION OR TERMINATION**

- 13.1 In the event that part or parts of the Licensed Area is required by the Council for the purpose of development of conservation or recreation areas, the Council may terminate the term of this Licence in respect to the part or parts required by giving the Licensee no less than 3 months prior written notice. In the event that such termination reduces the area of land available to the Licensee for grazing purposes, then the annual licence fee shall be reduced in proportion to the area of grazing reduced, or appropriate compensation shall be paid to the Licensee.
- 13.2 Part of the Licensed Area is subject to a Transit New Zealand designation for a proposed State Highway. The designated area comprises of a strip of land along and within the central west portion of the Licensed Area. In the event that Transit New Zealand proceeds to take the designated area, then this Licence shall immediately terminate in respect to the designated area and the annual licence fee shall be reduced in proportion to the area of grazing reduced. No other compensation shall be payable to the Licensee or to any other person
- 13.3 The Council shall have a first right of refusal for the Council to purchase the livestock and plant of the Licensee on the licensed area and owned by the Licensee upon

expiration or termination of this Licence. This right of first refusal may be exercised by the Council giving written notice to the Licensee no later than three months prior to date of expiration or termination of this Licence. The purchase price of the stock and plant shall be at then market value as agreed between the parties. Failing agreement, the purchase price shall determined by the Council and the Licensee each employing its own valuer. In the event of disagreement between the valuers, the valuers may appoint an arbitrator to assess any differences between them, and the cost of the arbitrator to be shared between the Council and the Licensee. The decision of the arbitrator shall be final and binding on the parties.

13.4 Upon expiration or termination of this Licence, the Licensee shall:

- (a) remove any buildings or structures constructed by the Licensee on the Licensed Area;
- (b) leave the Licensed Area cropped in good grass pasture;
- (c) leave the Licensed Area and any buildings or structures in same order, repair and condition as they were in at the commencement of this Licence

13.5 It is the Council's intention to promote the development of energy generation from sustainable sources. The Licensee acknowledges that the Council has been investigating the use of the Licensed Area, and Belmont Regional Park in general, as possible sites for the establishment of wind farms, and may continue to do so. For the above purposes, the parties agree as follows:

- (a) The Council shall be entitled to continue to operate, repair and maintain all existing structures, equipment and instruments currently on the Licensed Area and used to investigate the feasibility or possibility of establishing wind farms.
- (b) The Council may install, operate, repair and maintain such additional structures, equipment and instruments necessary or reasonable to investigate the feasibility or possibility of establishing wind farms on any part or parts of the Licensed Area, subject to prior and full consultation with the Licensee.

- (c) The Licensee shall permit such access as may be necessary or reasonable to the Council and its employees, contractors or invitees for the purposes of undertaking such feasibility and/or technical studies as the Council may regard as appropriate, subject to the Council providing reasonable notice prior to entry and complying with such reasonable entry conditions which the Licensee may require.

14. **NO ASSIGNMENT**

- 14.1 This Licence is personal to the Licensee. The Licensee shall not assign, sublet or part with the possession of the Licensed Area or of his rights under this Licence.
- 14.2 The Council acknowledges that at the commencement date of this Licence, there are two current licences to Broadcast Communications Limited for broadcasting transmitters and to Transit New Zealand Limited for the purpose of planting along the proposed Transmission Gully Motorway route. The Licensee will continue to hold the said licences as sub-licences under this Licence.
- 14.3 At final termination and expiry of the term of this licence, The Licensee shall assign the licenses referred to in clause 14.2 to the Council.

15. **COSTS**

- 15.1 The Licensee shall pay the reasonable costs of and incidental to the enforcement or attempted enforcement of the Council's rights remedies and powers under this Licence.

16. **RISK AND INDEMNITY**

- 16.1 The Licensee shall occupy and/or use the Licensed Area and/or buildings and improvements at the Licensee's own risk.

- 16.2 The Licensee shall at all times indemnify and hold harmless the Council from and against all claims, actions, suits and demands that may be made or brought against the Council in respect of any work, matter or thing done or omitted to be done by the Licensee upon the Licensed Area or in connection with or in respect of or arising out of the possession by the Licensee of the Licensed Area or as a result of the grant of this Licence to the Licensee.
- 16.3 The Council shall take all practical steps to ensure that any persons permitted access to the Licensed Area receive adequate safety briefings, notices of any hazard rules, guidelines and instructions.
- 16.4 The Council shall develop any safety briefings, notices, rules, guidelines and instructions in consultation with the Licensee.

17. **INSURANCE**

- 17.1 The Council shall insure and keep insured all Buildings on the Licensed Area against destruction or damage by fire, earthquake, storm, water damage and malicious damage and such other risks as the Council may from time to time require to its full insurable value on an indemnity cover basis or, at the option of the Council, up to the full replacement value, such insurance to be effected with such insurance office as the Council may from time to time select.
- 17.2 The Licensee or persons under the control of the Licensee shall not do anything upon the Licensed Area whereby any insurance effected by the Council may be rendered void or voidable or (except with the Council's prior written approval) whereby the premiums may increase. The Licensee shall upon demand pay all extra premiums payable as a result of any breach to this clause.

18. **QUIET ENJOYMENT**

- 18.1 The Licensee, having paid the licence fee, observed and performed all the terms and conditions of this Licence shall be entitled to quietly hold and enjoy the Licensed Area

without any interruption by the Council or any person claiming under the Council, but subject always to the provisions of this Licence prevailing.

19. **ADDRESSES AND NOTICES**

19.1 In the event of the Licensee changing its address from that shown in this Licence, the Licensee shall forthwith give the Council written notice of the new address.

19.2 Any notice required to be given by the Council to the Licensee may be given by:

- (a) delivering the same to the Licensee personally;
- (b) posting it to the Licensee at the address given in this Licence;
- (c) posting to the Licensee's last known address or place of residence or business.

19.3 Any notice required to be given by the Licensee to the Council shall be delivered to the offices of the Council at Wellington.

20. **ARBITRATION**

20.1 That all differences and disputes which may arise between the parties touching or concerning this Licence or act or thing done or omission or the interpretation of these presents shall be referred to arbitration in accordance with the Arbitration Act 1996 and any amendments and substitutions thereto.

21. **INTERPRETATION**

21.1 In this Licence:

- (a) Whenever words appear in this Licence that also appear in the Schedule then those words shall mean and include the details supplied after them in the First Schedule.

- (b) Where obligations bind more than one person those obligations shall bind those persons jointly and severally.
- (c) Words importing the singular number include the plural and vice versa.
- (d) Clause headings are inserted for reference only and shall not affect the interpretation of this Licence.

EXECUTED as a Deed.

SIGNED by)
WELLINGTON REGIONAL)
COUNCIL by its Secretary in the)
presence of:)

SIGNED by the authorised)
Signatory of)
LANCORP FARMING LIMITED)
in the presence of:)

SCHEDULE

Licensed Area

All that land contained in CT ?????? Wellington Registry, together with the Takapu, Dry Creek and Kilmister Blocks all as shown on the attached plan.

Term

No less than 5 years to run from the date of commencement to the expiry date, unless renewed.

Commencement Date

The date of settlement when the land in CT ?????? is transferred to the ownership of the Council.

Expiry Date

30th day of June 2012 or 5 years from the commencement date, which ever is the later.

Licence Fee

\$500,000.00 plus GST, payable at commencement date.

Review Date

At date of grant of a new licence (if any).

Use

Farming. The Licensee shall keep stock numbers at a level that would maintain a good standard of pasture in the Licensed Area.

Licensee's Address

P O Box 5349,
Level 1, Lumley House
3-11 Hunter Street
Wellington

DATED

2005

BETWEEN WELLINGTON REGIONAL COUNCIL

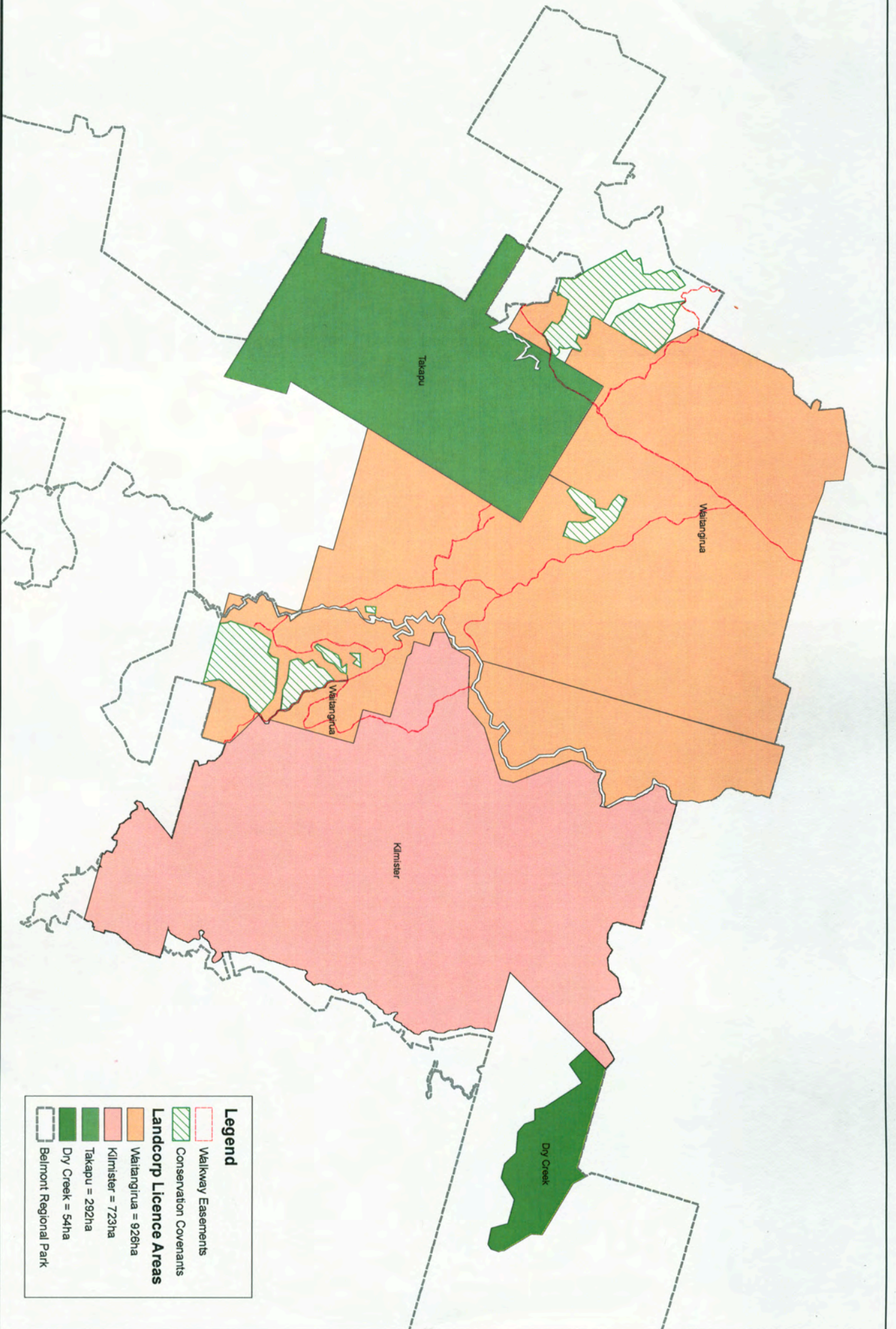
AND LANDCORP FARMING LIMITED

FARMING LICENCE
BELMONT REGIONAL PARK

OAKLEY MORAN
SOLICITORS
WELLINGTON

Landcorp Farming Licence Areas

Belmont Regional Park



Legend

- Walkway Easements
- Conservation Covenants

Landcorp Licence Areas

- Waitanguru = 926ha
- Kimister = 723ha
- Takapu = 292ha
- Dry Creek = 54ha

Belmont Regional Park

1:25,000

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Map printed 11/07/2005

