

Crown Pastoral Land Tenure Review

Lease name: MESOPOTAMIA

Lease number: PT 057

Substantive Proposal - Part 6

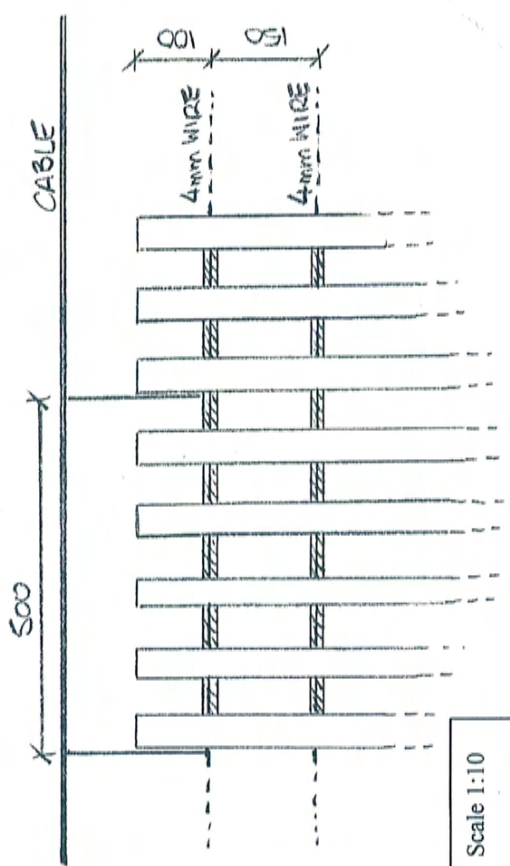
The report attached is released under the Official Information Act 1982.

April

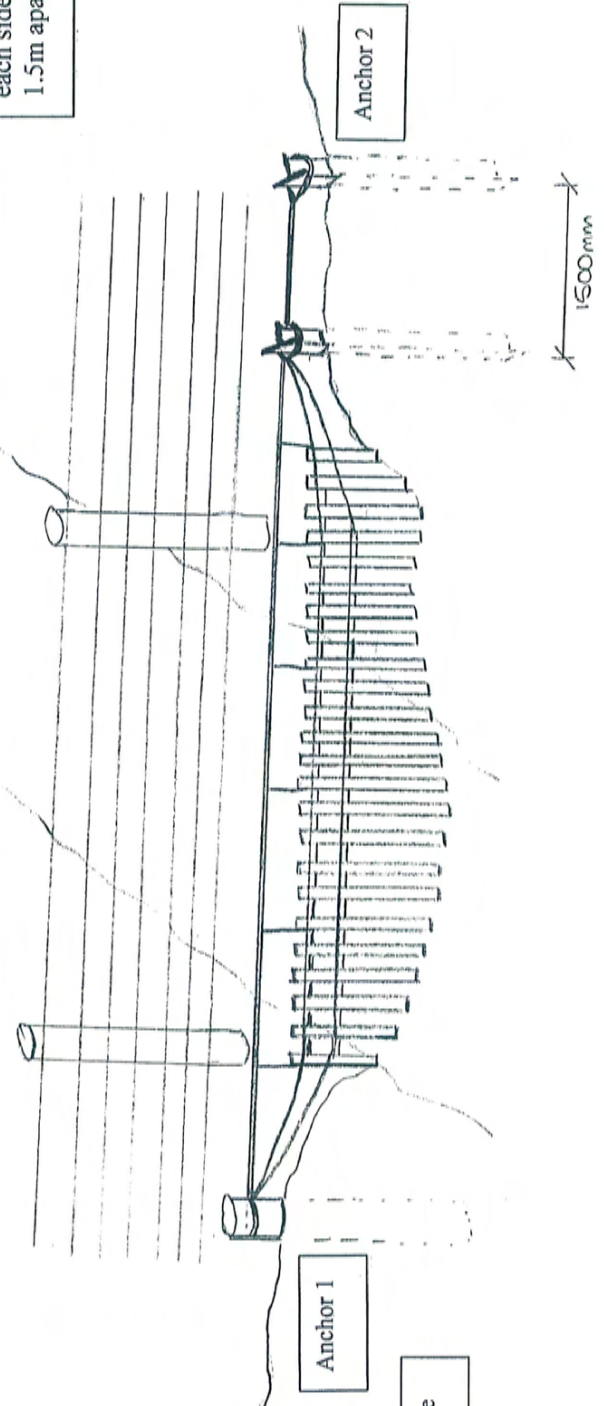
08

Floodgate (see detailed fencing specification)
4mm mild steel wire drilled through 50 x 50mm H3
timber battens, with 50mm 15 or 20mm alkanthene
spacers. 4mm wire hangers up to cable at 500mm
centres. Two wires 100mm and 250mm from top of
batten, running back to anchors.

Anchors - 2 options:
Anchor 1 - 2.1m x 150mm posts
either side of creek.
Anchor 2 - galvanised T irons, 2
each side of creek approximately
1.5m apart.



Scale 1:10

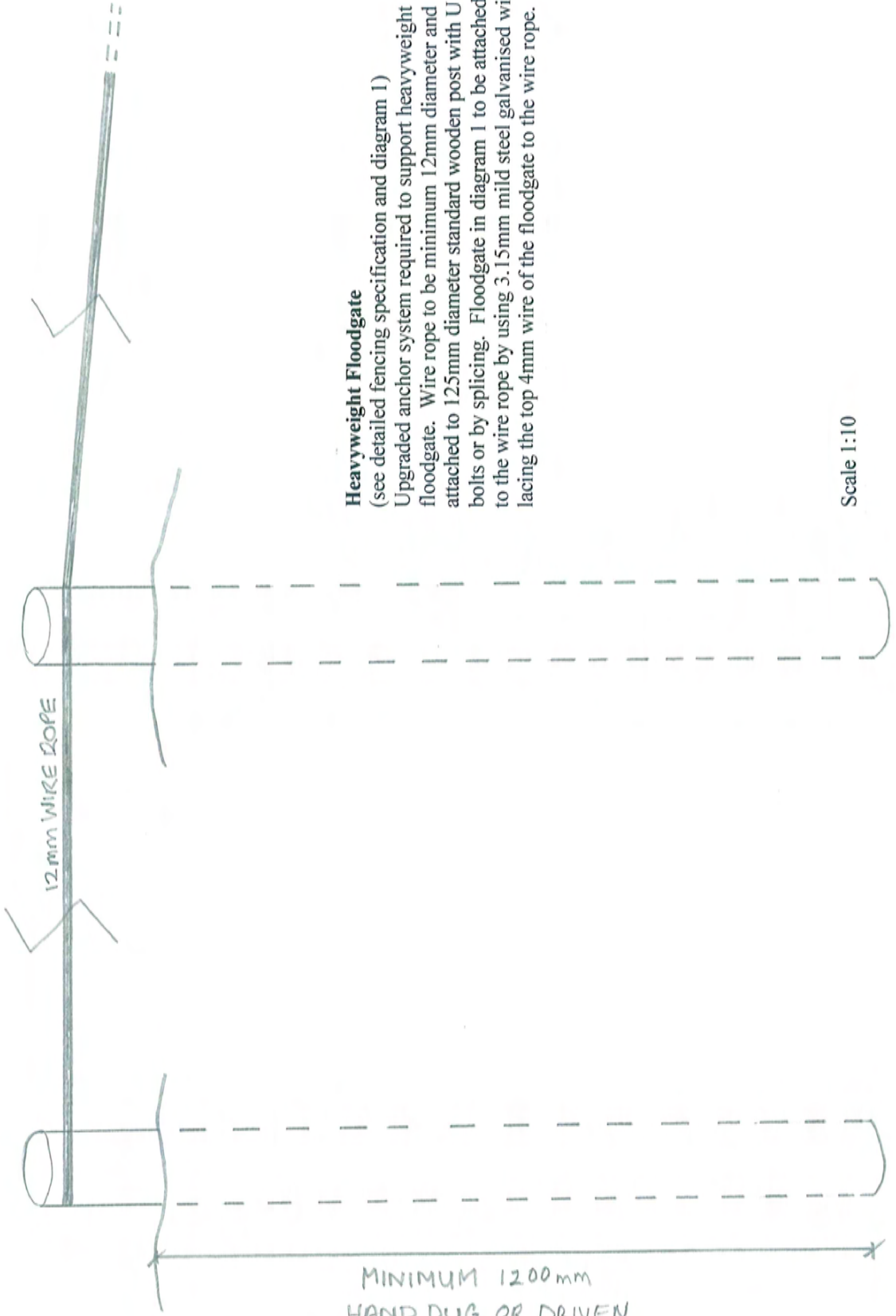


Not to scale

Mesopotamia Tenure Review – Upgraded Anchor System for Floodgate Specification

Diagram 1A

2000mm or GREATER



Heavyweight Floodgate

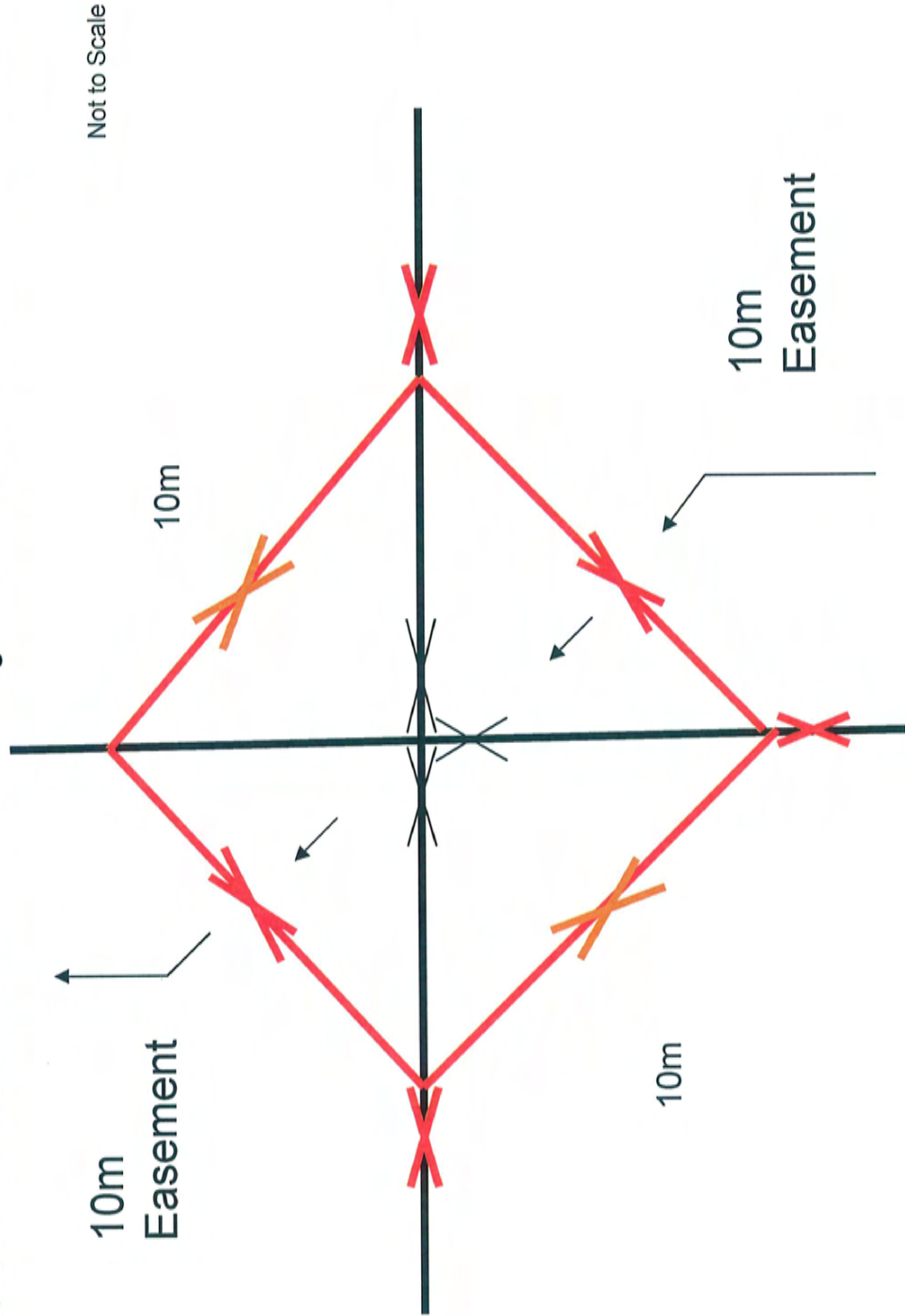
(see detailed fencing specification and diagram 1)
Upgraded anchor system required to support heavyweight floodgate. Wire rope to be minimum 12mm diameter and attached to 125mm diameter standard wooden post with U bolts or by splicing. Floodgate in diagram 1 to be attached to the wire rope by using 3.15mm mild steel galvanised wire, lacing the top 4mm wire of the floodgate to the wire rope.

Scale 1:10

Diagram 2

Changes in fence layout at GPS point 50 on easement "j2-j3" (Easting 2338839, Northing 5731524)

Existing fences and gates in black. Proposed changes in red. Fences and gates within corridor to be removed and materials re-used. 3 Additional gates for stock movement outside of diamond



Appendix 4: Form of Concessions to be created over Conservation Area marked in pink and labelled "CA1" on Plan 3 of 3 and "CA2" on Plans 1 of 3, 2 of 3 and 3 of 3

Concession number: _____

DATED _____

Between

THE MINISTER OF CONSERVATION
("the Grantor")

and

MESOPOTAMIA STATION LIMITED
("the Concessionaire")

CONCESSION DOCUMENT
UNDER THE CROWN PASTORAL LAND ACT 1998
(for Grazing , Tourism Activities and Commercial Filming and Photography)



Department of Conservation
Te Papa Atawhai

THIS LICENCE is made on this day of

PARTIES:

1. MINISTER OF CONSERVATION, ("the Grantor")
2. MESOPOTAMIA STATION LIMITED, ("the Concessionaire")

BACKGROUND

- A. The Grantor manages the Land described in Schedule 1 as a Conservation Area.
- B. Sections 66 and 68 of the Crown Pastoral Land Act 1998 authorise the Grantor to grant a Concession for a Concession Activity in a Conservation Area.
- 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.

“Co-Site” means the use of the Land or the Concessionaire’s facilities on the Land by a third party for an Activity and **“Co-Sitee”** and **“Co-Siting”** have corresponding meanings.

“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.

“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.

“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 of the Crown Pastoral Land Act 1998 the Grantor **GRANTS** to the Concessionaire a **LICENCE** under section 17Q(1) of the Conservation Act 1987 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.

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 REVIEW

6.1 The Grantor will review the Concession 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.

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.

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 IIIA 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, Historic Places Act 1993 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, cultivation, sow seed, or carry out earthworks (including tracking, drainage or ditching) on the Land; or
- (g) disturb or allow stock to disturb any stream or watercourse on the Land; or
- (h) light any fire on the Land.

- 10.2 The Concessionaire, must at the Concessionaire's expense:
- (a)(i) if required by the Grantor take all steps necessary to control any pest, insect, or rodent infestation occurring on or emanating from the Land described in Schedule 1 Item 2(A) or any Structure or facility on the Land;
 - (a)(ii) if considered necessary by the Grantor, 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 (subject to a permit) 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 vehicles on the Land.

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 and an independently audited safety plan, prepared to the satisfaction of the Grantor.
- 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 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, sublicence, assign, mortgage or otherwise dispose of the Concessionaire's interest under this Document or any part of it.
- 13.2 Any change in the shareholding of the Concessionaire altering the effective control of the Concessionaire will be deemed to be an assignment and will require the consent 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)(i) the Concessionaire breaches any terms of this Document; and
- (b)(ii) the Grantor has notified the Concessionaire in writing of the breach; and
- (b)(iii) 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, 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.

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 District Law Society in the region in which the Land is situated 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 District Law Society in the region in which the Land is situated 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 or by facsimile addressed to the receiving party at the address or facsimile number 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 if dispatched 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.

21.0 OFFENCES

21.1 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.

22.0 ADVERTISING.

22.1 The Concessionaire must not erect or display any signs or advertising on the Land without the prior written approval of the Grantor. At the expiry or termination of this Concession the Concessionaire must remove all signs and advertising material and make good any damage caused by the removal.

22.2 Where required by the Grantor, the Concessionaire must ensure that all its advertising and promotional material specifies that it is carrying out the Concession Activity under a Concession granted by the Grantor on land administered by the Department.

22.3 If required by the Grantor in writing the Concessionaire must include information in its advertising and promotional material which assists its clients to understand the features and values of the natural and historic resources of the Land and the surrounding area.

22.4 In preparing such information the Concessionaire must obtain information from and have regard to the views of tangata whenua.

22.5 Clauses 22.1 to 22.4 apply to the Tourism Concession as described in Item 2(B) of Schedule 1 only.

23.0 EMPLOYMENT OF STAFF.

23.1 The Concessionaire must ensure that the Concession Activity is conducted at all times by a person or persons suitably trained and qualified to carry out the Concession Activity.

23.2 The Concessionaire must provide the Grantor with evidence of the competency and qualifications of its employees if the Grantor so requests.

23.3 The Concessionaire must comply with all statutes relating to employment of staff.

23.4 Clauses 23.1 to 23.3 apply to the Tourism Concession as described in Item 2(B) of Schedule 1 only.

24.0 VARIATIONS

- 24.1 The provisions of section 17ZC of the Conservation Act 1987 apply to all variations sought by the Concessionaire.
- 24.2 The Grantor may vary any conditions of this Document if the variation is necessary:
- (a) to deal with significant adverse effects of the Activity that were not reasonably foreseeable at the time this Licence was granted; or
 - (b) because the information made available to the Grantor by the Concessionaire for the purposes of the Concessionaire's application contained inaccuracies which materially influenced the decision to grant the Licence and the effects of the Activity permitted by this Document require more appropriate conditions.
- 24.3 The Concessionaire is to be bound by every such variation.

25.0 CO-SITING.

- 25.1 The Concessionaire must, if required by the Grantor, allow Co-Siting on the Land or the Land immediately adjoining the Site except when a Concessionaire demonstrates to the reasonable satisfaction of the Grantor that the Co-Siting by a third party:
- (a) would impact on the ability of the Concessionaire to conduct its Concession Activity; or
 - (b) would result in a substantial change to the Concession Activity carried out by the Concessionaire on the Land.
- 25.2 The Grantor will be entitled to require the Concessionaire to obtain at the Concessionaire's expense a report prepared by an independent consultant acceptable to the Grantor confirming the matter specified in clause ~~26.1~~ 25.1.
- 25.3 For the avoidance of doubt, a Co-Sitee permitted on the Land must enter into a separate agreement with the Grantor in terms of which the Co-Sitee will be required to pay a fee to the Grantor to conduct an Activity on the Land. This separate agreement will not contain provisions that conflict with the Concessionaire's rights and obligations in relation to the Land.

26.0 SPECIAL CONDITIONS

- 26.1 Special conditions relating to this Document are set out in Schedule 2
- 26.2 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 in the presence of:

Witness _____

Occupation _____

Address _____

Signed by _____)
as Concessionaire in the presence of:)

Witness _____

Occupation _____

Address _____

SCHEDULE 1

1. **Land:** CA1 Conservation area of 619 hectares approximately, situated in the Land District of Canterbury shown marked in pink and labelled CA1 on the Plans attached as Appendix 1 to the Proposal.

CA2 Conservation area of 20,226 hectares approximately, situated in the Land District of Canterbury shown marked in pink and labelled CA2 on the Plans attached as Appendix 1 to the Proposal.

(see definition of Land in clause 1.1)

2. **Concession Activity:**

(A) Grazing Concession;

Grazing of 300 stock units, sheep and cattle only, together with the use of the structures and buildings situated on the Land for activities associated with such grazing. This will apply only on area CA1 as outlined in Clause 1 above

(B) Tourism Concession;

The use of the Land together with the use of the huts on the Land for the purpose of the business of guided; tramping, mountain biking, horse trekking, hunting, thar hunting, ski touring, heliskiing, helicopter tourism, and air flights. This will apply only on areas CA1, and CA2 as outlined in Clause 1 above

(C) Commercial filming and Photography Concession;

The use of the land for the purposes of commercial filming and photography. This will apply only on areas CA1 and CA2 as outlined in Clause 1 above

(see definition of Land in clause 1.1)

3. **Term:** (A) Grazing Concession;

20 years commencing on the date on which the Surrender of Mesopotamia Pastoral lease folio number CB 529/57 (Canterbury registry) becomes effective pursuant to the Crown Pastoral Land Act 1998, being theday of200.

(B) Tourism Concession;

20 years commencing on the date on which the Surrender of Mesopotamia Pastoral lease folio number CB 529/57 (Canterbury registry) becomes effective pursuant to the Crown Pastoral Land Act 1998, being theday of200.

(C) Commercial Filming and Photography Concession;

20 years commencing on the date on which the Surrender of Mesopotamia Pastoral lease folio number CB 529/57 (Canterbury registry) becomes effective pursuant to the Crown Pastoral Land Act 1998, being theday of200.

4. **Renewal:** (A) Grazing Concession;

No right of renewal in respect of the Grazing Concession

(B) Tourism Concession;

No right of renewal in respect of the Tourism Concession

(C) Commercial Filming and Photography Concession;

No right of renewal in respect of the Concession for Commercial Filming and Photography.

5. **Expiry Date:** (A) Grazing Concessionday of20

(B) Tourism Concessionday of20

(C) Commercial Filming and Photography Concessionday of20

6. **Concession Fee:**

(a) (A) Grazing Concession: \$3.50 + GST per stock unit per annum Total \$1050.00 +GST. PROVIDED HOWEVER that in the event that the number of stock units grazed in any one year is less than 300 stock units the Grantor on application by the Concessionaire may at his sole discretion reduce the Concession Fee that year to reflect the reduced stocking rate.

(B) Tourism Concession fee: \$8.00 + GST per full day, \$4.00 +GST per half day.

(C) Heliskiing fee: \$26 + GST per client per day.

(D) Irregular landing fee: \$10 + GST per person landed.

(E) Commercial Filming and Photography Concession fee: \$500 + GST per day for commercials, feature films and dramas, \$300 + GST per day for documentaries, sports events and still photography, plus \$25 + GST per person in the film crew per day.

(see clause 4)

(b) Administration Fee: \$500.00 per annum + GST

(see clause 4)

7. **Concession Fee Payment Date:** Twice yearly in arrears on 30 November and 30 May. Concessionaire to supply client activity return forms and declaration of fees form, attached as Schedule 4, calculation and payment of additional concessions activity fee owing for the preceding 6 months due in arrears of the commencement date *(see clause 4)*

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

9. **Concession Fee Review Date:** Every three years from the commencement date. *(see clause 6)*

10. **Public Liability General Indemnity Cover:** for \$2,000,000 *(see clause 15.3)*

11. **Public Liability Forest & Rural Fire Extension:** for \$2,000,000 *(see clause 15.3)*

12. **Statutory Liability:** 500,000 *(see clause 15.3)*

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

Amounts Insured for Other Types of Insurances: NIL *(see clause 15.3)*

14. **Environmental Monitoring Contribution:** To be negotiated between the Grantor and the Concessionaire if required as per Clause 16 (Environmental Monitoring and Land Rehabilitation) of the concession document. *(see clause 16)*

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

(a) Grantor
 Conservator
 Department of Conservation
 133 Victoria Street
 Private Bag 4715
 CHRISTCHURCH
 Ph (03) 379-9758
 Fax (03) 365-1388

(b) Concessionaire
 Mesopotamia Station Limited
 Directors:
 Mr L.B. and Mrs P.A. Prouting
 Mesopotamia Station
 RD 20 Peel Forest
 Geraldine

- 14

Registered Office:
C/o Meredith D Lowe & Associates
143 Tancred Street
PO Box 562
Ashburton

SCHEDULE 2***Special Conditions*****(A) General Conditions:** (to apply to CA1 and CA2 as outlined in Item 1 of Schedule 1).

1. The public have unrestricted access rights to the Land. The Grantor will signpost and mark the access routes through the Land for the benefit of the public and so as to minimize farming and stock disturbance where appropriate. Where access routes are fenced over then the Grantor shall erect gates or stiles in a suitable place.
2. The Concessionaire may use the Growler Hut, Dog Kennel Hut, Royal Hut, Stone Hut, and Crooked Spur Hut, all situated on the Land, for accommodation associated with the concession activities. Such use will be on an equitable basis in conjunction with other visitors to the Land. The huts are to be maintained by the Grantor.
3. The Concessionaire may use the airstrips at Royal Hut and The Growler Hut for concession activities. Such use will be in conjunction with other visitors to the Land. The airstrips are to be maintained by the Concessionaire.
4. The Grantor will have no obligation to maintain any of the tracks within the Land. The Grantor shall have all rights and powers whether on the track or necessarily adjacent thereto to take all reasonable steps to repair and maintain the tracks to a standard suitable for Conservation management use and public pedestrian access. The Concessionaire may maintain any existing tracks within the Concession area.
5. The Concessionaire shall actively promote and, by all practicable means, cause all clients to adhere to the attached Environmental Care Code and the Water Care Code at all times. (Schedule 4)
6. Before commencing any of the Concession Activities, the Concessionaire must prepare a safety plan and have it audited, pursuant to Clause 11.0 of this Licence.
7. The Concessionaire shall provide evidence (at the same time as providing their activity return) satisfactory to the Grantor that the Concessionaire safety plan is current and operational. If the evidence provided by the Concessionaire is not satisfactory to the Grantor, the Concessionaire shall (at the Concessionaires expense) provide the Grantor with a recently completed audit (no more than 30 days old) of the safety plan.
8. The Concessionaire must report all incidents and accidents of what so ever nature and whether or not the subject of an official search and rescue operation to the Grantor. At the request of the Grantor the Concessionaire must supply a report in writing of any inquiry into the cause of an incident, or accident, and if in the opinion of the Grantor the inquiry reveals that a reasonable standard of safety was not maintained and/or the Concessionaire, their servants, or employees or agents were negligent then the Grantor may determine this concession. The Concessionaire must at the request of the Grantor make available any employee, servant or agent who in the opinion of the Grantor might assist in any such enquiry.
9. The Concessionaire and their servants, agents, invitees and staff shall be solely responsible for the safety and conduct of all persons participating in the said helicopter landings and shall be held vicariously liable for any breach, non-observance or non-performance of any of the conditions herein contained or implied caused by any act or omission of the Concessionaires servants or invitees.
10. The Concessionaire shall remove all rubbish, including waste food, associated with the Concession Activity from the Land at the conclusion of each trip.

11. If in the opinion of the Conservator, Canterbury, excessive impact (including visual and noise impact) is occurring to any part of the area to which this permit applies, the Concessionaire shall modify the method of operation to the satisfaction of the Conservator, to avoid, remedy or mitigate the adverse effects. The Grantor shall have the right to amend the conditions of this permit to reflect any such modification to methods of operation, including the location and the maximum numbers of landings permitted.
12. The Concessionaire is requested to consult the relevant Papatipu Runanga (as set out below) if they wish to use Ngāi Tahu cultural information. If the concessionaire wishes to use the Tōpuni or statutory acknowledgement information contained in schedules 14-108 of the Ngāi Tahu Claims Settlement Act 1998, or any Department produced interpretative material in respect to Ngāi Tahu cultural information, they are requested to notify the relevant Papatipu Rūnanga, as a matter of courtesy.

Note: The Department of Conservation will, in relation to this clause, provide the Concessionaire with:

 - (a) *the contact details of the relevant Papatipu Rūnanga, and;*
 - (b) *the relevant Topuni information.*
13. The Concessionaire and any persons employed by the Concessionaire are requested to recognize and provide for Ngāi Tahu values in the conduct of their activities.
14. The Concessionaire shall, as far as practicable, attend any workshops held by the Department of Conservation for the purpose of providing information to concessionaires, which will include the Ngāi Tahu values associated with Tōpuni areas.
15. If sites of cultural or historical significance are located during the Term, the Grantor reserves the right to prohibit or restrict any Concession Activity relating to those sites.
16. The Grantor shall be entitled to send any officer of the Department of Conservation on any of the Concession Activities to assess their impact on conservation values, and compliance with terms and conditions of this Licence. The costs of such assessment are recoverable from the Concessionaire.
17. This Concession does not confer any right for the Concessionaire and clients to take any part or parts of any indigenous plant on any land administered by the Department of Conservation
18. The Concessionaire shall ensure that all human waste, that cannot be disposed of in the already existing toilet facilities, is buried a minimum of 50 metres away from water source and courses.
19. The Grantor reserves the right to apply restrictions on the Concession Activity of the Concessionaire, or withdraw all or part of the Land or Concession Activity approved, if in the opinion of the Grantor the Concession Activity granted is having, or may have, an adverse effect on the physical or social environment and the effect cannot be avoided, remedied or mitigated to an extent satisfactory to the Grantor. The concessionaire shall not be entitled to any compensation in the event of such action being taken.
20. The Concessionaire and their clients shall remain on formed tracks or well-used routes where these facilities have been designed to protect the natural and historic features of the land at all times. All safety signs must be adhered to at all times.
21. The Concessionaire shall complete the Client Activity Return forms, attached as Schedule 3, on 30 November and 30 May in each and every year. The Activity Return forms should clearly illustrate, where possible, where the activities have occurred. This can be by grid references, GPS points or a physical description. This will help the Department with planning for the area.
22. The Concessionaire must comply with the Didymo prevention and cleaning protocols as set out in Schedule Five after contact (including equipment, boats, clothing and other items) with any waterway.

(B) Grazing (to apply only to the land CA1 as outlined in Clause 1 of Schedule 1).

1. Grazing will be based on a maximum of 300 stock units (sheep and cattle) per annum. The stock unit conversion rate being:

Breeding ewes	1.0
Other dry sheep	0.8
Breeding cows	6.0
Other dry cattle	5.0
18 month cattle	4.0
2. The stock limitation will be reviewed 3 yearly as part of the Concession Fee Review or by application by the Concessionaire.
3. The Grantor may set up and implement an environmental monitoring programme at the commencement of this Licence to ascertain the ongoing effects of grazing on the conservation values on the Land and this programme will be reviewed at every alternate Concession Fee Review Date from commencement of this Licence.
4. The Concessionaire will maintain any fences on the Land so that they are stock proof, to the satisfaction of the Grantor. The rights expressed and implied for fence maintenance under the Fencing Act are hereby expressly excluded.
5. The Land may be chemically cleared of briar, gorse and broom by spot spraying only.
6. 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. Because parts of the Land contain special historic/conservation values, such consent is a matter entirely within the discretion of the Grantor.
7. The Grantor will inspect the Land at the commencement of this Licence for the presence of weeds and pests in order to set up an operational weed and pest control plan for the Concessionaire to implement. This plan will be reviewed at every Concession Fee Review Date from commencement of this Licence.

(C) Tourism Activities Hunting (to apply to CA1, and CA2 as outlined in Clause 1 of Schedule 1).

1. The Grantor will be responsible for controlling the thar numbers on the Land. The thar numbers are to be maintained at a level that is in keeping with current DOC policies on thar number control. The Grantor reserves the right to monitor the thar numbers from time to time as they consider appropriate and if numbers are not at an acceptable level the Grantor reserves the right to bring the numbers down to a figure that is appropriate to current control policies.
2. The Concessionaire shall limit party size, including guides, to 6 people per trip.
3. The Concessionaire shall not, during the nesting season for riverbed dwelling birds, have vehicle access across any river bed that is administered by the Department of Conservation in Canterbury Conservancy that does not have a vehicle track.
4. The Concessionaire shall not guide any hunting party in the concession area without having first obtained hunting permits to cover all members of the specific hunting party.
5. The Concessionaire shall pay, as a charge additional to the concession fee, all standard hut fees for all members of the Concessionaire's party for the use of any hut.
6. The Concessionaire agrees to an amendment to the Wild Animal Recovery Operation Concession CA-15359-WARS held in the name of Station Air Limited (a company controlled by the Concessionaire) to the effect that the lands described in that permit will not include any of the land formerly held under the Pastoral Lease by Mesopotamia Station Limited.

7. The Concessionaire understands that the Grantor will use their best endeavour's to insert a special condition in all Wild Animal Recovery Operation Concession documents to achieve the same outcome.

(D) Guided tramping, mountain biking, horse trekking Conditions: (to apply to CA1 and CA2 as outlined in Clause 1 of Schedule 1).

1. The activity is limited to the following:

DOC Facilities (eg huts) or informal campsites	Max. Party Size (incl. guides)	Frequency of Use (trips) per Year	Max. number of trips per week	Duration of visit (half or full days?)
	15	260 for each concession activity	5	Full day - 5 hours

2. The Concessionaire is to limit the party size to the maximum party size (including guide) identified in the table above.
3. The Grantor reserves the right to request further or different activity related information in order to best monitor and determine any effects of the Concession Activity on the Land.
4. The Concessionaire shall ensure that horses and mountain bikes avoid wet and swampy areas
5. The Concessionaire shall ensure that mountain bikes remain on formed tracks where possible and conform to the off road code of conduct..
6. The Concessionaire shall in respect to horse management:
 - a. Ensure that horses eat crushed or cooked barley or other treated hard feed 2 days before entering the Land so as to minimize the risk of weed seed spread or the Concessionaire shall take all practical steps to ensure that horse food originates from the Concessionaire's property and does not contain any weed seeds not already in the area.
 - b. Ensure horses' hooves are cleaned before being transported to the land.
 - c. Ensure horse manure is scattered so as not to create a nuisance for other users of these areas. Manure should not be scattered onto river beds, native bush, native tussock grasses, or any other unmodified or sensitive ecosystem.
 - d. Ensure horses are discouraged from grazing on native foliage whilst on the Land.
 - e. Ensure horses are fed from nose-bags if they need feeding whilst on the Land.
 - f. Ensure horses stay on designated tracks and roads at all times.
 - g. Ensure that wet weather trekking is avoided in order to minimize track and road damage.
 - h. Ensure that horses are tethered or penned away from accommodation buildings so that flies and manure do not create a nuisance.

(E) Aircraft Landings Conditions: (to apply to CA1 and CA2 as outlined in Clause 1 of Schedule 1).

1. The Concessionaire shall ensure that all helicopters keep at least 500 feet from ground parties encountered during flying and landing operations.
2. If in the opinion of the Area Manager Raukapuka, excessive impact is occurring to any part of the area to which this permit applies, the Concessionaires shall modify the method of operation to the satisfaction of the Conservator, to avoid, remedy or mitigate the adverse effects.

3. The permit shall be operable only in conjunction with Civil Aviation Authority, Resource Management Act consent, and any other approvals necessary for such operation. The Concessionaire, or its chosen operator, must possess a current Civil Aviation Authority Air Operator Certificate, or Transitional Air Operator Certificate (Air Service Operations), as appropriate, as well as appropriate airworthiness certificates for all aircraft used, pursuant to Clause 11 of this concession. Before commencing this activity, copies of these certifications must be submitted to the Grantor.
4. The Concessionaire shall have no priority use of the areas and shall be permitted to land only if the areas are clear of other users including recreationists.
5. The Concessionaire shall complete the Client Activity Return forms, by the 30 November and 30 May in each and every year and must contain the following information:
 - The number of landings/sites visited undertaken on public conservation lands
 - The sites at which landings/sites visited occurred
 - The number of clients landed/sites visited and the reason for landing or visit
 - The days on which the landings/sites visited occurred.
 - In the case of Heliskiing a map showing the runs that were under taken.
6. The Concessionaire must adhere to the Helicopter Association International 'Fly Neighborly Guide'.

(F) Commercial Filming and Photography Conditions: (to apply to CA1 and CA2 as outlined in Clause 1 of Schedule 1).

1. The Concessionaire is required to complete a filming application form for each proposed filming event to enable the Grantor to assess the potential of any significant effects on the environment for each particular event.
2. The Grantor may require the Concessionaire to pay a bond if it is established that there is potential for damage to the environment at the filming location. The bond will be determined by the Grantor and will be sufficient to cover the cost of restoring the location to its previous condition and will include monitoring of the restoration.
3. The Concessionaire must make adequate provision for suitable sanitary facilities for the site if required by the Grantor and for the disposal of all refuse material and is to comply with the reasonable directions of the Grantor in regard to these matters.
4. The Concessionaire must, upon request by the Grantor, submit written engineering or building plans and details to the Grantor for approval before:
 - erecting or altering any structure on the site.
 - bringing any structure onto the site.
 - installing any facilities on the site.
 - altering the site in any way.
5. The Concessionaire must not commence any work on the site until the Grantor has given written approval.
6. The Concessionaire must comply with all statutory requirements including building consents and code compliance certificates under the Building Act 1991 and must also apply for any other permits and resource consents required for the activities associated with the filming.