

DEED OF SETTLEMENT

Between

HER MAJESTY the QUEEN

and

THE PROPRIETORS OF WAITUTU INCORPORATED

Dated 8th day of March 1996

THIS DEED OF SETTLEMENT is made this 8th of March 1996 BETWEEN THE PROPRIETORS OF WAITUTU INCORPORATED of the one part AND HER MAJESTY THE QUEEN acting by and through her Minister of Conservation of the other part.

WHEREAS:

- A. The Incorporation is the registered proprietor of the Waitutu Block.
- B. The Waitutu Block is close to the Fiordland National Park which is administered by the Minister of Conservation under the National Parks Act 1980 and next to conservation areas managed by the said Minister under the Conservation Act 1987.
- C. The parties are agreed that the Waitutu Block contains virgin indigenous timber, other indigenous vegetation and wildlife which it is in the interest of the Incorporation as well as the wider public of New Zealand to preserve and protect in perpetuity.
- D. The Incorporation had entered into a contract for valuable consideration to cut, remove and sell timber from Waitutu Block.
- E. The Incorporation is a party to Claim 89 as amalgamated with WAI 27 and WAI 158 with the Waitangi Tribunal.
- F. Crown Forestry Management Limited formerly known as New Zealand Forestry Corporation Limited is currently manager on behalf of the Crown of Indigenous Forest Land.

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- G. The Crown has negotiated with the Incorporation for the preservation and protection of the Waitutu Block in perpetuity and to recompense the Incorporation for any financial loss arising from foregoing any right to cut, remove and sell timber, and to compensate for solatium and costs.

NOW THIS DEED WITNESSES AS FOLLOWS:

DEFINITIONS

1. In this Deed unless the context otherwise implies the following words and phrases shall have the meanings set out below

"Agreement" means the agreement for cutting rights annexed as the Fifth Schedule.

"Covenant" means the Deed of Covenant annexed as the Third Schedule.

"The Crown" means Her Majesty The Queen in right of New Zealand acting by and through her Minister of Conservation and includes her heirs, successors and assignees.

"Cutting Rights" means the rights to fell indigenous trees and remove logs from those trees set out in the Agreement.

"Incorporation" means The Proprietors of Waitutu Incorporated a Maori Incorporation duly constituted under Part IV of the Maori Affairs Amendment Act 1967 and continued under the Te Ture Whenua Maori Act 1993.

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"Indigenous Forest Lands" means those lands described in the Second Schedule being those parts of the Crown's Indigenous Forest Lands in Southland managed on behalf of the Crown by Crown Forestry Management Limited".

"Sustainable forest management plan" or "sustainable forest management permit" means a sustainable forest management plan or sustainable forest management permit approved under section 67F or section 67M of the Forests Act 1949.

"WAI 27" (ancillary claim 89) is the ancillary claim brought before the Waitangi Tribunal by Tariana Nilsen on behalf of the Incorporation concerning Wairaurahiri land.

"WAI 158" is the claim brought before the Waitangi Tribunal by Robert Kenneth McAnergney as a member of the Murihiku negotiating team and others claiming that the Crown's national policy on indigenous forests deprives them of an economic base.

"Waitutu Block" means the land owned by the Incorporation and described in the First Schedule.

WAITUTU BLOCK

2. The Incorporation shall continue to be the registered proprietor of the Waitutu Block
3. The Incorporation shall permit the Crown to manage the Waitutu Block in perpetuity in accordance with the terms and conditions set out in the Covenant.

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4. The Crown shall manage the Waitutu Block as if it were a national park subject to the exceptions set out in the Covenant.
5. Neither the Crown nor the Incorporation shall at any time cut or permit to be cut or remove any indigenous trees or other indigenous vegetation on the Waitutu Block other than as provided in the Covenant.

CONSIDERATION


6. In full and final recompense to the Incorporation for the commercial loss incurred as a result of foregoing any right to cut, remove and sell the timber from the Waitutu Block, and compensation for solatium and costs, the Crown shall pay or transfer to the Incorporation the monies and other rights set out in the Fourth Schedule.
7. To the extent that there may be an error in the calculation of the interest on those monies the parties shall if the parties agree that there is an error immediately exchange letters agreeing to amend the Fourth Schedule.
8. Subject to the consent of the Minister of Finance being obtained pursuant to the provisions of the Public Finance Act 1989 the Crown shall pay interest as specified in the Fourth Schedule.
9. The Crown shall pay the first tranche of monies set out in the Fourth Schedule as payable in 1996 within 30 days of execution of this Deed.

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10. The Parties shall execute the Covenant and Agreement in the form as annexed to this Deed within 30 days of execution of this Deed.
11. The executed Covenant and Agreement shall be exchanged for the payments specified in clause 8 of this Deed.

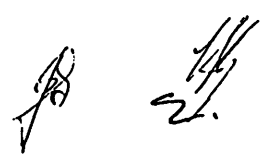
INDIGENOUS FOREST LANDS

12. Subject to the terms and conditions set out in the Agreement the Crown hereby grants to the Incorporation and the Incorporation hereby accepts the right to fell indigenous trees and remove logs from those trees on the Indigenous Forest Lands.
13. The parties acknowledge that any right to extract and sell timber set out in the Agreement is subject to the approval of a sustainable forest management plan or sustainable forest management permit and obtaining any necessary resource consents.
14. The Incorporation shall at its expense comply with all terms and conditions imposed by any sustainable forest management plan or sustainable forest management permit.
15. The Incorporation acknowledges that the approval of a sustainable forest management plan or sustainable forest management permit is subject to the provisions of the Forests Act 1949 and the Crown cannot give any undertaking that the approval of the Secretary of Forestry shall be granted.



OTHER MATTERS

16. The Crown in consultation with the Incorporation shall promote legislation to give effect to this Deed and in particular to ensure that the Waitutu Block shall be managed as if it were a national park.
17. Subject to the Covenant if any person damages or destroys or threatens to damage or to destroy indigenous vegetation or other natural features the Crown may take appropriate action to stop immediately such threat of damage or destruction or actual damage or destruction.
18. The parties agree that the sphagnum moss recovery licence detailed in Schedule 6 hereto issued by the Incorporation to Susan Judith Clyma may run to the expiry of its full term including current renewals as provided in the licence but shall not be renewed after that period.
19. The Incorporation shall not graze the Waitutu Block and shall not exercise or seek renewal of the Certificate of Compliance issued by Southland District Council and dated 22 March 1994.
20. On the execution of this Deed, the Covenant and the Agreement the Incorporation shall immediately withdraw its part in claim 89 as amalgamated with WAI 27 and WAI 158 currently before the Waitangi Tribunal.

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IN WITNESS WHEREOF the parties hereto have hereunder set their hands on the date and year aforesaid.

Signed on behalf of Her)
Majesty the Queen by)
DENIS WILLIAM ANSON)
MARSHALL, Minister of)
Conservation in the)
presence of

John Anson

John Edwards Witness

Wellington Address

Public Servant Occupation

THE PROPRIETORS OF
WAITUTU INCORPORATED BY:

J. F. L. Southwood Chairman:

[Signature]

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FIRST SCHEDULE - WAITUTU BLOCK

No.	Description of Land	Certificate of Title Reference
1.	Waitutu Block XII Section 6	88/221
2.	Waitutu Block XII Section 8A	88/216
3.	Waitutu Block XII Section 8B	88/216
4.	Waitutu Block XII Section 9	88/280
5.	Waitutu Block XIII Section 1	6C/850
6.	Waitutu Block XIII Section 2	88/218
7.	Waitutu Block XIII Section 3	88/222
8.	Waitutu Block XIII Section 5	88/159
9.	Waitutu Block XIII Section 7	6C/852
10.	Waitutu Block XIII Section 8 & 9	88/281
11.	Waitutu Block XIII Section 10	88/224
12.	Waitutu Block XIII Section 11	88/225
13.	Waitutu Block XIII Section 12	88/217
14.	Waitutu Block XIII Section 13	88/215
15.	Waitutu Block XIII Section 14	6C/849
16.	Waitutu Block XIV Section 4	88/219
17.	Waitutu Block XIV Section 5	6C/851
18.	Waitutu Block XIV Section 7	88/286
19.	Waitutu Block XIV Section 8	88/285
20.	Waitutu Block XIV Section 9	88/223
21.	Waitutu Block XIV Section 10	88/282
22.	Waitutu Block XIV Section 12	88/220
23.	Waitutu Block XIV Section 13	88/284

(Above Certificate of Titles - all Southland Registry)

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SECOND SCHEDULE: INDIGENOUS FOREST LANDS

The Indigenous Forest Lands comprise all that land situated in the Land Registration District of Southland containing 11,581.7216 hectares more or less and being more particularly described as:

<u>Plan Reference</u>	<u>Area (hectares)</u>	<u>Forest Name</u>
Lot 2 LT 12738 but excluding the area marked "C" on LT 12738	286.1630	Longwood - Jubilee Block
Lot 1 LT 12740 but excluding the areas marked "A" and "B" on LT 12740	2554.0216	Longwood - Jubilee Block
Lot 1 LT 12679	2379.3510	Longwood - Kiwi Block
Lot 3 LT 12696	871.0000	Longwood - Woodlaw Block
Lot 2 LT 12556	463.5600	Longwood - Merry Basin Block
Lot 3 LT 12556	20.2600	Longwood - Merry Basin Block
Lot 6 LT 12556	8.4800	Longwood - Merry Basin Block
Lot 5 DP 12773	4765.1600	Rowallan
Lot 6 DP 12773	233.7260	Rowallan

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SECOND SCHEDULE: INDIGENOUS FOREST LANDS

The Indigenous Forest Lands comprise all that land situated in the Land Registration District of Southland containing 11,581.7216 hectares more or less and being more particularly described as:

<u>Plan Reference</u>	<u>Area (hectares)</u>	<u>Forest Name</u>
Lot 2 LT 12738 but excluding the area marked "C" on LT 12738	286.1630	Longwood - Jubilee Block
Lot 1 LT 12740 but excluding the areas marked "A" and "B" on LT 12740	2554.0216	Longwood - Jubilee Block
Lot 1 LT 12679	2379.3510	Longwood - Kiwi Block
Lot 3 LT 12696	871.0000	Longwood - Woodlaw Block
Lot 2 LT 12556	463.5600	Longwood - Merry Basin Block
Lot 3 LT 12556	20.2600	Longwood - Merry Basin Block
Lot 6 LT 12556	8.4800	Longwood - Merry Basin Block
Lot 5 DP 12773	4765.1600	Rowallan
Lot 6 DP 12773	233.7260	Rowallan

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THIRD SCHEDULE

THIS DEED OF COVENANT is made this ____ day of _____ 1996 BETWEEN THE PROPRIETORS OF WAITUTU INCORPORATED hereinafter called the Incorporation of the one part AND HER MAJESTY THE QUEEN acting by and through her MINISTER OF CONSERVATION (hereinafter called the Crown) of the other party.

WHEREAS:

- A. The Incorporation is a Maori Incorporation duly constituted under Part IV of the Maori Affairs Amendment Act 1967 and continued by the Te Ture Whenua Maori Act 1993.
- B. The Incorporation is the registered proprietor of the land more particularly described in the First Schedule hereto (the Waitutu Block).
- C. The parties are agreed that the Waitutu Block contains virgin indigenous timber and other indigenous vegetation and wildlife, scenery of such distinctive quality, ecological systems, natural features so beautiful, unique or scientifically important that its preservation in perpetuity is in the interest of both the owners and the nation.
- D. The parties acknowledge that the Waitutu Block has significant cultural and historic value and is taonga to the owners.

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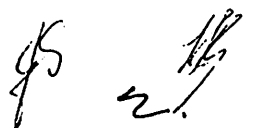
NOW IT IS HEREBY AGREED BETWEEN THE PARTIES

1. In this Deed of Covenant the term "owners" means the beneficial owners of the Incorporation.

2. Subject to clause 3 the Incorporation and the Crown hereby mutually covenant and agree that henceforth and in perpetuity the Waitutu Block shall be managed in accordance with the following terms and conditions:
 - i) The Minister of Conservation (the Minister) on behalf of the Crown shall in accordance with the terms of this Deed of Covenant manage the Waitutu Block on behalf of the Incorporation to preserve its flora and fauna in perpetuity for its intrinsic worth and for the benefit use and enjoyment of the owners and as a consequence the public of New Zealand as if it were a national park held and administered under the National Parks Act 1980 or any enactment in substitution therefor.

 - ii) As far as is permissible in law the provisions of the National Parks Act shall apply to the Waitutu Block.

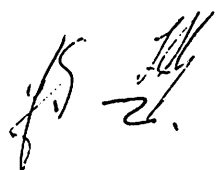
3. Notwithstanding clause 2 the following provisions shall apply to the management of the Waitutu Block:
 - i) The Incorporation may erect an accommodation hut for the use of the owners and their guests on the true right hand bank of the Wairaurahiri River near the mouth of the river as marked on



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the plan attached hereto as the Second Schedule.

- ii) The Incorporation may remove such vegetation as may be necessary for the purpose of building the hut and providing for its surround.
- iii) If the Incorporation at any time desires to build any additional huts for its owners use the Incorporation shall obtain the consent of the Crown who shall not unreasonably withhold such consent provided that the erection of any hut is not inconsistent with any relevant Conservation Management Strategy or Conservation Management Plan or Management Plan for the Waitutu Block.
- iv) The Incorporation may construct a helicopter landing site on open land on the true right bank close to the mouth of the Wairaurahiri River as shown on the said plan.
- v) The Incorporation place boat mooring poles in the Wairaurahiri River in the vicinity of the hut referred to in paragraph (i) above.
- vi) In exercising its rights under paragraphs (i), (ii), (iii), (iv) and (v) the Incorporation shall obtain all necessary resource consents, building consents and comply with all other obligations statutory or otherwise which may apply at the time.
- vii) Subject to the Wild Animal Control Act 1977 owners of the Incorporation may undertake deer hunting.



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- viii) Subject to the Wildlife Act 1953, owners of the Incorporation may take traditional foods from the Waitutu Block.
- ix) The owners of the Incorporation may take vegetative material for customary medicinal use from the Waitutu Block.
- x) The owners of the Incorporation may erect smoking racks for eels but shall not erect any other buildings or structures apart from those authorised in paragraphs (i), (iii), (iv) and (v) above.
- xi) Before exercising any right under paragraphs (vii), (viii), (ix), and (x) the owners shall notify the Minister.
- xii) The owners of the Incorporation may enter onto the Waitutu Block at any time.
4. The Crown shall consult with and have regard to the views of the Incorporation in respect of any proposed changes to the National Parks Act 1980 which may affect the Waitutu Block.
5. The Crown shall consult with and have regard to the views of the Incorporation in respect of the preparation of any Conservation Management Strategy or Conservation Management Plan or Management Plan which affects or relates to the Waitutu Block.
6. The Crown shall consult with and have regard to the views of the Incorporation on all matters involving

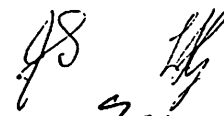
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management or changes to management of the Waitutu Block.

7. No development or management (including any public access) which will interfere with wahi tapu areas shall be undertaken by the Crown without consultation with and regard for the views of the Incorporation.
8. Any obligation by the Crown to consult with the Incorporation or any of the matters referred to in clauses 4, 5, 6 and 7 hereof shall be sufficiently discharged by the Crown if the consultation takes place with those persons comprising the Management Committee of the Incorporation.
9. Subject to the rights of Susan Judith Clyma under a sphagnum moss recovery licence which expires on or before June 2003 and subject to this Deed of Covenant, neither the Crown nor the Incorporation shall permit any damage or destruction or removal or cutting of any indigenous vegetation for commercial reward or gain.
10. Nothing herein contains limits or affects the right of the Crown as far as practical:
 - i) to keep the Waitutu Block free from plant pests and in particular to comply with the provisions of any notices given under the Noxious Plants Act 1978 or any provisions of any pest management strategy
 - ii) to keep the Waitutu Block free from any exotic tree species

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- iii) to keep the Waitutu Block free from animal pests and wild animals and in particular comply with the provisions of and any notices given under the Agriculture Pests Destruction Act 1967 or any provisions of any pest management strategy or
 - iv) to keep the Waitutu Block free from rubbish or other unsightly or offensive material
 - v) to manage, protect and maintain any scenic, historic, archaeological, biological, geological and scientific features present on the Waitutu Block its soil, water and forests provided that the Crown shall not act in a manner inconsistent with the principles of the Treaty of Waitangi.
11. Neither party shall permit any stock to graze upon the Waitutu Block.
12. Unless required to do so by statute or permitted by this Deed of Covenant or any relevant conservation management strategy, conservation management plan or management plan neither party shall carry out or allow to be carried out
- i) Any removal of indigenous plants, shrubs, trees or animals
 - ii) Any burning, topdressing or sowing of seed on the Waitutu Block
 - iii) Any cultivation, earthworks or other soil disturbance on the Waitutu Block



shall ensure that the agreement of the purchaser, lessee or assignee to comply with the terms of this covenant is obtained including an agreement by the purchaser or assignee to ensure on any subsequent sale or assignment (whether by sale, lease or otherwise) that any subsequent purchaser, lessee or assignee shall also comply with the terms of this Deed of Covenant.

22. If for any reason this Deed of Covenant is unregistered and the Incorporation fails to obtain the agreement of any purchaser, lessee or assignee to comply with the terms of this Deed of Covenant as set out in clause 21 hereof the Incorporation shall continue to be liable in damages for any breach of covenant committed after it has parted with all interest of the Waitutu Block in respect of which such breach has occurred.
23. The Crown shall at its cost carry out any survey work necessary for this Deed of Covenant to be registered against the Certificates of Title for the Waitutu Block.
24. This Deed of Covenant shall be signed by both parties and the Incorporation shall undertake all reasonable endeavours to make available to the Minister the Certificates of Title to the Waitutu Block. If the Incorporation cannot produce any Certificate of Title it shall at its expense obtain a duplicate of such Certificate of Title. The Crown shall then at its expense register this Deed of Covenant on the Certificates of Title to the Waitutu Block.

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25. The parties acknowledge that legislation is necessary to enable the provisions of this Deed of Covenant to be registered and to enable the Waitutu Block to become subject to the National Parks Act 1980.
26. The Crown in consultation with the Incorporation shall promote legislation to give effect to the terms of this Deed of Covenant.
27. i) Notwithstanding any other provision of this Deed of Covenant the Crown or the Minister may institute proceedings against the Incorporation to enforce compliance with this Deed of Covenant by the Incorporation;
- ii) Notwithstanding any other provision of this Deed of Covenant the Incorporation may institute proceedings against the Crown or the Minister to enforce compliance by the Crown with this Deed of Covenant.
28. The Crown shall at all times indemnify and save harmless the Incorporation from and against:
- i) Any and all actions claims demands awards and proceedings of every nature and kind made, brought or prosecuted against the Incorporation; and
- ii) Any and all loss damage cost or expense suffered or incurred by the Incorporation
- which are based upon, or arise out of or are connected with any act, commission, neglect, breach

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or default on the part of the Crown and any visitors or licensees of the Crown.

29. The Crown shall, during the term of this Deed of Covenant, duly and punctually pay all general, water, special and other rates and all taxes (including land tax if any) and assessments levied upon or payable in respect of the Waitutu Block irrespective of the ownership thereof but excluding income tax or any tax or rents or licence fees or other tax assessed in respect of Waitutu Block.
30. The reference to any Act in this Deed of Covenant extends and includes any amendment to or re-enactment of that Act.
31. Any notice required to be given to the Incorporation in terms of the Deed of Covenant shall be sufficiently given if made in writing and served as provided in section 152 of the Property Law Act 1952.
32. Any notice required to be given by the Crown or Minister shall be sufficiently given if it is signed by the Regional Conservator of the Department of Conservation Southland Conservancy. Any notice required to be served upon the Crown shall be sufficiently served and delivered to the office for the time being of the Regional Conservator Department of Conservation, Southland Conservancy, Invercargill P O Box 743 Invercargill.
33. Any dispute which may arise between the Incorporation and the Crown or Minister in any way relating to this Deed of Covenant may be resolved by

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referring the dispute to an agreed party for a decision or by arbitration under the provisions of the Arbitration Act 1908.

34. Until this Deed of Covenant is registered in accordance of clause 24, and until the legislation referred to in clauses 25 and 26 is enacted the parties agree to be bound by the provisions of this Deed of Covenant.

IN WITNESS whereof the parties have hereto set their hands on the day and year aforementioned.

SIGNED on behalf)
of HER MAJESTY THE QUEEN)
by DENIS WILLIAM ANSON)
MARSHALL Minister of)
Conservation in the)
presence of)

Witness
Address
Occupation

SIGNED BY THE PROPRIETORS OF
WAITUTU INCORPORATED BY

Chairman .

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FIRST SCHEDULE - WAITUTU BLOCK

No.	Description of Land	Certificate of Title Reference
1.	Waitutu Block XII Section 6	88/221
2.	Waitutu Block XII Section 8A	88/216
3.	Waitutu Block XII Section 8B	88/216
4.	Waitutu Block XII Section 9	88/280
5.	Waitutu Block XIII Section 1	6C/850
6.	Waitutu Block XIII Section 2	88/218
7.	Waitutu Block XIII Section 3	88/222
8.	Waitutu Block XIII Section 5	88/159
9.	Waitutu Block XIII Section 7	6C/852
10.	Waitutu Block XIII Section 8 & 9	88/281
11.	Waitutu Block XIII Section 10	88/224
12.	Waitutu Block XIII Section 11	88/225
13.	Waitutu Block XIII Section 12	88/217
14.	Waitutu Block XIII Section 13	88/215
15.	Waitutu Block XIII Section 14	6C/849
16.	Waitutu Block XIV Section 4	88/219
17.	Waitutu Block XIV Section 5	6C/851
18.	Waitutu Block XIV Section 7	88/286
19.	Waitutu Block XIV Section 8	88/285
20.	Waitutu Block XIV Section 9	88/223
21.	Waitutu Block XIV Section 10	88/282
22.	Waitutu Block XIV Section 12	88/220
23.	Waitutu Block XIV Section 13	88/284

(Above Certificate of Titles - all Southland Registry)

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PROPOSED SITE MAP REFERENCE NZMS 174-¹⁷³⁺
HOUSE (388159) MOORE

SEC 10
89.0308 HECTARES

HELI PAD MAP REF
NZMS 173 AND 174
(886.157)

SEC 11

SECTION 10

WASTE WATER TO
TREATMENT TANK AND
SOAKAGE DRAIN

230 METERS OF 100MM DRAIN
FROM TANK OVERFLOW TO RIVER

L. MENON BELL GILLY
MAP REFERENCE OF PROPOSED HOUSE
MOORING JETTY AND HELIPAD ON WAITUTU
WC BLOCK 14 SECTION 10

WAIKURAHIA RIVER

MOORING PILES
MAP REFERENCE NZMS 171+170
(1390.156)

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FOURTH SCHEDULE

1. The Crown shall pay to the Incorporation

i)	Cash paid on dates set out below	\$13,550,000
ii)	Grant a management agreement for the Crowns Indigenous Forest Lands values at	<u>\$ 5,000,000</u>
		\$18,550,000
iii)	Interest at 7% per annum	<u>\$ 1,337,000</u>
	Total	\$19,887,000

2. Cash Payments shall be made as follows:

1996 - With 30 days of execution of Deed of Settlement	Cash		\$2,000,000
15 July 1997	Cash		\$2,000,000
15 January 1997	Interest	\$334,000	
15 July 1997	Cash		\$2,000,000
15 January 1998	Interest	\$334,000	
15 January 1998	Interest	\$265,000	
15 July 1998	Cash		\$5,550,000
15 July 1998	Interest	\$264,000	
15 July 1999	Cash		\$2,000,000
15 July 1999	Interest	\$ 70,000	
Totals		\$1,337,000	\$13,550,000

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FIFTH SCHEDULE

THIS AGREEMENT is made this ___ day of _____ 1996 between HER MAJESTY THE QUEEN acting by and through her Minister of Lands of the one part AND THE PROPRIETORS OF WAITUTU INCORPORATED AND WAITUTU HOLDING COMPANY LIMITED of the other part.

WHEREAS

- A. The Crown is possessed of indigenous production forests in Western Southland.
- B. The Crown and the Incorporation have entered into the Deed whereby the Crown has agreed to grant the Incorporation Cutting Rights to the indigenous production forests as part of the consideration provided in the Deed.

NOW IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

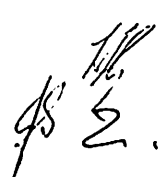
DEFINITIONS

1. In this Agreement the following words unless the context otherwise implies shall have the following meanings assigned to them:

"Agreement" means this Agreement;

"Authority" means each and every local body Government or other authority having jurisdiction or authority over or in respect of the Indigenous Forest Lands or the use or occupation thereof;

"Commencement Date" means the date of this Agreement.



SECOND SCHEDULE - RESEARCH TRIALS

The forest research trials on the Indigenous Forest Lands are set out in the Table to this Schedule. The conditions applying to each trial are:

- (I) in this schedule, the term Crown includes any Crown Research Institute nominated by the Crown;
- (ii) the Incorporation shall permit the Crown to visit any research trial for the purpose of examination, measurement or treatment of such trial;
- iii) the Crown shall, at the request of the Incorporation, supply to the Incorporation, free of charge, all data collected and data summarised from the trial;
- iv) the Incorporation shall give the Crown at least one month's notice, in writing, of any activity to be carried out in or likely to impact on any research trial so that the Crown may undertake any necessary measurements or other operations in such trial prior to the carrying out by the Incorporation of such activity. The Incorporation shall, where requested by the Crown, supply to the Crown full details of all activities carried out in the trial;
- v) all silvicultural operations on any research trial shall only be undertaken by or under the control of the Crown unless this condition has been waived by the Crown in writing;

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"Covenant" means the Deed of Covenant between the Crown and Incorporation dated the ___ day of _____ 1996;

"Crown" means Her Majesty the Queen in right of New Zealand acting by and through her Minister of Lands and includes her heirs, successors and assignees and unless the context otherwise requires the employees or agents of the Crown;

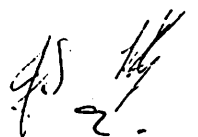
"Cutting Rights" means the right to fell indigenous trees and to remove logs from those trees;

"Cutting Rights Period " means the period from the Commencement Date to the close of the Termination Date or any other period that the parties may agree upon;

"Deed" means the Deed of Settlement entered into between the Incorporation and the Crown dated the ___ day of _____ 1996;

"Forest Produce" means products which can be extracted from the trees and other vegetation making up each Indigenous Forest and includes but without limitation, logs, tree fern trunks and sphagnum moss;

"Incorporation" means the Proprietors of Waitutu Incorporated, a Maori Incorporation duly constituted under Part IV of the Maori Affairs Amendment Act 1967 and continued by Te Ture Whenua Maori Act 1993, and Waitutu Holding Company Limited, a duly incorporated company, jointly and severally and includes all employees, agents and contractors of the Incorporation and for the avoidance of doubt does not include the beneficial owners;



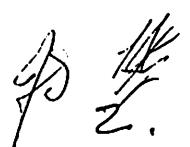
"Indigenous Forest(s)" means every forest which as at the Commencement Date is growing or standing on the Indigenous Forest Lands;

"Indigenous Forest Land(s)" means the land(s) more particularly described in the First Schedule of this Agreement but excludes all trees growing or standing thereon;

"Indigenous Forestry Assets" means:

- a) The Indigenous Forest Lands; and
- b) Every Indigenous Forest; and
- c) All roads, tracks, accessways, firebreaks, bridges, culverts, irrigation works, erosion works, water-races, drainage works, water storage, and all works and services related to the prevention, detection, or fighting of fire, on or associated with the Indigenous Forest Lands; and
- d) All rights associated with the Indigenous Forest Lands (whether vested or contingent) and all contracts entered into by the Crown in respect of the Indigenous Forest Assets as specified in the Third Schedule and;

"Sustainable forest management plan" or "sustainable forest management permit" means a sustainable forest management plan or sustainable forest management permit approved under section 67F or section 67M of the Forests Act 1949 and applying to the Indigenous Forest Lands;



"Termination Date" means the earlier of the following dates:

- a) The date at which the land described as the Waitutu Block in the Deed ceases to be subject to the Covenant and to be administered and managed by the Crown as if it were a national park;
 - b) Such other date as may be agreed upon by the Crown and the Incorporation.
2. In the construction of this Agreement unless the context otherwise requires:
- i) The headings and sub-headings appear as a matter of convenience and shall not affect the construction of this Agreement;
 - ii) References to Clauses and Schedules are to clauses and schedules of this Agreement;
 - iii) References to any statute, regulation or other statutory instrument or by-law shall be deemed to be references to the statute, regulation, instrument or by-law as from time to time amended and includes substituted provisions that substantially correspond to those referred to;
 - iv) The singular includes the plural and vice versa, and words importing any gender include the other genders;
 - v) Words, terms or expressions which are defined in the Crown Forest Assets Act 1989 and Forests Act 1949 but which are not defined in this Agreement shall have the meaning attributed to

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them in the Crown Forest Assets Act 1989 or the Forests Act 1949 as the case may be.

PREAMBLE

3. Except as otherwise provided in this Agreement and subject to the Deed and Covenant, this Agreement embodies the entire understanding and agreement between the Crown and the Incorporation relevant to the subject matter of this Agreement and all previous negotiations, representations, warranties, arrangements and statements (if any) whether expressed or implied including any collateral agreement or warranty with reference to the subject matter of this Agreement or the intentions of any of the parties are extinguished and otherwise are excluded and cancelled.

TERM

4. The term of the Agreement shall commence on the Commencement Date and shall terminate on the Termination Date.

CONSIDERATION

5. The parties acknowledge that the rights of the Incorporation under this Agreement are received by the Incorporation as part of the consideration set out in the Deed.

6. Except as provided in this Agreement the Incorporation shall not be liable to the Crown for any rent, royalty or other payment in respect of the Indigenous Forestry Assets.

GRANT OF CUTTING RIGHTS

7. The Minister on behalf of the Crown hereby grants to the Incorporation (which grant the Incorporation hereby accepts) exclusive Cutting Rights over the Indigenous Forests during the Cutting Rights Period and on the terms and conditions set out in this Agreement.
8. For the purposes of this Agreement the Incorporation may enter the Indigenous Forest Lands.

DUTIES OF THE INCORPORATION

9. In the exercise of its Cutting Rights the Incorporation shall:
 - i) Observe and perform on behalf of the Crown any of its present contractual duties liabilities and obligations that relate to the Cutting Rights;
 - ii) Act diligently and conscientiously in the exercise of its Cutting Rights and performance of its other obligations under this Agreement consistent with good forestry and timber industry practice but having due regard to the conservation, environmental and commercial values of the Indigenous Forestry Assets;
 - iii) Comply with the objectives for the Indigenous Forests set out in Clause 10;
 - iv) Comply, at its expense, with all the terms and conditions imposed by any sustainable forest management plan or sustainable forest management permit.

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OBJECTIVES

10. The parties acknowledge that the objectives for the Indigenous Forests are:
- i) To maintain the existing area of Indigenous Forest as a high forest comprising principally timber tree species native to New Zealand;
 - ii) To allow commercial exploitation of the Indigenous Forests on a sustainable basis, this being defined in the manner in which sustainable forest management is defined in section 2(1) of the Forests Act 1949;
 - iii) To permit public use of the Indigenous Forest Lands for recreational purposes.

HARVESTING

11. The Incorporation may fell indigenous trees and extract logs from those trees and from windblown indigenous trees only in accordance with a sustainable forest management plan or sustainable forest management permit.
12. The Incorporation acknowledges that the Crown cannot give any undertaking that the Secretary of Forestry will approve any sustainable forest management plan or sustainable forest management permit submitted by the Incorporation to the Secretary.
13. The Crown may, subject to any conditions set out in or associated with a sustainable forest management plan or sustainable forest management permit, harvest Forest Produce other than indigenous logs growing on the Indigenous Forest Lands.

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14. The Incorporation shall have the property in and possession of any logs harvested in accordance with Clause 11 at the time at which such logs are cut from trees on the Indigenous Forest Lands.

REGENERATION AND TENDING

15. The Incorporation shall at all times exercise its Cutting Rights in such a way as to ensure that indigenous timber species regenerate and shall, where natural regeneration does not occur, ensure continuation of indigenous timber species by planting or other means.
16. In the event that a substantial area of Indigenous Forest is damaged by some catastrophic event and is unlikely to recover by natural regeneration then the Incorporation shall re-establish the damaged Indigenous Forest by planting except that if following consultation between the Incorporation and the Crown it is agreed that replanting is impracticable for any reason, the Incorporation shall be released from this obligation.
17. The Incorporation shall not sow or plant or allow to regenerate exotic timber species on the Indigenous Forest Lands without first obtaining the written consent of the Crown.
18. The Incorporation may undertake silvicultural operations including the pruning and thinning of trees where such operations are designed to improve the growth potential of the Indigenous Forest or to improve the quality of the trees on the Indigenous Forest Lands. Such operations shall be undertaken by the Incorporation in such a way as to minimise

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the risk of damage to the Indigenous Forest through windthrow or disease.

GRAZING AND FARMING

19. The Incorporation shall not use or allow to be used, any of the Indigenous Forest Lands for grazing or other farming purposes.

LEGISLATIVE COMPLIANCE

20. The Incorporation shall at all times comply with all relevant legislation including, but not limited to:

Accident Compensation and Rehabilitation Act 1992

Biosecurity Act 1993

Building Act 1991

Crown Minerals Act 1991

Forest and Rural Fires Act 1977

Forests Act 1949

Health and Safety in Employment Act 1992

Historic Places Act 1993

Resource Management Act 1991

Wildlife Act 1953

Wild Animal Control Act 1977

EXISTING RIGHTS

21. The parties hereto acknowledge that this Agreement is subject to such existing rights over the Indigenous Forest Land as are summarised in the Third Schedule.
22. The Incorporation shall during the term of this Agreement observe perform and fulfil the terms conditions rights and obligations of every such existing right.

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PUBLIC USE

23. The Incorporation shall at all times permit the public entry to and across the Indigenous Forest Lands and to use the Indigenous Forest Lands for recreational purposes. The Incorporation shall comply with the Occupier's Liability Act 1962 as if it were an occupier under that Act.

WAHI TAPU

24. So long as the Crown is owner of the Indigenous Forest Lands and where the Crown is satisfied that any part of the Indigenous Forest Lands is Wahi Tapu, being land of special spiritual, cultural, or historical tribal significance, the Crown may, following consultation with the Incorporation give notice to the Incorporation that such part of the Indigenous Forest Lands is no longer subject to this Agreement or shall become subject to appropriate protective covenants. In such notice the Crown shall fully describe the part of the Indigenous Forest Lands that is to be so excluded or so protected, the date from which the exclusion or protection is to apply, the rights of access to the Wahi Tapu over other Indigenous Forest Lands, any rights which the Incorporation may have in respect of the Wahi Tapu and the compensation (if any) to be paid to the Incorporation, such compensation to be determined in accordance with the compensation provisions of the Public Works Act 1981.

PROTECTION OF HUMAN BONES AND ARTIFACTS

25. If the Incorporation discovers any human bones or Maori artifact on the Indigenous Forest Lands then the Incorporation shall forthwith consult with the Crown and shall comply with the directions of the

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PUBLIC USE

Crown for the re-interment of such bones or disposal of such artifact as the case may be. Pending compliance with such directions, the Incorporation shall treat the bones or Maori artifact with respect and shall make proper provision for their protection and preservation.

RESEARCH TRIALS

26. The Incorporation acknowledges that parts of the Indigenous Forest Lands are subject to long term forest research trials as set out in the Second Schedule. The Incorporation shall at all times during the term of this Agreement observe perform and fulfil the terms and conditions for such trials as set out in the Second Schedule.

FINANCIAL PROVISIONS

27. All costs and expenses relating or incidental to the exercise of the Cutting Rights shall be paid by the Incorporation and the Crown shall be under no liability to reimburse any such expenditure to the Incorporation.
28. The Incorporation shall, during the term of this Agreement, duly and punctually pay all general, water, special and other rates and all taxes (including land tax if any) and assessments levied upon or payable in respect of the Indigenous Forest Lands irrespective of the ownership thereof but excluding income tax or any tax or rents or licence fees or other tax assessed in respect of the income or profits of the owner of the Indigenous Forest Lands.
29. Where the Indigenous Forest Lands are separately rated the Crown may supply the Incorporation's name

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to the appropriate authority for inclusion in the rating roll.

30. If such rates, taxes and assessments shall not be separately levied or assessed in respect of the Indigenous Forest Lands, then the Incorporation shall upon demand by the Crown pay its fair proportion of the total of such rates, taxes and assessments in respect of the Indigenous Forest Lands.
31. If such levy or assessment is for a period extending either before or after the Commencement Date or Termination Date of this Agreement as the case may be then the Incorporation shall pay its fair proportion of such part of the levy or demand as may be applicable to the Indigenous Forest Lands for the period falling within the term of this Agreement.
32. Subject to payment by the Incorporation of the costs, expenses, rates, taxes and assessments referred to in Clauses 27, 28 and 29, the Incorporation shall be entitled to retain all proceeds from the sale of indigenous logs which have been cut from indigenous trees on the Indigenous Forest Lands in accordance with this Agreement.
33. The Incorporation shall (in addition to any other payments) pay to the Crown upon demand any taxes paid or payable by the Crown or accountable by the Crown pursuant to the provisions of the Goods and Services Tax Act 1985 (being the tax thereby imposed or any similar tax levied in substitution therefor) in respect of any payments paid or payable by the Incorporation under this Agreement or paid by the Crown on behalf of the Incorporation's obligation to make such payment under this Agreement.

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34. Without prejudice to the other rights powers and remedies of the Crown hereunder if any monies owing by the Incorporation to the Crown on any account whatsoever pursuant to this Agreement shall be in arrears and unpaid for fourteen (14) days after the same shall have become due or demanded, whichever is the later, then such monies shall bear interest compounded on quarterly rests and computed from such due date until the date of payment in full of such moneys at a rate that is 10% above the FRA midpoint 30 days bank bill rate as at 10.45 am on Reuters' page BKBM on the date on which such amount is payable and the said interest shall be recoverable in like manner as the monies so unpaid.

PERSONNEL OF THE INCORPORATION

35. The Incorporation shall employ, or engage and maintain sufficient suitably qualified and trained professional and other personnel and field staff to exercise its Cutting Rights and fulfil its other obligations under this Agreement.

INCORPORATION TO KEEP FOREST RECORDS

36. The Incorporation shall keep complete accurate and current forest records and maps of the Indigenous Forests setting out the state of each Indigenous Forest and of any forest operations undertaken by the Incorporation in the Indigenous Forests.
37. The Incorporation shall, at the request of the Crown, supply to the Crown copies of any sustainable forest management plan or sustainable forest management permit or annual logging plan which apply to the Indigenous Forest Lands. The Incorporation shall also comply with any other reasonable request from the Crown for the supply of any information

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relevant to the exercise by the Incorporation of the Cutting Rights necessary for the Crown to determine that:

- i) the objectives for the Indigenous Forests as set out in Clause 10 are being met; and
- ii) the Incorporation is complying with the terms and conditions of this Agreement.

RIGHT OF ACCESS TO AND INSPECTION OF INDIGENOUS FORESTRY ASSETS

38. The Incorporation shall at all reasonable times permit the Crown or its authorised agents to inspect the Indigenous Forestry Assets for the purpose of assessing that the Incorporation is properly performing its obligations under this Agreement, provided that in exercising its right of inspection, the Crown or its authorised agents shall do so without any unreasonable interruption to the Incorporation's operations.

ACCESS OVER OR TO ADJOINING LAND

39. The Crown undertakes to take such steps as may be necessary to assure to the Incorporation during the Cutting Rights Period practicable and unhindered access to the Indigenous Forest Lands through and across any adjoining lands of the Crown so as to enable the Incorporation to exercise its rights and perform its duties and obligations under this Agreement in a commercially viable manner including if so agreed by the Crown the right to construct and maintain any road necessary to provide such access.

40. The Incorporation acknowledges that the Crown and its servants or duly authorised agents shall at all

times during the term of the Agreement be entitled to enter and cross the Indigenous Forest Lands for the purpose of gaining practicable and unhindered access to any adjacent lands owned by the Crown.

GENERAL OBLIGATIONS OF THE INCORPORATION

Indemnity

41. The Incorporation shall at all times indemnify and save harmless the Crown from and against:

- i) Any and all actions claims demands awards and proceedings of every nature and kind made, brought or prosecuted against the Crown; and
- ii) Any and all loss damage cost or expense suffered or incurred by the Crown

which are based upon, or arise out of or are connected with any act, commission, neglect, breach or default on the part of the Incorporation and any visitors or licensees of the Incorporation.

Public Risk Insurance by Incorporation

42. The Incorporation shall:

- i) Keep current at all times from the Commencement Date a policy of public risk insurance applicable to the Indigenous Forest Lands and the operations carried on therein suitably endorsed where the indemnity under such policy is extended out of or in connection with this Agreement for an amount not less than prudent land and forest management would require in the particular circumstances and;

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- ii) Provide the Crown each year with details or a copy of such policy and a certificate of currency.

Fencing

43. The Incorporation agrees that the Crown will not be responsible for the erection, repair and maintenance of any dividing fence between the Indigenous Forest Lands and any adjoining land (whether owned or occupied by the Crown or not) and that the Incorporation will not call upon the Crown to erect, repair or maintain or contribute towards the cost of erection, repair or maintenance of any such dividing fence PROVIDED THAT where the Crown is owner of the adjoining land and where the Crown requires a dividing fence between the Indigenous Forest Lands and such adjoining land then the obligations of the Incorporation shall be limited to payment of the cost of compliance with the obligations of an occupier under the Fencing Act 1978.

SURVEY

44. If the Indigenous Forest Lands are not at the Commencement Date already surveyed so as to enable plans of such Lands to be prepared which clearly delineate the boundaries of such lands, it is the Crown's intention to cause the Indigenous Forest Lands to be surveyed. The Crown shall be responsible in all respects and shall pay all costs (including payment of any reserve fund contributions, development levies, survey costs and legal and registration fees) for such survey and the preparation of such plans.

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45. Where such survey or any part thereof is completed and any such plan or plans are certified as correct by the Chief Surveyor of the Southland Land District this Agreement shall, as from the date of such certification of such plan or plans be deemed to relate to the Indigenous Forest Lands as then thereby described and delineated.
46. If it shall appear as a consequence of survey that it is necessary or desirable to vary this Agreement in any respect (including but not limited to the addition or amendment of provisions relating to matters of access and roading) for the purpose of assuring to the Incorporation the full benefit of this Agreement the Crown and the Incorporation shall thereupon enter into and execute an appropriate amendment to this Agreement.
47. In the event that the Incorporation is intending to undertake operations adjacent to boundaries which have not at that time been surveyed, the Incorporation shall advise the Crown of this event and the Crown shall take this into consideration in setting priorities for the survey.

TREATY OF WAITANGI ACT 1975

48. The Crown may, in order to satisfy any claim by Maori under the Treaty of Waitangi Act 1975, either
- i) exclude from this Agreement any part or parts of the Indigenous Forest Lands; or
 - ii) transfer ownership of any part or parts of the Indigenous Forest Lands to Maori but with such part or parts of the Indigenous Forest Lands remaining subject to this Agreement.

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49. If any part or parts of the Indigenous Forest Lands are excluded pursuant to Clause 48(i), the Crown shall compensate the Incorporation for all losses (including loss of revenue and other consequential losses), costs, expenses and damages (including damages awarded against the Incorporation in favour of, or sums paid with the prior approval of the Crown by way of settlement to, any third party) suffered or incurred by the Incorporation as a direct result of the exclusion of any part of parts of the Indigenous Forest Lands pursuant to Clause 48(i) provided that such compensation shall not apply to any losses that the Incorporation undertakes after the Commencement Date to reimburse or compensate by way of indemnity to third parties or under any like arrangement.

ASSIGNMENT

50. The Incorporation shall not assign its rights and obligations under this Agreement except with the prior written consent of the Crown. The Crown shall not unreasonably withhold its consent to an assignment of the rights and obligations of the Incorporation under this Agreement to a responsible solvent and suitable assignee but before giving such consent to any assignment and as a condition precedent to the giving of such consent, the Crown shall be entitled to performance and satisfaction of the following conditions:

- i) The Incorporation shall demonstrate to the satisfaction of the Crown that the proposed assignee is responsible and of sound financial standing and suitably qualified to enable it to carry out its obligations under this Agreement;

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- ii) There is not any existing unremedied breach of any of the provisions of this Agreement;
- iii) The Incorporation shall procure the execution by the assignee of a covenant by such assignee with the Crown that the assignee shall at all times during the continuance of the Cutting Rights Period observe and perform all the duties and obligations and Agreements herein contained or implied on the part of the Incorporation to be observed and performed;
- iv) All costs incurred by the Crown (whether or not the assignment proceeds to completion) have been paid by the Incorporation;
- v) Where the proposed assignee is a company the Crown may require the directors and/or controlling shareholders of such company to enter into a deed guaranteeing the performance by that company of the terms of this Agreement. Such guarantee shall be in a form acceptable to the Crown and the costs incurred by the Crown in the preparation and execution of such guarantee shall be paid by the Incorporation;
- vi) Notwithstanding any assignment of this Agreement the Incorporation shall remain liable for any breach of this Agreement until the Termination Date.

51. Any sale of the Indigenous Forest Lands by the Crown shall be subject to this Agreement.

TERMINATION

52. Upon the termination of this Agreement whether by effluxion of time or otherwise the Incorporation

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shall deliver to the Crown all records, written data and other material in its possession relating to the Indigenous Forestry Assets.

DEFAULT

53. If the Incorporation defaults in the performance observance or fulfilment of any of its obligations under this Agreement, the Crown may give a notice to the Incorporation specifying the particulars of the alleged default and requiring the Incorporation to remedy the same. If:

i) The alleged default is of a continuing nature arising from any continuing series of acts of the Incorporation and the Incorporation fails to cease such acts forthwith upon receipt of such notice; or

ii) In any other case the alleged default has not been remedied within 14 days after the notice has been given and the Incorporation has not before the expiration of such 14 day period, been able to demonstrate that it has bona fide taken all necessary steps to remedy the alleged default and that as a result of such steps the alleged default will be remedied within a reasonable period acceptable to the Crown; and

iii) The Incorporation has not ceased the acts complained of or remedied the alleged breach in the manner and within the period specified

then, notwithstanding any prior waiver or failure to take action the Crown may elect to remedy without further notice the default by the Incorporation under this Agreement. Whenever the Crown so elects all costs, interests, penalties and expenses

incurred by the Crown (including legal costs and expenses) in remedying such default shall be paid by the Incorporation to the Crown forthwith on demand.

54. If the default by the Incorporation is of a nature that cannot be reasonably or effectively remedied the Crown may elect to exercise the Incorporation's rights and obligations under this Agreement. In such event the Crown shall be deemed to have received Power of Attorney from the Incorporation and all actions taken by the Crown shall be at the reasonable expense of the Incorporation as provided in Clause 55.
55. The Incorporation shall pay all costs, charges and expenses which the Crown may reasonably incur (including without limiting the foregoing legal costs on a solicitor/client basis) in consequence of or in connection with any breach or default by the Incorporation in the performance or observance of any of the covenants and conditions of this Agreement.

ACKNOWLEDGEMENTS

Further Acts

56. Each of the parties to this Agreement shall at the request and expense of the other party execute and deliver any further documents and do all acts and things as that party may reasonably require to carry out the true intent and meaning of this Agreement.

Amendments.

57. All amendments to this Agreement shall be by Deed duly executed by all parties to this Agreement in

the same manner and with the same formality as this Agreement is executed.

Disputes

58. Disputes arising under this Agreement shall in principle be settled amicably between the parties to this Agreement, but should this prove impossible, and if the parties agree it is appropriate to have the dispute resolved, the matter in dispute shall be referred to arbitration. Such a reference to arbitration shall be deemed to be submission within the meaning of the Arbitration Act 1908 and unless the parties agree otherwise the reference shall proceed in accordance with the provisions of that Act.

Governing Document

59. In the case of any conflict or inconsistency between the provisions of any other deed agreement or contract or document between the parties hereto and the provisions of the Agreement the provisions of this Agreement shall prevail.

Governing Law

60. This Agreement shall be construed and take effect in accordance with the laws of New Zealand.

61. The Crown and the Incorporation each agree to submit to the jurisdiction of the Courts of New Zealand.

No Partnership

62. Nothing in this Agreement or in the relationship of the parties shall be construed as in any sense creating a partnership between the parties or as



subjecting either party to any of the creditors of the other party.

No Estate or Interest in Land

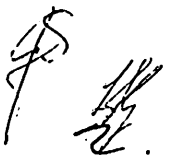
63. Nothing in this Agreement shall confer upon the Incorporation any estate or interest in land and, in particular, this Agreement shall not operate as a demise or constitute any contract of tenancy of any land and the covenants and powers of the Property Law Act 1952 and its amendments shall not apply to this Agreement or to the rights granted under this Agreement.

NOTICES

64. If either party wishes to give or serve on the other party any notice, claim or demand under or in connection with this Agreement the same shall be sufficiently given or served if delivered or sent by prepaid registered fast post mail addressed as set forth below or sent by facsimile to the other party. Any document or notice mailed as aforesaid shall be deemed to have been received by the addressee 48 hours following the date of mailing and any such document or notice sent by facsimile shall be deemed to have been received by the addressee on the same business day as the day on which such facsimile is sent:

- i) In the case of the Crown at:
Minister of Lands
Parliament Buildings
.Wellington

or at such other address as is notified in writing; and



ii) In the case of the Incorporation, at its
current registered office

or at such address as notified in writing; and

iii) In the case of Waitutu Holding Company Limited
at its current registered office.

or at such other address as is notified in writing.

Signed on behalf of)
HER MAJESTY THE QUEEN by)
DENIS WILLIAM ANSON MARSHALL)
Minister of Lands in the)
presence of)

Witness _____
Address _____
Occupation _____

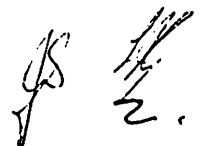
Signed by the PROPRIETORS OF
WAITUTU INCORPORATED by

Chairman.

Signed by WAITUTU
HOLDING COMPANY LIMITED

Director _____

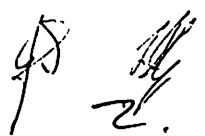
Director _____



FIRST SCHEDULE: INDIGENOUS FOREST LANDS

The Indigenous Forest Lands comprise all that land situated in the Land Registration District of Southland containing 11,581.7216 hectares more or less and being more particularly described as:

<u>Plan Reference</u>	<u>Area (hectares)</u>	<u>Forest Name</u>
Lot 2 LT 12738 but excluding the area marked "C" on LT 12738	286.1630	Longwood - Jubilee Block
Lot 1 LT 12740 but excluding the areas marked "A" and "B" on LT 12740	2554.0216	Longwood - Jubilee Block
Lot 1 LT 12679	2379.3510	Longwood - Kiwi Block
Lot 3 LT 12696	871.0000	Longwood - Woodlaw Block
Lot 2 LT 12556	463.5600	Longwood - Merry Basin Block
Lot 3 LT 12556	20.2600	Longwood - Merry Basin Block
Lot 6 LT 12556	8.4800	Longwood - Merry Basin Block
Lot 5 DP 12773	4765.1600	Rowallan
Lot 6 DP 12773	233.7260	Rowallan



- vi) these conditions do not confer on the Crown any right or interest in the merchantable stems of any indigenous trees in the research trial;
- vii) the Incorporation shall comply with any special conditions relating to a research trial set out in the Table and, where the special conditions conflict with the general conditions set out in ii) to vi) above the special conditions shall apply.

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RESEARCH TRIALS

The research trials included in this Schedule and the special conditions, if any, applying to each are set out below. The location of each Forest Research Area is shown on the attached maps and diagrams.

Forest Research Area Identifier	Compartment	Area (ha)	Species	Planting Year	Purpose	Special Conditions
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THIRD SCHEDULE - EXISTING RIGHTS

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RIGHTS OVER INDIGENOUS FOREST LANDS

FOREST/ BLOCK	Nature	Beneficiary	Description Servient Land	Description Dominant Land	Notes
Longwood/ Merry Basin	Right of Way	Longwood Crown Forestry Licence	Lots 2 & 3 DP 12556 shown D & E & F on DP 12556	Lots 1, 4 & 5 DP 12556	
Longwood/ Merry Basin	Right of Way	Department of Conservation	Lot 2 DP 12556 shown C on DP 12556	Crown Land in Blocks XX Longwood SD and XV Waiau SD	
Longwood/ Merry Basin	Public Access	Public	Lot 2 DP 12556 Shown C on DP 12556	(in gross)	
Longwood/ Woodlaw	Right of Way	Longwood Crown Forestry Licence	Lot 3 DP 12696 Shown E on DP 12696	Lots 4 & 5 DP 12696	
Longwood/ Woodlaw	Right of Way	Longwood Crown Forestry	Lot 3 DP 12696 Shown A on DP 12696	Lot 1 DP 12696	

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FOREST/ BLOCK	Nature	Beneficiary	Description Servient Land	Description Dominant Land	Notes
Longwood/ Kiwi	Right of Way	Department of Conservation	Lot 1 DP 12679 shown A & B on DP 12679	State Forest Block IX Longwood S.D	
Longwood/ Kiwi	Public Access	Public	Lot 1 DP 12679 shown A & B on DP 12679		
Longwood/ Kiwi	Public Access	Public	Lot 5 DP 12773 shown A, B F & G on DP 12773	(in gross)	
Rowallan	Right of Way	Department of Conservation	Lot 5 DP 12773 shown A, F & G on DP 12773	Crown land in Blocks 3, 4 & 7 Lillburn S.D	
Rowallan	Right of Way	Department of Conservation	Lot 5 DP 12773 shown B on DP 12773	Lot 7 DP 12773 and Crown land	
Rowallan	Right of Way	Rowallan Crown Forestry Licence	Lot 6 DP 12773 shown H, I & J on DP 12773	Lots 2, 3 & 4 DP 12773	
	Management Contract	Pine Plan	All Forests		




RIGHTS IN FAVOUR OF INDIGENOUS FOREST LANDS

Forest/ Block	Nature	Grantor	Description Servient Land	Description Dominant Land	Notes
Longwood/ Merry Basin	Right of Way	Longwood Crown Forestry Licence	Lot 1 DP 12556 shown A & B on DP 12556	Lots 2, 3 & 6 DP 12556	Over licence
Longwood/ Woodlaw	Right of Way	Longwood Crown Forestry Licence	Lot 1 DP 12696 shown B on DP 12696	Lot 3 DP 12696	
Longwood/ Jubilee	Right of Way	Longwood Crown Forestry Licence	Lot 1 DP 12739 shown G & I on DP 12739	Lot 1 DP 12740 and Lot 2 DP 12738	
Rowallan	Right of Way	Rowallan Crown Forestry Licence	Lot 1 DP 12773 shown E on DP 12773	Lot 5 DP 12773	

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MINISTER OF CONSERVATION

21 DEC 1999

Mr B J Mason
Public Access New Zealand Inc



Dear Mr Mason

I refer to your request of 3 December 1999 for a copy of the Deed of Settlement between the Crown and the Proprietors of Waitutu Incorporated. The information is publicly available and a copy is enclosed.

Yours sincerely

A handwritten signature in blue ink that reads "N Scott".

Nicola Scott
Conservation Secretary

Forest/ Block	Nature	Grantor	Description Servient Land	Description Dominant Land	Notes
Rowallan	Right of Way	Rowallan Crown Forestry licence	Lot 2 DP 12773 shown D on DP 12773	Lot 6 DP 12773 Lot 1 DP 12507	(NB CF licence does not include Lot 6)
All	Certificate of Compliance	Southland District Council	Indigenous Forest Lands		
Rowallan	Sustainable Forest Management Permits (2)	Ministry of Forestry	Pts Rowallan		
All	Sphagnum Moss Collection		All Forests		

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AGREEMENT FOR SPHAGNUM MOSS RECOVERY RIGHTS

PARTIES Waitutu Incorporation a duly incorporated body having its registered office at 17A P. Road, Napier, (the Owner).

SUSAN J. CLYMA 193 MARU STREET Invercargill, (the Operator).

AREA All those parcels of land edged yellow on the plan being 5,365 acres in total.

TERMS THREE year from June 1994 subject to the Owners to determine this Agreement if in their discretion the Operator shall have breached any of the covenants and conditions contained or implied herein. PLUS A RIGHT OF RENEWAL OF THREE YEARS PLUS THREE YEARS.

PAYMENTS An Annual Rental of 52,000 + 5% ROYALTY PER TON with the Operator and Owners review for each subsequent year to bring this in line with current market conditions and inflation. PLUS A BOND OF \$2000 TO BE PAID WITHIN 7 WORKING DAYS OF SIGNING

GENERAL TERMS AND CONDITIONS

- 1. The Operator shall have the exclusive rights to the recovery of sphagnum moss during the term of this Agreement.
2. The Operator will have full responsibility for all aspects of his moss recovery operation including commercial, conservation and safety matters.
3. The Operator will warn off any trespassers and as soon as possible report to the Incorporation the details of any suspected act of trespass.
4. The Operator will ensure that his operation will cause minimal disturbance to the bush.
5. The Operator shall not assign or sublet any of the rights obtained hereunder.
6. It will be the Operator's responsibility to get permission from the deer pen Operator for the use of the Incorporation's hut.
7. It will be the Operator's responsibility to determine and define boundaries.
8. It is the Operator's responsibility to see that the property is left in good order and condition at the termination of this lease.
9. The Operator would not be due for compensation for any improvements to the property.

Witnessed by the WAITUTU INCORPORATION in the presence of -

WAITUTU INCORPORATION

[Signature]

[Signature] B.S.S.

SUSAN J. CLYMA THE OPERATOR

[Signature]

THIS 21/5/94 DAY OF 1994

Handwritten initials and numbers at the bottom right corner.



Hon. Dr Nick Smith
M.P. for Nelson

Minister of Education

Minister of Conservation

7 December 1999

B J Mason
Researcher
Public Access New Zealand Inc




Dear B J Mason

Hon. Dr Nick Smith, Minister of Conservation, has asked me to acknowledge receipt of your Official Information Act request of 3 December concerning Cabinet papers and decisions on the Waitutu Forest Deed of Settlement and any subsequent amendments.

You can expect to hear from this office when the Minister has had an opportunity to consider your request.

Yours sincerely

 Nicola Scott
Conservation Secretary

Schedule number (99/7047)

Public Access New Zealand

INCORPORATED

Phone

~~FAX COVER SHEET~~

Date 3/12/99

Page 1 of 1

To Minister of Conservation

Official Info. Request.

Please supply the Waitutu Forest Deed of Settlement
& any subsequent amendments.

Yours faithfully BJ Mason, Researcher

Public Access New Zealand is a charitable trust formed in 1992. PANZ's objects are the preservation and improvement of public access to public lands, waters, and the countryside, through the retention in public ownership of resources of value for recreation. PANZ draws support from a diverse range of land, freshwater, marine, and conservation interests representing approximately 200,000 people from throughout New Zealand.
