

PARTICULARS OF LEASE of land at Martinborough-Pirinoa Road (the Pain Farm) offered by South Wairarapa District Council and **CONDITIONS OF TENDER** therefor.

PARTICULARS OF LEASE

The South Wairarapa District Council (hereinafter called "the lessor") invites tenders for a lease of the farm property situate at Martinborough-Lake Ferry Road comprising 75.7369 hectares more or less and being more particularly the lands described in the form of Deed of Lease hereto annexed for a term of five (5) years to commence from 1 June 2012 at the rent (subject to review on 1 June 2015) mentioned in the successful tender but otherwise upon and subject to the covenants, conditions and agreements set forth in the form of Deed of Lease annexed.

CONDITIONS OF TENDER

1. EVERY tender shall be in the form hereto annexed (copies whereof are available at the offices of the South Wairarapa District Council, Kitchener Street, Martinborough and shall be signed by the tenderer and lodged with or posted to South Wairarapa District Council so as to be received by them not later than 4.00 pm on 14 May 2012.
2. EVERY tender must be enclosed in a sealed envelope marked on the outside "**Tender for Lease of the Pain Farm**".
3. EVERY tender must be accompanied by a bank cheque or a bank draft in favour of South Wairarapa District Council for an amount equal to three (3) months rent plus GST at the rate tendered.
4. IT shall not be necessary for the lessor to accept the highest or any tender.
5. EVERY tender shall be a continuing offer and irrevocable until 31 May 2012. Any tender not accepted by that date shall lapse and the deposit paid therewith shall forthwith be returned to the tenderer.
6. THE lessor may effectively accept any tender by posting a notice of acceptance addressed to the tenderer at the address given in such tender.
7. UPON acceptance of a tender in manner aforesaid or in any other sufficient manner the lessor shall execute in favour of the successful tenderer (hereinafter referred to as "the lessee") a Deed of Lease of the said property in the form abovementioned and the lessee shall thereupon execute the said Deed of Lease and a counterpart thereof.
8. UPON the execution by the lessee of the said Deed of Lease and counterpart, the deposit paid by the lessee shall be credited by the lessor as rent for the first quarter year and the lessee shall be entitled to possession of the said property as from 1 June 2012. If for any reason the lessor shall be unable to give possession on such date the lessee shall be entitled to a proportionate allowance of rent until possession is given to the lessee but shall have no claim for compensation or damages.
9. TIME shall be strictly of the essence of this contract.
10. THE Lease and counterpart shall be prepared and completed by the solicitors for the lessor and the costs and disbursements in respect thereof shall be paid by the lessee.

11. IF the lessee shall fail for ten (10) days after demand to execute the Lease and counterpart, the lessor in addition to any other rights and remedies the lessor may possess shall be entitled if the lessor shall think fit to forfeit the said deposit and thereupon the right of the lessee to the said Lease shall absolutely cease and determine.

12. IF for any reason the lessor shall be unable or unwilling, after acceptance of a tender, to grant the said Lease, the lessor may notwithstanding any negotiations or litigation in respect thereof by notice in writing to the tenderer or the tenderer's solicitor rescind the contract upon repaying to the tenderer the deposit (without interest or costs), which shall be accepted as in full satisfaction of all claims under the contract or otherwise howsoever.

13. THE contract herein shall be subject to any necessary consent that the lessee may have to obtain, provided the condition is disclosed to the lessor at the time of acceptance of the tender and each of them the lessor and the lessee shall do all such acts and things as may be necessary for the purpose of endeavouring to obtain such consent or ensuring compliance with the statutory provisions.

14. IF such consent where necessary shall not be granted by 31 May 2012 the lessor may by notice in writing to the lessee or the lessee's solicitor rescind the contract upon repaying to the lessee the deposit (without interest or costs) which shall be accepted as in full satisfaction of all claims under the contract or otherwise howsoever.

FORM OF TENDER

South Wairarapa District Council
Kitchener Street
Martinborough

I, the undersigned, DO HEREBY TENDER for the lease of the Pain Farm property situate at Martinborough-Pirinoa Road as offered by you and described in the form of Deed of Lease annexed to the Particulars & Conditions of Tender relating to this property exhibited at the offices of South Wairarapa District Council at a rent of \$_____ per annum plus GST and I enclose herewith a cheque/bank draft for \$_____ being the deposit amounting to three (3) months rent plus GST at the rate hereby tendered.

I make this tender subject to the abovementioned Conditions of Tender by which I agree to be bound.

My tender is conditional upon _____

If the tenderer is a limited liability company, please insert the name of the guarantor.

DATED this _____ day of _____ 2012

Signature _____

First Name & Surname
(print in full) _____

Occupation _____

Address _____

My solicitors are: _____

BETWEEN

SOUTH WAIRARAPA DISTRICT COUNCIL

**A local authority duly constituted under the Local Government Act 1974
“the Landlord”**

AND

[2=full name, description and occupation of Tenant]

“the Tenant”

AND

[3=full name, description and occupation of Guarantor]

“the Guarantor”

DEED OF LEASE OF FARM LAND

THIS DEED made the

day of

2012

RECITALS

- A. The Landlord is the registered proprietor of the land described in the Schedule hereto ("the leased land").
- B. The Landlord has agreed to lease to the Tenant the leased land subject to the following covenants, conditions and restrictions.
- C. The Guarantor has agreed to guarantee to the Landlord the performance of the following covenants, conditions and restrictions.

The Landlord and the Tenant covenant as follows:

INTERPRETATION

In this Deed of Lease unless the context indicates otherwise:

"Emissions Trading Scheme" means the Emissions Trading Scheme established under the Climate Change Response Act 2002 or any legislation passed in substitution to such Act.

"Emission Units" means all units allocated pursuant to the Climate Change Response Act 2002 or any legislation passed in substitution to such Act and are included but not limited to Kyoto Units and New Zealand Units.

"GST" means tax levied under the Goods and Services Tax Act 1985 and includes any tax levied in substitution for that tax.

"Land" means the area shown as set out in Schedule A.

"Landlord" means the South Wairarapa District Council and includes the Landlord's heirs, executors, administrators, assignees and authorised agents.

"Related Scheme" means schemes that are not Emissions Trading Schemes and are included but not limited to the Permanent Forest Sinks Initiative, the Afforestation Grant Scheme, the East Coast Forestry Project, SLM Hill Country Erosion Programme or such other schemes in relation to Forestry that may arise from time to time.

"Tenant" means [7=Tenant's name(s)] and includes the Tenant's assignees, agents and invitees.

TERM OF LEASE AND RENTAL

1. The Landlord leases to the Tenant the leased land for the term of five (5) years commencing on 1 June 2012 at the rental of \$ _____ per annum (plus GST) (subject to the right of review conferred on the Landlord pursuant to this Deed) payable by monthly instalments each of \$ _____ (plus GST) payable in advance on the first day of each month during the term of the Lease with the first payment due on 1 June 2012.

PAYMENT OF RENT

2. The Tenant shall pay the rent (plus GST) in advance on the rent payment dates by direct payment to the Landlord or as the Landlord shall from time to time direct without any deductions, right of set off or abatement whatsoever.

PAYMENTS OF OUTGOINGS

3. The Tenant will pay the following outgoings when they fall due (plus GST):
- (a) All rates, or levies imposed upon the leased land by any local or territorial authority;
 - (b) All insurance premiums payable by the Landlord in respect of the buildings on the Leased Land (on a replacement basis) and also payable in respect of the Landlords' liability in respect of the Leased Land;
 - (c) All charges pertaining to electric power, gas, water and telephone (if any) used on the leased land;

PROVIDED HOWEVER that the above outgoings shall be apportioned between the Landlord and Tenant in respect of periods current at the commencement and termination of the term.

INTEREST ON PAYMENTS IN ARREARS

4. If the Tenant defaults in the payment of the rent or other moneys payable pursuant to this Lease for 15 working days then the Tenant shall pay on demand interest at the rate of 12 per cent per annum on the moneys unpaid from the due date for payment down to date of payment.

ASSIGNMENT AND SUB-LETTING

- 5.1 The Tenant will not transfer or assign the Lease or enter into any sublease or part with possession of the Leased Land without first obtaining the written consent of the Landlord with it being acknowledged that the Landlord must not unreasonably withhold consent to the doing of anything specified in the application and must within a reasonable time give the consent or notify the Tenant in writing that the consent is withheld.
- 5.2 The Tenant acknowledges the following conditions of the Landlord are reasonable—
- (a) The Tenant proves to the satisfaction of the Landlord that the proposed assignee or sub-tenant is (or in the case of a company the shareholders of the proposed assignee or sub-tenant are) respectable, responsible and has the financial resources to meet the tenant's commitments under this Lease.
 - (b) All rent and other monies payable have been paid and there is not any subsisting breach of any of the Tenant's covenants.
 - (c) In the case of an assignment a Deed of Covenant in customary form approved or prepared by the Landlord is duly executed and delivered to the Landlord.
 - (d) In the case of an assignment to a company (other than a listed public company) a Deed of Guarantee in customary form approved or prepared by the Landlord is duly executed by the principal shareholders of the company and (if required by the Landlord) by the directors delivered to the Landlord.
 - (e) The Tenant pays the Landlord's proper costs and disbursements in respect of the approval or preparation of any Deed of Covenant or Guarantee and (if appropriate) all fees and charges payable in respect of any reasonable enquiries made by or on behalf of the Landlord concerning any proposed assignee, sub-tenant or guarantor and the Landlords' reasonable costs incurred in considering any request by the Tenant for the Landlord's consent to any matter contemplated by this Deed.

TENANT TO MAINTAIN IMPROVEMENTS

6. The Tenant shall in a proper and workmanlike manner at the Tenant's expense and to the reasonable requirements of the Landlord:
- (a) Keep, repair, maintain and clean all buildings, fences (including boundary fences), gates, sheep pens, stock yards, rails and all structures on the leased land or erected during the term of this Lease on the leased land.
 - (b) Keep all ditches, drains, water courses and water reticulation systems (including pumps, troughs and piping) clean and clear of obstructions and in the case of water reticulation systems, pumps and troughs keep and maintain all piping in a good state of repair and free from leaks.
 - (c) Keep all gateways, tracks and yards which have been metalled properly metalled so as to be in a firm condition in wet weather.
 - (d) At the expiration or other sooner determination of the said term deliver up the leased land to the Landlord with all buildings, fences, gates, sheep pens, stock yards, rails, ditches, drains, water courses and water reticulation systems properly maintained, repaired and cleaned (fair wear and tear and damage by fire, earthquake and tempest without default by the Tenant excepted) and all gateways, tracks and yards which have been metalled sufficiently metalled to be firm in wet weather.
 - (e) Comply in respect of the leased land with the provisions of the Fencing Act 1978 or any amendments thereof and all notices and demands thereunder and will save harmless and keep indemnified the Landlord from and against all claims whatsoever in respect thereof.

ACKNOWLEDGEMENT BY TENANT

7. The Tenant acknowledges that except as set forth in the Schedule all buildings, fences, other improvements and pastures on the leased land are in good order as at the date of commencement of this Lease or alternatively that adequate allowance has been made by the Landlord to enable the Tenant to put the same in good order.

TENANT TO CLEAR NOXIOUS PLANTS

- 8.1 The Tenant at the sole cost of the Tenant by using the most approved modern methods shall suppress and eradicate (and keep suppressed and eradicated) all blackberry, sweet brier, couch grass, Californian thistle, nassella, gorse (except gorse planted on true fence lines) and other noxious plants or weeds which are growing:
- (a) on the leased land; or
 - (b) on the roads contiguous to the leased land.
- 8.2 The Tenant must at the sole cost of the Tenant duly and punctually comply with the Biosecurity Act 1993 and all other statutes which deal with noxious weeds.

TENANT TO LEAVE PASTURES IN GOOD ORDER

9. The Tenant will at the expiration or sooner determination of this Lease leave any portion of the leased land which shall at any time have been broken up or cultivated sown down in good quality permanent pasture using the grass seed mixture specified in the Schedule and at the rate specified in the Schedule or if no mixture or rate of application is specified then using good quality certified seeds autumn or early spring sown not less than three (3) months prior to the expiration of the term of this Lease

and at the rate which shall accord with the best practice in the district where the leased land is situate and will at the same time as such grass seed shall be sown or within six (6) months thereafter topdress the whole of the area so sown with superphosphate manure at the rate specified in the Schedule as required for new pasture or the equivalent soil nutrient content in some other fertiliser or if no rate shall be specified in the Schedule then in accordance with the best practice of the district where the leased land is situate.

GOOD HUSBANDRY

10. The Tenant will use, farm, cultivate and manage the leased land in a good and husbandlike manner and will not impoverish or waste the soil thereof or overstock the leased land and in particular:
- (a) Will each year evenly apply superphosphate manure at the rate specified in the Schedule as required for maintenance topdressing or the equivalent soil nutrient content in some other fertiliser or if no rate shall be specified in the Schedule then in accordance with the best practice in the district where the leased land is situate to the whole of the leased land (without prejudice to the obligation of the Tenant to topdress new pasture at the rate specified for new pasture) including such an application during the period of six (6) months immediately prior to the expiry of the term of this Lease.
 - (b) Will not remove from the leased land any hay or silage cut on the leased land during the term of this Lease but will either feed the same to stock depastured on the leased land or leave the same on the leased land properly protected from the weather on the expiration of the term of this Lease.
 - (c) Will not stock the leased land at a greater rate during the last twelve (12) months of the term of this Lease than the Tenant shall have stocked the leased land during the previous twelve (12) months nor shall the Tenant stock the leased land at such a rate as shall damage the permanent pastures.
 - (d) Will not take any crops off the leased land other than feed crops and those (if any) specified in the Schedule and will observe the restrictions (if any) with respect to such crops set forth in the Schedule.
 - (e) At the sole cost of the Tenant keep the leased land free of rabbits and all other agricultural pests and comply with the Biosecurity Act 1993 and all other statutes which deal with pests.
 - (f) Will not, by act or omission, incur liability for the Landlord under the Emissions Trading Scheme, or any Related Scheme entered into in respect of forestry whereby Emission Units have or are being earned by the Landowner or the Crown.

TENANT NOT TO CARRY ON OFFENSIVE TRADES

11. The Tenant will not carry on offensive trades on the leased land and shall not, by act or omission be a nuisance to the Landlord or the occupiers or owners of adjoining land.

LANDLORD MAY ENTER TO VIEW

12. The Tenant shall permit the Landlord or the employees or agents of the Landlord and all persons authorised by the Landlord at all reasonable times during the day time to have access to and enter upon the leased land to view the state of repair of the

buildings, fences and other structures on the leased land and the cultivation and management of the leased land and for any other reasonable purposes.

TIMBER RESERVED TO LANDLORD

- 13.1 The Tenant will not cut down, maim or destroy any trees growing on the leased land and will permit the Landlord or the employees or agents of the Landlord to have access to and enter on the leased land with or without vehicles and machinery at any reasonable times to cut and remove timber and firewood provided that the Landlord in so doing shall cause the least inconvenience possible to the Tenant's farming operations. The Tenant shall be entitled to remove dead wood from the leased land.
- 13.2 The Tenant will inform the Landlord of any destruction or damage to trees with due diligence. At all reasonable times the Landlord may have access to enter on the leased land to replant forest within the area currently forested at the time of agreement.
- 13.3 If trees are cut down, maimed or destroyed by the Tenant the Tenant, if required by the Landlord to do so, shall replant all trees so damaged at the Tenant's cost.

TENANT NOT TO VOID INSURANCE

14. The Tenant shall not do anything to void, nor permit anything to be done which will void the Landlords' policy or policies of insurance on the improvements on the Leased Land covering the same against damage by fire, flood, explosion, lightening storm, earthquake, volcanic activity or the occurrence of any other peril against the risk of which the Landlord has insured or has covenanted with the Tenant to be insured. The Tenant will only be held liable for the cost of making good the destruction or damage if—
 - (a) The destruction or damage was intentionally done or caused by the Tenant or the agent of the Tenant; or
 - (b) The destruction or damage was the result of an act or omission by the Tenant or the agent of the Tenant that—
 - (i) Occurred on or about the Leased Land or any part of the same; and
 - (ii) Constitutes an indictable offence within the meaning of the Summary Proceedings Act 1957; or
 - (c) Any insurance monies that would otherwise have been payable to the Landlord for the destruction or damage are irrecoverable because of an act or omission of the Tenant or the agent of the Tenant.

PUBLIC LIABILITY INSURANCE

15. The Tenant will take out and keep in force with a reputable company a Public Liability Policy in the joint names of the Landlord and the Tenant at the expense of the Tenant for a cover of not less than two million dollars (\$2,000,000.00).
16. The Tenant shall not at any time during the term of this Lease without the written consent of the Landlord request or permit any energy company, electrician or other authority to install any electric motor, electric wires, electric lamps or other electrical fittings or equipment on the leased land.

NO WARRANTY BY LANDLORD

17. The Tenant acknowledges that no representation has been made by the Landlord or any agent of the Landlord to the Tenant or any agent of the Tenant as to the suitability of the leased land or of the climate for cropping or other farming purposes.

REMEDY OF LANDLORD ON DEFAULT BY TENANT

Cancellation

18. Where the Tenant commits any breach of any term of the Lease and the Landlord wishes to cancel the Lease then the Landlord may apply to the Court for an Order for possession of the Leased Land or may re-enter the Leased Land if—
- (a) The rent has been in arrears for not less than ten working days (10) and the Landlord has served on the Tenant a notice pursuant to section 245 of the Property Law Act 2007 of intention to cancel the Lease and the Tenant has not remedied the breach at the expiry period specified in that notice;
 - (b) In the case of any other breach of any term of the Lease by the Tenant where the Tenant has not remedied the breach within the period of time notified by the Landlord to the Tenant in accordance with section 246 of the Property Law Act 2007;
 - (c) If the Tenant shall make or enter into or attempt to make or enter into any composition assignment or other arrangement with or for the benefit of all or any of the creditors of the Tenant;
 - (d) In the event of the insolvency, bankruptcy or liquidation of the Tenant; or
 - (e) If the Tenant shall suffer distress or execution to issue against the Tenant's property goods or effects under any judgment against the Tenant in any Court for a sum in excess of five thousand dollars (\$5,000.00):

And the term of the Lease shall terminate on such re-entry but without prejudice to the rights of either party against the other.

Loss on Cancellation

19. Upon cancellation the Landlord may remove from the leased land any stock and or chattels in the apparent possession of the Tenant and may place them off the leased land and the Landlord shall not be answerable for any loss resulting from the exercise of the power of re-entry.

Essentiality of Payments

- 20.1 Failure to pay rent or other moneys payable hereunder on the due date shall be a breach going to the essence of the Tenant's obligations under this Lease. The Tenant shall compensate the Landlord and the Landlord shall be entitled to recover damages from the Tenant for such breach. Such entitlement shall subsist notwithstanding any determination of the Lease and shall be in addition to any other right or remedy which the Landlord may have.
- 20.2 The acceptance by the Landlord of arrears of rent or other moneys shall not constitute a waiver of the essentiality of the Tenant's continuing obligation to pay rent and other moneys.

Repudiation

21. The Tenant shall compensate the Landlord and the Landlord shall be entitled to recover damages for any loss or damage suffered by reason of any acts or omissions of the Tenant constituting a repudiation of this Lease or the Tenant's obligations under this Lease. Such entitlement shall subsist notwithstanding any determination of the Lease and shall be in addition to any other right or remedy which the Landlord may have.

LANDLORD MAY REMEDY DEFAULT AT EXPENSE OF TENANT

22. If default shall be made by the Tenant in the due and punctual compliance in performing any of the covenants, conditions or agreements for which the Tenant is responsible then without prejudice to the Landlord's other rights and remedies expressed or implied the Landlord may by the Landlord's employees and agents with all necessary equipment and material at all reasonable times enter upon the Leased Land to execute such works. Any moneys expended by the Landlord in executing such works shall be payable by the Tenant to the Landlord upon demand together with interest thereon at the default interest rate from the date of expenditure down to the date of payment.

COSTS

- 23.1 The costs of and incidental to the preparation, completion and enforcement of this Lease shall be payable by the Tenant.
- 23.2 The Tenant will not register a caveat against the title to the leased land.
- 23.3 The Tenant will also pay all costs reasonably incurred by the Landlord (including legal expenses calculated on a solicitor/client basis) by reason of any default or threatened default by the Tenant hereunder.
- 23.4 The Tenant will also pay all reasonable costs incurred by the Landlord in considering any request by the Tenant for the Landlord's consent to any matter contemplated by this Deed.
- 23.5 If the Tenant shall require the consent of any Mortgagee of the leased land to this Lease all costs and expenses of and incidental to obtaining such consent shall be paid by the Tenant.

LANDLORD MAY SEIZE CHATTELS/LIVESTOCK

24. After a reasonable period after the lessee ceases to be in possession if chattels or livestock belonging to the Tenant shall remain on the leased land after the determination of this Lease the Landlord shall be at liberty without liability for any resultant loss to seize and sell the same on behalf of the Tenant by auction or private contract whichever shall appear to the Landlord to be more advantageous and all moneys received on the sale shall be applied first in payment of the costs of seizure and sale, secondly towards satisfaction of any moneys owing by the Tenant to the Landlord and thirdly in payment of any balance to the Tenant.

ADDRESS FOR SERVICE

25.1 The address for service of the Landlord is:

19 Kitchener Street, Martinborough

and the address for service of the Tenant is:

and the address for service of the Guarantor is:

A party may vary the address for service of that party by notifying the other party in writing and any of the means for service of notice contained in this clause.

- 25.2 Any notice must be in writing and it must be made in accordance with the requirements of sections 352 to 362 of the Property Law Act 2007 and may be served by any of personal delivery, posted by registered or ordinary postal service or by facsimile. A notice is deemed to have been served—
- (a) In the case of personal delivery, when it is actually received by the named recipient;
 - (b) In the case of ordinary mail, on the second working day following the date of posting to the named recipient at the address provided for in clause 25.1 of this Lease unless that address has been changed and the change notified to the other party in which case that changed address will be the address for posting;
 - (c) In the case of facsimile transmission, when sent to the named recipients facsimile number; or
- 25.3 Where the Tenant fails to advise the Landlord of the address for service of the Tenant or any other means of communicating with the Tenant then the notice may be served by the Landlord leaving it in a prominent position on any part of the Leased Land.
- 25.4 Any notice to be served will be valid if given under the hand of any director, manager or solicitor or other authorised representative of the party wishing to serve the notice.

RIGHT OF LANDLORD TO REVIEW RENT

26. With effect from 1 June 2015 and from time to time and at any time thereafter but at intervals of not less than three years throughout the term of the Lease the Landlord shall have the right subject to him having given to the Tenant not less than two (2) months' notice of his intention so to do to review the rental reserved hereunder and thereafter the rental shall be that agreed upon between the Landlord and the Tenant or if the parties shall be unable to agree as shall be fixed by a Registered Valuer to be appointed by the parties or if they shall be unable to agree upon an appointment appointed by the President for the time being of the Law Society within the area of which the leased land is situate or the Nominee of that President and the decision of such Valuer shall be final and binding upon both parties. On any such review of rental regard shall be had to farm prices generally, the productivity of the leased land and the potential productivity of the leased land. Notwithstanding any other provision of this clause, the rental payment as from the relevant rent review date shall not be less than the rental payable as at the commencement date of the then current lease term. Any increase in rent shall be effective as from the rent day next ensuing after the expiration of the two (2) months' notice given by the Landlord.

RIGHT OF RENEWAL

27. There is no right of renewal. The term is fixed for five (5) years.

ACKNOWLEDGEMENT OF THE TENANT

28. The Tenant voluntarily accepts all risks, known and unknown of entering onto the leased land and releases the Landlord from all liability arising from the Tenant's use of the leased land. The Tenant shall indemnify the Landlord against all damage, loss and liability arising from the Tenant's use of the leased land including but not limited to any fine or penalty imposed pursuant to the Health and Safety in Employment Act 1992. Any damage, loss and liability referred to in this clause shall also include damage, loss and liability arising due to harm suffered to any employee, invitee, contractor or agent of the Tenant which occurs on the leased land.

ARBITRATION

29. If any dispute or difference arises between the parties the parties shall enter into negotiations in good faith to resolve the difference or dispute. If the difference or dispute is not resolved within one month of the date on which the parties begin their negotiations, the parties shall submit the difference or dispute to the arbitration of an independent arbitrator appointed jointly by the parties, and if one cannot be agreed upon within ten (10) working days to an independent arbitrator appointed by the representative for the time being of the Wellington District Solicitors on the Board of the New Zealand Law Society, or to the President for the time being of the Wellington District Lawyers Standards Committee, or in either case their Nominee and such arbitration shall be carried out in accordance with the Arbitration Act 1996 or any then statutory provisions relating to arbitration.
- 29.1 If any dispute or difference shall arise between the parties or any of them with respect to this Deed the parties to this dispute shall use their best endeavours to resolve such dispute or difference in the spirit of co-operation and goodwill.
- 29.2 If the parties are unable to resolve the matter themselves they will participate in mediation with a mutually acceptable third party appointed if necessary by the chairperson of the New Zealand Chapter of LEADR (Leading Edge Alternative Dispute Resolvers).
- 29.3 Failing mediation being successful within 21 days after appointment of the mediator the parties to the dispute shall submit to the arbitration of a single arbitrator to be agreed or failing agreement to be appointed by Wairarapa's representative on the Wellington District Law Society and conducted in accordance with the Arbitration Act 1996 or any then statutory provisions relating to arbitration.

GUARANTEE

30. In consideration of the Landlord entering into the Lease at the Guarantor's request, the Guarantor:
- (a) guarantees payment of the rental and performance by the Tenant of the covenants in the Lease; and
 - (b) indemnifies the Landlord against any loss the Landlord might suffer should the Lease be lawfully disclaimed or abandoned by any liquidator, receiver or other person; and
 - (c) covenants with the Landlord that—
 - (i) No release, delay or other indulgence given by the Landlord to the Tenant or to the Tenant's successors or assigns or any other thing whereby the Guarantor would have been released had the Guarantor been merely a surety shall release, prejudice or affect the liability of the Guarantor as the Guarantor or as indemnifier.
 - (ii) As between the Guarantor and the Landlord the Guarantor may for all purposes be treated as the Tenant and the Landlord shall be under no obligation to take proceedings against the Tenant before taking proceedings against the Guarantor.
 - (iii) The Guarantee is for the benefit of and may be enforced by any person entitled for the time being to receive the rent.

- (iv) An assignment, sub-letting or rent review of this Lease in accordance with this Deed shall not release the Guarantor from liability whether or not the Guarantor shall have consented to the said assignment, sub-letting or rent review.
- (v) Should there be more than one Guarantor, their liability under this Guarantee shall be joint and several.

EXIT CLAUSE

31. Notwithstanding the term agreed in paragraph 1, the Landlord is looking at the possibility of using Pain farm to discharge treated waste water by means of centre pivot irrigation or similar and if a decision was made by the Landlord to discharge in this manner then this Lease can be cancelled by the Landlord giving not less than twelve (12) months' notice to determine the Lease.

IN WITNESS WHEREOF this Deed has been executed on the date which first appears.

The Common Seal of **SOUTH WAIRARAPA DISTRICT COUNCIL** was hereunto affixed in the presence of:

Chief Executive Officer

Mayor

SIGNED by
as Tenant in the presence of:

Witness (signature):

Name:

Address:

Occupation:

SIGNED by
as Guarantor in the presence of:

Witness (signature):

Name:

Address:

Occupation:

SCHEDULE

1. THE LEASED LAND:
That portion of the land owned by the Landlord outlined in red on the plan attached hereto having an area of 75.7369 hectares m/l being the portion of the property known as the Pain Farm and being the land in Certificate of Title 402/234 (Wellington Registry). The land hereby leased not including the area at present reserved to the Landlord for the purposes of landfill and not including the dwelling-house known as the Pain Farm homestead and the domestic land immediately surrounding same.
2. IMPROVEMENTS:
Improvements in poor condition for which the Tenant is not required to provide deferred maintenance: None
3. GRASS SEED:
Grass seed mixture and rate to be sown for new pasture: None specified but subject to clause 9 hereof.
4. FERTILISER:
Kilograms per hectare of superphosphate or equivalent nutrient content in some other fertiliser:
 - (a) For new pastures: 375kg per hectare and subject generally to clause 9 hereof.
 - (b) As a maintenance topdressing: 250kg per hectare and subject generally to clause 10(a) hereof.
5. CROPPING:
Special Provisions with respect to crops other than feed crops: The Tenant shall not cultivate more than 20 hectares of the leased land in any one farming year.

PAIN FARM

(net area 75.7369 Ha)

Existing Landfill
(excluded)
4,515 Ha

Landfill Extension
(excluded)
2,95 Ha

Homestead
(excluded)
1,782 Ha

Lo Manabogosa

