

Dated

16 February 2009

2008

MANAGEMENT AGREEMENT

**HER MAJESTY THE QUEEN acting by and through
THE COMMISSIONER OF CROWN LANDS at
Wellington
(The Crown)**

**QUEENSTOWN LAKES DISTRICT COUNCIL
(QLDC)**

**CONTACT ENERGY LIMITED
(Contact)**

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THIS AGREEMENT is made the 16th day of February 2009 2008

BETWEEN HER MAJESTY THE QUEEN acting by and through THE COMMISSIONER OF CROWN LANDS at Wellington ("the Crown")

AND QUEENSTOWN LAKES DISTRICT COUNCIL ("QLDC")

AND CONTACT ENERGY LIMITED hereinafter with its successors and permitted assigns ("Contact")

BACKGROUND

- A The Crown owns the bed and margins of Lake Hawea, subject to an operating easement in the form attached in Schedule 2 granted in favour of Contact Energy Limited ("Contact") for electricity generation purposes (the "Operating Easement").
- B The Crown and Queenstown Lakes District Council ("QLDC") have identified that the land shown marked 'A', 'B' and 'C' on the plans being sheets 1-3 (inclusive) attached to Schedule 1 (the "Land") could be effectively managed by QLDC as a community asset.
- C QLDC intends to manage and plan for the use of the Land for recreation purposes. As a result of these activities, the public will normally have access over of the Land at all times.
- D The Crown has agreed to grant rights to enable QLDC to manage the Land as a recreational area, subject to the Operating Easement.
- E Contact has agreed to provide its consent to QLDC's management of the Land subject to QLDC's compliance with the Operating Easement and the terms and conditions of this Agreement.

TERMS

1. INTERPRETATION

For the purpose of the interpretation or construction of this Agreement and the Background recitals unless the context permits otherwise or a contrary intention is expressed:

(This is the definitions section)

- (a) "Business Day" means any day of the week other than Saturday, Sunday, Good Friday, Easter Monday, Anzac Day, Labour Day, Christmas Day, Boxing Day, New Year's Day, the second day of January, the Sovereign's Birthday, Waitangi Day and the anniversary days commonly observed in Wellington or in the locality in which the Land is located..
- (b) "Commencement Date" means 1 July 2008.
- (c) "flood", "flooding" and "flooded" have their ordinary and natural meanings and include the inundation of the Land, raised ground water tables on the Land and/or saturation of its subsoil. In addition, flood, flooding and flooded shall be taken also to mean any flood effect, including any effect of flooding or inundation upon the Land (whether or not the Land itself is actually flooded). Flood effects include deposit of silt or other material,

erosion, loss of or damage to land or property or business activities thereon, loss of value, wet or unstable ground conditions, settlement or slumping, inability to build on the Land or use it for any particular purpose;

(d) "Land" means the area of Crown-owned land comprising the:

- Lake Hawea Boat Harbour area adjoining the camping ground;
- Southern Foreshore being the land between the lake and private land from the Contact core land at the Lake Hawea Dam to the end of the housing at the eastern end of the township;
- Johns Creek Reserve area adjoining the Timaru Creek Road

shown marked 'A', 'B' and 'C' on the plans being sheets 1-3 (inclusive) attached to Schedule 1 and where not repugnant to the context of this Agreement includes any interest in that Land;

- (e) "Operating Easement" and "Operating Easements" means the Deed of Grant of Easement granted in favour of Contact, a copy of which is attached to Schedule 2 and any further Deed of Grant of Easement in substantially the same form granted, or to be granted, in respect of all or part of the Land and any other land;
- (f) "Agreement" means this agreement, its Schedules (if any) and any annexures;
- (g) "QLDC", "the Crown" and "Contact" means those person's permitted successors or assigns;
- (h) references to "QLDC" shall where not repugnant to the context of this Agreement extend to QLDC's employees, agents, contractors, invitees and workmen;
- (i) a "person" shall include any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust or territorial authority in each case whether or not having separate legal personality;
- (j) "Writing" shall include words visibly represented or reproduced;
- (k) words importing the masculine gender shall include the feminine or neuter gender;
- (l) words importing the singular shall include the plural and vice versa;
- (m) headings and marginal notes appear for convenience only and shall not affect the construction of this Agreement;
- (n) references to clauses are references to clauses in this Agreement and references to parties and the Schedules are references to the parties and the Schedules in this Agreement unless expressly stated otherwise;
- (o) any reference in this Agreement to any statute or rules is deemed to include all amendments, revisions, substitutions or consolidations made from time to time to that statute or rules;

(p) where approvals or consents are required as between the parties in this Agreement they shall not be unreasonably or arbitrarily withheld or delayed and such approvals or consents may be given with reasonable conditions and shall be required for each separate occasion notwithstanding any prior consent or approval obtained for the like purpose on a prior occasion;

(q) derivations of defined terms have similar meanings.

(The purpose of the Agreement is to allow QLDC to manage the land as a recreation area, subject to flooding)

2. PURPOSE OF AGREEMENT

- 2.1 The Crown hereby grants to QLDC this Management Agreement on the terms and conditions set out herein.
- 2.2 This Agreement is granted to enable QLDC to manage and facilitate the full use of the Land as a recreational area so far as is practicable, subject to its primary purpose as an Operating Easement for the purpose of Generation of Electricity.

3. TERM

- 3.1 The term of this Agreement shall be fifteen (15) years commencing on the Commencement Date.

4. RENEWAL OF TERM

- 4.1 If the QLDC has not been in breach of this Agreement and has given to the Crown written notice to renew this Agreement at least three (3) calendar months before the end of the term then the Crown will at the cost of QLDC renew the term of this Agreement for a further fifteen (15) years. The renewed Agreement shall otherwise be upon and subject to the covenants and agreements herein expressed and implied excluding the right to renew being exercised.
- 4.2 If the QLDC has not been in breach of this Agreement and has given to the Crown written notice to renew this Agreement at least three (3) calendar months before the end of the term renewed under clause 4.1, then the Crown will give consideration to granting a further renewal of this Agreement at the cost of QLDC for such further term or terms and upon such conditions as the parties may at that time agree, subject to the parties obtaining Contact's consent to those terms.

5. CONSIDERATION

- 5.1 In consideration of the Crown entering into this Agreement, QLDC shall pay to the Crown a fee of one dollar (\$1.00) per annum plus GST (if demanded), perform its obligations under this Agreement and pay all rates, taxes and other charges payable in respect of the Land, including charges for water, electricity and other utilities or services supplied or used on the Land.

6. LAND SUBJECT TO OPERATING EASEMENTS

- 6.1 QLDC acknowledges that the Land is subject to the Operating Easements.

(The Agreement is for 15 years)

(The Land and this Agreement is subject to Contact's existing electricity generation operating easement rights)

- 6.2 QLDC covenants that it has read the Operating Easements and it agrees to be bound by all of the obligations of the Crown under the Operating Easements as if they were set out as being imposed on the QLDC herein.
- 6.3 QLDC will upon request provide reasonable support to enable Contact to carry out its operations on/at Lake Hawea as permitted by the Operating Easement.
- 6.4 In return Contact will keep QLDC reasonably informed about Contact's upcoming resource consent issues, management plans and any other similar matters, insofar as they relate to the Land.
- 6.5 Contact provides its consent to QLDC's management of the Land subject to QLDC's compliance with the terms and conditions of this Agreement.
- 6.6 Contact confirms that nothing in this document is intended to transfer to QLDC responsibility for hazards relating to Contact's operations. Contact will retain responsibility for its operations afforded to it under the Operating Easement, except to the extent that any hazards are caused or contributed to by QLDC's management of the Land.

7. TRANSITIONAL ARRANGEMENTS

- 7.1 The Crown and QLDC have agreed on a Biosecurity Plan dated 20 June 2008 in respect of weed control on the Land. With the completion of the weed control works programme detailed in the Biosecurity Plan, both the Crown and QLDC acknowledge that the ongoing weed control maintenance will become the sole responsibility of QLDC on or about 1 July 2009.
- 7.2 QLDC acknowledges that the Crown will provide financial assistance for routine maintenance on the Land for the period of three (3) years from 1 July 2008. The Crown's annual payment for the cost of this work will be \$33,783.75 GST inclusive and will be paid by Land Information New Zealand on behalf of the Crown upon the receipt of a GST invoice each year. Upon expiry of the three (3) year period on 30 June 2011, the Crown's contribution will cease and future maintenance will become the sole responsibility of QLDC.

8. ROLE OF QLDC

- 8.1 In order to facilitate the purpose of this Agreement set out in clause 2.2, throughout the term of this Agreement (including any renewals) QLDC shall at its cost in all respects:
 - (a) maintain the Land, recreational amenity and all improvements and other things on the Land from time to time in good, clean and tidy condition, and in doing so comply with the relevant provisions of the District Plan, By-Laws, the Regional Plan, any plans adopted with agreement of the parties, the Otago Regional Council's Regional Pest Management Strategy and/or any other applicable rules in place from time to time;
 - (b) subject to clause 6.6, familiarise itself with all hazards on the Land from time to time, take all practicable steps to ensure the health and safety of all persons entering the Land from time to time, have in place and comply with an appropriate health and safety plan aimed at ensuring the safety of all persons entering the Land, identifying and

Clause 8 sets out QLDC's functions as manager of the Land which are:

- look after the Land;
- be responsible for health & safety;

controlling all hazards and preventing harm to persons or property, and further comply with the provisions of the Health and Safety in Employment Act 1992;

- notify the Crown of any hazard, accident or safety notice;
 - provide for the general public's use of the Land;
 - be responsible for loss or damage to persons or property;
 - not create a nuisance or interference with the Crown and Contact's activities and
 - prevent buildings from being located on the Land.
- (c) promptly notify the Crown in writing once QLDC is aware that:
 - (i) any hazard exists, or any situation may arise where any person may not be safe or harm may result to any person on the Land, including at any work place on the Land;
 - (ii) any accident or serious harm to any person has occurred on or about the Land, including at any work place on the Land and detail the steps that have been taken or are proposed; and/or
 - (iii) any improvement or prohibition notice is likely to be or has been issued relating to any work or work place on the Land
 - (d) facilitate the general public's recreational use of the Land as a recreation area as permitted by this Agreement in accordance with QLDC's general policies from time to time;
 - (e) be responsible for any loss or damage caused to any persons or property on the Land;
 - (f) not at any time do or suffer any act or omission on or about the Land which shall be a disturbance, nuisance or annoyance to the Crown or any occupier or user of adjoining land and, in particular, not do anything to interfere or hinder with Contact's flood protection works and/or to obstruct or interfere with the flows of water, including flood-waters, within and into Lake Hawea;
 - (g) prevent any existing building or remains of such buildings on the Land to be used for residential purposes.
 - (h) prevent any new buildings, other than those already present, being sited on the Land without prior written approval of the Crown and Contact.
 - (i) ensure that its management of the Land, and any activities of the public and any other third parties using the Land as a result of its management of the Land, do not cause or accelerate any erosion of the Land;
 - (j) at the end of July each year, provide the Crown and Contact with a proposed Annual Programme of Capital Works that are to be undertaken on the Land for the Crown and Contact's approval, such approval not to be unreasonably withheld.

8.2 QLDC may enter into and administer concessions for the temporary commercial use of the Land where the use is consistent with the public's recreational use of the Land and where the prior written approval of the Crown and Contact has been obtained. Any revenue derived from the granting of a concession shall be retained by the QLDC and shall be used for the improvement and maintenance of the Land.

(The land is at risk of flooding. QLDC acknowledges this risk and agrees not to make claim against the Crown or Contact for flooding)

9 RISK AND NO LIABILITY FOR FLOODING

- 9.1 QLDC acknowledges that the Land is subject to the Operating Easement and that the Land has in the past been flooded and may be flooded in the future.
- 9.2 QLDC's use of the Land shall at all times be at QLDC's sole risk as regards flooding and QLDC waives all and any claims QLDC may have against the Crown and/or Contact from time to time, arising or resulting from past, present, future or potential flooding of the Land.
- 9.3 QLDC covenants not to make any claim against the Crown and/or Contact and will ensure that the Crown and Contact are protected against any claim or liability to the Crown, Contact, QLDC and/or any other person QLDC allows to enter upon the Land for any damage or loss in relation to flooding of the Land.

10 RIGHTS OF OCCUPANCY AND USE

- 10.1 The parties agree that the management rights conferred on QLDC hereunder are personal to QLDC and are not intended to create an estate or interest in the Land or a lease or licence of the Land under the Land Act 1948. The parties further agree that nothing in this Agreement is intended to constitute a disposition of land for the purposes of section 24 of the Conservation Act 1987 and in the event that any aspect of this Agreement has the potential to invoke the application of section 24, that aspect shall be revoked without becoming operative.
- 10.2 QLDC shall not at any time cause or require any caveat or other record to be registered in relation to the Land.

11. NO ASSIGNMENT BY QLDC WITHOUT CONSENT

- 11.1 QLDC shall not at any time transfer, assign or otherwise part with its interest in the Agreement without the prior consent in writing of the Crown as Grantor and Contact as beneficiary of the Operating Easements.

12. NOTICE

- 12.1 Any notice to be given under this Agreement shall be in writing and delivered or transmitted as follows:

The Crown

Mr. Simon Lambert
Portfolio Manager
Crown Property Management
Land Information New Zealand
Private Box 5501
WELLINGTON

(The Management Agreement does not create a lease, licence or other interest in land)

(QLDC must not transfer management of the Land without consent)

QLDC

Mr. Duncan Field
Chief Executive
Queenstown Lakes District Council
PO Box 50072
QUEENSTOWN

Contact

Mr. Daniel Druce
Environmental Advisor
Contact Energy Limited
PO Box 25
CLYDE

or to such other address as either party shall notify to the other, and in any event shall be sufficiently given or served if actually received by the party or the party's solicitor.

13. TERMINATION

13.1 Either party may terminate this Agreement in accordance with this clause prior to the expiry of the term in clause 3 and/or clause 4 as follows:

- (a) immediately and without prior notice if the Land is flooded to such an extent that it is uneconomic and/or impractical to continue to use the Land for a recreational area; or
- (b) in any other circumstances, upon giving the other party 12 months' notice in writing.

13.2 If this Agreement is revoked or terminated or if it ends at the expiration of the term of this Agreement, QLDC shall have no right to claim any damages or expenses for the value of any improvements made to the Land.

13.3 If QLDC shall default in the observance or performance of any of the covenants or obligations contained or implied within, for more than a period of 15 Business Days after receipt of written notice of default from the Crown, then it shall be lawful for the Crown in addition to any remedy conferred on the Crown by this Agreement or by law to forthwith and without further notice or demand cancel this Agreement and the rights hereby conferred, but such cancellation shall not discharge QLDC from liability for that or any prior breach of covenant or obligation.

14. RESOLUTION OF DISPUTES

14.1 Negotiations

If a dispute arises between the parties concerning the construction or operation of this Agreement, or their rights and obligations then, unless other provisions of this Agreement govern the manner in which that dispute is to be resolved, the parties shall enter into negotiations in good faith to try to resolve the dispute. Any party may initiate the negotiations by giving written notice to the other. The party who initiates the resolution procedures must

name its representative in the negotiations when giving written notice to the other party. The other party/parties must then promptly name its representative in the negotiations. Each representative must have authority to settle the dispute. Within 10 Business Days of the parties having advised each other of their representatives, the representatives must enter into negotiations to try to resolve the dispute. If they have not resolved the dispute within 10 Business Days of the commencement of negotiations the matter shall be referred to the respective Chief Executive Officers of the parties for resolution.

14.2 Mediation

If the Chief Executive Officers of the parties have not resolved the dispute within a further period of 5 Business Days the parties will try to settle the dispute by mediation. Either party may initiate mediation by giving written notice to the other party. The mediator shall be as agreed upon by the parties. If the parties cannot agree on a mediator within a further period of 5 Business Days of the notice then the mediator will be selected by the President for the time being of LEADR (Lawyers Engaged in Alternative Dispute Resolution) or its successor. Before the mediation commences the parties and the mediator must sign a mediation agreement.

14.3 Arbitration

If the dispute is not resolved within the following 20 Business Days after the appointment of the mediator, or within a longer period agreed on in writing by the representatives, the parties may submit the dispute to arbitration in accordance with the Arbitration Act 1996. Either party may commence the arbitration by giving a written notice to the other stating the subject matter and details of the dispute and that party's desire to have the dispute referred to arbitration. The arbitration shall be held in Wellington or in another place agreed by the parties.

14.4 Appointment of Arbitrator/s

The arbitration shall be conducted by one arbitrator, if the parties can agree upon one or, failing agreement, by two arbitrators, one to be appointed by each party. If the reference is to two arbitrators, those arbitrators must appoint an umpire before they begin to consider the dispute.

14.5 Binding Award

The parties agree to be bound by the award in the arbitration.

14.6 The parties shall continue to perform their obligations under this Agreement to the extent reasonable and proper in the circumstances as if no dispute had arisen pending the final settlement or determination of any matter.

14.7 Nothing in this section shall preclude either party from taking immediate steps to seek urgent interlocutory relief before a New Zealand Court.

15.0 OTAGO REGIONAL COUNCIL RESOURCE CONSENT 2001.383

15.1 Nothing contained in his agreement shall in any way be considered as any form of variation or be in substitution of Contact's obligations in terms of the conditions of its Otago Regional Council Resource Consent 2001.383.

IN WITNESS WHEREOF THIS DEED is executed on the year and date first hereinbefore appearing;

SIGNED for and on behalf of
HER MAJESTY THE QUEEN acting by)
and through the Commissioner of)
Crown Lands by MARGARET)
KENNEDY pursuant to delegated)
authority)


Signature

Graham Williams
in the presence of

G.R. Williams
Witness signature

Graham Roger Williams
Full name

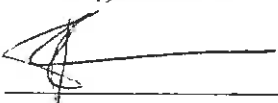
Land Information NZ Wellington
Address

Technical Leader Disposals & Liabilities
Occupation

Signed for and on behalf of)
QUEENSTOWN LAKES DISTRICT)
COUNCIL)
pursuant to delegated authority by)



Kelly Campbell
In the presence of


Witness Signature

Kelly Campbell
Full Name

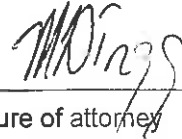
Queenstown
Address

PA
Occupation

)
)
)
SIGNED for and on behalf of
CONTACT ENERGY LIMITED
by its attorneys

MARK DEMOND TRILL

Name of attorney



Signature of attorney

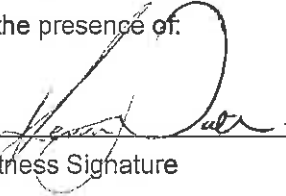
JUAN CATHELINE BATO

Name of attorney



Signature of attorney

in the presence of:



Witness Signature

CONTACT ENERGY LTD

Address

EA

Occupation

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

We, MARK DOMMOND TRICE, and JWAN CATHERINE BIRD, both of Wellington, certify:

1. THAT by Deed dated **8 October 2008**, Contact Energy Limited appointed us as its attorneys on the terms and conditions set out in that Deed.
2. THAT a copy of that Deed has been deposited with the Registrar-General of Land under number **807572**.
3. THAT at the date hereof we have not received any notice or information of the revocation of that appointment by Contact Energy Limited.

SIGNED at Wellington on the 16th day of FEBRUARY, ~~2008~~ 2009





SCHEDULE ONE

(The Land)

Management Area as indicated on plans



Toitu to
Land Information
Māori Whenua
Māori Whenua

Prepared For

Notes:

Comprised In

Comprised In

Surveying
Services
Consultants

TL Survey Services Limited
Lower direct
P.O. Box 407 DUNEDIN 9050 - 704 High St.
Phone (03) 477 1133 Fax (03) 477 1137

Drawn: G. Young
Scale Number: 07105



TERRITORIAL AUTHORITY QUEENSTOWN LAKE
Prepared by TL SURVEY SERVICES LTD
Scale 1 : 1250 Date Nov 2007

Lake Hawea Operating Easement

OTAGO

LAND DISTRICT



Prepared For

Notes:
Areas & measurements are subject to final survey.

CONCEPT PLAN

Total Area
Completed In

Surveying Services Consultants
TL Survey Services Limited
Level One, 101 Waihanga Quays - 1st Flr, High St
DUNEDIN
Phone (03) 477 1133 Fax (03) 477 1137

Drawing File: **Hawea 08**
TL Job Number: **07185**
Drawn: **G. Young**

Sheet 2 of 3

LAND DISTRICT: **OTAGO**

Lake Hawea Operating Easement

TERRITORIAL AUTHORITY: **QUEENSTOWN LAKES**
Prepared by: **TL SURVEY SERVICES LTD**
Scale: **1 : 7500** Date: **Feb 2008**



Toitū te
Land Information
New Zealand

Prepared For

Notes:

Total Area

Comprised In



Surveying
Services
Consultants

TL Survey Services Limited
Lower Commercial Centre
PO Box 305 DUNEDIN
Phone (03) 477 11 23 Fax (03) 477 11 27

Drawing File: Gladstone Township
Drawing No: 07156

Drawn: G. Young



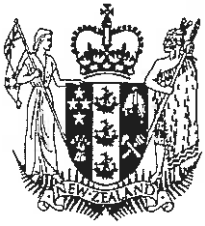
TERRITORIAL AUTHORITY QUEENSTOWN LAKES
Prepared by TL SURVEY SERVICES LTD
Scale 1 : 1250 Date Nov 2007

Lake Hawea Operating Easements
Gladstone Township Reserve

LAND DISTRICT OTAGO

SCHEDULE TWO

(Form of the Contact Operating Easement)



**COMPUTER INTEREST REGISTER
UNDER LAND TRANSFER ACT 1952**



R. W. Muir
Registrar-General
of Land

Identifier 103111
Land Registration District Otago
Date Registered 17 July 2003 09:00 am

Type	Deed of easement under s60 Land Act 1948	Instrument	YEC 5660153.1
Area	15605.0772 hectares more or less		
Legal Description	Section 1-7 Survey Office Plan 24526		
Purpose	Right (in gross) to Store Water with ancillary rights		

Proprietors
Contact Energy Limited

Interests

YEC 5660153.1 Deed of Ea

Cpy - 01/01, Pgs - 011, 24/07/03, 15:56



DocID: 110481366

Entered in the Register Book as

Volume folio

this day of

2003

at o'clock

For District Land Register

DEED OF GRANT OF EASEMENT

(Pursuant to Section 60 Land Act 1948)

RIGHTS TO STORE AND RELEASE WATER AND TO TAKE AND DISCHARGE WATER

THIS DEED made this 1st day of July 2003

BETWEEN HER MAJESTY THE QUEEN acting by and through the Commissioner of Crown Lands appointed under Section 12A(1) of the Survey Act 1986 (hereinafter with Her successors and assigns referred to as "the Grantor").

AND CONTACT ENERGY LIMITED (with its successors, assigns and subsidiaries together with its servants, agents, workers, tenants, licensees, invitees, employees, engineers, surveyors and contractors referred to as "the Grantee").

- A. THE Grantor is the owner pursuant to the Land Act 1948 of that parcel of land described as all that land situated in Otago Land District, comprising Sections 1-7 (inclusive) on S.O. Plan 24526 ("the Easement Land").
- B. THE Ministers of Finance and State Owned Enterprises and ECNZ by a Deed of Operating Easement dated 16 April 1993 agreed inter alia that the beds of lakes and rivers would not be transferred to the Grantee and that to enable the Grantee to carry out the electricity generation business operated by it from time to time certain operating easements would be granted.
- C. THE Grantee is desirous of an easement to Store Water from time to time over parts of the Easement Land.
- D. THE Commissioner of Crown Lands has agreed pursuant to Section 60 of the Land Act 1948 to the grant of a Right to Store Water from time to time on or about the Easement Land together with the ancillary rights attaching thereto upon the terms and conditions contained in this Deed.
- E. By Deed dated 31 March 1988 "the Crown Sale Deed" the Crown acting by and through the Ministers of Finance and State Owned Enterprises sold to the Electricity Corporation of New Zealand Limited ("ECNZ") certain assets hitherto owned by the Crown and used for the generation and supply of electricity "the Specified Assets".
- F. The Specified Assets include certain land assets of the Crown as at 31 June 1988 held for the purposes of present and future electricity generation or supply (whether formally set apart under the Public Works Act 1981 or not) and include land related rights as are reasonably required to operate the relevant business sold, in order to better assure the giving full force and effect to the Crown Sale Deed.
- G. Pursuant to an agreement for sale and purchase dated 30 November 1995 ECNZ sold some of the Specified Assets to the Grantee.

d

- H. Pursuant to a Deed of Assumption and Release between the Crown, ECNZ and the Grantee dated 16 January 1996, the Crown and ECNZ agreed that the Grantee is entitled under the Crown Sale Deed "to the benefit of, and to exercise, all of the rights, powers and privileges of ECNZ under the Crown Sale Deed to the extent that those rights, powers and privileges relate or apply to the Specified Assets as if the Grantee was ECNZ and a party to the Crown Sale Deed."
- I. The Commissioner of Crown Lands has agreed pursuant to Section 60 of the Land Act 1948 to the grant of a Right to Take and Discharge Water, subject to and together with the ancillary provisions attaching to each such right upon the terms and conditions contained in this Deed.

IT IS AGREED that pursuant to the premises contained in this Deed, the Grantor pursuant to Section 60 of the Land Act 1948 **TRANSFERS CONVEYS AND GRANTS** to the Grantee as an easement in gross:

FIRSTLY the full and free right and liberty to store water from time to time on or about the Easement Land, the right to carry out works and/or maintain the Easement Land in such a manner to store water, and when required by the Grantee to release from time to time that water in such quantities as it shall determine, and

SECONDLY the full and free right and liberty to install and operate Electricity Water Works from time to time upon, over, under or about the Easement Land and via those Electricity Water Works take in such quantities as the Grantee shall determine any water from time to time situated upon, under or about the Easement Land and also via any of those Electricity Water Works discharge water, in such quantities as the Grantee shall determine, either to the Easement Land or other lands.

All of the above rights shall be subject to the terms and conditions contained in this Deed as follows:

1. **Water Storage**

The water may be stored and retained on or about the easement Land up to the operating levels determined from time to time by the Grantee in its sole discretion for the dams or structures from time to time on or adjacent to the Easement Land or situated elsewhere but in respect of which the Grantee is exercising its rights under this easement ("the Dams or Structures"). In the event of unusually heavy rainfall or unusually heavy inflow of water which impacts on the water levels on or about the Easement Land or any other cause beyond the reasonable control of the Grantee then the Grantee may store and retain water on or about the Easement Land up to the designed flood level of the Dams or Structures. If lawfully directed or requested so to do by a civil defence authority or if required in any other case beyond the reasonable control of the Grantee then the storage of water may be beyond the designed flood level.

2. **Discharge of Water**

Where the Easement Land or any part of it forms a waterway or a water course or water catchment, the Grantee shall have the right to from time to time discharge water thereto. If lawfully directed or requested to do so by a civil defence authority or if required in any other case beyond the reasonable control of the Grantee then the discharge of water to that waterway, water course, water catchment or to the Easement Land may be made beyond the levels authorised by the relevant resource consents, or other statutory or regulatory consents or approvals held by the Grantee from time to time.

3. Right to Carry out Works

The Grantee's right to install and operate Electricity Water Works under this Deed of Grant of Easement includes without limitation, the right to inspect, monitor, test, investigate, install, construct, lay, use, maintain, renovate, renew, repair, replace, upgrade, alter, demolish or remove Electricity Water Works and to do any works incidental thereto. All Electricity Water Works existing as at the date of this Deed on or about the Easement Land shall be deemed installed with the Grantor's consent. Except for maintenance, replacement and/or reasonable alteration or upgrade of such existing works, the Grantor shall not undertake the installation of any new Electricity Water Works, upon, over, under or about the Easement Land, without first having obtained the consent of the Grantor.

4. Right of Access

The Grantee shall at all times have the right of access over, upon and through the Easement Land, either to and from any land of the Grantee contained therein or adjacent thereto, or to and from other land, for the purpose of carrying on its electricity generation business from time to time and shall at all times have the right of access to and from any part of the Easement Land for the purpose of exercising any of the powers granted hereunder at any time and with or without vehicles, plant and equipment provided that:

- (a) except in the case of emergency or in accordance with clause 14 herein, no such rights shall be exercised without the consent of the Grantor; and
- (b) in exercising such access rights the Grantee shall use reasonable endeavours to so far as practicable minimise and avoid any unnecessary damage to the servient land and disturbance to any occupier.

5. Installation of Equipment

The Grantee may from time to time if it sees fit install and maintain booms and other floating equipment on any lake or reservoir on the Easement Land used for the storage of water and shall have the right to anchor such equipment on the Easement Land. The Grantee may if it sees fit from time to time install and maintain monitoring and measuring equipment and structures, safety devices and similar equipment on, over, under or about the Easement Land. All the abovementioned devices, equipment and structures existing at the Date of this Deed shall be deemed to be installed with the Grantor's consent. Except in the case of emergency, or due compliance with statutory, regulatory, or Resource Consent requirement(s), the installation of such devices and equipment shall not be undertaken without the Grantee first having obtained the consent of the Grantor.

6. Erosion Works

The Grantee may from time to time undertake works and/or carry out planting of vegetation on or about the Easement Land with a view to limiting or minimising erosion, land slippage or landslides. The Grantee at the request of the Grantor shall use reasonable endeavours when carrying out such works and plantings to so far as practicable carry out the same in keeping with the character of the Easement Land and the Grantee shall use reasonable endeavours to reduce erosion, land

slippage and landslides on the Easement Land by available practical and economic means as determined by the Grantee in its reasonable opinion **PROVIDED THAT** nothing in this clause shall be taken to restrict or hinder the Grantee from raising or lowering the level of the water situated from time to time on or about the Easement Land during the course of carrying on from time to time the Grantee's electricity generation business. The Grantee may from time to time remove from any water on or about the Easement Land or remove from any part of the Easement Land and/or redistribute or relocate, whether on the Easement Land or elsewhere, any sediment or other material or any vegetation which in the opinion of the Grantee is impeding or likely to impede the efficient generation of electricity or the efficiency of the Electricity Water Works, or to cause danger, injury or damage to persons or property. In all such cases work carried out under this clause shall (except in the case of an emergency or due compliance with statutory, regulatory or Resource Consent requirements) first have the consent of the Grantor.

7. **Works Subject to Grantor's Consent**

The Grantee may from time to time erect structures and do works on the Easement Land for the purpose of the exercise of any of the Grantee's rights under this Deed **PROVIDED THAT** this right shall not be exercised without the consent of the Grantor. All structures and works existing at the Date of this Deed shall be deemed to have been erected with the Grantor's consent.

8. **Deposit of Sediment**

The Grantee may from time to time deposit sediment or other material on or about the Easement Land **PROVIDED THAT** where the appearance or use of the Easement Land is or may be thereby adversely affected, as agreed by both parties in consultation with each other, the Grantee shall carry out reasonable landscaping of the affected area in a manner approved by the Grantor.

9. **Storage of Goods or Materials**

The Grantee may from time to time store goods and materials of all kinds on or about the Easement Land **PROVIDED THAT** this right shall not be exercised without the consent of the Grantor. Where a permanent right to store goods or materials on the Easement Land has been granted the Grantee shall purchase the land concerned at its then current market value to be determined in accordance with clause 24 hereof and the Grantee and Grantor shall use their best endeavours to give effect to any such arrangement with all due expedition. All goods and materials stored on or about the Easement Land at the Date of this Deed shall be deemed to have been stored with the Grantor's consent.

10. **On Water Operations**

The Grantee shall at all times for the purpose of exercising any of the rights granted under this Deed have the right to operate upon any area of water on the Easement Land, any vessel, plant or equipment and in connection therewith from time to time to establish and maintain jetties, wharves, landing places and slipways **PROVIDED THAT** no such jetties, wharves, landing places and slipways shall be established after the Date of this Deed without the consent of the Grantor. All jetties, wharves, landing places and slipways existing at the date of this Deed shall be deemed to have been established with the Grantor's consent.

16. Removal of Structures

All structures, plant and equipment made or installed by the Grantee on the Easement Land may at any time be removed by it **PROVIDED THAT** any substantial damage caused by such removal shall immediately be remedied by the Grantee at its cost.

17. Grantee not to Disrupt Grantor's Business

The Grantee shall use all reasonable endeavours to cause as little disturbance and disruption to the carrying on of the normal business operations (if any) of the Grantor although the Grantor accepts that this provision shall not prevent, restrict or hinder the carrying out the Grantee's electricity generation business or interests in a normal manner consistent with the rights granted to it in this Deed.

18. Fencing

The Grantee shall not be required to fence any of the Easement Land, unless it is required as a condition of the Grantor's consent when granting any consent hereunder, provided that condition is reasonable in the circumstances.

19. Improvements

The parties to this Deed accept and acknowledge that all improvements connected with the use rights contained in this Deed shall remain in the ownership of the Grantee until they are removed by the Grantee or upon this Deed ceasing or being surrendered whereupon ownership shall vest and pass to the Grantor except where the Grantor declines to accept any specified improvements, or where such improvements are in the process of being removed by the Grantee at the time of this Deed ceasing or being surrendered. The Grantee shall not be entitled to any compensation or damages for any improvements to the Easement Land effected by it.

20. Disposition of Easement Land

The Grantor undertakes to give the Grantee not less than 6 months prior notice of any intention to sell, lease or otherwise dispose of any estate or interest in the Easement Land or any intention to vest or change the legal status pursuant to which the Crown holds the Easement Land **AND** shall not enter into or give effect to or permit registration of any sale, transfer, lease, or other disposal or grant of estate or interest in the Easement Land or any vesting or change of the legal status pursuant to which the Crown holds the Easement Land without first consulting with the Grantee **AND** procuring that any third party or the Crown, as the Grantee reasonably requires, enters into a Deed of Covenant with the Grantee or enters into such other appropriate lawful arrangement in such form as the Grantee may reasonably require, either binding that third party to observe and perform all or any relevant parts of the Grantor's covenants in this Deed including this clause 20, and/or binding the Crown separately so that the Grantee's rights under this easement are not thereby frustrated, hindered or interfered with.

21. Change of Use of Easement Land

The Grantor covenants not to permit or consent to any development or change of use or change of zoning of any of the Easement Land without consulting with and obtaining the consent of the Grantee thereto which consent the Grantee shall not unreasonably withhold. Where the Grantee can demonstrate upon a reasonable basis that any such development, change of use or change of zoning is likely to materially frustrate, hinder or interfere with the ability for the Grantee to properly exercise its rights under this easement, then the Grantor shall decline and/or take reasonable steps to object to the proposed development, change of use or change of zoning.

22. Further Assurances

The Grantor shall, whenever called upon by the Grantee and at the cost of the Grantee, execute such further deeds and assurances such as registrable Easements and/or Encumbrances at a nominal rent charge in perpetuity and arrange for any titles to be produced if required by the Grantee as may be necessary to give full and proper effect to the rights granted in favour of the Grantee arising out of and from this Deed and to enable those rights to be registered against any gazette notice or title which issues in respect of the Easement Land.

23. Surrender of Easement

The Grantee shall be entitled at any time to surrender at its own cost all or any part of the easement interest granted to it pursuant to this Deed. The Grantor shall execute any deed of surrender upon request by the Grantee. Any such surrender shall be without prejudice to the rights of either party in respect of any antecedent breach of this document.

24. Valuation of Relevant Land

For the purpose of clauses 9 and 11 of this Deed the current market value of the relevant land shall be determined by a registered valuer appointed by each party and if they cannot agree to be determined by an umpire to be appointed by those valuers prior to their entering into the determination of the matter.

25. Transferability of Easement Rights

The Grantee shall be entitled to transfer or assign its rights and obligations under this Deed as to the whole or any parts of the Easement Land. In any such case upon the assignee or transferee becoming liable under this Deed or notifying the Grantor that it has assumed the relevant obligations of the Grantee under this Deed, the provisions of this Deed shall cease to be binding upon the assignor or transferor in respect of the relevant parts of the Easement Land (or if applicable, the whole of the Easement Land) but without prejudice to the assignor's or transferor's liability for any antecedent breach of covenant under this Deed.

26. Dispute Resolution

- (i) In the event of any dispute arising between the parties in respect of or in connection with this Deed, the parties shall, without prejudice to any other right or entitlement they may have under this Deed or otherwise, explore whether the dispute can be resolved by use of the alternative dispute resolution technique of mediation. The rules governing such techniques shall be agreed between the parties or as recommended by the New Zealand Law Society or as selected by the Chairman of the New Zealand Chapter of LEADR (Lawyers Engaged in Alternative Dispute Resolution).

- (ii) In the event the dispute is not resolved within twenty eight days of written notice by one party to the other of the dispute (or such further period agreed in writing between the parties), either party may refer the dispute to arbitration under the provisions of the Arbitration Act 1996 or any amendment or re-enactment of it. The arbitrator shall be agreed between the parties within 10 days of written notice of the referral by the referring party to the other or failing agreement appointed by the President of the New Zealand Law Society. In either case, the arbitrator shall not be a person who has participated in any informal dispute resolution procedure in respect of the dispute.

27. Notices and Consents

- (i) All notices and communications under this Deed shall be deemed to have been received when delivered personally, sent by prepaid post or by facsimile to such address as either party shall notify to the other from time to time.
- (ii) All consents approvals or other matters of whatsoever kind or nature to be given or received by the Grantor shall be given or received by the Commissioner of Crown Lands and shall be given or received by him on behalf of the Grantor and shall be binding and effectual upon the parties to this Deed.

28. Grantor not to Interfere with Grantee's Rights

The Grantor shall not at any time do permit or suffer to be done any act whereby the rights, powers, licences and liberties granted to the Grantee may be interfered with or affected in any way.

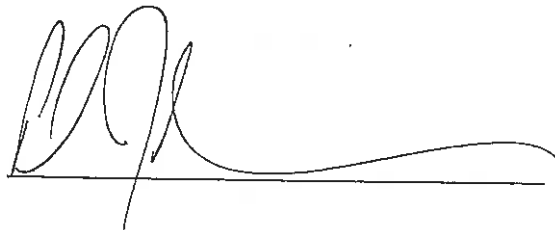
29. Grantor to Indemnify Grantee for Third Party

Except as otherwise specifically provided for in this Deed, where the Grantor shall permit any third party to enter the Easement Land, the Grantor shall indemnify the Grantee against any action or claim made by that third party arising out of loss or injury suffered by that third party by reason of any act or omission of the Grantee in the exercise of its rights and privileges under this Deed.

EXECUTED as a Deed

SIGNED for and on behalf of
 HER MAJESTY THE QUEEN by PAUL
 ALEXANDER JACKSON pursuant to a
 delegation from the Commissioner of
 Crown Lands in the presence of:

)
)
)
)
)



L.R. Williams
 Witness Name:

Portfolio Manager Land Information New Zealand
 Occupation:

Wellington.
 Address:



EXECUTED by)
CONTACT ENERGY LIMITED)
by its attorneys)

D. S. Hill
Name of Attorney

D. S. Hill
Signature of Attorney

Daniel Pary
Name of Attorney

[Signature]
Signature of Attorney

in the presence of:

[Signature]
Witness-signature

EDWARD JAMES MILTY
Address

SOLICITOR
WELLINGTON
Occupation

[Handwritten mark]

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

We, **DAVID SNELLING HILL** General Manager- Generation, and

DAVID JOHN PAY Legal Counsel both of Wellington, certify:

1. **THAT** by Deed, dated 25 October 2000, Contact Energy Limited appointed us as its attorneys on the terms and conditions set out in that Deed.
2. **THAT** a copy of that Deed is registered at the various District Land Registries as follows:

North Auckland	D 558067.1
South Auckland	B 634746.1
Gisborne	231809.1
Hawkes Bay	709503.1
Taranaki	475091.1
Wellington	B 808436.1
Marlborough	215109.1
Nelson	402463.1
Westland	115370.1
Canterbury	A 481549.1
Otago	5012103.1
Southland	5012426.1

3. **THAT** at the date hereof we have not received any notice or information of the revocation of that appointment by Contact Energy Limited.

SIGNED at *Wellington* on the *20th* day of *May* 2003

D. S. Hill

DAVID SNELLING HILL

DJP

DAVID JOHN PAY

SCHEDULE ONE

INTERPRETATION

For the purpose of the interpretation or construction of this Deed and the Background recitals unless the context permits otherwise or a contrary intention is expressed:

- (a) "*this Deed*" means this Deed of Grant of Easement and includes any Schedule and any annexure to this Deed;
- (b) "*Date of this Deed*" means the date upon which this Deed was executed;
- (c) "Electricity Water Works" includes without limitation all or any pipe, pipeline, conduit, pump, pumphouse, bridge, utility and services connections, structure, equipment, improvement, appurtenances, or works used or intended to be used for the taking, conveyance, containment, monitoring, use and/or discharge or disposal of water;
- (d) A "*person*" shall include any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, province, territorial authority or agency of a province in each case whether or not having separate legal personality;
- (e) "*writing*" shall include words visibly represented or reproduced;
- (f) Words importing the masculine gender shall include the feminine or neuter gender;
- (g) Word importing the singular shall include the plural and vice versa;
- (h) References to clauses are references to clauses in this Deed and references to parties and the Schedules are references to the parties and the Schedules in this Deed unless expressly stated otherwise;
- (i) Any reference in this Deed to any statute or rules is deemed to include all amendments revisions substitutions or consolidations made from time to time to that statute or rules;
- (j) Derivations of defined terms have similar meanings; and
- (k) Headings shall be ignored.