

**LEASE OF FARM LAND AT OHITI ROAD,
HASTINGS**

between

Kathleen Ngaire Kireka, Olivia Lamae
Thompson, Ruth Wong, and Timoti
Wepiha Karaitiana Gemmell as Trustees
of Ohiti Waitio 1E No 3A Trust

and

Apatu Farms Limited

and

Mark Nicholas Apatu and Paul Kenneth
Apatu

Lease Of Farm Land At Ohiti Road, Hastings

Date:

19 November

2021

Parties

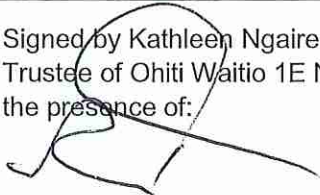
1. Kathleen Ngaire Kireka, Olivia Lamae Thompson, Ruth Wong, and Timoti Wepiha Karaitiana Gemmell as Trustees of the Ohiti Waitio 1E No 3A Trust ("Lessor")
2. Apatu Farms Limited ("Lessee")
3. Mark Nicholas Apatu, and Paul Kenneth Apatu ("Guarantors")

Background

- a. The Lessor are the trustees of the Ohiti Waitio 1E No 3A Ahu Whenua Trust, established by an Order of the Maori Land Court dated 6 July 1995 under section 238 of Te Ture Whenua Maori 1993 and the Lessor is the registered proprietor of the Property.
- b. The Lessor leases the Property to the Lessee and the Lessee takes it on the following terms and conditions.
- c. In consideration of the Lessor entering into this Lease at the Guarantors' request, the Guarantors guarantee the Lessee's obligations in accordance with the guarantee provisions contained in Appendix 1.

Signed by the parties before the Schedule

Signed by Kathleen Ngaire Kireka as
Trustee of Ohiti Waitio 1E No 3A Trust in
the presence of:




Kathleen Ngaire Kireka

Signature of witness

ROBERT KALE

Name of witness

ACCOUNTANT

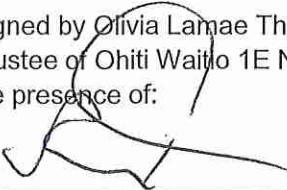
Occupation


HASTINGS

Address



Signed by Olivia Lamae Thompson as Trustee of Ohiti Waitio 1E No 3A Trust in the presence of:




Olivia Lamae Thompson

Signature of witness

ROBERT KALE

Name of witness

ACCOUNTANT

Occupation

HASTINGS

Address

Signed by Ruth Wong as Trustee of Ohiti Waitio 1E No 3A Trust in the presence of:




Ruth Wong

Signature of witness

ROBERT KALE

Name of witness

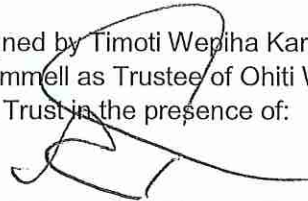
ACCOUNTANT

Occupation

HASTINGS

Address

Signed by Timoti Wepiha Karaitiana Gemmell as Trustee of Ohiti Waitio 1E No 3A Trust in the presence of:




Timoti Wepiha Karaitiana Gemmell

Signature of witness

ROBERT KALE

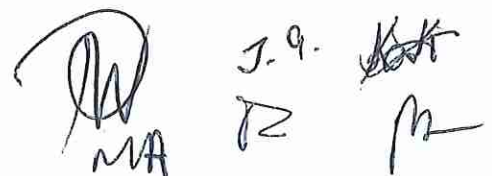
Name of witness

ACCOUNTANT

Occupation

HASTINGS

Address

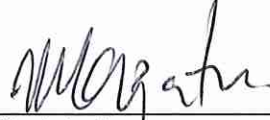

MA J.G. ~~JK~~ M

Signed by Apatu Farms Limited
as Lessee by:

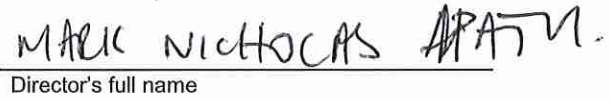


Director's signature

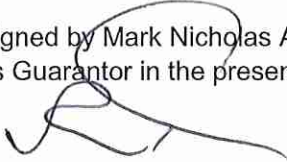

Director's full name




Director's signature


Director's full name

Signed by Mark Nicholas Apatu
as Guarantor in the presence of:



Signature of witness



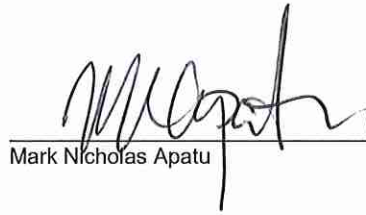
Name of witness



Occupation




Address


Mark Nicholas Apatu

Signed by Paul Kenneth Apatu
as Guarantor in the presence of:




Signature of witness



Name of witness



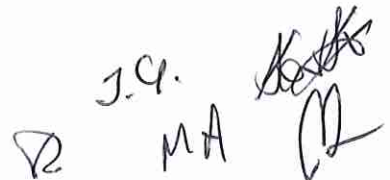
Occupation



Address


Paul Kenneth Apatu





Schedule

Term	Meaning
Property	All that parcel of land containing 105.6382 hectares more or less being Ohiti Waitio 1E No 3A (comprised in Record of Title 391005), located on Ohiti Road, Hastings
Term	Ten (10) year initial term with three rights of renewal, each of five (5) years, to a total of 25 years.
Start Date	1 June 2021
End Date	31 May 2046 if all rights of renewal are exercised
Annual Rental	\$155,000.00 plus GST
Rental Payments	\$77,500.00 plus GST payable on 1 June and 1 December in each year. The first payment is due on the 1 June 2021.
Permitted Use	Growing of annual crops and livestock grazing.
Fertiliser Requirements	The amount and type of fertiliser as recommended by an appropriate fertiliser or agricultural consultant provided that the minimum amount spent by the Lessee on fertiliser shall be \$100 per hectare plus GST per annum excluding the cost of cartage, spreading and the costs associated with the application of nitrogen.
Liability Sum (clause 3.37)	\$2,000,000.00
First Rent Review Date	1 June 2024
Rent Review Intervals	Three years
Improvements	Sheep yards and fencing.


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Terms and conditions

1. Interpretation

- 1.1 a. Terms given a meaning in the Schedule will have that meaning where the context permits.
- b. A reference to any party includes that party's executors, administrators or permitted assigns, or if a company, its successors or permitted assigns or both.
- c. The liability of each party where more than one person is involved will be joint and several.
- d. In this Lease reference to any statutory provision includes any provision which amends or replaces it and any legislation made under it.
- e. Clause headings are for reference purposes only.
- f. Where appropriate the term "Lessor" shall include the Lessor's agents and workmen.

2. Term

- 2.1 The Term will commence on the Start Date and end on the End Date.
- 2.2 The Lessee will occupy the Property under a monthly tenancy if the Lessee remains in occupation with the Lessor's consent after the End Date. The provisions of this Lease will otherwise continue to apply.

3. Lessee's obligations

Rent

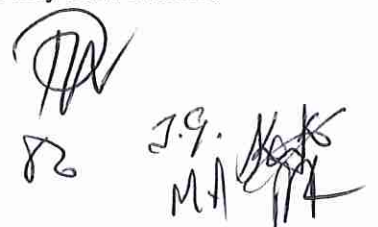
- 3.1 The Lessee will pay the Rental Payments on due date without deduction or set-off whether legal or equitable in the manner directed by the Lessor.

Rates

- 3.2 The Lessee will pay all rates on the Property (apportioned if necessary at the Start and End Dates) to the local authorities before the due date. The Lessee will provide proof of payment of the rates to the Lessor on 1 June and 1 December in each year.

Insurances

- 3.3 The Lessee will pay direct to the Lessor's insurer:
 - a. All premiums for insurance either replacement or indemnity at the choice of the Lessor taken out by the Lessor relating to the Property including (but not by way of limitation) insurance for all buildings, improvements, plant and equipment owned by the Lessor, consequential loss and loss of rent.
 - b. Any valuation fees the Lessor incurs in obtaining or renewing the insurance.
- 3.4 The Lessee will provide proof of payment of the premiums to the Lessor on 1 June and 1 December in each year.
- 3.5 The insurance will be in the name of the Lessor.
- 3.6 The Lessee shall not be required to insure or pay for insurance for the hay barn situated on the property.

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Payment for services

- 3.7 The Lessee will pay all charges for water, power, telephone, gas and other services supplied to the Property.

Power supply

- 3.8 The Lessee will not allow any charge to be created upon the Property by any power authority.

Farm maintenance

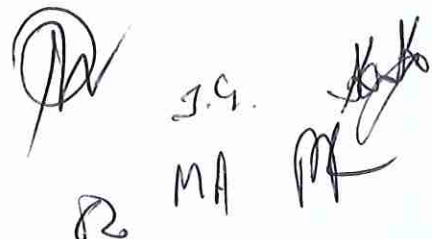
- 3.9 The Lessee will:
- a. keep and maintain all buildings, fences, gates, stockyards, bridges and fixtures which are part of the Property in good order and condition (including renewing such parts that become decayed) except for damage by fire, flood, earthquake or other inevitable accident which is not caused by any act or omission of the Lessee; and
 - b. use timber pipe gate posts and battens tanalised treated to New Zealand standard specifications for the erection and repair of wooden gates and yards and post and batten fences and shall carry out such work in a good and workmanlike manner and to a good standard; and
 - c. keep all water reticulation systems (including all pumps, any bore and water pipes), farm tracks, races, crossings, culverts, gateways, trough surrounds and the Improvements in good order and repair at all times; and
 - d. maintain any existing roadways on the Property so that it can be used by stock trucks and to support the farming operation on the Property; and
 - e. indemnify the Lessor against any losses (including costs) incurred by the Lessor if insurance moneys are irrecoverable or premium rates are increased because of any act or omission of the Lessee.

Alterations and Improvements

- 3.10 The Lessee will not make any alterations to any of the buildings or undertake other substantial improvements on the Property or its subsoil or contours without the prior written consent of the Lessor. The Lessor may impose any conditions when giving consent.
- 3.11 The Lessee will annually report any approved capital expenditure improvements to the Lessor including a description of the capital expenditure and its cost.
- 3.12 Any alterations or improvements undertaken pursuant to this clause will be subject to the provisions of clauses 5.5(d)(v)(4) and 5.9.

Use of the property

- 3.13 The Lessee will:
- a. use the Property for the Permitted Use only; and
 - b. use the Improvements for their designed use only; and

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- c. not store any inflammable or dangerous goods on the Property when they are not reasonably required for the Permitted Use; and
 - d. not do anything which in the Lessor's reasonable opinion is a nuisance to the Lessor or neighbours; and
 - e. not do anything on the Property which is illegal.
- 3.14 The Lessor does not warrant that the Property may be used for any particular purpose.

Noxious weeds

- 3.15 The Lessee will keep the Property and the near half of any road adjoining the Property free of all noxious weeds and comply with the Biosecurity Act 1993 at the Lessee's expense despite any compensation provisions in the Act. The Lessee must only use recognised sprays first approved by the Lessor or the Lessor's agent.

Noxious pests

- 3.16 The Lessee will properly control the numbers of rabbits and any other noxious pests (including insects) on the Property and at his own cost will do all things necessary to comply with the Wild Animal Control Act 1977 and Biosecurity Act 1993. The Lessee will indemnify the Lessor and keep it safe, harmless and indemnified against all contributions costs charges and expenses which the Lessor may be called upon or compelled to pay under any statute.

Good husbandry

- 3.17 The Lessee will farm, cultivate and manage all of the Property in a good and husband-like manner in accordance with the Lessor's reasonable requirements and keep the Property in good condition (subject to clause 3.9).

Fertiliser Application

- 3.18 The Lessee will undertake soil tests on the Property in each year and provide the results of the soil tests to the Lessor.
- 3.19 The Lessee will fertilise all pasture each year in accordance with the Fertiliser Requirements and will produce to the Lessor proof that the Fertiliser Requirements have been complied with.
- 3.20 Additional fertiliser will be applied annually on crops, hay and silage paddocks as recommended by an appropriate fertiliser or agricultural consultant.
- 3.21 The minimum amount that the Lessee is required to spend on fertiliser as specified in the Fertiliser Requirements will be increased on each Review Date in accordance with the following formula:

$$FR = \frac{Y \times Z}{X}$$

Where:

FR is the new minimum amount to be spent by the Lessee under the Fertiliser Requirements;

X is the index figure as at the quarterly date preceding the Commencement Date or preceding the previous rent review date (whichever is the later);

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Y is the index figure as at quarterly date preceding the relevant rent review date;

Z is the minimum amount spent by the Lessee under the Fertiliser Requirements immediately prior to the rent review date.

In this clause "the Index" means the Consumer Price Index (All Groups) published by the government statistician at quarterly intervals (or any replacement index).

Stocking

3.22 The Lessee will:

- a. stock the Property according to the rules of good husbandry generally recognised in the district; and
- b. not graze more stock than the Property will reasonably carry; and
- c. not during the last year of the lease graze more stock than were grazed at any one time during the previous 12 months without the prior written consent of the Lessor and will ensure that pasture cover at the End Date will not be less than an average of 1,400kg/DM/ha. The Lessors consent shall not be unreasonably withheld and the Lessor shall be required to take into account environmental conditions that may have impacted on the use of the property.

Dangerous or diseased stock

3.23 The Lessee will not allow any stock known to be dangerous or diseased to remain on the Property.

Pigs

3.24 The Lessee will not allow pigs on the Property.

Drains etc.




3.25 The Lessee will keep all ditches, drains and water courses on the Property free of weed and clear and unobstructed and will at least once in every year of the Term clean and open all ditches drains and water courses on the Property and will not pollute the same or allow them to be polluted.

Hedges

3.26 The Lessee will keep all hedges on the Property in the same order and condition as they are in on the Start Date and will at least once in every year cut and trim them.

3.27 Fences and the Fencing Act

- a. The Lessee will comply with the Fencing Act 1978 and keep the Lessor indemnified against all claims and costs associated with fencing requirements.
- b. The Lessee will, prior to the commencement of the last year of the said term or earlier if called upon by the Lessor to do so and at the Lessees cost in all regards, put upon the boundaries of the said land upon which no substantial fence exists a substantial post and batten fence with not less than seven wires provided that the Lessee may wish, with the prior consent in writing of the Lessor, to fence the boundaries of the land on a give and take basis. This provision shall be in addition to any other requirement within the lease as to fencing.

 J.C. 
MA 

Forest and Rural Fires Act 1977

- 3.28 The Lessee will comply with the Fire and Emergency NZ Act 2017 and will use all precautions to prevent fires from spreading to adjoining properties and will keep the Lessor indemnified against all claims or costs associated with any damage caused and with any requirements under the Fire and Emergency NZ Act 2017.

Stock damage

- 3.29 The Lessee will promptly make good any damage to fences, or other improvements and pasture caused by any stock grazing on the Property.

Security

- 3.30 The Lessee will:
- a. keep all lockable buildings on the Property locked and secure when not in use; and
 - b. return keys to all locks on the Property to the Lessor at the end of this Lease.

Comply with statutes

- 3.31 The Lessee will comply with all relevant Acts, regulations, bylaws or lawful requirements of all public bodies and authorities concerning the business of the Lessee on the Property.

Effluent

- 3.32 The Lessee will provide and properly maintain an approved method of disposal of all effluent at all times.

Cropping

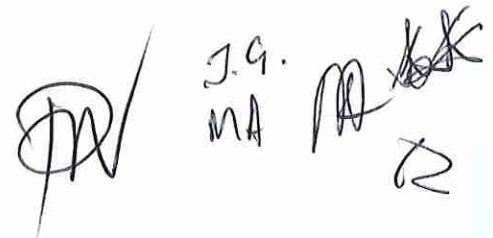
- 3.33 The Lessee will:
- a. not take or allow crops to be taken without insuring occasional rejuvenation and rest.
 - b. Re-grass all the cropped area at the end of the Lease in accordance with the provisions of clause 3.34.

Re-grassing

- 3.34 The Lessee will
- a. at the end of this lease leave that part of the Property capable of being grassed in good grass pasture of at least 3 months' standing.
 - b. "Good grass pasture" means good permanent perennial rye grass and clovers and/or other suitable pasture species of the kind and proportions usually sown in the district and suitable for the Property.
 - c. The Lessee will advise the Lessor of the proposed grass mix at least 14 days before sowing.

Trees

- 3.35 The Lessee will keep any trees or shrubs growing on the Property in good order and condition and will use all proper and reasonable means to preserve them and will not cut down or damage or allow others to cut down or damage any trees or shrubs on the

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Property without the prior written consent of the Lessor. The Lessor may withhold consent without giving any reason.

Public liability

- 3.36 The Lessee will take out and maintain a public liability policy in the name of the Lessor for the Liability Sum with a company approved by the Lessor.

Lessor inspection

- 3.37 The Lessee will:
- a. permit the Lessor or its agent to enter and inspect the Property at all reasonable times; and
 - b. repair and make good all defects and lack of repair for which the Lessee is liable within one month of receiving written notice from the Lessor.

Lessor's works

- 3.38 The Lessee will permit the Lessor and the Lessor's agents or workmen to enter the Property to carry out survey, fix survey pegs or carry out any alterations, repairs or maintenance to the Property or adjacent land required by the Lessor.

Lessee's risk

- 3.39 The Lessee occupies the Property at the Lessee's risk and, to the extent permitted by law, now releases the Lessor and the Lessor's employees and agents from all liability in respect of any accident, damage or injury to any person or property which directly or indirectly relates to the Property.

Notice of damage

- 3.40 The Lessee will immediately give the Lessor notice of:
- a. any damage to the Property; and
 - b. any circumstances likely to result in damage to the Property.

Inspection by third parties

- 3.41 The Lessee will:
- a. permit third parties to fully inspect the Property during the 4 months immediately before the End Date for leasing or sale and purchase purposes.
 - b. the Lessor may place advertising signs on the Property for the same purpose during the same period.
 - c. the Lessor must give the Lessee reasonable notice of any inspection.

Costs of lease

- 3.42 The Lessee will pay the Lessor's solicitors' costs of and incidental to:
- a. the negotiation, preparation and completion of this lease; and
 - b. any variation; and
 - c. any action taken for any default by the Lessee.

J.G.
MA

Tax including GST

3.43 The Lessee will pay:

- a. all levies, duties and taxes payable by the Lessor as a result of this lease (including Goods and Services Tax) or the Lessor's having an interest in the Property (but excluding tax assessed for the Lessor's profits or capital gains); and
- b. any default tax or penalty paid by the Lessor because the Lessee fails to make the above payments on due date. The Lessor will be under no obligation to mitigate any loss incurred under those circumstances. This sub clause is without prejudice to the Lessor's other legal or equitable remedies.
- c. GST at the same time and in the same manner as the rent.

Default interest

- 3.44
- a. If the Lessee fails to pay any payment due to the Lessor under this lease on due date the Lessee will pay interest on the amount in arrears at the rate of:
 - i. 6% per annum plus
 - ii. the 90 day bill rate current on the due date for payment calculated from the due date to the date of actual payment.
 - b. For the purposes of clause 3.44(a) the "90 day bill rate" is the 90 day bank bill buy rate disclosed on Reuters screen page BKBM (or its successor page) at 11 am.

Indemnity

- 3.45 The Lessee will indemnify the Lessor against all claims or losses (including costs) directly or indirectly incurred by the Lessor as the result of any breach of the Lessee's obligations in this lease or any act or omission of the Lessee or persons under the Lessee's control.

Reservations for milling etc.

- 3.46 The Lessee acknowledges that all timber, coal, lignite, stone, clay, other metals and minerals in or on the Property are excepted from the Property and are reserved by the Lessor.
- 3.47 The Lessor together with its agents, grantees and invitees are permitted by the Lessee to enter onto the Property for the purposes of searching for, mining, getting and carrying away all such things and do all things as may be necessary to exercise its rights under this clause.
- 3.48 In exercising its rights under clauses 3.46 – 3.47, the Lessor will cause as little interference as possible to the Lessee and its use of the Property and will pay a fair compensation to the Lessee for loss or damage caused by the Lessor by the exercise of this right.

Assignment or subletting

- 3.49 The Lessee will not assign, sublet or otherwise part with possession of any of the Property without the prior written consent of the Lessor. The Lessor will give consent if the following conditions are satisfied:
- i. the Lessor must be satisfied that the proposed assignee or sub-tenant is respectable, responsible, suitably qualified and financially able to meet the Lessee's obligations under this lease;

J.G.
MA
R. [Signature]

- ii. the Lessee must not be in breach of any of the Lessee's obligations under this lease;
 - iii. in the case of an assignment a deed of covenant must be signed by the proposed assignee approved or prepared by the Lessor and given to the Lessor;
 - iv. if the assignment is to a company the directors and main shareholders must complete a guarantee approved or prepared by the Lessor and give it to the Lessor except in the case of a public listed company in which case the Lessor shall not be entitled to withhold consent to the assignment because of a refusal by the Directors of a publicly listed company to sign a Guarantee;
 - v. the Lessee must pay the Lessor's reasonable costs and disbursements for work carried out in respect of the above documents and any associated enquiries;
- b. The Lessor's consent to a sub-letting will extend only to the sub-letting and any sub-tenant may not deal with the sub-lease in any manner without consent where the Lessee would require consent for that purpose.
 - c. No assignment or sub-letting as set out in sections 225 to 229 of the Property Law Act 2007 is permitted.
 - d. Where the Lessee is a company, any change in the shareholding or directors of the company which changes the effective control of the company will be deemed an assignment of this lease.

Wahi Tapu sites

- 3.50 The Lessee acknowledges that there are sites of special significance on the property which the Lessors will identify to the Lessee prior to the start date and that the Lessor or its invitees may enter onto the property at all reasonable times to visit the sites provided that such visits do not interrupt the Lessee's use of the property.
- 3.51 For the purposes of this clause, "sites of special significance" mean all sites having any historical or cultural significance and they include but are not limited to Wahi Tapu Areas or archaeological Sites (as those words are defined in the Historic Places Act 1993).
- 3.52 At the direction of the Lessor, the Lessee will erect a stock-proof fence around the sites of special significance.
- 3.53 The Lessee will comply with all directions given by the Lessor and will comply with all relevant statutory obligations in respect to those sites to ensure that the sites are not interfered with or disturbed.
- 3.54 In the event that the Lessee shall be required to erect a stock-proof fence in accordance with Clause 3.52, the cost of the fencing and the loss of effective land area shall be taken into account in the subsequent rent reviews.

MA 7.9. [Signature]

4. Lessor's obligations

Quiet enjoyment

- 4.1 If the Lessee pays the rent and complies with all of the Lessee's obligations under this lease the Lessee may quietly enjoy the Property throughout the Term without any interruption by the Lessor or anyone claiming under the Lessor.

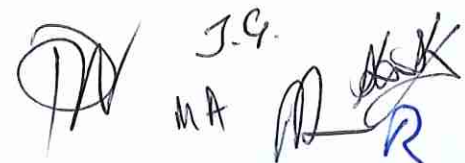
Damage or Destruction of Buildings

- 4.2 a. If any insured buildings or improvements on the property are damaged or destroyed; and
- i. the Lessor's policy or policies of insurance shall not have been invalidated or payment of the policy moneys refused in consequence of some act or default of the Lessee; and
 - ii. all the necessary permits and consents shall be obtainable,
- then the Lessor or the Lessor's agent will with all reasonable speed expend all the insurance moneys received by the Lessor in respect of such damage towards repairing or reinstating the buildings or improvements but the Lessor will not be liable to spend any sum of money greater than the amount of the insurance money received.
- b. Any repair or reinstatement may be carried out by the Lessor using such materials and form of construction and according to such plan as the Lessor thinks fit and shall be sufficient so long as it is reasonably adequate for the Lessee's use of the property.
- c. Until the completion of the repairs or reinstatement a fair proportion of the rent and outgoings shall cease to be payable according to the nature and extent of the damage.

5. Mutual agreements

Termination

- 5.1 a. This lease continues until ended:
- i. by expiry of the Term; or
 - ii. by agreement between the parties; or
 - iii. in accordance with clause 5.2.
- 5.2 a. The Lessor may (in addition to the Lessor's right to apply to the Court of an order for possession) cancel this lease by re-entering the premises at the time or at any time thereafter:
- i. if the rent shall be in arrears 10 working days after any of the rent payable dates and the Lessee has failed to remedy that breach within 10 working days after service on the Lessee of a notice in accordance with section 245 of the Property Law Act 2007;
 - ii. in case of breach by the Lessee of any covenant or agreement on the Lessee's part herein expressed or implied (other than the covenant to pay rent) after the Lessee has failed to remedy that breach within the period

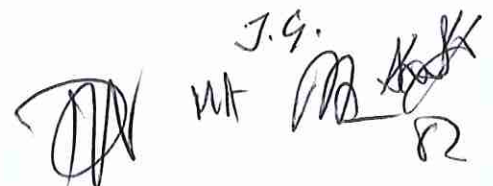
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specified in a notice served on the Lessee in accordance with section 246 of the Property Law Act 2007.

- b. Breaches under clause 5.2(a)(ii) include but are not limited to when the Lessee:
- i. commits an act of bankruptcy or makes any assignment or composition with its creditors;
 - ii. becomes liable to be placed in liquidation;
 - iii. cannot pay the Lessee's debts when they fall due, or is deemed not to be able to pay them in accordance with Section 287 of the Companies Act 1993; or
 - iv. suspends payment to the Lessee's creditors or ceases or threatens to cease operating or convenes a meeting of its creditors to propose a scheme of arrangement with them;
 - v. has a liquidator appointed or the Lessee's board or shareholders propose or pass a resolution to appoint a liquidator;
 - vi. has a receiver, manager or statutory manager appointed;
 - vii. has an application for it to be placed in liquidation presented or advertised;
 - viii. passes or purports to pass a resolution for it to be placed in liquidation;
 - ix. has an order made against it for more than \$5,000.00 against the Lessee's property or assets;
 - x. has a final judgment for more than \$5,000.00 against the Lessee which remains unpaid for 10 working days;
 - xi. and the term shall terminate on such cancellation without prejudice to the rights of either party against the other.
- c. Nothing in this termination clause affects the operation of any clauses in this lease which are expressed or implied to have effect after its termination.
- d. The Lessor may exercise the Lessor's powers of cancellation if the Lessor terminates this lease in accordance with the provisions of this Termination clause.
- e. This clause termination clause is subject to sections 224 to 257 of the Property Law Act 2007.
- f. On termination or expiration the Lessee will yield the property.

Consequences of termination

- 5.3 a. Any termination of this lease will be without prejudice to the rights of either party arising prior to termination.
- b. If the Lessor terminates this lease under clause 5.2 or the Lessee repudiates or is deemed to repudiate this lease then the Lessor may recover damages from the Lessee in respect of all of the Term despite any rules in law or in equity to the contrary.
- c. The Lessor's rights to damages will not be limited by:
- i. the Lessee abandoning the Property;

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- ii. the Lessor electing to re-enter or terminate this lease;
 - iii. the Lessor accepting the Lessee's repudiation;
 - iv. the parties conduct if it constitutes a surrender by operation of law.
- d. Nothing in this clause 5.3 affects any other legal or equitable rights of the Lessor.

Default by Lessee

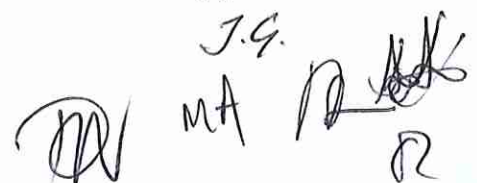
- 5.4 a. If the Lessee does not carry out the Lessee's obligations contained or implied in this lease then the Lessor may carry them out either wholly or in part without prejudice to any other rights powers or remedies of the Lessor; and
- b. The Lessee will pay the cost incurred to the Lessor on demand.

Rent review

- 5.5 The Lessor may at any time review the rental as from the First Rent Review Date and after that as from the same day and month at the Rent Review Intervals (each of those dates being called a "review date");

The following procedures for rent reviews will be adopted:

- a. The Lessor will give written notice to the Lessee not earlier than 3 months prior to the review date fixing the amount considered by the Lessor to be the current market rent of the Property at the relevant review date (the "Lessor's notice").
- b. If the Lessee wishes to dispute the amount the Lessee must advise the Lessor in writing (the "Lessee's notice") within 1 month of receiving the Lessor's notice.
- c. The Lessee's notice must state the Lessee's estimate of rental.
- d. If the Lessee gives the Lessee's notice the parties must enter into negotiations to resolve the dispute. If they cannot agree within 14 days (or a longer period if they agree) of the Lessor receiving the Lessee's notice:
 - i. They will each within a further 14 days appoint a valuer who is a member of the Property Institute of New Zealand and has at least 7 years' experience in undertaking valuations for the rural industry in Hawkes Bay. The valuers will fix the current market rent of the Property.
 - ii. If either party fails to appoint a valuer the rent will be fixed by the valuer who is appointed.
 - iii. The valuers will jointly fix the market rent of the Property at the relevant review date within one month of their appointment.
 - iv. If the valuers are unable to agree within that month (or within any extended time the parties agree to) then the rent will be determined by an arbitrator, appointed by agreement by the parties or failing agreement by appointment by the President or Vice President for the time being of the Hawkes Bay District Law Society and the arbitrator will conduct the proceedings in accordance with the Arbitration Act 1996 (or any Act in substitution of that Act).
 - v. In fixing the current market rent the valuers or umpire will:
 - (1) be deemed to be acting as expert(s) and not as arbitrator(s);

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- (2) consider any use to which the Property may be put and disregard any restriction on use imposed by this lease;
 - (3) consider any abnormal use of the building or the Property by the Lessee;
 - (4) exclude the value of any goodwill of the Lessee's business, the value of the Lessee's plant and equipment and the value of any improvements made to the Property by the Lessee;
 - (5) exclude the poor condition of the Property if it is caused by a breach of the Lessee's obligations under this lease or any negligent act or omission of the Lessee.
- e. All valuers' costs will be paid equally by the parties unless:
- i. the new rental is either equal to or exceeds the rent fixed in the Lessor's notice in which case the Lessee will pay all costs; or
 - ii. equal to or less than the rent fixed in the Lessee's notice in which case the Lessor will pay all costs; or
 - iii. the valuers decide that the conduct of one party is such that it is appropriate that the above calculations be adjusted in favour of the other party.
- f. Notwithstanding anything in this clause to the contrary the reviewed rent may not be less than the rent payable immediately before the review date.
- g. The Lessee will pay the rent fixed by the Lessor under clause 5.5(a) from the relevant review date as soon as the Lessor's notice is given. Any necessary adjustment will be paid within 14 days of the reviewed rent being fixed in accordance with the provisions of this clause.
- h. The Lessor will not forfeit the right to have the rent reviewed from the review date if the Lessor fails to give the Lessor's notice before the relevant review date. If the Lessor gives the notice after the review date the notice will have the same effect as if it were given before the review date. The reviewed rent will date back to and be payable from the review date.
- i. When the reviewed rent has been fixed the parties will enter into a Deed of Variation recording the variation in rent if the Lessor requires. The Lessor's legal costs in relation to the deed will be paid by the Lessee.
- j. In undertaking a review of rental the parties shall at all times take into account the provisions of clause 5.6 herein.

Resource consents

- 5.6 a. The Lessor and Lessee agree that the Lessee holds the Irrigation Consent for the Property and that this consent will at all times remain in the Lessee's name. At the conclusion of the Lease, the Lessee shall not be required to transfer the consent to the Lessor.
- b. The Lessor and Lessee further acknowledge that rent reviews will be conducted on the basis of "dry land" as if no Irrigation Consent was in place.

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- c. The Lessor and Lessee agree that should the Lessor apply for and obtain resource consent for water supply to the property, that the Lessor and Lessee shall meet to determine whether or not the Lessee will use that water supply and if so on what terms and conditions. The Lessee and Lessor further agree that should the Lessor apply for and obtain a resource consent for the supply of water that this will be a factor taken into account upon a rent review – in the event that the Lessee shall use the water supplied from any such consent issued of the Lessor.

Registration

- 5.7 The Lessee will not be entitled to register this lease or amendment of it and will not caveat the title to the Property.

Implied terms

- 5.8 The terms and conditions implied in leases under Part 4 of the Property Law Act 2007 and Part 7 of the Land Transfer Act 1952 will apply to this lease unless they are inconsistent with it.

No compensation

- 5.9 The Lessee will not be entitled to compensation for any improvements made to the Property unless agreed in writing by the Lessor.

Waiver

- 5.10
- a. If either party delays or does not exercise any right or remedy under this lease, it is not a waiver of that right or remedy.
 - b. The single or partial exercise of any right or remedy under this lease does not preclude the exercise of any other right or remedy or its further exercise.
 - c. The rights and remedies provided in this lease are cumulative. They do not exclude any rights or remedies provided by law.
 - d. Any waiver or consent given by a party must be in writing and will be effective only in the specific instance and for the specific purpose for which it is given.

Dispute resolution – mediation

- 5.11
- a. A party must use the mediation procedure to resolve a dispute before commencing legal proceedings.
 - b. The mediation procedure is:
 - i. The party who wishes to resolve a dispute must give a notice of dispute to the other party.
 - ii. The notice of dispute must state that the dispute has arisen, and state the matters in dispute.
 - iii. When the notice of dispute has been given the parties will appoint a mediator and if they fail to agree the mediator will be appointed by the president of the New Zealand Law Society or the president's nominee.
 - iv. The parties must co-operate with the mediator in an effort to resolve the dispute.

Handwritten signatures and initials at the bottom right of the page. There are three distinct signatures: a large stylized signature on the left, the initials 'J.G.' and 'MA' in the middle, and another large stylized signature on the right.

- 6.2 Notices are deemed served at the following times:
- a. when given personally, upon delivery;
 - b. when sent by post (other than airmail) or document exchange, 3 working days after posting;
 - c. when sent airmail outside New Zealand, 5 working days after posting;
 - d. when sent by facsimile or email upon receipt of the correct answerback or receipt code.
- 6.3 Any notice that has been served on a Saturday, Sunday or public holiday is deemed to be served on the first working day after that day.
- 6.4 A notice may be given by an authorised officer, employee or agent.
- 6.5
- a. Notice may be given personally to a director, employee or agent of the party at that party's address or to a person who appears to be in charge at the time of delivery or according to section 387 to section 390 (inclusive) of the Companies Act 1993.
 - b. If the party is a natural person, partnership or association, the notice may be given to that person or any partner or responsible person. If they refuse to accept the notice, it may be brought to their attention and left in a place accessible to them.
- 6.6 Time is of the essence.

7. Lessor's Development

- 7.1 If the Lessor wishes to undertake substantial improvements to the Property ("the Substantial Improvements"), the written consent of the Lessee to the proposed improvements must first be obtained.
- 7.2 Upon completion of the Substantial Improvements, the annual rent will increase in accordance with the following formula from the first day of the month in which the Substantial Improvements are completed until the next Review Date:
- $$A \times B = C$$
- Where:
- A is the total cost of the Substantial Improvements paid by the Lessor;
- B is the commercial lending rate charged by the Lessor's bank expressed as a percentage;
- C is the increase in annual rent payable by the Lessee.
- 7.3 If the formula provided in clause 7.2 is inappropriate for the works undertaken by the Lessor, then the increase in rental may be set at a value that is agreed between the parties and failing agreement determined in accordance with clause 5.11
- 7.4 7.4. In the event that the Lessor wishes to undertake developments on part of the land for the Lessors own purposes, the Lessor and Lessee agree to meet in good faith to determine what areas of the leased land can be made available to the Lessor and what reduction in rental shall be available to the Lessee.



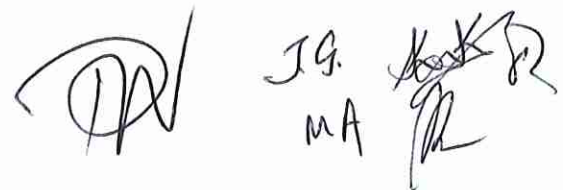
Handwritten signatures and initials, including "MA" and "J.G.", are present at the bottom right of the page.

8. Termination of Lease in Extreme Circumstances

- 8.1 Notwithstanding that the term of the Lease is for ten years from 1 June 2021, in the event of serious injury to or death of one of the Guarantors herein (while they remain as Director of the Lessee) or to any of the immediate members of the Directors family, that either party shall have the right to terminate the Lease on first giving to the other party six months written notice of the intention to terminate. This right of termination also applies in the event of any other extreme circumstances that the parties shall mutually acknowledge and agree to in writing.

9. Trustees' Limitation of Liability

- 9.1 Kathleen Ngaire Kireka, Ruth Wong, Timoti Wepiha Karaitiana Gemmell and Olivia Lamae Thompson have entered into this lease as Trustees of the Ohiti Waitio 1E No 3A Trust and notwithstanding anything contained in the covenants liabilities or obligations of the Lessor under this lease, the liability of each of Kathleen Ngaire Kireka, Ruth Wong, Timoti Wepiha Karaitiana Gemmell and Olivia Lamae Thompson of under this Lease is not an unlimited personal liability but is limited to the income derived from the assets of the Ohiti Waitio 1E No 3A Trust which are available for distribution from time to time in the ordinary course of administration.

Handwritten signatures and initials. On the left is a large, stylized signature that appears to be 'PW'. To the right are several smaller signatures and initials, including 'JG.', 'MA', and a signature that looks like 'K.K.R.' with a large flourish.

Appendix 1 – Guarantee**Guarantee**

1. The Guarantors
 - (a) Guarantee the due performance by the Lessee of all of the Lessee's obligations in this Lease.
 - (b) Agree:
 - (i) to personally comply with the Dispute Resolution provisions in this Lease as if a party to this Lease as Lessee; and
 - (ii) not to prove in any liquidation of the Lessee in competition with the Lessor; and
 - (iii) that the failure of any shareholder or director of the Lessee (if a company) to sign this Lease as a guarantor will not invalidate the guarantee by those who do sign it.
 - (c) Waive all rights as surety (legal, equitable, statutory or otherwise) and agrees to accept responsibility for the performance of the Lessee's obligations as if primarily liable for them.
 - (d) Acknowledge and agree that this guarantee:
 - (i) is a continuing guarantee; and
 - (ii) is given jointly and severally if given by more than one person; and
 - (iii) will continue if the Lessee's interest is assigned to a third party until the then current term expires; and
 - (iv) will continue to be binding and at all times enforceable by the Lessor notwithstanding the liquidation or death or insolvency of the Lessee, the Guarantors or any of them.

MA [Signature]
J.G. [Signature]

A handwritten signature in black ink, appearing to be the initials 'J.W.' or similar.

J.S.

A handwritten signature in black ink, appearing to be 'J.K.' or similar.