

SCHEDULE ONE of the WATER SUPPLY AGREEMENT

STANDARD TERMS TO BE PART OF ALL WATER SUPPLY AGREEMENTS

1.0 DURATION OF AGREEMENT

- 1.1 This agreement commences on the date registered on page 1 of the water supply agreement.
- 1.2 This agreement may be terminated by either party by giving 12 months' notice in writing to the other party.
- 1.3 The Company may terminate this agreement by giving three months' notice in writing to the Landowner if:
- a. The Landowner's property has not received water in the three preceding seasons;
 - b. The Landowner is not the owner of the property described in this agreement;
 - c. The area of irrigable hectares has in the reasonable opinion of the Company after consultation with the Landowner, reduced to less than two, or the lower number specified in the agreement, if any;
 - d. The Landowner is in breach of clause 2.5 and has not remedied the breach within 20 working days of receiving notice of the default.
- 1.4 The Company's right to terminate this agreement under clause 1.3 is in addition to its other rights under this agreement.
- 1.5 The Company may amend this agreement by giving three months' notice in writing to the Landowner.
- 1.6 Subject to the terms of this agreement, water from the Scheme shall be supplied by the Company to the land during the irrigation season from the 1st day of June in one year to the 30th day of April the following year ("Season").
- 1.7 Water will normally be available outside the season, but the Company reserves the right to shut down the Scheme for routine inspection and maintenance outside the Season.

2.0 SUPPLY OF WATER

- 2.1 Subject to the terms of this agreement, the Company shall supply water to the Landowner in the manner described in the schedule.
- 2.2 Provided there is sufficient water available, and the Company agrees, the Company may supply water in excess of the water allocation by agreement with the Landowner and at the water charges detailed in Schedule 2 ("water charges").
- 2.3
- a. The maximum rate of draw-off as detailed in the Schedule shall not be exceeded by the Landowner and the Company may install a flow control valve for this
 - b. purpose.
Prior to the commencement of the season, or as soon after the commencement as it is possible, the Company shall provide the Landowner with a roster for the water supply if issued ("roster") and a copy of any amendments if issued. The Company
 - c. shall have the power, at its sole discretion to amend the roster.
Should a roster be issued then the Landowner may only take the water in accordance with the roster or its amendments.

- 2.4 The Company shall supply the water to the boundary of the land or at such more distant point as the Company's distribution system and rights of access shall extend.
- 2.5
- a. Water shall be supplied through a measuring device (called the "water meter") to be maintained by the Company. The Landowner shall not, nor allow any person to, alter or interfere with the water meter. Nor shall the Landowner take, or attempt to take, or allow any person under his control to take, or attempt to take, any water from the scheme other than through the water meter and in accordance with the terms of this agreement.
 - b. The water allocation may only be used on the land, as it is described in the agreement if the landowner owns the land. The water allocation may not be used on any part of the land that the landowner does not own, or any other property.
 - c. Further to clause 9.1 the Landowner must comply with all the obligations in this agreement, whether or not an Occupier is occupying the land or using the water on the land.
- 2.6 The Company by its agents or employees shall operate the supply of water through the water meter.
- 2.7 The Landowner shall be responsible for the distribution of water from the water meter and takes all liability with respect to the water from that point.
- 2.8 Notwithstanding the other terms contained in this agreement, the Company shall be under no obligation to construct or replace any water supply works.
- 2.9 The water supplied is for irrigation purposes and is not potable water. It is untreated and not suitable for drinking or any form of food preparation.

(Clauses 2.10 to 2.11 applicable to non-commercial agreements only)

- 2.10 Before receiving the water allocation, the Landowner must provide a suitably sized storage tank for receiving the water supply (minimum size shall be 2000 litres).
- 2.11 The water landowner must reticulate the water from the tank to be provided under clause 2.10 hereof and there shall be no water take off points on the supply line installed by the Landowner between the water meter and the storage tank.
- 2.12 The supply is not a guaranteed 24-hour supply and may be reduced or cut off altogether due to dry weather or other demands on the system.

3.0 PAYMENT OF WATER CHARGES

- 3.1
- a. The Landowner shall pay to the Company the water charges for water contracted to be taken under this agreement at the rates detailed in the Schedule No-2. The water charges are subject to review by the Company in accordance with clause 9.
 - b. The Landowner shall pay the water charges by the specified due dates for payment in the Schedule No-2.
 - c. Further to clause 9.1 the Landowner acknowledges that the landowner remains at all times liable for payment of the water charges, whether or not another Occupier is occupying the land or using the water on the land.
- 3.2 If the water charges are not paid within 10 days of the specified due dates for payment (time being of the essence) then, without prejudice to the Company's other rights the

water charges shall be increased by a further 1.5% per month (from the said period of 10 days) compounding every month until all of the money owing is paid. The 1.5% per month increase shall then be deemed to be part of the water charges and the total of which shall be recoverable by the Company as a debt due.

- 3.3
- a. The charges for water shall be payable by the Landowner to the Company whether or not the Landowner takes water throughout the term of this agreement (whether due to the Company's inability to supply the water or the Landowner's election not to take the water) and notwithstanding that the water supply may be suspended or terminated pursuant to Clause 6.
 - b. The Landowner's liability for the increases detailed under clause 3.2, and the water charges during such period that the water supply may be suspended or terminated, is agreed to be as liquidated damages and not by way of a penalty.

4.0 FAILURE OF SUPPLY

- 4.1
- a. If for any reason (including the fault of the Company) the water supply to the Landowner is diminished or shall fail, then no person shall by reason of such diminished supply or failure have any claim or right of action against the Company.
 - b. a. If the water supply to the Landowner is diminished or shall fail because of the fault of the Company the Landowner shall not be entitled as of right to a proportionate reduction in, or refund of, the charge which he has paid or is required to pay with respect to the water not supplied.
- 4.2 If the water supply to the Landowner is permanently discontinued, other than due to the default of the Landowner, then the Landowner shall not be liable for any further payment for water charges apart from all money due up to the time of the permanent discontinuation of supply.
- 4.3 At such time that the demand for water exceeds the supply, those Landowners with a water allocation under a signed water supply agreement shall receive priority for that allocation ahead of water to a non-commercial or restricted Landowner not contracted to be supplied pursuant to a commercial water supply agreement.
- 4.4 Without limiting any other clause in this agreement, the Company will have no liability when an event beyond its control, such as a flood, earthquake, failure of electricity or breakdown or accident to the scheme prevents it from fulfilling its obligations under this agreement.

5.0 RIGHT OF ACCESS

- 5.1
- a. Where entry is required for construction or repair work on the scheme, the Company shall, where practicable, give reasonable notice to each Landowner prior to such work being undertaken. Such notice to be by letter or telephone and of at least twenty-four hours where possible. It shall be the obligation of the Landowner to (i) inform any tenant or lessee or other person in occupation that the Company shall be entering into or onto the property for construction or repair work on the scheme and (ii) to ensure the cooperation of the occupier.
 - b. If the Landowner has received such notice and in turn notifies the Company in writing prior to such work being undertaken, of the presence and location of any pipes or other underground services and these are damaged in the course of the construction or repair, then the Company will reinstate the facilities.
 - c. The Company shall cause as little damage and disruption as is reasonably possible in carrying out any work. Any damage caused shall be restored as near as

reasonably practicable to the condition existing before any entry or alternatively the Company may at its' discretion compensate the Landowner for any damage (subject to the provisions of clause 5.3 (a.).

- 5.2 The Company shall have the right of access at any time with necessary vehicles, implements and machinery to enter onto the land and within the confines of existing easements and along the path of existing pipelines, to lay, construct, maintain, repair or reconstruct any pipes or other water supply equipment which the Company deems necessary or desirable for the supply of water to the land or to any other land, and to gauge or otherwise measure the quantity of water used, and to inspect the condition of all Scheme works on the land.
- 5.3
- a. The Landowner shall not obstruct access by the Company to any parts of the Scheme on or off the Landowner's land and shall not plant trees or carry out works which would obstruct such access and shall ensure that such access to the Landowner's land is always kept available to the Company.
 - b. The Landowner shall ensure that, unless consent is obtained in writing from the Company, that no trees are planted, posts driven, roots ripped, or excavations made within three metres of the Scheme's works.
- 5.4 The Company shall have right of entry at all times to inspect the on-property installation to see that it meets the Companies minimum requirements as per clauses 2.10 and 2.11. It shall be the obligation of the landowner to (i) inform any tenant or lessee or any other person in occupation of the Company's rights in this regard and (ii) to ensure the cooperation of the occupier.

6.0 LANDOWNER'S DEFAULT

- 6.1 In the event that the Company has reasonable grounds to suspect that the Landowner (or the Landowner's Occupier) being in breach of any of the terms under this agreement the Company may suspend the supply of the water to the Landowner with immediate effect for a period sufficient at the Company's discretion to enable the Company to determine whether the Landowner is in breach of the terms of the agreement or not.
- 6.2 Further to clause 6.1, the Landowner acknowledges that in the event that the company has reasonable grounds to suspect that the Landowner is breaching this agreement by utilizing the water for any of the uses referred to in clause 8.3(a), the supply of water to the Landowner may be immediately suspended for a period sufficient at the Company's discretion to enable the Company to determine whether the Landowner is in breach the terms of the agreement or not.
- 6.3 If the Landowner is in breach of any of the terms of this agreement the Company may at its discretion:
- a. If the breach is capable of remedy, give the Landowner notice of the breach specifying a period within which the Landowner must remedy the breach to the satisfaction of the Company, and may suspend the supply of the water to the Landowner during that period; or
 - b. If the breach is not capable of remedy, or the Company has given the Landowner notice of the breach and the Landowner has failed to remedy the breach within the specified period or to the satisfaction of the Company, terminate the agreement with immediate effect.

- 6.4 Suspension of the supply of water or termination of the agreement is without prejudice to the rights and obligations of the parties accrued up to and including the date of the suspension or termination.
- 6.5 All reasonable costs (including legal costs on a Solicitor and client basis) incurred by the Company pursuant to clause 6.1 above, and in re-instating the water supply and water meter and in seeking to recover any money due and unpaid and interest thereon, from the Landowner (including the recovery of unpaid water charges), shall be added to the debt owing by the Landowner to the Company and shall be paid by the Landowner to the Company as liquidated damages.

7.0 SUBDIVISION AND ASSIGNMENT – SALE OF LAND PURSUANT TO THIS AGREEMENT

- 7.1 The Landowner must advise the Company if the Landowner subdivides the property.
- 7.2 If the Landowner subdivides the property and retains ownership of the lot on which the water meter is located or which is supplied directly by the water meter, and any lots adjoining that lot, the Company will amend this agreement by:
- Inserting the new legal description of that lot or lots, and where applicable;
 - Determining the new area of irrigable hectares in that lot or lots;
 - Determining the revised water allocation for that lot or lots.
- 7.3 The Company will consider entering a water supply agreement with each owner of a subdivided lot, including with the Landowner in respect of any lots not covered by this agreement as amended under clause 7.2 on the basis of the Company's policy and criteria for entering into such a water supply agreement.
- 7.4 If the Landowner sells the property the Landowner may assign this agreement to the new owner (proposed assignee), provided that:
- The proposed assignee meets the Company's policy and criteria for entering into a water supply agreement;
 - There is not any subsisting breach of the Landowner's obligations under this agreement and all money payable by the Landowner to the Company, whether under the terms of this agreement or otherwise has been paid;
 - The Landowner paid the Company's reasonable costs incurred with respect to the assignment and transfer of shares (if any).

8.0 USE OF WATER

- 8.1 The Landowner must ensure water taken by the Landowner (or any Occupier) from the scheme is used only on the land pursuant to this agreement and is used in an efficient manner without undue waste.
- 8.2 **The Landowner acknowledges that the Company is not a drinking water supplier and that accordingly the water that the Company supplies is not potable and is not suitable for drinking or any form of food preparation.**
- 8.3 **The landowner warrants and undertakes that any Occupier is aware that the water supplied by the company is not potable and is not suitable for drinking or any form of food preparation.**
- 8.4 The Landowner and any Occupier:
- Must not use the water for drinking or any other form of food preparation (including human consumption, preparing food or drink for human consumption, preparing or

processing products ultimately intended for human consumption, washing utensils used for preparing, storing or serving food or drink for human consumption, washing utensils used by people for eating or drinking, and human oral hygiene);

- b. Must not cause the water to enter a dwelling, house or any other building in which water is drunk by people or other food preparation occurs.
- c. Must only use the water for animals, or for irrigation or agriculture purposes.

8.5 The Landowner shall be solely liable for and shall indemnify the Company against any actions, claims, damages and proceedings whatsoever arising out of the Landowner's use of the water, or for the use of the water by any Occupier.

9. TENANCIES AND OR LEASES OF THE PROPERTY

9.1 The landowner acknowledges that this water supply agreement is entered into between the landowner and the Company, and that irrespective of whether the landowner has occupation of the property, or whether there is another Occupier, it is the landowner that shall meet the landowner's obligations under this agreement.

9.2 The landowner is at all times responsible for the water received from the company if the landowner elects to provide such water to an Occupier. The Company does not supply water to the landowner's occupiers and has no liability or other obligation to any Occupier.

9.2 The landowner undertakes and warrants that if other persons are in occupation of the property, the landowner shall ensure that the Occupiers are aware of the landowner's obligations under this water supply agreement in terms of the use of the water, and the Company right of access to its scheme.

10. REVIEW OF WATER CHARGES

10.1 The Company shall have the right to alter any of the water charges detailed in the Schedule and upon the following terms:
a. The alteration shall occur at no greater frequency than annually, from the commencement of this agreement.

11 INTREPRETATION

11.1 The reference to the "Company" shall include its agents, employees and contractors.

11.2 The reference to "Occupier" or "Landowner's Occupiers" in this agreement means any person, other than the landowner, who has the occupation of the property from time to time and includes any person occupying the property pursuant to a residential tenancy, deed of lease, license, or any other right of occupation granted by the landowner.

11.3 An "irrigable hectare" is the area of Landowners' land assessed by Directors of the Company or their agent in consultation with the Landowner as being suitable for irrigated horticultural production whether or not actually irrigated or producing and the Directors' decision shall be final.

11.4 An "irrigable hectare of water" is 3,000 cubic metres of water / at a maximum flow rate of 24 liters / minute / hectare.

11.5 Any reference to the "scheme" includes all headworks, pipes, pumps, weirs, buildings and any other land and equipment owned by the Company.

12 DISPUTES

11.1 Without limiting any remedies elsewhere in this Agreement (in particular the Company's right to suspend the water supply in the event of a suspected breach), if either party has any dispute with the other in connection with this Agreement:

- a) That party will promptly give full written particulars of the dispute to the other party;
- b) The parties will promptly meet and try and resolve the dispute in good faith (such discussion to be on a "without prejudice" basis);
- c) In the case of a dispute over water charges, for any charges under \$2,000, full payment of water charges and interest owing must be made before the disputes procedure under this clause 11 can be initiated. Any such payment is agreed to be on a "without prejudice" basis.

11.2 If the parties fail to resolve any dispute under clause 11.1, the parties shall by further written notice endeavor in good faith to resolve the dispute expeditiously through means other than litigation or arbitration, using informal dispute resolution techniques such as mediation, expert evaluation or determination or similar techniques agreed by them.

11.3 If the parties fail to agree on a process under clause 11.2, within 15 working days of the notice under that clause, the dispute will then be submitted to mediation by a single mediator to be agreed by the parties, and failing agreement, as appointed by the parties and, failing agreement, as appointed by the then President of The Law Association Incorporated. In the event of any such submission to mediation:

- a) The mediator will be deemed to be not acting as an expert or an arbitrator;
- b) The mediator will determine the procedure and timetable for the mediation; and
- c) The cost of the mediation will be shared equally between the parties and the parties shall meet their own costs

11.4 Subject to clause 11.5 and 11.6, no party may refer a dispute to arbitration or commence proceedings in any Court unless the dispute has been referred to a dispute resolution person or organization in accordance with this clause 11 and while the dispute remains unresolved.

11.5 Notwithstanding any other provision to the contrary in this clause 11 or this agreement, if the company has reasonable grounds to suspect that urgent injunctive relief may be needed to preserve or protect the scheme, the Company may commence Court proceedings without first adhering to the dispute resolution process above.

11.6 Notwithstanding any other provision to the contrary in this clause 11 or this agreement, if the dispute between the parties relates solely to unpaid water charges, the Company may commence Court proceedings without first adhering to the dispute resolution process. It is acknowledged by the Landowner that in any such Court proceedings the Company may recover unpaid water charges as liquidated damages, together with all costs (including legal costs on a solicitor and client basis).

12.0 EXECUTION

- 12.1 The parties acknowledge that this agreement may be executed on the basis of an exchange of electronic copies and confirm that their respective execution of this agreement by such means shall be a valid and sufficient execution.
- 12.2 This agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.