

DATED

29th

June

1998

PARTIES

1. ELECTRICITY CORPORATION OF NEW ZEALAND LIMITED

("Settlor")

2. ANTHONY PATRICK DENNEHY
PETER HOWDEN
WILLIAM EDWARD WOODS
BRIAN JOHN ROSS
JOHN HUMPHREY COOKE
HUGH FRANCIS MALCOLM LOGAN

("Trustees")

THE COLERIDGE HABITAT ENHANCEMENT TRUST

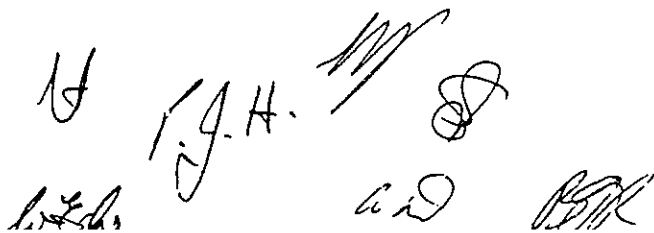
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 H
 J.G.H.
 and
 BK

1. THE TRUST NAME

THE COLERIDGE HABITAT ENHANCEMENT TRUST

2. THE TRUST DATE

3. THE SETTLOR

ELECTRICITY CORPORATION OF NEW ZEALAND LIMITED a duly incorporated company having its registered office at Wellington ("ECNZ")

4. THE FIRST TRUSTEES

ANTHONY PATRICK DENNEHY

the nominee of the Electricity Corporation of New Zealand Limited

PETER HOWDEN

the nominee of the Royal Forest and Bird Protection Society of New Zealand Incorporated

HUGH FRANCIS MALCOLM LOGAN

the nominee of the Minister of Conservation

BRIAN JOHN ROSS

the nominee of the North Canterbury Fish & Game Council

JOHN HUMPHREY COOKE

the nominee of North Canterbury Federated Farmers of New Zealand Incorporated, from the Landcare Group as defined in 'G' on page 4 of this Deed

WILLIAM EDWARD WOODS

the nominee of the Selwyn District Council

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PARTICULARS

Definitions

Unless the context otherwise requires, in this Trust Deed:

- A "Consensus" means a process whereby the Trustees, before voting on the resolution, are required to discuss thoroughly the issue and endeavour to obtain an indication as to whether there will be an agreement or not to the resolution before the resolution is formally put.
- B "Freshwater fish" means all those species of finfish of the Classes Agnatha and Osteichthyes, and all shellfish of the Classes Mollusca and Crustacea, that must, at any time in the life history of the species, inhabit freshwater; and includes any part thereof and such finfish and shellfish that seasonally migrate into or out of freshwater and are represented in the Whakamatau/Lake Coleridge catchment at the date of this Deed.
- C "the Trustees" means the Trustees appointed hereunder and their successors in office for the time being and "the Board" shall have a corresponding meaning;
- D "the Trustee" also means the member of the Board;
- E "the trust fund" means and includes the funds and moneys and investments for the time being representing the same which funds, moneys and investments together with all or any property real or personal and all other assets which are paid assured, set over or transferred to the Trustees at the time of constitution of this Trust and all moneys and other assets received subsequently by the Trustees and the income derived from their investment;
- F Words importing the singular number shall include plural and the masculine gender and feminine or neuter and vice versa and words importing persons shall include companies. Any covenants or agreements on the part of two or more persons shall be deemed to bind them jointly and severally.
- G "Landcare Group" means the owners and occupiers for the time being of the following stations: Mt Algidus, Glenthorne, Ryton, Coleridge Downs, Mount Oakden, Big Ben, Acheron Bank, Peak Hill, and Coleridge, all at RD2, Darfield, and Benmore and Brooksdale at RD2, Springfield.

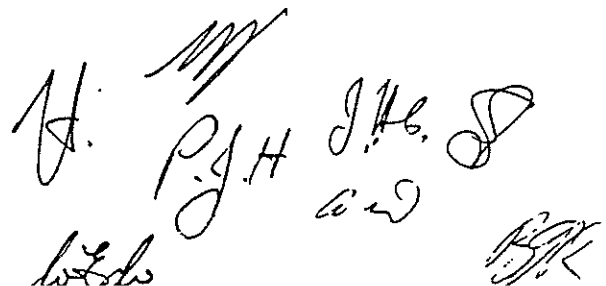
H *M* *J.W.G.* *J.H.* *J.H.*
W.G. *J.H.* *J.H.* *J.H.*

BACKGROUND

1. The Electricity Corporation of New Zealand Limited ("ECNZ") operates the Coleridge Power Station, and has applied for permits to continue running the power station under the Resource Management Act 1991 ("the RMA") in 1996.
2. The RMA requires that the application for the permits consider appropriately among other things the avoidance, remedying or mitigation of adverse effects on the environment.
3. To that end, ECNZ initiated the establishment of the Lake Coleridge Working Party in May 1994 to study the effects of the Coleridge hydro-electric power scheme on the environment.
4. For a period of eighteen months, members of the Lake Coleridge Working Party held meetings and commissioned a number of reports to consider their concerns about the environmental, recreational, social, cultural and economic effects of the Coleridge Power Scheme.
5. There were some values, opportunities and concerns which were identified as a result of this consultation which the North Canterbury Fish and Game Council, Department of Conservation, Royal Forest and Bird Society Incorporated, the Selwyn District Council, Te Runanga o Ngai Tahu, and members of the Landcare Group ("the parties") and ECNZ have agreed are better addressed by the establishment of this Trust than by measures which could be incorporated formally as conditions of the permits.
6. The parties have agreed that to remedy their concerns and to safeguard the life supporting capacity of the Acheron, Harper, Wilberforce and Rakaia Rivers and Lake Coleridge and to avoid, remedy or mitigate any adverse effects which may occur, ECNZ will settle a capital sum on trust with the objects of restoring, protecting and enhancing fisheries and wildlife resources, habitats, amenity values and opportunities within the Lake Coleridge Catchment and the Harper, Acheron, Wilberforce and Rakaia Rivers. The parties have also agreed that local runholders should be consulted in the process of implementation of the objects of the Trust, in so far as such implementation may affect their rights and interests, and that regard should be had to the traditional relationship of Te Runanga o Ngai Tahu with mahika kai, in carrying out the objects of the Trust.
7. The permits to continue operating the Coleridge Power Station were granted by the Canterbury Regional Council on 19 December 1996, and expire on 19 December 2031.

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8. The permit to take and divert water from the Harper River includes three conditions as follows:
- "1. The consent holder shall make provision in the Coleridge/Whakamatau Habitat Enhancement Programme for vegetation management, pest control and flow trials in those parts of the Harper/Wilberforce area affected by the exercise of consents for the operation of Lake Coleridge Power Station.
 2. The consent holder shall provide to the Canterbury Regional Council a copy of the Coleridge/Whakamatau Habitat Enhancement Trust deed and a copy of the Trusts investigations programmes.
 3. Within five years of the date of commencement of this consent, the consent holder shall commission a report by the Coleridge/Whakamatau Habitat Enhancement Trust on the results then available of investigations and studies by the Trust on all matters related to the effects on the environment from the exercise of consents granted for the operation of the Lake Coleridge Power Station and shall provide a copy of the report to the Canterbury Regional Council."
9. It is desirable for the purpose of administering the Trust that a Board of Trustees be created with powers, authorities and discretions appropriate to the purpose.
10. ECNZ and the Trustees have agreed to enter into this deed specifying the objects of the Trust and providing for its control and government.


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1.0 THE TRUST

1.1 Date

This Deed of Trust is made on the trust date between the Settlor and the Trustees.

1.2 Definition

The terms defined or details given in the particulars shall have that meaning throughout this Deed of Trust.

1.3 Initial Amount Settled

The Settlor wishes to create a trust ("the Trust") and has paid to the Trustees the sum of ten dollars (\$10.00) to constitute the initial Trust Fund.

2.0 TRUST FUND

2.1 Receipt

The Trustees acknowledge receipt of the sum of ten dollars (\$10.00) paid by the Settlor.

2.2 Declaration of Trust

The Trustees declare that they hold the sum of ten dollars (\$10.00) together with all other property and investments which may be added to it by way of capital or income ("the Trust Fund") upon the trusts set out in this Trust Deed.

3.0 OBJECTS OF TRUST

3.1 The Settlor directs and the Trustees declare that the Trustees hold the Trust Fund upon the following trust, to be used to further the following charitable purposes and objects with the intent that the Trust Fund shall be expended on projects within the Lake Coleridge catchment which, together with the conditions in ECNZ's resource consents, will create, enhance and/or maintain habitat for freshwater flora and fauna:

- (i) To identify and evaluate areas worthy of protection, restoration, improvement, creation, or procurement primarily as freshwater flora and fauna habitat within the Whakamatau/Lake Coleridge Catchment and to safeguard the life supporting capacity of the Harper, Acheron, Wilberforce and Rakaia Rivers and Lake Coleridge.

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 L. E. L. J. H. J. H. J. H.

- (ii) In order to carry out the first purpose to negotiate, where appropriate, the protection, restoration, improvement, creation or procurement of freshwater fish and bird habitat with landowners.
- (iii) Such further or other measures which, in the opinion of the Trustees, will better provide for the matters set out in sections 5(2)(a), 5(2)(c), 6(a), 6(c), 6(d), 7(a), 7(c), 7(f) and 7(h) of the Resource Management Act 1991, in recognition of the effects of the Coleridge Power Scheme.

3.2 The objects or purposes of this Trust are or shall be charitable as approved by the Commissioner of Inland Revenue and shall be deemed not to include or extend to any matter or thing which is or shall be held or determined to be non-charitable and the powers and purposes of the Board and trusts hereby created shall be so restricted.

4.0 NAME OF TRUST

4.1 The name of the Trust shall be THE COLERIDGE HABITAT ENHANCEMENT TRUST.

5.0 INCORPORATION

5.1 The Trustees shall as soon as practicable apply for incorporation of the trustees as a board under the Charitable Trusts Act 1957.

6.0 TRUSTEES

6.1 The Board of Trustees ("the Board") shall consist of not more than seven Trustees.

6.2 Unless otherwise specified in this deed each member of the Board of Trustees shall hold office for a term for which he or she is appointed or until she or he dies or is declared bankrupt or is subject to a property order made under section 30 or section 31 of the Protection of Personal and Property Rights Act 1988 or an order is made under Part II Mental Health Compulsory Assessment and Treatment Act 1993 or indicates in writing that she or he wishes to resign from the Board or their nomination is terminated in accordance with clause 6.7. Any retiring member shall be eligible for re-appointment. All Trustees shall remain in office (except as set out above) until their successor is nominated.

6.3 ECNZ, Te Runanga o Ngai Tahu, the North Canterbury Fish and Game Council, the Minister of Conservation, the Selwyn District Council and the Royal Forest and Bird Protection Society of New Zealand Incorporated shall each have the right to nominate one trustee.

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 L.E.L. J. and P.M.

North Canterbury Federated Farmers of New Zealand Incorporated shall have the right to nominate one trustee, who shall be from the Landcare Group as defined on page four of this Deed. Subject to clause 6.2 and 6.7 hereof, each trustee shall be nominated and appointed hereunder for a term of three years provided also that in the event that any nominating body exercises its discretion not to nominate and appoint a Trustee at any time, it may nonetheless during the term of appointment of the Trustees, appoint one Trustee for a term which shall expire no later than the time when the terms of the other Trustees appointed by the other nominating bodies expire.

- 6.4 The bodies specified in clause 6.3 shall be known in this Trust Deed as the "nominating bodies".
- 6.5 In selecting a Trustee or Trustees as the case may be each nominating body shall have regard to that person's knowledge, experience and understanding in one or more of the following areas:
- (i) habitat restoration
 - (ii) mahika kai
 - (iii) Ngai Tahu tikanga
 - (iv) ecological management
 - (v) water quality
 - (vi) financial management
 - (vii) local conditions and issues in the Lake Coleridge and neighbouring catchments.
- 6.6 The persons who have executed this Deed as Trustees and who are named on page three of this Deed as the First Trustees shall be deemed to have been nominated by the nominating bodies to be the first Trustees appointed for an initial term of three years from the date of execution of this Deed.
- 6.7 Each nominating body may at any time and from time to time by notice in writing to the Board terminate the appointment of any Trustee it has appointed and appoint another person to be a Trustee in accordance with this Deed.
- 6.8 If any one such appointment shall be held by the same Trustee for any one period of three (3) years and successive periods of three years subject to clause 6.7, then the Trustee's nominating body shall be required to reconfirm such appointment within a period of six (6) calendar months after the expiration of each such period.

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- 6.9 If any of the nominating bodies listed in clause 6.3 shall cease to exist or cease to have any interest in the objects of this Trust and in the event of legislative change removing the North Canterbury Fish & Game Council, the Electricity Corporation of New Zealand Limited, the Selwyn District Council, Te Runanga o Ngai Tahu or the Minister of Conservation, then the right to nominate a Trustee shall pass to the person or body who succeeds to the majority of their assets, duties and responsibilities pursuant to that legislative change, however if no such succession occurs then the Settlor shall appoint a replacement Nominating Body. In the event of sale of the Coleridge Power Station, then ECNZ's right to nominate Trustees shall pass to the purchaser(s) of the Station.
- 6.10 The filling of vacancies on the Board shall be carried out in the case of retirement or termination under clauses 6.2 or 6.7 hereof of the appointment of the members of the Board appointed by nominating bodies, by appointment by the same nominating bodies in accordance with this Deed.
- 6.11 A Trustee of the Board holding office under clause 6.2 may with the consent in writing of their nominating body by notice in writing given to the Secretary of the Board appoint another person to act as a proxy either for a particular meeting or for a particular period and any such appointment by notice in writing to the Board may be revoked at any time PROVIDED HOWEVER that a proxy holding office under clause 6.2 shall always be a member or employee of that nominating body PROVIDED HOWEVER that such proxy shall be bound by the charitable terms of the trust.
- 6.12 In recognition that in carrying out the objects of this Trust, the interests and rights of local runholders may be affected, the Trustees shall in exercise of their powers in accordance with the objects of the Trust, endeavour to work in harmony and co-operation with local runholders.
- 6.13 In carrying out the objects of this trust the Trustees shall have regard to the traditional relationship of Te Runanga o Ngai Tahu with the resources of the Lake Coleridge catchment and in particular their interest in mahika kai.
- 6.14 The Trustees shall, on request by ECNZ, the holder(s) of the resource consents for Coleridge Power Station or the owner(s) of the Coleridge Power Station for the time being, provide copies of the Trusts investigation programmes, and reports on the results available of investigations and studies by the Trust on all matters related to the effects on the environment of the exercise of consents granted for the operation of the Coleridge Power Station.

7.0 FUNDING

- 7.1 ECNZ covenants that it will increase the Trust Fund by payment on or before 30 June 1998 to the Trustees of the sum of TWO HUNDRED AND FORTY

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 J.H.G.
 B.P.K.

THOUSAND DOLLARS ONLY (\$240,000.00) plus GST (if any), under Deed of Gift on the condition that the Trustees apply the sum to capital expenditure and/or ongoing maintenance costs in accordance with the objects of the Trust.

8.0 ANNUAL REPORT AND ACCOUNTS

- 8.1 The Trustees shall keep true and fair accounts of all money received and expended.
- 8.2 The financial year for the Trust shall end on 30 June in each year.
- 8.3 The Trustees shall within three months of the end of each financial year publish an Annual Report and Financial Statement giving details of the operations and activities of the Trust during the financial year, complete audited financial statements in accordance with accepted accounting standards, details of proposals and policies for the future operation of the Trust and such other matters as the Trustees may determine.
- 8.4 Copies of the Annual Report and Financial Statements shall as soon as they are published be forwarded to each of the nominating bodies and shall be made available to any other person or organisation requesting one free of charge or at a fee which shall not exceed the reasonable printing and distribution cost of each Report and Financial Statement.

9.0 VARIATION OF TRUST

- 9.1 The Board may pursuant to a motion decided by a two thirds majority or more of the members' votes, by supplemental deed make alterations or additions to the terms and provisions of this deed provided that no such alteration or addition shall:
- (a) detract from the exclusively charitable nature of the trust or result in the distribution of its assets on winding up or dissolution for any purpose that is not exclusively charitable; or
 - (b) be made to clause 1.1 of Schedule One unless it is first approved in writing by the Department of Inland Revenue.
- 9.2 Every such approved alteration or addition shall be registered as required by the Charitable Trusts Act 1957 or corresponding enactment.

10.0 WINDING UP OF TRUST

- 10.1 If in the opinion of the Board it shall become no longer possible or feasible to carry out the objects of the Trust then the Board may by resolution wind up

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the Trust. No resolution dissolving the Trust shall take effect unless it has been passed by a majority of not less than two-thirds of the members of the Board and only after three months notice of intention to move such resolution has been given, and providing that the prior approval of the Settlor has been obtained in writing.

- 10.2 Such dissolution shall not take effect unless at a subsequent meeting of the Board called for that purpose. (Such meeting to be held not earlier than 28 days and not later than 42 days after the date of the meeting declaring such dissolution). Such dissolution is confirmed by resolution to that effect carried by a simple majority of those members present and entitled to vote.
- 10.3 Should the Trust be dissolved then any moneys and property remaining after the due settlement of the affairs of the Trust and the payment of all just debts and claims shall be handed to such charitable society, association, institution, organisation or corporation as in the sole and absolute opinion of the Trustees has objects similar to those of this Trust or more than one as may be specified in the said resolution for general charitable uses and purposes in the Whakamataua/Lake Coleridge Catchment as approved by the Commissioner of Inland Revenue and in the event that agreement by resolution cannot be obtained, then as directed by the High Court of New Zealand.

11.0 TRUSTEES POWERS

- 11.1 The Board shall manage the affairs of the Trust and control and direct its operations so that the objects of the Trust shall be most effectively achieved and in furtherance of those objects shall observe the work programme set out in Schedule Two attached to this Deed and the same shall have power in addition to the powers conferred on Trustees by law pursuant to the provisions of the Charitable Trusts Act 1957 or otherwise to do and perform any of the acts and things set out in Schedule One hereto.
- 11.2 For the purposes of Section 19 of the Charitable Trusts Act 1957 it is hereby declared that where the Section authorises a Board to enter into contracts required by law to be in writing by the signing on behalf of the Board by any person acting under its authority express or implied, any such contract when entered into by the Board may be signed on behalf of the Trust Board by any Trustee for the time being but by no other person PROVIDED HOWEVER that no such contract shall be entered into by a Trustee on behalf of the Trust Board except with the authority of a resolution passed at a meeting of the Trust Board at a properly constituted meeting.
- 11.3 All acts done by any meetings of the Trust Board or by any person acting as a Trustee of the Trust shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of continuance in office of any Trustee of the Trust or any person acting as aforesaid or that they or any of them were disqualified, be as valid as if every person had been duly

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 O.E.P. C.N. B.M.



appointed or had duly continued in office and was qualified to be a Trustee of the Trust.

12.0 PROCEEDINGS OF THE BOARD OF TRUSTEES

- 12.1 The Trustees shall meet at such times and places as they determine, and shall elect a Secretary/Treasurer from amongst their members at their first meeting and at every subsequent annual general meeting. The duties of Secretary/Treasurer may be delegated to the Selwyn District Council for such term as the Trustees think fit, which shall be paid for at an agreed annual rate at the beginning of each year at which the Selwyn District Council agrees to so act.
- 12.2 The Chairperson shall preside at all meetings of the Board at which she or he is present. In the absence of the Chairperson from any meeting, the members present shall appoint one of their number to preside at that meeting.
- 12.3 The Board shall before voting on any issue, make best endeavours to agree by consensus to the resolution to be considered.
- 12.4 However, where a decision by consensus cannot be reached on a question it shall, unless otherwise specified in this deed, be put as a motion to be decided by a majority of votes. If the voting is tied, the motion shall be lost.
- 12.5 Where any procedural requirement contained in this clause shall be found not to have been complied with, any subsequent meeting of the Trust Board may ratify and confirm any earlier action purported have been taken or done by the Trust Board or any committee thereof by a resolution supported by not less than two thirds of the Trustees present and voting at the meeting of the Trust Board when the resolution ratifying such earlier action is proposed.
- 12.6 At any meeting of the Board of Trustees one half of the Trustees shall form a quorum if the number is even and a majority if the number is uneven, and no business shall be transacted unless a quorum is present.

13.0 DELEGATION OF POWERS

- 13.1 Any committee or person appointed as a delegate by a resolution passed at a meeting of the Board, may without confirmation by the Board exercise or perform the delegated powers or duties in like manner and with the same effect as the Board could itself have exercised or performed them.
- 13.2 Any committee or person to whom the Board has delegated powers or duties shall be bound by the charitable terms of the trust.

H. M. P. J. H. *J. H. G.* 
L. E. L. W. *A. N.* 

13.3 Every such delegation shall be revocable at will, and no such delegation shall prevent the exercise of any power or the performance of any duty by the board.

13.4 It shall not be necessary that any person who is appointed to be a member of any such committee, or to whom any such delegation is made, be a member of the Board.

14.0 COMMON SEAL

14.1 The Board shall have a Common Seal which shall be kept in the custody of the Secretary, or such other officer as shall be appointed by the Board and shall be used only as directed by the Board. It shall be affixed to documents only in the presence of and accompanied by the signature of two members of the Board.

15.0 LIABILITY OF TRUSTEES

15.1 No Trustee shall be liable for:

- (a) any loss not attributable to dishonesty of the Trustee or to the willful commission by the Trustee of an act known to the Trustee to be a breach of trust; or
- (b) the neglect or default of any solicitor, bank, accountant, auditor, stockbroker, investment advisor or other agent employed in good faith by the Trustee.

15.2 No Trustee shall be bound to take any proceedings against a co-Trustee for any breach or alleged breach of trust committed by such co-Trustee.

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 A. J. H. J. H. G. P. H. B. W. P. H.

SCHEDULE ONE

POWERS OF THE TRUSTEES

- 1.1 To pay, apply, transfer or distribute, after payment therefrom of all costs, charges and expenses of the Trust Board or incidental to the establishment, management and administration of the Trust property, the whole or any part of the Trust property to, for or towards the furtherance of any of the objects of the Trust as the Trustees in their absolute discretion shall determine PROVIDED THAT it is declared that in the carrying on of any business under these presents and in the exercise of any power:
- 1.1.1 Authorising the remuneration of trustees no benefit or advantage whether or not convertible into money or any income of any kind, shall be afforded to or received, gained, achieved or derived by any of the persons specified in Paragraphs (a) to (d) of the second proviso to Section CB 4(1)(e) of the Income Tax Act 1994 or any enactment in amendment thereof, or in substitution therefor where that person is able by virtue of that capacity as such person specified therein in any way (whether directly or indirectly) to determine or to materially influence in any way, the determination of the nature or the amount of that benefit or advantage, or that income, or the circumstances in which it is or is to be so received, gained, achieved, afforded or derived except as specifically exempted by that section.
- 1.1.2 Any income, benefit or advantage shall be applied to the charitable purposes set out in clause 3.0 only.
- 1.1.3 No member or person associated with a member of the Trust shall derive any income, benefit or advantage from the organisation where they can materially influence the payment of the income, benefit or advantage except where that income, benefit or advantage is derived from:
- (a) professional services to the organisation rendered in the course of business charged at no greater rate than current market rates; or
- (b) interest on money lent at no greater rate than current market rates.
- 1.1.4 The Trust Board shall be under no obligation to distribute any part of the Trust property in any year.

A large handwritten signature, possibly 'M. J. H.', is written over the text. To its right are the initials 'J.H.G.' and a circular stamp. Below these are the initials 'C.E.' and another signature 'B.M.K.' in the bottom right corner.

- 1.1.5 Notwithstanding anything to the contrary herein contained, the provisions and effect of this clause shall not be removed from this deed, and shall be included and implied into any deed amending, altering or replacing this deed.
- 1.2 In accordance with Section 13 of the Charitable Trusts Act 1957, shall be capable of holding real and personal property of whatsoever nature and wheresoever situated in New Zealand or elsewhere, and of suing and being sued and of doing and suffering all such acts and things as bodies corporate may lawfully do, and suffer and shall be entitled to do all such things and exercise all such powers and authorities as it shall consider necessary or desirable in its absolute discretion for the attainment of any of the objects set forth in clause 3 only.
- 1.3 To improve, manage, develop and maintain or lease, let, underlet, surrender, mortgage, charge or otherwise deal with and turn to account all or any property, real or personal, of the Trust or any interest therein wheresoever situate, and to erect, construct, alter, renovate and maintain any buildings or chattels and to retain, use and occupy or deal with the properties or assets of the Trust or any thereof, for all such purposes and in such manner as the Trustees may deem fit for the attainment of any of the objects set forth in clause 3.0 of this Deed.
- 1.4 To expend money as the Trustees shall think fit in the improvement and development and otherwise for the benefit of the Trust property.
- 1.5 To sell, dispose of or exchange all real and personal property held by them at any time and whether or not such property has been acquired since the date hereof under the powers of trusts hereof, in such manner and subject to such terms and conditions as the Trustees shall in their discretion think fit PROVIDED HOWEVER that the Trustees shall hold all moneys received by them under this power for the purposes of and with the objects and subject to the trusts of this deed.
- 1.6 To receive and take any gift of property, real or personal, for any of the purposes or objects of the Trust whether subject to any special trust or not but so that the Trustees may nevertheless decline and refuse to accept any gift or donation.
- 1.7 To borrow in such manner as the Board shall think fit any moneys which may be required to effect or complete the purchase of any asset which the Board is hereby authorised to acquire and hold as an investment of the trust funds or for the conversion of any leasehold land held by the Board into freehold tenure or for the erection of any buildings or effecting any improvements to any real or personal property acquired by the Board and for the purposes of paying off any moneys owing on any asset acquired by the Board or for the rearranging of any loan or loans obtained by the Board or for the purpose of any business carried on by the Board or in which it may have an interest, but

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so that no lender shall be concerned to inquire as to the necessity, regularity or propriety of the exercise of any power or to see to the application of the moneys advanced and so that the exercise of any such power shall be conclusive evidence of the powers of the Board to raise such moneys and to give the security executed.

- 1.8 To employ experts to investigate and examine the conditions, prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property or rights of the Trust or which the Trust Board may wish to acquire and to employ such experts, professional advisors, agents, officers, managers and staff to assist the Trustees as appears necessary or expedient.
- 1.9 To invest the trust funds:
- 1.9.1 In any of the forms of investment authorised by law.
- 1.9.2 On loan to any person or persons, Company or institution or Building Society upon such security at such rate of interest and upon such terms as to repayment as the Board shall think fit.
- 1.9.3 In the acquisition of any freehold or leasehold land or any other interest in land in New Zealand.
- 1.9.4 In the acquisition of chattels and personal property of every kind and description.
- 1.9.5 To invest and to vary the investments of any moneys in the hands of the Trustees in terms of these presents in such modes of investment, including the acquisition of any policy of life insurance and/or in such security or securities and whether in New Zealand or elsewhere, including investment both official and unofficial in money markets (notwithstanding that such mode or modes of security or securities may not be such as are for the time being authorised by law for the investment of trust funds) as the Trustees shall think fit. To invest all or any part of the Trust Fund in the acquisition by original subscription, purchase or otherwise of shares (of whatever nature and whether fully paid up or partly contributory) or upon debentures or debenture stock of any company or corporation and approved by the Trustees or upon deposit at call or otherwise with any such company (and without express limitation as to country) in New Zealand, Australia or the United Kingdom.
- 1.9.6 Without prejudice to the generality of the foregoing if at any time any company in which the Trustees hold shares shall be reconstructed or re-arranged or shall create a further issue of capital or shall carry into effect any scheme for capitalisation of its profits or for merger with any other company, then and in every such case the Trustees (in addition to

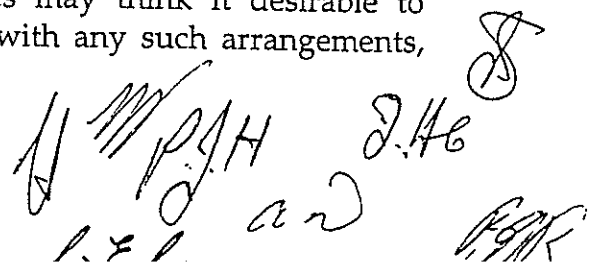
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any statutory or other powers vested in them) may take up further shares in such company or in any new company which may be formed in connection with such reconstruction, re-arrangement or merger as the Trustees in their absolute discretion shall think fit, whether such shares so taken up be wholly paid up or partly contributory and may agree to such reconstruction, re-arrangement, further issue of capital capitalisation or profits or merger on such terms and conditions as the Trustees may think fit and may execute any deed, agreement or other document relating thereto.

- 1.9.7 In addition to the powers otherwise conferred by these presents or by law to promote, form or concur in any steps or proceedings which may be taken to form a company for the purpose of purchasing or acquiring any undertaking, business and/or assets which, or any interest, in which forms part of the trust fund or the undertaking, business and/or assets of any company in which the Trustees may hold shares and to sell and transfer such undertaking, business and/or assets to any company or the Trustees for any company proposed to be formed and to carry out and complete any scheme or arrangement for the amalgamation of the said undertaking business and/or assets with the undertaking, business and assets of any company or companies on such terms as to the price or consideration being received in cash or in shares (ordinary preferred or deferred) or in debentures or debenture stock of the purchasing company or party in one way and partly in another, and generally upon such terms and conditions as the Trustees shall think fit with power to allow time for payment of the whole or part, of any cash or other consideration, whether with or without taking security therefore AND the Trustees may take shares in or debentures of any company representing the consideration or part of the consideration of any such transfer, sale or amalgamation, having such rights, privileges and subject to such obligation as the Trustees may think fit AND the Trustees shall have the widest authority and discretion to effect any such sale of amalgamation on such terms and conditions in every respect as they could do if they were the absolute and beneficial owners of the trust fund.
- 1.9.8 To provide out of the trust property further capital for any company in which the Trustees may hold shares, either directly or indirectly or which may have acquired or proposes to acquire any business, undertaking and/or assets which, or an interest in which, forms part of the trust fund and to do so either by way of advances, loans, guarantees or taking up shares or further shares in such company or in such other manner and upon such terms and conditions as the Trustees may think proper.
- 1.9.9 To enter into partnership or any arrangement for sharing of profits, union of interest, joint adventure or otherwise with any person or persons or company.

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- 1.10 To retain as authorised investments any investments which may be transferred to the Trust by any person.
- 1.11 To arrange for the raising and collecting of funds to control the expenditure of funds collected and to invest surplus as may be determined from time to time.
- 1.12 To indemnify and secure any company, firm or person against debt or liability whether incurred or undertaken on behalf of the Trust or not and against any costs, losses or expenses whether in connection with the affairs of the Trust or not and in connection with the foregoing to charge the assets of the Trust PROVIDED THAT no benefit or advantage from the Trust of a kind described in this clause shall be derived either directly or indirectly by any Trustee of the Trust.
- 1.13 To lend and advance money, to give credit to any person or company, to guarantee and give guarantees for the payment of money or the performance of contracts or obligations by any person or company and otherwise to assist any persons or company; such loans or advances to be made with provision for the payment of interest at commercial rates unless given to a charitable organisation or other organisation established for the benefit of the community or any particular community PROVIDED THAT no benefit or advantage from the Trust of a kind described in this clause shall be derived either directly or indirectly by any Trustee of the Trust.
- 1.14 To appoint and employ agents, overseers, managers, officers, assistants, servants, stockpersons, shepherds, workers and others whether honorary or otherwise and upon such terms and conditions as the Board shall think fit.
- 1.15 To employ such employees, staff, consultants or advisers as may from time to time be considered necessary by the Trust Board and to remunerate any person, firm or company for services rendered to the Trust and to make provision for payment of any expenses incurred by any employee of the Trust or for the retirement or superannuation of any such employee.
- 1.16 To adopt such means as the Board shall think fit of publicising the objects of the Trust, the decisions of the Board, the manner in which moneys are being raised and expended and any other aspect of the affairs of the Trust.
- 1.17 To pay out of trust funds all expenses incurred in the operation of the Trust or any of its activities.
- 1.18 To enter into any arrangements with any Government or authority, supreme, municipal, local or otherwise that may seem conducive to the Trust's objects or any of them and to obtain from such Government or authority any rights, privileges and concessions which the Trustees may think it desirable to obtain, and to carry out exercise and comply with any such arrangements, rights, privileges and concessions.


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 and
 P. H

- 1.19 To apply for, secure, acquire by grant, legislative enactment, assignment, transfer, purchase or otherwise and to exercise, carry out and enjoy any charter, licence, power, authority, franchise, concession, right or privilege which any government or authority or any corporation or other public body may be empowered to grant, and to pay for, aid in and contribute towards, carrying the same into effect.
- 1.20 To apply for, obtain, renew or make submissions in respect of any town planning, local body building, health, fire or police requirement of any kind in respect of any premises with which the Trust may purchase, own, build, make alterations to, remove, sell or destroy.
- 1.21 To pay any Trustee of these presents who may be an Accountant or Solicitor out of the Trust fund for all business done by him or her in relation to the Trust fund in like manner as he or she would have been entitled to charge the Trustees or Trustee of these presents for the same if not being himself a Trustee he or she or his or her firm had been employed by them, her or him to do such business as their, her or his Accountant or Solicitor.
- 1.22 To reimburse the Trustees for their expenses in accordance with the provisions of the Fees and Travelling Allowance Act 1951 as if the Trust Board were a statutory Board within the meaning of that Act or in accordance with any enactment which replaces that Act.
- 1.23 To remunerate for their services those Trustees who are employed by the Trust Board as full time or part time employees by means of a fair and reasonable salary PROVIDED THAT the quantum of any such remuneration shall be determined solely by a Chartered Accountant appointed by the Chairman of the Institute of Chartered Accountants of New Zealand AND PROVIDED FURTHER that no Trustee is associated with the Chartered Accountant so selected so as to be able in any way (whether directly or indirectly) to determine, or to materially influence the determination of the nature or the amount of the remuneration of any Trustee.
- 1.24 To carry on any business of any kind whatsoever.
- 1.25 Subject to the provisions of the Charitable Trusts Act 1957 to do, perform, carry out and execute all such incidental or necessary acts or deeds and things as are requisite for or conducive to the attainment of the objects of the Trust.
- 1.26 To appoint a custodial trustee or trustees to act as their custodial trustee in respect of investments to be made or properly held to hold on the trustees' behalf all securities and other documents of title relating to such investments or property. The custodial trustee or trustees appointed shall only act on the direct instructions of the Board and shall hold all investments and property in the name of the custodial trustee for the account of The Coleridge Habitat Enhancement Trust. The appointment of a custodial trustee shall be limited to

persons or organisations recognised as having the expertise and services to provide custodial trustee duties.

2. The objects and powers set forth in any clause or sub-clause of this Schedule shall not, except where the context expressly requires, be in any way limited or restricted by reference to, or any inference from, the terms of any other clause or sub-clause. None of such clauses or sub-clauses or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to any other clause, sub-clause or objects, but the Board shall have the full power to exercise all or any of the objects and powers set out herein independently, or any other of its objects and powers.
3. The Trustees shall have all power to the fullest extent as the law provides to generally do each and every act both convenient and advantageous and necessarily expedient for the proper carrying out and accomplishment of the objects consistent with this Trust provided in clause 3.0.
4. This deed shall in its interpretation of the objects in clause 3.0 be given its widest possible expression provided that no such interpretation shall alter the charitable nature of the deed pursuant to the Charitable Trusts Act 1957 or Act in substitution.

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SCHEDULE TWO
WORK PROGRAMME

BACKGROUND

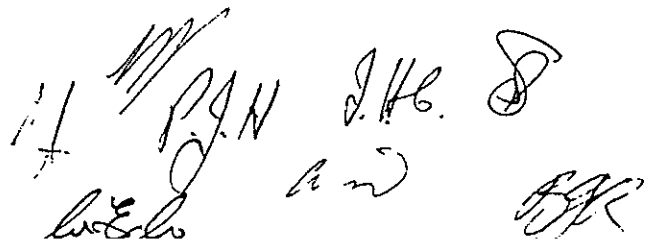
Those areas of the Harper/Wilberforce identified as affected by the exercise of permits for the operation of the Coleridge Power Station.

1. Harper Control Gate. Ward (1995) identified grey willow, gorse, broom and tree lupin establishing around the vicinity of the Harper Control Gate. This was also noted by Dr Colin Burrows during other ecological investigations (Burrows 1995). The excavations around the Harper Control Gate provide disturbed sites for colonisation of these weed species. Further establishment of these weeds downstream of the Harper Control Gate would be detrimental to braided river bird habitats.
2. Lower Harper (below Oakden Bank). Ward (1995) mentions the age of broom on islands in this river reach to be up to 7 years old, suggesting that reduction in major floods allows for weed encroachment in this area. To offset this effect of the Oakden Bank, additional spraying of weeds in this area was recommended to enhance braided river bird habitat.
3. Mid Harper (between Harper Control Gate and Oakden Bank). Ward (1995) identified this area as having potential nesting habitat for braided river birds. Nesting behaviour was observed in this reach when it was wet for a few weeks during a flood event. Ward (1995) concluded that some residual flow in this reach would enhance bird habitat in the area, particularly if it covered the nesting period (1 August to 30 November).

There may be some difficulty determining ideal flows for bird nesting habitat through flow trials. A decision is required whether to trial one particular flow for 5 seasons, or 5 different flows each season; over the next 5 years. The flow(s) to be tested also need to be determined. The Lake Coleridge Working Party had discussed the possibility of 5 cumecs as a suitable flow, but this may cause difficulties with stock movement during Spring.

As there are other factors involved with these trials (ie stock movement), it is suggested that one specific flow is agreed between the Trust and the local run holder, and trialed for the next 5 seasons.

4. Stabilising area below Wilberforce Dam. Chisholm (1995) identified broom encroachment below the Wilberforce Dam as a threat to the adjacent wrybill breeding habitat. Broom can provide cover for introduced mammalian predators, thus threatening the wrybill. These encroaching weeds will need to be removed from the riverbed.



 J.H. 8
 P.A.N.
 L.E.L.
 B.K.

1. Harper Control Gate

- Inspect for broom, gorse, crack willow and tree lupins colonising around and upstream of the Harper Control Gate. Outline feasibility of eradication of each weed species.
- Where possible, eradicate broom, gorse, grey willow and tree lupins colonising around and upstream of Harper Control Gate.

2. Lower Harper (below Oakden Bank)

- Spray broom on all braid islands in Harper River bed between Oakden Bank and confluence with Wilberforce River.

3. Flow trials

- Trial delivery of [X] cumec residual flow between 1 August and 30 November in the river bed area between Harper Control Gate and Oakden Bank.
- Monitor macroinvertebrate density and nesting birds in two areas:
 - (i) Above Harper Control Gate
 - (ii) Between Harper Control Gate and Oakden Bank
- Monitor nest success and chick survival in three areas:
 - (i) Above Harper Control Gate
 - (ii) Between Harper Control Gate and Oakden Bank
 - (iii) Below Oakden Bank
- Remove all encroaching lupins on stabilising area below Wilberforce diversion
- Inspect around river works and stabilising area downstream of Wilberforce Dam for broom, tree lupin, grey willow and crack willow. Remove if found.

A collection of handwritten signatures and initials in black ink, including 'M', 'P.H.', 'J.H.', 'S', 'W.E.L.', and 'P.R.'

References

Burrows C.J. 1995. Vegetation of the shores of Lake Coleridge. Report to the Lake Coleridge Working Party, ECNZ Dunedin.

Chisholm, W.P. 1995. Ecological values at the Wilberforce Diversion, Acheron Diversion and Lake Stream. Lake Coleridge. Report to the Lake Coleridge Working Party, ECNZ Dunedin.

Ward, J. 1995. Habitat changes in the Lower Harper Riverbed. Report to the Lake Coleridge Working Party, ECNZ Dunedin.

1. SIGNED for and on behalf of)
ELECTRICITY CORPORATION)
OF NEW ZEALAND LIMITED)
 as Settlor)
 in the presence of:- *M. J. France*)
MARGARET J. FRANCE)
 Policy Analyst

M. J. France
G. Baumann

2. SIGNED by **Wellington**)
ANTHONY PATRICK DENNEHY)
 as Trustee)
 in the presence of:-

A. P. Dennehy
P. Blund Resource Advisor
 468 Armagh Street, Christchurch

3. SIGNED by)
PETER HOWDEN)
 as Trustee)
 in the presence of:-

P. J. Howden
T. Munsley, Group Secretary
Tenkin & Taylor Ltd
 155 Kilmore St, Lich

4. SIGNED by)
WILLIAM EDWARD WOODS)
 as Trustee)
 in the presence of:-

W. E. Woods
T. Munsley, Group Secretary
Tenkin & Taylor Ltd
 155 Kilmore St Christchurch

5. SIGNED by
BRIAN JOHN ROSS
as Trustee
in the presence of:-

) *B.J. Ross*
)
) *R. H. Kne* Resource Advisor
) 468 Amagh Street, Christchurch

6. SIGNED by
JOHN HUMPHREY COOKE
as Trustee
in the presence of:-

) *J. H. Cooke*
) *J. W. Sley* Group Secretary
) 155 Kilmore St Christchurch

7. SIGNED by
HUGH FRANCIS MALCOLM
LOGAN
as Trustee
in the presence of:-

) *H. F. Logan*
)
) *John William (Cuniff) Patch*
REGIONAL GENERAL MANAGER - SOUTH
D.O.C.
John W. Patch

SP