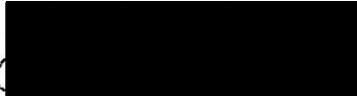

Memorandum of Encumbrance

New Zealand Forestry Group Limited (*Encumbrancer*)

Meridian Energy Limited (*Encumbrancee*)

Certified correct for the purposes
of the Land Transfer Act 1952


Solicitor for the Encumbrancee

MEMORANDUM OF ENCUMBRANCE

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MEMORANDUM OF ENCUMBRANCE

1

Date: 21st September 2006

PARTIES

New Zealand Forestry Group Limited (*Encumbrancer*) as to the land described in the Second Schedule

Meridian Energy Limited (*Encumbrancee*)

BACKGROUND

- A The Encumbrancer is the registered proprietor of the estate in fee simple of the land described in the Second Schedule to this Encumbrance (*Encumbrancer's Land*).
- B Encumbrancee intends to undertake the Development on the Development Land.
- C The Encumbrancer has agreed to the covenant set out in the Third Schedule to this Encumbrance (*Covenant*) requiring the Encumbrancer to support any resource consent or other applications made by Encumbrancee relevant to the Development, and not to object to, prevent, prohibit, in any way interfere with or restrain the Development, or oppose any application for resource consent or other authority or consent required by Encumbrancee in respect of the Development.
- D In order to secure performance of the Covenant, the Encumbrancer grants to and makes with the Encumbrancee the covenants set out in this Encumbrance.

OPERATIVE PART

- 1 **Rent charge, covenants and agreements**
 - 1.1 The Encumbrancer, for themselves and their successors and assigns for the time being of the Land, encumbers the Land for the benefit of the Encumbrancee for the term set out in the First Schedule with an annual rent charge of \$10.00 plus GST to be paid each year on the anniversary of the date of this Encumbrance if demanded by the Encumbrancee and covenants and agrees with the Encumbrancee as set out in the First and Third Schedules.
 - 1.2 The Encumbrancee, for themselves and their assigns, covenants and agrees with the Encumbrancer as set out in the First and Third Schedules.
- 2 **Implied covenant and agreement**

Sections 154 and 156 of the Land Transfer Act 1952 and sections 63, 64, 73 and 104 of the Property Law Act 1952 shall apply to this Encumbrance but otherwise the Encumbrancer shall not be entitled to any of the powers and remedies given

MEMORANDUM OF ENCUMBRANCE

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to encumbrancers by the Land Transfer Act 1952 and the Encumbrancee shall not be entitled to any of the powers and remedies given to mortgagees under the Land Transfer Act 1952 or the Property Law Act 1952.

3 **Encumbrance binding on others**

This Encumbrance shall be binding on all transferees, lessees, mortgagees, chargeholders and their respective successors in title and assigns of any estate or interest in the Land.

4 **Application of the Land Transfer Act 1952**

This Encumbrance shall not constitute an instrument creating an easement for the purposes of the Land Transfer Act 1952 and the rights and powers set out in Schedule 4 to the Land Transfer Regulations 2002 and the Ninth Schedule to the Property Law Act 1952 are expressly negated.

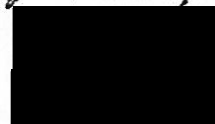
EXECUTION

Signed by New Zealand Forestry Group
Limited as Encumbrancer:



Director

Name of Director

in the presence of:-


SECRETARY
AUCKLAND

Signed by Meridian Energy Limited as
Encumbrancee by:

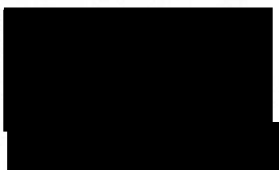

In the presence of:


Name:

Occupation: *growth & Development Associate*

Address: *20 Hampton Pl.*

CHRISTIANE H.


Authorized Signatory

MEMORANDUM OF ENCUMBRANCE - FIRST SCHEDULE

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FIRST SCHEDULE – COVENANTS AND AGREEMENTS

1 Definitions and Interpretation

1.1 In this Encumbrance, unless the context requires otherwise:

- (a) *Business Day* means a day other than:
 - (i) Saturday, Sunday, Good Friday, Easter Monday, ANZAC Day, the Sovereign's Birthday, Labour Day, Waitangi Day and the Anniversary day in the Wellington District.
 - (ii) The period commencing with the 24th day of December in any year and ending with the 5th day of January in the following year.
- (b) *Development* means the construction and undertaking of a facility for the generation of electricity from a wind source upon the Development Land, and all associated improvements, fixtures, fittings and chattels (including roads, transmission lines and wind turbines), being more particularly described in the Service Requests;
- (c) *Development Land* means the land in computer freehold registers WN10B/306 and WN41C/188;
- (d) *Encumbrance* means this Memorandum of Encumbrance, including the Background recitals, operative provisions Schedules;
- (e) References to *Encumbrancer* and the *Encumbrancee* include the successors, executors, personal representatives, assigns and lessees, of the Encumbrancer and Encumbrancee respectively; and
- (f) *Service Requests* means Wellington City Council Service Request 131428 and Wellington Regional Council file WGN060001.

1.2 For the purpose of the interpretation or construction of this Encumbrance, unless the context permits otherwise or a contrary intention is expressed:

- (a) words importing the singular shall include the plural and vice versa;
- (b) references to clauses are references to clauses in this Schedule and references to parties and the Schedules are references to the parties to and the Schedules to this Encumbrance, unless expressly stated otherwise;

MEMORANDUM OF ENCUMBRANCE - FIRST SCHEDULE

4

- (c) any reference in this Encumbrance to any statute is deemed to include all amendments, revisions, substitutions or consolidations made from time to time to that statute;
- (d) a "person" shall include any individual company, corporation, firm, partnership, joint venture, association, organisation, trust, province or agency of a province, in each case whether or not having separate legal personality;
- (e) "writing" shall include words visibly represented or reproduced;
- (f) where approvals or consents are required as between the parties they shall not be unreasonably or arbitrarily withheld or delayed and such approvals or consents may be given with reasonable conditions and shall be required for each separate occasion notwithstanding any prior consent or approval obtained for the like purpose on a prior occasion;
- (g) payment shall be made in New Zealand currency; and
- (h) headings shall be ignored.

2 Purpose

The purpose of this Encumbrance is to secure the Covenant of the Encumbrancer in favour of the Encumbrancee as set out in the Third Schedule.

3 Term

- 3.1 The obligations and rights set out in this Encumbrance must be complied with and may be exercised for the period of 999 years commencing on the date of execution of this Encumbrance.
- 3.2 Upon the expiry of the term referred to in clause 3.1, the Encumbrancer shall be entitled to a registrable discharge of this Encumbrance, which shall be executed by the Encumbrancee at the Encumbrancer's expense within 30 Business Days of the expiry of the term.
- 3.3 Notwithstanding clauses 3.1 and 3.2, the Encumbrancer shall be entitled to a registrable discharge of this Encumbrance if all of the Development is decommissioned and removed from the Development Land, and the consents granted pursuant to the Service Requests cease to have any effect.

7/09/06 execution

Encumbrance - [REDACTED]

MEMORANDUM OF ENCUMBRANCE - FIRST SCHEDULE

5

4 Obligations of the Encumbrancer

- 4.1 Throughout the term of this Encumbrance, the Encumbrancer shall observe all the terms and conditions of this Encumbrance.
- 4.2 The Encumbrancer must as soon as practicable, at the cost of the Encumbrancer, obtain in writing any requisite mortgagee's approval to the Encumbrance and register this Encumbrance against the title to the Land.

5 Further Assurances

Each party shall do all acts and things reasonably necessary and appropriate to give full effect and force to the purpose of this Encumbrance, including:

- (a) execute all documents, instruments, transfers, deeds or writing;
- (b) obtain mortgagee, debentureholder and any other chargeholder consent; and
- (c) local authority and any other statutory body approvals.

6 Implied Relationship

Nothing contained in this Encumbrance shall constitute, or be deemed or construed as constituting any party a partner, agent or representative of the other party or deemed to create any trust, commercial partnership or joint venture.

7 Severability

If at any time any provision of this Encumbrance is or becomes invalid, illegal or unenforceable in any respect whatsoever, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired and in any event the parties shall enter into an appropriate substitute registrable instrument to give full and proper effect to the agreements and understandings in this Encumbrance.

8 Notices

- 8.1 All notices or other communications required to be given under this Encumbrance must be in writing, addressed to the recipient at the postal address or facsimile number set out in the Fourth Schedule (or to such other postal address or facsimile number as a party may notify to the other party by like notice). Notices must be sent to the recipient by hand, courier, prepaid fast post or facsimile and be signed by a person duly authorised by the sender.

7/09/05 execution

Encumbrance



MEMORANDUM OF ENCUMBRANCE - FIRST SCHEDULE

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8.2 Without limiting any other means by which a party may be able to prove that a notice has been received by another party, a notice will be deemed to have been duly received:

- (a) *Personal delivery or by courier:* if sent by hand, when left with an apparently responsible person at the recipient's address;
- (b) *Pre-paid post:* if sent by pre-paid fastpost, two Business Days after the date of posting;
- (c) *Facsimile:* if sent by facsimile, on receipt by the sender of an acknowledgement or transmission report generated by the machine from which the facsimile was sent indicating that the facsimile was sent in its entirety to the recipient's facsimile number,

except that if a notice is served by hand or is received by facsimile on a day which is not a Business Day, or after 5.00pm on any Business Day, that notice will be deemed to have been duly received by the recipient at 9.00am on the first Business Day after that day.

9 **Dispute Resolution**

- 9.1 If a dispute arises out of or in connection with this Encumbrance, the parties will use their best endeavours to settle the dispute.
 - 9.2 If a dispute has not been settled by negotiation under clause 9.1, then the parties will try to settle the dispute by mediation. Either party may initiate mediation by giving written notice to the other party. The mediator shall be agreed on by the parties, but if the parties cannot agree on one within 5 Business Days after the mediation has been initiated, then the mediator shall be appointed by the then President of the Wellington District Law Society or by the President's nominee.
 - 9.3 If the dispute has not been settled within 10 Business Days after the appointment of the mediator, then the parties agree to refer the dispute to arbitration under the Arbitration Act 1996.
 - 9.4 No dispute arising shall give cause to either party to suspend their obligations under the terms of this Encumbrance.
- 10 **Deemed Consent of Encumbrancee pursuant to Section 90E(3)**
The Encumbrancee is deemed pursuant to Section 90E(3) of the Land Transfer Act 1952 to consent to the creation, variation or surrender of any easement affecting the Encumbrancer's Land, without prejudice to the Encumbrancee's rights, powers and privileges set out in this Instrument.

7/09/06 execution

Encumbrance - [REDACTED]

MEMORANDUM OF ENCUMBRANCE - SECOND SCHEDULE

7

SECOND SCHEDULE - ENCUMBRANCER'S LAND



7/09/06 execution

Encumbrance - 

MEMORANDUM OF ENCUMBRANCE - THIRD SCHEDULE

8

THIRD SCHEDULE - COVENANT

1 The Encumbrancer will not:

- 1.1 complain about, raise any objection, lodge any submission in opposition, lodge any appeal or legal proceedings or take any other action relating to the Encumbrancee's use (including future use) in respect of the Development and in particular any effects relating to the Encumbrancee's use (including future use) of the Development, including:
 - (a) noise levels, odour, glare or vibration;
 - (b) electromagnetic frequency or other emissions;
 - (c) health effects;
 - (d) electrical interference;
 - (e) use of vehicles;
 - (f) site coverage and layout;
 - (g) shadowing or blockage of sunlight; and
 - (h) use, erection, alteration, extension, removal, reconstruction, or demolition of buildings, structures or equipment.
 - 1.2 oppose or lodge any submission in opposition to any application by the Encumbrancee for any resource consent relating to the Encumbrancee's use (including future use) of the Development; and
 - 1.3 incite, participate in or support any objection, submission in opposition, appeal or legal proceeding or other action which may have the effect of preventing, prohibiting, restricting, restraining or interfering with the Encumbrancee's use (including future use) of the Development.
- 2 If requested by the Encumbrancee, the Encumbrancer will (without delay) do all things necessary to assist the Encumbrancee to obtain any resource consents relating to the Encumbrancee's use of the Development, including signing any consent or approval required by any competent authority.

7/09/06 execution

Encumbrance - [REDACTED]

MEMORANDUM OF ENCUMBRANCE - THIRD SCHEDULE

9

3 The Covenant shall apply:

- 3.1 In respect of the Development as more particularly described in the Service Requests (including minor layout changes permitted under the Service Requests); and
- 3.2 In respect of changes to the layout of the Development which are not contemplated under the Service Requests, where such changes do not alter the layout of the Development described in the Service Requests by:
 - (a) Increasing the number of wind turbines located on the Development Land; or
 - (b) moving any of the wind turbine located on the Development Land closer to the Encumbrancer's Land; or
 - (c) materially increasing noise emissions from the Development recorded at the Encumbrancer's Land,

it being the intention that the Encumbrancee may otherwise alter the layout of the Development, and the Encumbrancer's obligations in this Third Schedule shall continue to apply to any such alteration.

7/09/06 execution

Encumbrance -

MEMORANDUM OF ENCUMBRANCE - FOURTH SCHEDULE

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FOURTH SCHEDULE - ADDRESSES FOR NOTICE

The Encumbrancer

Description: New Zealand Forestry Group Limited

Address: PO Box 24475, Royal Oak, Auckland

Attention: [REDACTED]

Fax: 09 [REDACTED]

The Encumbrancer

Description: Meridian Energy Limited

Address: PO Box 10 840, Wellington

Attention: New Zealand Wind Manager

Fax: 04 381 1201

7/09/06 execution

Encumbrance - [REDACTED]

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I, [REDACTED] Growth and Development Director, of Christchurch, certify that:

- 1 By power of attorney dated 3 June 2008 (*Power of Attorney*), Meridian Energy Limited appointed each of the persons from time to time holding the office of Chief Executive, General Counsel, Assistant General Counsel, Senior Legal Counsel (RMA), Enterprise Services Director and Growth and Development Director, or such other office with the Company howsoever designated as may from time to time replace or succeed any such office (each being an *Attorney*) to be its attorneys to act jointly with at least one other attorney of Meridian Energy Limited (whether or not appointed under the *Power of Attorney*) on the terms and subject to the conditions set out in the *Power of Attorney*.
- 2 The *Power of Attorney* has been deposited with the Land Registry Office under number 7842142.1.
- 3 I am the Growth and Development Director of Meridian Energy Limited.
- 4 At the date of this certificate I have not received any notice or information of the revocation of the appointment by the dissolution (however occurring) of Meridian Energy Limited or otherwise.
- 5 The annexed document will, on execution, comply with all conditions and restrictions set out in the *Power of Attorney* and I am authorised by the *Power of Attorney* to execute the annexed document.

[REDACTED]
[REDACTED]
Growth and Development Director

Date: 12/05/09

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I, [REDACTED] General Counsel, of Wellington, certify that:

- 1 By power of attorney dated 3 June 2008 (*Power of Attorney*), Meridian Energy Limited appointed each of the persons from time to time holding the office of Chief Executive, General Counsel, Assistant General Counsel, Senior Legal Counsel (RMA), Enterprise Services Director and Growth and Development Director, or such other office with the Company howsoever designated as may from time to time replace or succeed any such office (each being an *Attorney*) to be its attorneys to act jointly with at least one other attorney of Meridian Energy Limited (whether or not appointed under the *Power of Attorney*) on the terms and subject to the conditions set out in the *Power of Attorney*.
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- 5 The annexed document will, on execution, comply with all conditions and restrictions set out in the *Power of Attorney* and I am authorised by the *Power of Attorney* to execute the annexed document.

[REDACTED]
[REDACTED]
General Counsel

Date: 11/5/09