

Disclosure Statement

Section 155(3)(b) Document Prepared by Distribution Operations Licence (DOL) Holder

Part A: DOL holder details

| | |
|---------------------------------|---|
| Name of DOL holder | Fairbairn Irrigation Network Limited ABN 23 615 973 754 (FIN) |
| Distribution Operations Licence | Emerald Channel Scheme Distribution Operations Licence |

Contact details *phone:* (07) 4982 4446

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website: <https://fairbairnirrigation.com.au/>

Part B: Purpose of this Document

If you are permanently leasing or purchasing a water allocation distributed by the DOL holder, the current holder of the water allocation is required to give you this document **before you enter** into the lease or transfer to ensure you are aware of any obligations that apply under the DOL holder's distribution arrangements.

The DOL holder is the owner and operator of the Emerald Channel Scheme (**Channel Scheme**). SunWater is the relevant Resource Operations Licence holder. You will need to have a separate supply contract with SunWater for the bulk water supply arrangements. You should contact SunWater directly as, to enable registration of the dealing a completed "W2F152 Notice to Registrar of Water Allocations of existence of supply contract" is also required from SunWater

When registering the lease or transfer of the water allocation¹, you must also submit an *Acknowledgement Notice* to advise the Registrar of Water Allocations that you have seen this '*Disclosure Statement*' and the Distribution Contract and that you understand the obligations that will apply to you as an allocation holder or lessee.

Failure to provide the signed *Acknowledgement Notice* to the Registrar may prevent the dealing from being registered.

¹ The form will also be required on a transmission application

3467-5366-5291v2

This *Disclosure Statement* for the water allocation has been prepared by the relevant Distribution Operations Licence (DOL) holder as required under section 150(3) of the *Water Act 2000*.

Part C: Details of water allocation/s to be lease or transferred

| | |
|------------------------------|--|
| Seller / Lessor: | |
| Address: | |
| Phone Number: | |
| Email: | |
| Solicitor details: | |
| FIN Customer Account Number: | |
| Buyer / Lessor: | |
| Address: | |
| Phone number: | |
| Email: | |
| Contact Details: | |
| Solicitor Details: | |
| FIN Customer Account Number: | |

Insert details of water allocation/s to be transferred or leased —

| <i>Water Allocation Number</i> | <i>Plan number</i> | <i>Title reference</i> | <i>Current take location (Offtake(s))</i> | <i>Proposed new take location / offtake (s) (DOL Holder consent required)²</i> |
|---------------------------------------|---------------------------|-------------------------------|--|--|
| | | | | |
| | | | | |
| | | | | |

If land within the Declared Drainage Area for FIN is being transferred details must be provided to the DOL Holder.

| Lot on Plan | Title Reference | Hectares being transferred | Offtakes on land |
|--------------------|------------------------|-----------------------------------|-------------------------|
| | | | |
| | | | |

Part D: Distribution arrangements

² Provide relevant channel and the real property description

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The water allocation/s set out at Part C are subject to certain distribution arrangements (including financial obligations) of the DOL holder. Any person entering into an arrangement for the lease or transfer of these water allocations should be aware of these arrangements.

Upon you becoming the holder or lessee of the water allocations, the distribution arrangements of the DOL Holder will apply. In particular, **by virtue of section 738(9) of the Water Act you will be bound by the distribution contract in force between the DOL holder and the seller / lessor of the water allocation immediately before the lease or transfer.**

A copy of the DOL holder's standard Distribution Contract and the Distribution Rules can be viewed at: www.fairbairnirrigation.com.au

You should be aware that the Distribution Contract **can only be terminated in very limited circumstances and a termination amount is payable (see paragraphs 20 to 23 below). A permanent transfer of the allocation out of the Scheme would require payment of the termination amount.**

Set out below are relevant details of the distribution arrangements of the DOL holder, and the financial obligations of the allocation holder arising from the arrangements:

Overview

- 1 The water allocation/s is supplied under SunWater's Resource Operations Licence and distributed in the Channel Scheme under the DOL holder's Distribution Operations Licence.
- 2 The DOL holder is the owner and operator of the Channel Scheme.
- 3 All water allocation/s are governed by a contract (**Distribution Contract**) between the water allocation holder (**Customer**) and the DOL holder.
- 4 Under the Water Act, on the transfer or lease of the water allocation/s, the Distribution Contract in place immediately prior to the lease or transfer of that water allocation will apply to the new holder or lessee (see section 738J(9) of the Water Act).
- 5 You will need to have a separate supply contract with SunWater for the bulk water supply arrangements and to enable registration of the dealing a completed "W2F152 Notice to Registrar of Water Allocations of existence of supply contract" will be required from SunWater. This Disclosure Statement relates only to the distribution arrangements. It does not cover the Customer's bulk water supply arrangements with SunWater.
- 6 The Customer must obtain the DOL holder's approval if the Customer wishes to nominate an alternative Location for Taking Water for taking all or part of the Customer's Maximum Allocation.

Provision of distribution and other services under the Distribution Contract

- 7 Under the Distribution Contract, the DOL holder agrees to provide:
 - a. Distribution Services to the holder or lessee of the water allocation,
 - b. Drainage Services for land within the Declared Drainage Area.
- 8 The provision of the Distribution Services to, and the taking of water by, the Customer is subject to, amongst other things:
 - a. the Distribution Contract,

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- b. the Customer's bulk water arrangements with SunWater,
- c. relevant legislation, and
- d. the Scheme Distribution Rules.

9 Other services may also be provided by the DOL holder under the Distribution Contract.

Key financial obligations - Charges for distribution and other services

- 10 Charges payable by the Customer under the Distribution Contract are set out in Annexure A of the Distribution Contract.
- 11 The key Charges are the Distribution Fixed Charge and Distribution Consumption Charge.
- 12 If Drainage Services are provided the Drainage Charge applies.
- 13 The Distribution Fixed Charge will be calculated against each ML you hold or lease and will apply regardless of the amount of water you use. The Distribution Consumption Charge will be calculated on your consumption.
- 14 The Charges are indexed to CPI on 1 July.
- 15 The DOL holder may also amend the Distribution Fixed and Distribution Consumption Charges on each 1 July each year on at least 6 months' notice in accordance with the process in the Distribution Contract. Other Charges may also be introduced on the giving of 6 months' notice. Charges may also be changed as a result of a Change in Law.
- 16 Fees and charges are billed Quarterly.
- 17 Invoices are payable within 30 days. Interest on late payment applies.

Changes to the terms and conditions

- 18 The DOL holder may propose changes to the Distribution Contract from time to time (but not more frequently than once every 5 years unless there has been a Change in Law).
- 19 The DOL holder may change the Scheme Distribution Rules from time to time.

Termination

- 20 The Distribution Contract continues until it is terminated.
- 21 The DOL holder may terminate a Distribution Contract if the Customer becomes bankrupt or insolvent or there is an unremedied breach of the Distribution Contract.
- 22 A Termination Amount (based on the net present value of the Distribution Fixed Charges and Distribution Consumption Charges for 10 years) is payable by the Customer if the Distribution Contract is terminated because of the Customer's breach.
- 23 The Distribution Contract may also be terminated: (a) on a Five Yearly Review Date, if the Customer does not hold its Bulk Water Contract; (b) if the Customer has permanently transferred all of the Customer's Water Allocation to another entity and the transferee has become bound by its own distribution contract with the DOL holder; or (c) in certain circumstances where the Distribution Network is decommissioned (where less than 10% of the Distribution Network's capacity is contracted) or is substantially destroyed or damaged.

Other terms and conditions

- 24 The Customer grants a security interest over the Customer's Allocation to the DOL holder to secure the payment of all moneys payable to the DOL holder. This includes giving the DOL holder a power of sale in relation to the Customer's Allocation in certain circumstances.

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- 25 The DOL holder may also, in certain circumstances, require the provision of further security in the form (as determined by the DOL holder) of a bank guarantee (for one quarter's worth of Charges) or corporate or personal guarantee.
- 26 The Customer must notify the DOL holder if it: (a) applies to amend, transfer, lease or deal with the Customer's Allocation; (b) applies for a change to the Customer's Allocation; or (c) applies for or enters into a contract to acquire, lease or deal with a water entitlement for the DOL Area.
- 27 The Customer must obtain the DOL holder's approval if the Customer wishes to nominate an alternative Location for Taking Water for taking all or part of the Customer's Maximum Allocation.
- 28 The Distribution Contract includes various obligations in relation to the Distribution Network, the Customer's Offtake Works and metering.
- 29 The DOL holder does not give any representation or warranty regarding water quality.

In this Part D, capitalised terms which are not otherwise defined in this Disclosure Statement have the relevant meanings given in the Distribution Contract.

Part E: Further information

This Disclosure Statement is a summary the relevant details of the DOL holder's distribution arrangements for the applicable water allocation/s only. It should not be relied on in substitution for reading the Distribution Contract itself.

A copy of the Distribution Contract is available at: https://fairbairnirrigation.com.au/wp-content/uploads/2019016_Distribution-Contract-Emerald-Channel-Scheme-1.pdf