

## **Crown Pastoral Land Tenure Review**

**Lease name : EMERALD HILLS**

**Lease number : PO 158**

### **Due Diligence Report (including Status Report)**

This report and attachments results from a pre-Tenure Review assessment of the pastoral lease for the purpose of confirming land available for Tenure Review and any issues, rights or obligations attaching to it. The information is gathered from files and other sources available to the LINZ contractor.

Part of the information relates to research on the status of the land, resulting in a Status Report that is signed off by a LINZ approving officer. The remainder of the information is not analysed for relevancy or possible action until required, and LINZ does not guarantee its accuracy or completeness as presented.

The report attached is released under the Official Information Act 1982.

**April**

**02**

**DUE DILIGENCE REPORT****CPL PRE TENURE REVIEW ASSESSMENT STANDARD 6:**


---


File Ref: Po158 Report No: AT1066 Report Date: 8 April 2002  
 LINZ Ref: 12482  
 Office of Agent: Alexandra LINZ Case No: TROZ/395 Date sent to LINZ: 9/1 April 2002

---


**RECOMMENDATIONS:**

- (1) That the Commissioner of Crown Lands or his delegate **note** this Due Diligence Report which has been prepared in accordance with the Pre Tenure Review Assessment Standard.
- (2) That the Commissioner of Crown Lands or his delegate **note** the following incomplete actions which require action by the Manager of Crown Property Contracts.
- 2.1 A right of way giving access to Run 712 (*Rockvale*) over four parcels of adjoining land is contained in the lease document. Only one route, a short section of the south-western boundary against the Scrub Burn, effects the reduced area of the current pastoral lease (*Run 711*). This is defined on SO Plan 12976 (*Attachment 3*). Prior to tenure review an easement may be required.

Signed by DTZ New Zealand Limited

  
 \_\_\_\_\_  
 P Diver:

Approved/~~Declined~~ (pursuant to a delegation from the Commissioner of Crown Lands) by:

  
 \_\_\_\_\_  
 Name: GRANT KASPER WEBLEY  
 Date of decision: 18/4/02

**(1) Details of lease:**

**Lease Name:** Emerald Hills

**Location:** This small bare land pastoral lease block is located on the eastern slopes of the Rock and Pillar range 26 km north of Middlemarch. The homestead and buildings are located on adjoining freehold land on State Highway 79, 3 km south of Hyde.

**Lessee:** Patrick Gerald Kinney and Cook Allan Gibson Trustee Company Limited.

**Tenure:** Pastoral lease under the Land Act 1948 and Crown Pastoral Land Act 1998. Pastoral Lease Number 158.

**Term:** 33 years from 1 July 1989 to 30 June 2022.

**Annual Rent:**

**Rental Value:**

**Date of Next Review:** 1 July 2011

**Land Registry Folio Ref:** A2/1300 (Otago Registry)

**Legal Description:** Part Run 711 and Section 1 Block V Rock and Pillar Survey District all situated in Blocks V and VI Rock and Pillar Survey District. The land contained in Instrument of Title A2/1300 (*Otago Registry*).

**Area:** 1038.1909 ha (*subject to survey*).

**(2) File Search:**

*Files held by Agent in Alexandra on behalf of LINZ:*

<i>File Reference</i>	<i>Volume</i>	<i>First Folio</i>	<i>Date</i>	<i>Last Folio</i>	<i>Date</i>
Po158	2	105	2/10/1969	190	25/5/1994
Po158	3	191	28/5/1994	308	1/12/1999
Po158	4	1	10/4/2001	22	17/8/2001

*Files held LINZ Christchurch:*

<i>File Reference</i>	<i>Volume</i>	<i>First Folio</i>	<i>Date</i>	<i>Last Folio</i>	<i>Date</i>
CON/50180/09/12482/A-ZNO		1	23/2/1998	11	23/01/2001
5200/D14/E05-1-DNO		No Numbers	14/11/1993		29/11/1996
Po158	1	1	9/12/1948	104	6/5/1964

With the exception of a very few missing folios the records are complete. Confidence is held that all important data has been searched.

Mr Patrick Francis Kinney selected Part Run 205D of 3420 acres, being an Otago Boys and Girls High School Reserve (*S50/38*) for a term of 42 years from 1 September 1927. Under The Education Lands Act 1949 administration was taken over by the Receiver of Inland Revenue and became subject to the Land Act 1948 in 1950. The Lease number was changed to S39 in 1950. The special lease had no right of renewal and it appears that the improvements could be on-sold to any incoming tenant or revert to the lessor.

Correspondence shows the Otago Boys and Girls High School Board did not view itself as having any claim on improvements and this was approach was adopted when considering reclassification to pastoral lease.

In 1952 approval was given for the County Council to remove gravel below Arnotts Bridge. A new railway line crossing to give better access to the Run was installed in 1955.

The lease was reclassified to pastoral lease in 1956 (*Po158*) and was then run with 753 acres of adjacent freehold land. The run was split between Kinney and Murray (*Capburn Downs*) and a legal access across four parcels of land including Run 711 to give Run 712 (*Rockvale*) access was created. The actual apportionment of land was not defined and not until 1961 was it surveyed with Run 205D being split into Section 9 and Part Run 711 (*3192 acres*) going to Kinney.

The pastoral lease was issued form 1 July 1956 for 33 years with a base stock limitation of 1320 sheep.

Mr P F Kinney died in 1958 and an estate run the property for a few years. In 1961 the three Kinney sons (*B P, G J and J G*) took over the farming operation. These three actually signed the pastoral lease document when presented for registration in 1962.

Approval was sought and received for a personal stock exemption of not more than 1500 sheep to be carried on the top and bottom blocks at any one time in 1962 while run in conjunction with other freehold land.

This was amended in 1963 to 2000 ewes on the top block from 1 February to 1 April, 500 ewes on the lower block from 1 April to 1 February. In 1965 approval was given to convert the 500 ewes to 700 wethers on the lower block.

In 1969 a personal stock exemption was granted for 600 ewes on the lower block from 1 April to 1 February plus 20 cows and 2500 ewes on the top block from 1 February to 1 April.

In 1975 a personal stock exemption was granted for 900 hoggets from 1 October to 1 February and 2500 ewes for three weeks on the lower block from 1 April and 2500 ewes on the top block from 1 February to 1 April.

A right to use and maintain WR No 6247 (*Naseby Registry*) over a reserve adjacent to section 21 Block VII Rock and Pillar Survey District was notified in 1976.

In 1976 one of the brothers (*J G*) sold his third share to his two brothers.

In 1983 an application to reclassify the lease to enable the partnership to split was made. Only the lower 255 ha part of the lease was judged to be eligible.

The lower portion of the pastoral lease (*Section 9 Block X Rock and Pillar Survey District - 261.85 ha*) was sold to Gerald Kinney in 1983 and Brian Kinney retained the balance (*Run 711*) in 1983 to be run with a split of the freehold land. The lower 261.85 ha pastoral lease block was transferred to Gerald Kinney as Crown renewable lease.

The application to reclassify Run 711 was withdrawn in 1983.

A boundary adjustment between Emerald hills and Capburn Downs was completed in 1983/84 with 3.8997 ha going from Emerald Hills to Capburn Downs and 12.184 ha transferring the other way.

The split of the property and licences was approved in 1984 with a reduction in rental and stock limitation to be assessed for the pastoral lease held by Brian Kinney.

Gerald Kinney initially refused the offer to freehold the 256 ha reclassified block but later accepted it.

The survey costs to be born by Gerald Kinney were a contentious issue for a time.

In 1995 a matrimonial transfer of half share of G. Kinney was processed.

At lease renewal in 1989 the base stock limitation for the remaining land of 1200 sheep (*including 300 breeding ewes*) was carried forward. No acceptance of renewal values was found on files.

In 1988 a personal stock exemption was granted for 600 wethers year round subject to a block limit on the Back Block of 600 wethers February to April.

In 1989 a personal stock exemption was granted for:

600 Wethers December to May inclusive and up to 2500 su February to April inclusive on the Top Block.

600 Wethers May - November inclusive and up to 900 hoggets October to December inclusive on the Faces Block.

Flood damage in 1989 caused massive slipping and channel damage resulting in a reduction of rental value by \$2,000.

Fire permits were granted in 1992 and 1993 to burn a large area of the hill country.

Approval was granted in 1993 for fence line and track clearance on the lower faces and a firebreak on the southern boundary of the Upper Block.

In 1996 approval was granted for a short section of access track and a bench for a irrigation pipeline.

The rental renewal values and rental were accepted in 1999.

After some re-processing the transfer of the property to the current holder and family trust was approved in 2001.

No processing of approval for existing maintenance of seed, fertiliser, etc has been completed as the run is in an unimproved state.

**(3) Summary of lease document:**

***Terms of lease:***

The commencement date of the pastoral lease on Crown files is in agreement with the Lease Document (*OT A2/1300 Otago Registry*).

The lease was issued on 1 July 1956 under the Land Act 1948 for a term of 33 years and renewed for a further 33 years commencing on 1 July 1989.

*No non-standard conditions are recorded:*

A right of way giving access to Run 712 is held over four parcels of adjoining land is contained in the lease document. Only one access route effects the reduced area of the current pastoral lease.

***Original Lease Stock Limit:***

1320 Sheep

***Personal Stock Exemption:***

None.

***Renewals and variations:***

753504 Memorial renewing the term of the lease registered on 3 May 1990 (*Renewing the term for a further period of 33 years commencing on 1 July 1989 and fixing for the first 11 years the annual rent at \$510 calculated on a rental value of \$34,000*).

***Area adjustments:***

<i>Original lease area:</i>		1291.7566 ha	
Surrendered to Capburn	<i>Less</i>	3.8997 ha	707198/2
Added from Capburn	<i>Add</i>	12.18400 ha	707198/3
Section 15 reclassified	<i>Less</i>	261.850 ha	707198/5
<b>Total</b>		<b>1038.1909 ha</b>	

The lease document and changes of area are in agreement with the area currently used in agent's files.

***Registered interests:******Mortgages:***

None registered.

***Other Interests:***

965483.1 Certificate specifying Mining rights under Section 417 of the Resource Management Act 1991 - registered 12 April 1999 (*see Attachment 2*).

No electricity agreement is registered on the lease.

No recreation permits have been issued.

No mining or prospecting licences are registered.

No Compensation Certificates are registered.

Unregistered mortgages may exist between family members but none are known of.

**(4) Summarise any Government programmes for the lease:**

No Rabbit and Land Management Plan was executed on the property.

No Conservation Farm Plan has been carried on the property.

**(5) Summary of Land Status Report:**

Copy attached as Schedule A.

**5.1 The Pastoral Lease:**

The Land Status Report confirms the Crown Land Status under the Land Act 1948 subject to Pastoral Lease registered as CL OT A2/1300.

It records two encumbrances on the lease being:

- Subject to Part IVA Conservation Act 1987.
- 
- 965483.1 Certificate under Section 417 of the Resource Management Act 1991- registered 12 April 1999 (*held by owners of Emerald Hills across the adjacent Run 712 Rockvale, a small section of Part Run 712 and other adjacent freehold and reserve lands*).

These agree with recognised encumbrances contained in the lease details section of this report.

The legal description is confirmed as that being used in this Due Diligence Report.

The Crown retains minerals ownership.

The area is confirmed as 1038.1909 ha (*subject to survey*).

No marginal strips on any watercourses within the lease have been identified.

The Status Check confirms there are no recreation Permits or DoC concessions on the lease.

***Issue identified requiring possible future investigation at the Due Diligence stage was:***

“CIR OT/1300 notes a subject right of way as part of the terms and conditions of the lease in favour of Run 712 (*identified on SO 12976*)”.

*Recognised in this report a right of way giving access to Run 712 (Rockvale) is contained in the lease document - over four parcels of adjoining land. Only one route effects the reduced area of the current pastoral lease (Run 711).*

No compensation certificates or other issues have been identified by the Status Check.

**(6) *Review of topographical and cadastral data:***

**The topographical map** has only one major feature of note being a substantial water race that passes from south to north through the upper mountain area. No Section 417 Certificate under the Recourse Management Act has yet been registered on the lease relating to this.

A farm access track is shown ascending the lower faces to terminate at the snowline fence.

No airstrips, transmission sites, national grid power or local transmission lines or huts are evident.

The fenced boundaries appear to closely follow their legal line with no variation of significance evident.

**The cadastral map** shows no marginal strips on any of the watercourses within the lease.

No legal roads are shown within the lease.

One legal road is shown touching the south-eastern boundary of the lease near the Scrub Burn. It is assumed that this is an unformed paper road, as it is not marked on the topographical map.

The cadastral map does show the boundary adjustment with Capburn that occurred in 1984.

The Proposed and Transitional District Scheme Plans have no sites marked or issues that would affect the tenure review process.

**(7) Details of neighbouring Crown or Conservation land:**

No conservation land exists within the property boundary.

Conservation land (*H42054 - being part of the Rock and Pillar conservation area*) against the southern hilltop boundary subject to a grazing concession (*LS 219 to B G and W O Connell*) is noted from DoC Christchurch correspondence. No details of H42054 were found in the Alexandra DoC office copy of the Otago Conservation Inventory document.

The Otago Conservation Inventory contains no land or marginal strips marked within the lease.

No UCL was identified within or adjacent to the lease.

**(8) Summary of uncompleted actions or potential liabilities:**

A right of way giving access to Run 712 (*Rockvale*) over four parcels of adjoining land is contained in the lease document. Only one route, a short section on the south western boundary against the Scrub Burn, effects the reduced area of the current pastoral lease (*Run 711*). This is defined on SO Plan 12976 (*Attachment 3*). Prior to tenure review an easement may be required.

***The following issues are brought to your attention to note only:***

Memorial 965483.1 Certificate specifying Mining Rights under Section 417 of the Resource Management Act 1991 - registered 12 April 1999 exists on the lease document - (*see Attachment 2*).

A substantial water race that passes from south to north through the upper mountain area has no Section 417 Certificate under the Resource Management Act registered on the lease. This could occur.

The area was originally an Otago Boys and Girls High School Reserve (*S50/38*) leased for a term of 42 years from 1 September 1927. Under The Education Lands Act 1949 administration was taken over by the Receiver of Inland Revenue and became subject to the Land Act 1948 in 1950. The lease was reclassified to pastoral lease in 1956

***ATTACHMENTS:***

Schedule A. - Due Diligence Report.

Attachment 1 - Recent copy of Lease Document A2/1300.

Attachment 2 - Memorial 965483.1 - Certificate under Section 417 of the RMA Act 1991.

Attachment 3 - SO Plan 12976.

**SCHEDULE A:**

Due Diligence Report.

**KNIGHT FRANK (NZ) LIMITED**

**Appendix A**

This report has been prepared on the instruction of Land Information New Zealand in terms of the contract number 50268 dated 31 August 2001 and is undertaken for the purposes of the Crown Pastoral Leases Act 1998.

<b>LAND STATUS REPORT for EMERALD HILLS</b>				[LIPS ref.12482]
<b>Property</b>	<b>1</b>	<b>of</b>	<b>1</b>	

<b>Land District</b>	Otago
<b>Legal Description</b>	Part Run 711 & Section 1 Block V Rock & Pillar Survey District all situated in Blocks V & VI Rock & Pillar Survey District.
<b>Area</b>	1038.1909 hectares (subject to survey)
<b>Status</b>	Crown Land subject to the Land Act 1948.
<b>Instrument of lease</b>	Balance Computer Interest Register OTA2/1300 pursuant to section 66 and as registered under section 83 of the Land Act 1948.
<b>Encumbrances</b>	Certificate 965483.1 pursuant to section 417 Resource Management Act 1991 Subject to Part IVA Conservation Act 1987.
<b>Mineral Ownership</b>	Minerals remain with the Crown as the land has never been alienated since its acquisition for settlement purposes, from the former Maori owners under the Kemp purchase 1848.
<b>Statute</b>	Land Act 1948 & Crown Pastoral Land Act 1998.

<b>Data Correct as at</b>	25 February 2002
<b>[Certification Attached]</b>	Yes

<b>Prepared by</b>	Peter M King
<b>Crown Accredited Supplier</b>	Knight Frank (NZ) Limited

**KNIGHT FRANK (NZ) LIMITED**

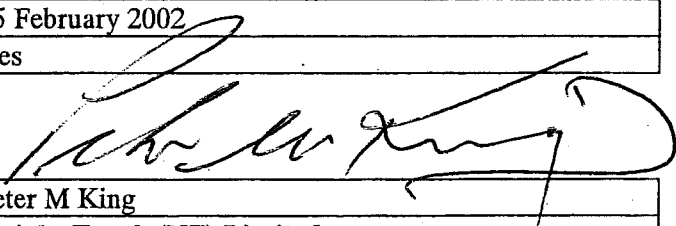
**Appendix B**

This Land status report has been prepared on the instruction of Land Information New Zealand in terms of the contract number 50268 dated 31 August 2001 and is undertaken for the purposes of the Crown Pastoral Leases Act 1998.

<b>LAND STATUS REPORT for EMERALD HILLS</b>				[LIPS ref.12482]
<b>Property</b>	<b>1</b>	<b>of</b>	<b>1</b>	

<b>Land District</b>	Otago
<b>Legal Description</b>	Part Run 711 and Section 1 Block V Rock & Pillar Survey District all situated in Blocks V & VI Rock & Pillar Survey District.
<b>Area</b>	1038.1909 hectares (subject to survey)
<b>Status</b>	Crown Land subject to the Land Act 1948
<b>Instrument of lease</b>	Balance Computer Interest Register OTA2/1300 pursuant to section 66 and as registered under section 83 of the Land Act 1948.
<b>Encumbrances</b>	Certificate 965483.1 pursuant to section 417 Resource Management Act 1991. Subject to Part IVA Conservation Act 1987.
<b>Statute</b>	Land Act 1948 & Crown Pastoral Land Act 1998.

<b>Data Correct as at</b>	25 February 2002
<b>[Certification Attached]</b>	Yes



<b>Prepared by</b>	Peter M King
<b>Crown Accredited Supplier</b>	<b>Knight Frank (NZ) Limited</b>

**Certification:**

Pursuant to section 11(1)(1) of the Survey Act 1986 and acting under delegated authority of the Surveyor-General pursuant to section 11 (2) of that act, I hereby certify that the land described above is; Crown Land subject to the Land Act 1948.



M Warburton, Chief Surveyor  
Land Information New Zealand, Dunedin  
Otago Land District

Date 14 / 3 / 2002



File Reference : CH 992

Level 4, Knight Frank House  
76 Cashel Street  
PO Box 142  
Christchurch  
+64 (0) 3 379 9787  
+64 (0) 3 379 8440 fax

christchurch@knightfrank.co.nz  
www.knightfrank.co.nz

## CERTIFICATE OF AUTHORISATION

(Crown Land subject to the Land Act 1948)

**PROPERTY ADDRESS:** PT RUN 711 & OTHERS  
"EMERALD HILLS" (Po 158)  
OFF HYDE MIDDLEMARCH ROAD (S.H 87)  
OTAGO LAND DISTRICT

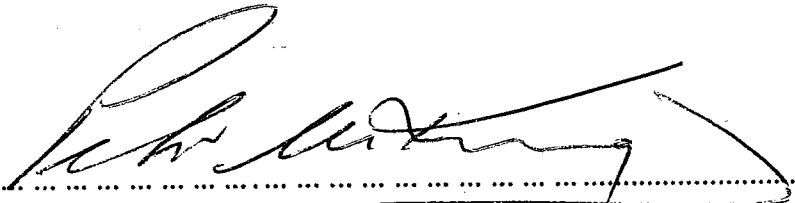
### ASSURANCE

**Knight Frank (NZ) Limited** gives an assurance that the document attached to this certificate is in order for signature.

The decision when made will comply with the following statutory requirements:

- The New Standards & Guidelines Manuals CCPO; Roding/Legalisation, Volume 4, OSG Standard 1999/05

In giving this assurance **Knight Frank (NZ) Limited** undertakes that all relevant policy instructions, legal requirements, court judgements and any other matters have been taken into account and applied where appropriate.

  
Peter M King  
Crown Accredited Supplier

Date: 28 February 2002

*EMERALD HILLS Property 1 of 1*

<p><b>Notes : This information does not affect the status of the land but was identified as possibly requiring further investigation at the due diligence stage : See Crown Pastoral Standard 6 paragraph 6</b></p>	<p>CIR OTA2/1300 notes a subject right of way as part of the terms and conditions of the lease in favour of Run 712. A diagram on SO 12976 identifies this easement.</p>
---	--

<b>LAND STATUS REPORT EMERALD HILLS</b>				[LIPS ref 12482]
<b>Property</b>	<b>1</b>	<b>of</b>	<b>1</b>	

**Research Data: Some Items may be not applicable**

<b>Property</b>	<b>1</b>	<b>of</b>	<b>1</b>	
Cadastral Print Obtained				Yes
NZMS 261 Ref				H42 & I42
Local Authority				Dunedin City Council
Crown Acquisition Map				Kemp Purchase 1848
SO Plan				SO 12976 (1960) & 21578 (1985)
Relevant Gazette Notices				N/A
CT Ref / Lease Ref				Balance CIR OTA2/1300 (1956)
Legalisation Cards				N/A
CLR				N/A
Allocation Maps (if applicable)				SOE - SO 22230 (H42) no overlaps SO 22216 (I42) no overlaps DoC - SO 22268 (H42) no overlaps SO 22265 (I42) no overlaps
Rating Ref - if known:				All assessment 27822-01400
Crown Grant Maps				N/A
If Subject land Marginal Strip:				
a) Type [Sec 24(9) or Sec 58]				No subject provision for section 58 of the Land Act 1948 on lease OTA2/1300 and or SO 12976. Lease renewal in 07/1989 is a disposition under section 24(9) of the Conservation Act 1987 however Section 24 marginal strips, are not identified on any plan for this run.
b) Date Created				N/A
c) Plan Reference				N/A

<b>LAND STATUS REPORT EMERALD HILLS</b>				[LIPS ref 12482]
<b>Property</b>	<b>1</b>	<b>of</b>	<b>1</b>	

**Research – continued**

<b>Property</b>	<b>1</b>	<b>of</b>	<b>1</b>	
<b>If Crown land - Check Irrigation Maps.</b>				N/A
<b>Mining Maps</b>				No interest recorded National Mining Index.
<b>If Road</b>				
a) <b>Is it created on a Block Plan - Section 43(1)(d) Transit NZ Act 1989</b>				a) Section 110A Public Works Act 1928.
b) <b>By Proc</b>				b) N/A
c) <b>Plan</b>				c) SO 1468 (1876)
<b>Other Relevant Information</b>				
a) <b>Concessions - Advice from DOC or Knight Frank.</b>				a) There are no DoC concessions and or no current Recreation Permits.
b) <b>Subject to any provisions of the Ngai Tahu Claims Settlement Act 1998 or Northern South Island Regional Landbank.</b>				b) Subject to Part 9 of the Ngai Tahu Claims Settlement Act 1998.
c) <b>Mineral Ownership</b>				c) Mines and Minerals are owned by the Crown because the land has never been alienated from the Crown since its acquisition for settlement purposes from the former Maori owners under the Kemp (1848)  Contained in [provide evidence]: (i) Pt Run 711 formerly; Pt Run 205d; Otago Boys & Girls High Schools Endowment, earliest lease recorded in 1927 under the Public Bodies Leases Act 1908 and (ii) Section 1 Blk V Rock & Pillar SD formerly Pt Run 205h; OT336/19 (1924) are the earliest recorded lease/licence available in the Land Titles Office after the Otago Waste Lands No.1 Act 1863.
d) <b>Other Info</b>				d) N/A

**ATTACHMENT 1:**

Recent copy of Lease Document A2/1300.



**COMPUTER INTEREST REGISTER  
UNDER LAND TRANSFER ACT 1952**



Historical Search Copy

R. W. Muir  
Registrar-General  
of Land

Identifier **OTA2/1300**  
Land Registration District **Otago**  
Date Registered 11 December 1962 09:17 am

**Part-Cancelled**

Type	Lease under s83 Land Act 1948	
Area	1038.1909 hectares more or less	Term
		Thirty-three years commencing on the 1.7.1956 and renewed for a further period of 33 years commencing on 1.7.1989

**Legal Description** Run 711 and Section 1 Block V Rock & Pillar Survey District

**Original Proprietors**

Frances Mary Kinney as to a 1/2 share

Frances Mary Kinney, Owen Clement Toomey and William Paul Marshall as to a 1/2 share as Executors

**Interests**

- 707198.2 Surrender of part of the within lease being Part Run 711 (3.8997 ha) shown hatched black hereon effective from 29 June 1984 - 15.7.1988 at 10.08 am (See Re-Appellation 651569.4)
- 753504 Memorandum renewing the term of the within lease for a further period of 33 years commencing on 1.7.1989 and fixing (for the first 11 years) the annual rent at calculated on a rental value of - 3.5.1990 at 9.54 am
- 824401.4 Mortgage to Wrightson Farmers Finance Limited - 23.2.1993 at 10.01 am
- 907899.2 Variation of Mortgage 824401.4 - 15.5.1996 at 12.05 pm
- 965483.1 Certificate Specifying Mining Rights under s417 Resource Management Act 1991 - 12.4.1999 at 3.30 pm
- 5052264.3 Discharge of Mortgage 824401.4 - 25.6.2001 at 2:51 pm
- 5052264.5 Transfer to Patrick Gerald Kinney and Cook Allan Gibson Trustee Company Limited - 25.6.2001 at 2:51 pm

451

Registered in Vol. - fol. -

NEW ZEALAND

11 DEC 1962

Entered in the Register-book; Vol. 451 fol. 111

OTAGO

9.17

LAND DISTRICT

145

REGISTER

11th day of December 1962

Pastoral Lease of Pastoral Land under the Land Act, 1948

No. P. 158



A2 Folio 1300

This Deed, made the first day of July between His Majesty The King (who, with his heirs and successors, is hereinafter referred to as "the Lessor"), of the one part, and BEAVER BARRICK, KIRNEY, GERALD JOSEPH KIRNEY and JOHN GRANT KIRNEY, all of Hyde Farmers, as tenants in common in equal shares

one thousand nine hundred and fifty-six (who, with his executors, administrators, and permitted assigns hereinafter referred to as "the Lessee"), of the other part, WITNESSETH that, in consideration of the rent hereinafter reserved, and of the covenants, conditions, and agreements herein contained or implied and on the part of the Lessee to be paid, observed, and performed, the Lessor doth hereby demise and demise unto the Lessee ALL THOSE pieces or parcels of land containing by admeasurement 3,192 (three thousand one hundred and ninety-two) acres situated in the Land District of Otago Section 9 Block X Rock and Pillar Survey District and Run 711 Blocks V and VI Rock and Pillar Survey Districts

See Diagram on separate sheet

(hereinafter referred to as "the said land"), as the same is more particularly delineated in the plan drawn hereon and therein coloured red in outline; together with the rights, easements, and appurtenances thereto belonging. TO HOLD the said premises intended to be hereby demised unto the Lessor for the term of thirty-three years, commencing on the first day of July one thousand nine hundred and fifty-six.

Yielding and paying therefor during the said term unto the Department of Lands and Survey at the Principal Land Office for the said Land District of Otago the clear annual rent of Seventy-seven pounds ten shillings (£ 77.10. -) payable without demand by equal half-yearly payments in advance on the 1st day of January and the 1st day of July in each and every year during the said term. And also paying in respect of the improvements specified in the Schedule hereto the sum of (£ ) (the receipt of which sum is hereby acknowledged) and thereafter (£ ) half-yearly instalments of pounds shillings and pence (£ : : ) on the 1st day of January and the 1st day of July in each year in the same manner as rent.

AND the Lessee doth hereby covenant with the Lessor as follows, that is to say:-

1. THAT the Lessee will fully and punctually pay the rent hereinbefore reserved as the times and in the manner hereinbefore named in this behalf; and also will pay and discharge all rates, taxes, assessments, and outgoings whatsoever that now are or hereafter may be assessed, levied, or payable in respect of the said land or any part or parts thereof during the said term.
2. THAT the Lessee will within one year after the date of this lease take up his residence on the said land, and thereafter throughout the term of the lease will reside continuously on the said land.
3. THAT the Lessee will hold and use the said land bona fide for his own use and benefit and will not transfer, assign, sublet, mortgage, charge, or part with possession of the said land or any part thereof without the previous approval of the Land Settlement Board: Provided that such approval will not be necessary in the case of a mortgage to the Crown or to a Department of State.
4. THAT the Lessee will at all times farm the said land diligently and in a husbandlike manner according to the rules of good husbandry and will not in any way commit waste.
5. THAT the Lessee will throughout the term of his lease to the satisfaction of the Commissioner of Crown Lands for the Land District of Otago (hereinafter referred to as "the Commissioner") cut and trim all live fences and hedges, clear and keep clear the said land of all noxious weeds, and will comply strictly with the provisions of the Noxious Weeds Act, 1955.
6. THAT the Lessee will keep the said land free from wild animals, rabbits, and other vermin, and generally comply with the provisions of the Rabbit Nuisance Act, 1925.
7. THAT the Lessee will clean and clear from weeds and keep open all creeks, drains, ditches, and watercourses upon the said land, including any drains or ditches which may be constructed by the Commissioner after the commencement of the term of the lease; and will not at any time without the prior consent of the Commissioner alter the channel of any such creek or watercourse or stop or divert the water flowing therein.
8. THAT the Lessee will at all times during the said term repair and maintain and keep in good substantial repair, order, and condition all improvements belonging to the Crown (including those specified in the Schedule hereto which are being purchased by the Lessee) now or hereafter erected on the said land, and will not, without the prior written consent of the Commissioner, pull down or remove them or any part of them.
9. THAT the Lessee will insure all buildings belonging to the Crown (including those specified in the Schedule hereto which are being purchased by the Lessee) now or hereafter erected on the said land to their full insurable value in the name of the Commissioner in some insurance office approved by the Commissioner and will pay all premiums falling due under every such insurance policy and deposit with the Commissioner every such policy and, not later than the forenoon of the day on which any such premium becomes payable, the receipt for that premium.
10. THAT the Lessee will not throughout the term of the lease without the prior consent of the Commissioner, which consent may be given on such terms and conditions (including the payment of royalty) as the Commissioner thinks fit, fell, sell, or remove any timber, tree, or bush growing, standing, or lying on the said land, and that he will throughout the term of the lease prevent the destruction of any such timber, tree, or bush unless the Commissioner otherwise approves: Provided that the consent of the Commissioner as aforesaid shall not be necessary when any such timber or tree is required for any agricultural, pastoral, household, roadmaking, or building purpose on the said land nor where the timber or tree has been planted by the Lessee.
11. THAT the Lessee shall not, except for the purpose of complying with any of the provisions of the Mussels Tussock Act, 1946, burn any tussock, scrub, fern, or grass on the said land, nor permit any tussock, scrub, fern, or grass on the said land to be burnt, unless in either case he shall have obtained the prior consent in writing of the Commissioner, which consent may be given subject to such terms and conditions as the Commissioner may deem necessary.
12. THAT officers and employees of the Department of Internal Affairs shall at all times have a right of ingress, egress, and regress over the land comprised in this lease for the purpose of determining whether such land or any adjoining land is infested with deer, wild goats, wild pigs, opossums, or other animals which the said Department is charged with the duty of exterminating or controlling, or for the purpose of destroying any such animals: Provided that such officers and employees in the performance of the said duties shall at all times avoid undue disturbance of the Lessee's stock.
13. See back hereof.
14. See back hereof.

AND it is hereby agreed and declared by and between the Lessor and the Lessee:-

- (a) THAT the Lessee shall have the exclusive right of pasturage over the said land, but shall have no rights to the soil.
- (b) THAT the Lessee shall have no right, title, or claim whatsoever to any minerals (within the meaning of the Land Act, 1948) on or under the surface of the soil of the said land, and all such minerals are reserved to His Majesty together with a free right of way over the said land in favour of the Commissioner or of any person authorized by him and of all persons lawfully engaged in the working, extraction, or removal of any mineral on or under the surface of the said land or any adjacent land of the Crown, subject to the payment to the Lessee of compensation for all damage done to improvements on the said land belonging to the Lessee in the working, extraction, or removal of any such minerals: Provided that there shall be no right of way over, or right to work, extract, or remove any mineral from, any part of the said land which is for the time being under crop or used or situated within 50 yards of a yard, garden, orchard, vineyard, nursery, or plantation, or within 100 yards of any building or dwellinghouse: Provided also that the Lessee may, with the prior consent in writing of the Commissioner, which consent may be given subject to such conditions as the Commissioner thinks fit, use any such minerals for any agricultural, pastoral, household, roadmaking, or building purpose on the said land, but not otherwise.
- (c) THAT upon the expiration by effluxion of time of the term hereby granted and thereafter at the expiration of each succeeding term to be granted to the Lessee the outgoing Lessee shall have a right to obtain, in accordance with the provisions of section 66 (3) of the Land Act, 1948, a new lease of the land hereby leased at a rent to be determined in the manner prescribed by Part VIII of the said Act for a term of thirty-three years computed from the expiration of the term hereby granted and subject to the same covenants and provisions as this lease, including this present provision for the renewal thereof and all provisions ancillary or in relation thereto.

A2 Folio 1300

(d) THAT the Lessee shall have no right of acquiring the fee-simple of the said land.

(e) THAT the Lessee may, with the prior consent in writing of the Commissioner given subject to such conditions as the Commissioner may deem necessary,—

- (i) Cultivate any portion of the said land for the purpose of growing winter feed for the stock depastured thereon;
- (ii) Crop such area of the said land as is sufficient for the use of himself and family and his employees;
- (iii) Plough and sow in grass any portion of the said land;
- (iv) Clear any portion of the said land by felling and burning bush or scrub and sow the land so cleared in grass;
- (v) Surface sow in grass any portion of the said land;

Provided that the lessee shall, on the termination of the lease, leave the whole of the area that has been ploughed or cultivated properly laid down in good permanent clovers and grasses to the satisfaction of the Commissioner.

(f) THAT the Lessee shall exercise due care in stocking the said land and shall not overstock, and for the purpose of this clause it is hereby mutually declared and agreed between the Land Settlement Board and the Lessee that the number of stock to be depastured on the said land during the winter months shall not, without the prior consent of the Commissioner, exceed, ~~on a basis of a count of one for a dry sheep and of one and a half for breeding ewes.~~

(g) THAT if the Lessee shall leave New Zealand or abandon the said land or if he cannot be found or if he shall neglect or fail or refuse to comply with the covenants and conditions herein expressed or implied to the satisfaction of the Land Settlement Board or the Commissioner, as the case may be, or make default for not less than two months in the payment of rent, water levy, or other payments due to the Lessor, then the Land Settlement Board may, subject to the provisions of section 146 of the Land Act, 1948, declare this lease to be forfeit, and that without discharging or releasing the Lessee from liability for rent due or accruing due or for any prior breach of any covenant or condition of the lease.

(h) THAT these presents are intended to take effect as a pastoral lease under the Land Act, 1948, and the provisions of the said Act and of the regulations made thereunder applicable to such leases shall be binding in all respects upon the parties hereto in the same manner as if such provisions had been fully set out herein.

SCHEDULE

IMPROVEMENTS BELONGING TO THE CROWN AND BEING PURCHASED BY THE LESSEE

Hill

Witness whereof the Commissioner of Crown Lands for the Land District of Otago, and these presents have also been executed by the said Lessee.

Otago

, on behalf of the Lessor, hath hereunto set his

Signed by the said Commissioner, on behalf of the Lessor, in the presence of—

Witness: \_\_\_\_\_  
Occupation: \_\_\_\_\_  
Address: \_\_\_\_\_

*[Signature]*  
\_\_\_\_\_  
Commissioner of Crown Lands.

Signed by the above named as Lessee, in the presence of—

Witness: \_\_\_\_\_  
Occupation: \_\_\_\_\_  
Address: \_\_\_\_\_

*[Signature]*  
\_\_\_\_\_  
Lessee.

Signed by the above named as Lessee, in the presence of—

Witness: \_\_\_\_\_  
Occupation: \_\_\_\_\_  
Address: \_\_\_\_\_

*[Signature]*  
\_\_\_\_\_  
Lessee.

Signed by the above named as Lessee, in the presence of—

Witness: \_\_\_\_\_  
Occupation: \_\_\_\_\_  
Address: \_\_\_\_\_

*[Signature]*  
\_\_\_\_\_  
Lessee.

The Clauses hereinbefore referred to:

13. THAT without derogating from or restricting the covenants contained in clause four hereof and on the part of the Lessee to be performed or complied with the Lessee will not at any time during the said term depasture on the said land more than 120 sheep PROVIDED HOWEVER that the Lessee may with the prior written consent of the Board carry such additional stock or such terms and conditions as may be therein specified subject nevertheless to the right of the Board to revoke or vary such consent at any time.

14. THAT the parcel of land coloured yellow on the plan hereon and marked "Right-of-Way may be used by the Lessee of Run 712 Kook and Pillar Survey District for access purposes across the land herein leased to the said Run 712

*[Signature]*  
\_\_\_\_\_  
Commissioner of Crown Lands.

*[Signature]*  
\_\_\_\_\_  
Lessee.

*[Signature]*  
\_\_\_\_\_  
Lessee.

*[Signature]*  
\_\_\_\_\_  
Lessee.

CERTIFIED a true copy of C.T. 451/1111 except as to colour and scale (Blut) of two sheets - for plan see sheet 2)

*[Signature]*  
A.L.R.

504573/1 Transfer of his one third share John Grattan Kinney to Brian Patrick Kinney and Gerald Joseph Kinney above named as tenants in common in equal shares - 5.10.1978 at 9.10am

*[Signature]*  
A.L.R.

504573/2 Mortgage to Webb & Miller Securities Limited - 5.10.1978 at 9.10 am

DISCHARGE OF MORTGAGE  
22 MAR 1980

504573/3 Mortgage to The Rural Banking and Finance Corporation of New Zealand - 5.10.1978 at 9.10 am

DISCHARGED

*[Signature]*  
A.L.R.  
*[Signature]*  
A.L.R.

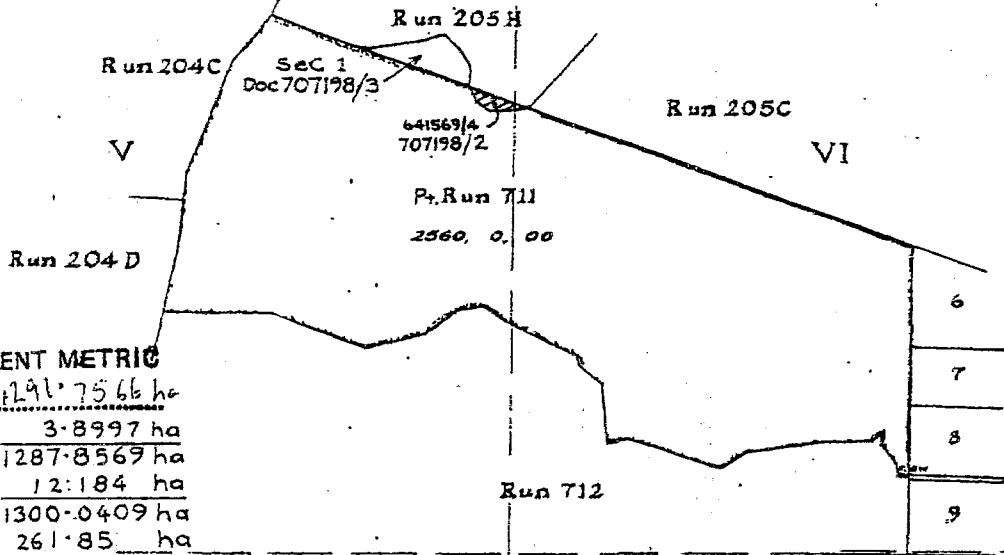
Page 3

CERTIFIED a true copy of C.T. 451/1111  
 except as to colour and scale (sheet 2  
 of two sheets - see also sheet 1)

*[Signature]* A.L.R.

REGISTER

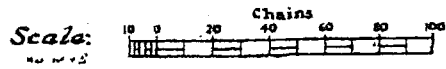
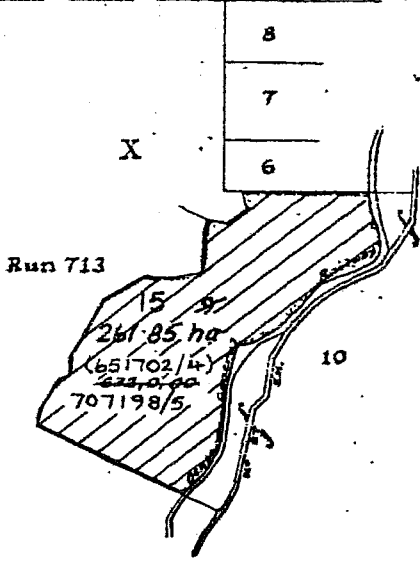
Vol. A2 Folio 1300



EQUIVALENT METRIC AREA IS

707198/2	3.8997 ha
707198/3	12.184 ha
707198/5	261.85 ha
	1038.1909 ha

Total Area: 3192 acres.



SD. 129761

Vol. A2 Folio 1300

C.T. /1300

639943/1 Discharge of Mortgage 504573/3  
as to Section 9 Block X - 1.8.1985 at 9.13am

A.L.R.

639943/2 Discharge of Mortgage 504573/2  
as to Section 9 Block X - 1.8.1985 at 9.13am

A.L.R.

Part of the within land (3.8997ha) is  
affected by Re-Appellation 641569/4

A.L.R.

Section 9 herein is now known as Section 15  
Block X Rock and Pillar Survey District  
(261.8500 hectares) - See Re-Appellation  
651702/4

A.L.R.

707198/2 Surrender of part of the within lease  
being Part Run 711 Block V and VII Rock and  
Pillar Survey District (3.8997ha) shown hatched  
black hereon effective from 29th June 1984  
- 15.7.1988 at 10.08 am

A.L.R.

707198/3 Certificate of Alteration incorporating  
in the within lease 12.184 ha being Section  
1 Block V Rock and Pillar Survey District -  
15.7.1988 at 10.08 am

A.L.R.

707198/5 Surrender of part of the within lease  
being Section 15 Block X Rock and Pillar Survey  
District (261.85ha) shown hatched black hereon  
effective from 13th March 1985 - 15.7.1988  
at 10.08 am.

A.L.R.

712722/1 Transfer of his 1/2 share in balance  
Gerald Joseph Kinney to Brian Patrick  
Kinney abovenamed - 29.9.1988 at  
10.42 am

A.L.R.

712722/2 Transfer of a 1/2 share to  
Frances Mary Kinney of Hyde married  
woman - 29.9.1988 at 10.42 am

A.L.R.

715753 Transfer of Mortgage 504573/2  
to Webb Farry Solicitors Nominee Company  
Limited - 10.11.1988 at 10.13 am

A.L.R.

720439/2 Mortgage to Wrightson Farmers  
Finance Limited - 27.2.1989 at 11.29  
am

DISCHARGED  
of balance

27.2.1989  
A.L.R.

750654/2 Mortgage to Webb Farry  
Solicitors Nominee Company Limited  
- 22.3.1990 at 10.14am

DISCHARGED

22.3.1990  
A.L.R.

750654/3 Memorandum of Priority ranking  
Mortgage 750654/2 as a first mortgage,  
Mortgage 504573/3 as a second mortgage  
and Mortgage 720439/2 as a third  
mortgage - 22.3.1990 at 10.14am

A.L.R.

753504 Memorandum renewing the term  
of the within lease for a further  
period of 33 years commencing on  
1.7.1989 and fixing for the first  
11 years the annual rent at \$510.00  
calculated on a rental value of  
\$34,000.00 - 3.5.1990 at 9.54 am

A.L.R.

824401/4 Mortgage to Wrightson Farmers  
Finance Limited - 23.2.1993 at 10.01  
am

A.L.R.

907899/1 Transmission of the 1/2  
share of Brian Patrick Kinney to  
Frances Mary Kinney of Mosgiel  
widow, Owen Clement Toomey of  
Dunedin solicitor and William Paul  
Marshall of Dunedin bank officer as  
executors entered 15.5.1996 at 12.05  
pm

A.L.R.

907899/2 Variation of Mortgage  
824401/4 - 15.5.1996 at 12.05 pm

A.L.R.

965483.1 Certificate under Section  
417(2) Resource Management Act  
1991  
12.4.1999 at 3.30

A.L.R.  
for RGL



**ATTACHMENT 2:**

Memorial 965483.1 – Certificate under Section 417 of the RMA Act 1991.

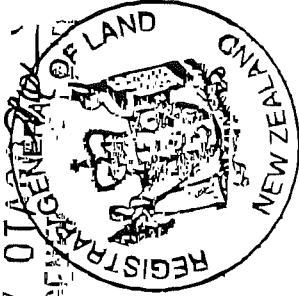
RELEASED UNDER THE OFFICIAL INFORMATION ACT



MWP\_0013376

3.30 12.APR99 965483-1

PARTICULARS ENTERED IN REGISTER  
LAND REGISTRY OF AGENCIES  
F. E. ...



ORC FILE 97172, MC030

**CERTIFICATE UNDER S. 417 OF THE RESOURCE  
MANAGEMENT ACT 1991**

u00

Pursuant to Section 417(2) of the Resource Management Act 1991, the Otago Regional Council hereby certifies that:

Patrick Gerald Kinney and Estate of Brian Patrick & Francis Mary Kinney,  
Hyde, R D 3, Ranfurly

being registered as holders of Licences for a Water Race No 1518 Naseby Registry of the Warden's Court, are entitled to cut, construct, and maintain a-race, to use as a race a natural channel (but only where that channel has been so used under the licences), to occupy (but only for the purposes of the construction, maintenance, and improvement of the race) the land forming the course of the race plus a three-metre strip on each side, to deposit within those strips any material removed from the race in the course of maintaining and improving it, and to convey water in the race, across the lands described in the Schedule, as indicated on the attached diagram.

**M E Weaver**  
Manager Resource Administration

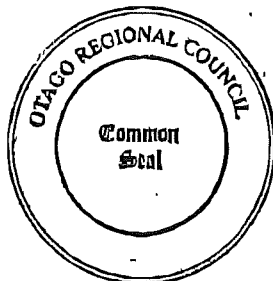
This Certificate is issued by the Chairperson of the Otago Regional Council, acting under powers delegated to her by the Council and not revoked at the date of issue.

**R W Scott**  
Director Corporate Services

**M L Rosson**  
Chairperson

14 / 5 / 97

Common Seal



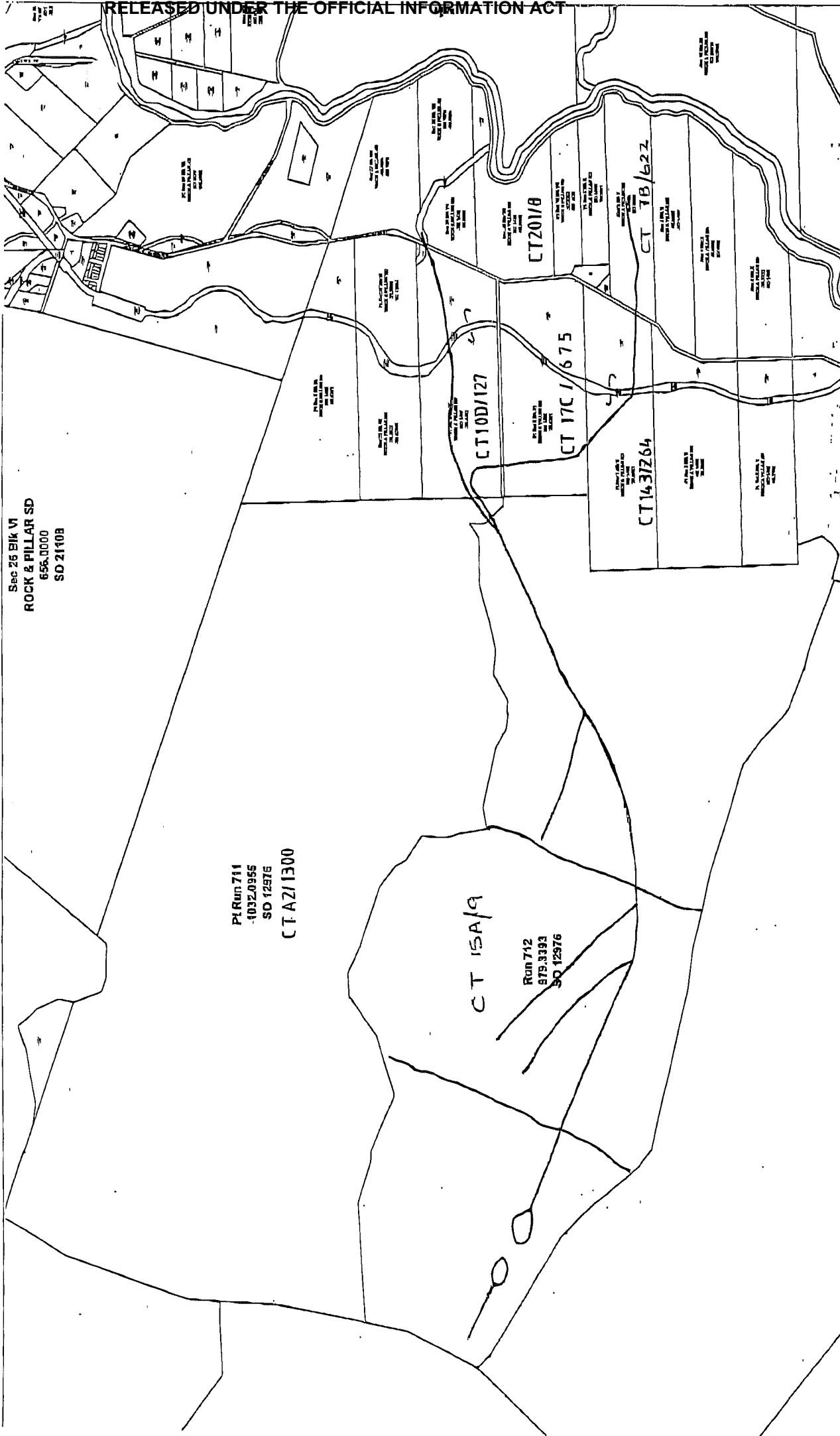
**SCHEDULE**

**Land Affected**

Run 711 Rock and Pillar Survey District	Est B F and F M Kinney	A2/1300
Run 712 Rock and Pillar Survey District	Patrick Gerald Kinney	.15A/9
Sec <del>8</del> 9 Blk 6 Rock and Pillar Survey District	Est B F & F M Kinney	17C/675
Sec 8 Blk 10 Rock and Pillar Survey District <i>Sec 2 Blk X Rock &amp; Pillar SD</i>	Patrick Gerald Kinney	143/264 <u>7B/622</u>
Sec 8 Blk 6 Rock and Pillar Survey District	Murray D Shaw & Co.	10D/127
Pt Sec 9 Blk 6 Rock and Pillar Survey District	Recreation Reserve (rail trail)	17C/675

\\p:\sl2\kinney.doc

RELEASED UNDER THE OFFICIAL INFORMATION ACT



P. G. KINNEY 82228-006  
 TERRALINK NZ LTD (Terralink) - PCDB Data as at 11.02.99. Geologic data as at 11.10.97.  
 Cadastral Information from LINZ Digital Cadastral Database (DCDB). CROWN COPYRIGHT RESERVED.

**ATTACHMENT 3:**

SO Plan 12976.

12976

PLAN OF  
SECS. 9 & 10 BLK. X ROCK & PILLAR  
RUNS 711-714 & FIX OF STATE HIGHWAY  
ROCK & PILLAR STRATH TAIERI & UPPER TAIERI S. D.  
FORMERLY RUNS 205E & 205D  
OTAGO LAND DIST. MANIOTOTO COUNTY

Scale. 20 chain to an inch Surveyed by A.G. Plaister Oct. 1960

Survey Asst. 1960

12976

204C  
100/100  
A. H. Andrew & Sons Ltd.  
(Lessee)

205H  
100/100  
A. J. Phipps (Lessee)

205C  
100/100  
A. J. Phipps (Lessee)

S.O. 1827

RUN 711  
2560 ac.

VI

RUN 205D

RUN 712  
2420 ac.

6  
10/100  
A. V. Xenny

7

8  
10/100  
J. B. Ramsey

9  
10/100  
A. V. Xenny

S.O. 1468

Diagram Distorted

EASEMENT  
DIAGRAM

IX

ROCK & PILLAR S. D.

RUN 713  
4260 ac.

IX

RUN 205E

Sec. 9  
632 ac.

Sec. 10  
404 ac.

248J  
100/100  
J. B. Ramsey & Others  
(Lessee)

XVI

522 ac.

RUN 714  
5178 ac.  
(5700 ac.)

TOTAL AREA 15976 ac.

Scale, returned (where shown) are legal  
by the 10 A. P. Act 1928, unless otherwise shown.

213A  
100/100  
Vivian & Sons Ltd.  
(Lessee)

S.O. 17018

STRATH TAIERI S. D.

Approved  
Chief Surveyor 13/12/60

12976

12976

Received...  
Instructions...  
Reference Plans...  
Field Book...  
Examined by...  
Recorded...  
Plan in order for approval...