

Crown Pastoral Land Tenure Review

Lease name : ISLAND HILLS

Lease number : PC 034

Preliminary Proposal

A Preliminary Proposal is advertised for public submissions as per Section 43 of the Crown Pastoral Land Act 1998.

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

1 The Plan

2 Conditions

- 2.1 This Proposal, and any agreement arising therefrom, is subject to the conditions contained in Schedule Four (if any).

3 Settlement

- 3.1 Unless otherwise agreed by the parties, the Settlement Date for the disposal of the Freehold Land to the Holder by freehold disposal will be the day that is TEN (10) working days following the day on which Land Information New Zealand notifies the Commissioner that the Final Plan and a copy of this Proposal are registered in accordance with the Act.
- 3.2 The Freehold Land will be disposed of to the Holder under the Land Act 1948.
- 3.3 Notwithstanding anything to the contrary, if, as at the Settlement Date (as determined pursuant to clause 3.1), the rent payable under the Lease is subject to a Rent Review, then the Commissioner may elect to:

(a) settle on the Settlement Date on the basis that the Commissioner may retain from the Commissioner's Payment an amount which the Commissioner, acting reasonably, estimates will be payable by the Holder to the Commissioner following agreement or determination of the Rent Review ("the Retention"). The Retention shall be held by the Crown Law Office in an on-call, interest-bearing trust account in the joint names of the parties for their respective rights and interests. Upon agreement or determination of the Rent Review, the Commissioner shall calculate the rent shortfall payable by the Holder to the Commissioner in respect of the period from the effective date of the Rent Review to the Settlement Date, both dates inclusive ("the Shortfall"). If:

(i) the Shortfall is less than the Retention and the net interest earned thereon, the balance shall be paid by the Commissioner to the Holder within TEN (10) working days; or

(ii) the Shortfall is more than the Retention and the net interest earned thereon, the balance shall be paid by the Holder to the Commissioner within TEN (10) working days;

or

(b) defer the Settlement Date until TEN (10) working days after the rent payable as a consequence of the Rent Review:

(i) has been agreed or determined; and

(ii) is not and will not be subject to any appeal, rehearing or other proceedings.

4 Holder's Payment

- 4.1 By 3.00 p.m. on the Settlement Date, the Holder must pay the Holder's Payment and all other money payable to the Commissioner or the duly appointed agent of the Commissioner by bank cheque without set-off or deduction of any kind in accordance with the settlement requirements of the Commissioner.
- 4.2 If the Holder fails to pay the Holder's Payment or any part of it or any other money to the Commissioner or to the duly appointed agent of the Commissioner on the Settlement Date clause 19 will apply.

5 Commissioner's Payment

- 5.1 The Commissioner shall pay the Commissioner's Payment to the Holder on the Settlement Date.
- 5.2 No interest shall be payable to the Holder by the Commissioner in respect of the Commissioner's Payment, including (without limitation) for the period from the Vesting Date to the Settlement Date.

6 Vesting of Crown Land

- 6.1 The Crown Land will vest in the Crown on the Vesting Date.

7 Issue of Certificate of Title

- 7.1 Notwithstanding any other provision in this Proposal, the Commissioner will not request that the Surveyor-General issue a certificate to the Registrar pursuant to section 116 of the Land Act 1948 (to enable a certificate of title to issue for the Freehold Land) unless and until:
- (a) the Commissioner has received the Holder's Payment from the Holder under clause 4, and all other money payable by the Holder under this Proposal and the Notice;
 - (b) the Holder has provided to the Commissioner duplicate copies of the certificate of title relating to the Lease (if any) and/or the Lease if requested by the Commissioner;
 - (c) the Holder has signed and returned to the Commissioner all documents required by the Commissioner to be signed by the Holder to give effect to this Proposal (including, without limitation, any permit, covenant, easement and/or any other document); and
 - (d) the Holder has procured a registrable discharge of any Mortgage and provided this to the Commissioner together with any new mortgage documents to be registered against the Freehold Land.

8 Registration of Documents

- 8.1 Subject to clause 7, the Commissioner will lodge all documents necessary to give effect to this Proposal (including, without limitation any easement, covenant, discharge of mortgage, and/or duplicate copy of the Lease) and any new mortgage documents to be registered against the certificate of title to be issued for the Freehold Land so that the certificate of title for the Freehold Land will issue subject to the encumbrances provided in this Proposal. Any new mortgage will be registered after any other encumbrances such as any easements and/or covenants are registered.

9 Consents

- 9.1 The Holder must obtain the written consent to the Holder's acceptance of this Proposal from all persons having an interest in the Land (other than the Holder), including, but not limited to:
- (a) any Mortgagee(s);
 - (b) any party entitled to the benefit of a land improvement agreement registered against the Lease and/or the Land; and
 - (c) any other person that the Commissioner reasonably believes has an interest in the Land or who the Holder reasonably believes has an interest in the Land, whether registered or not.
- 9.2 The consents required under clause 9.1 must be in a form acceptable to the Commissioner in all respects and be returned to the Commissioner with this Proposal on its acceptance by the Holder. Examples of the form of consents required under clause 9.1 are set out in Appendix 1.
- 9.3 The Holder must also obtain, and provide to the Commissioner if requested, all consents necessary for the Holder to accept this Proposal including (without limitation) any:
- (a) corporate and/or trustee consents; and
 - (b) consent required under the Overseas Investment Act 2005.

- 9.4 The Holder will procure the Mortgagee to execute a registrable discharge of the Mortgage and, if required by the Mortgagee, the Holder will execute registrable new mortgage documents and forward these to the Commissioner to be registered as set out in clause 8.
- 9.5 If required by the Mortgagee, the Commissioner will provide an undertaking that, subject to the provisions of clause 7 being satisfied, the Commissioner will register the discharge of the Mortgage and register any new mortgage against the certificate of title for Freehold Land at the same time as the certificate of title for the Freehold Land issues.

10 Continuation of Lease

- 10.1 The Lease will remain in full force and effect until a certificate of title issues for the Freehold Land. Notwithstanding when Settlement Date occurs, until a certificate of title issues for the Freehold Land the Holder will duly and punctually comply with all obligations on its part under the Lease (other than as set out at clause 12.1 (b)) and the Lease will remain in full force and effect.
- 10.2 From the date that a certificate of title is issued for the Freehold Land the Lease is deemed to be surrendered and, subject to clause 10.3, the Commissioner releases and discharges the Holder from the performance and observance of all covenants, conditions and obligations under the Lease.
- 10.3 The release and discharge in clause 10.2:
- (a) Is without prejudice to the rights, remedies and powers of the Commissioner contained in the Lease (except as varied in accordance with clause 12.1(b)); and
 - (b) will not release or discharge the Holder from any liability under the Lease, arising prior to the date that the certificate of title for the Freehold Land is issued, under any statute or by any reason where such liability is due to the fault of the Holder.
- 10.4 As from the Vesting Date, the Holder will not have any estate, right or claim against any of the land, improvements, fencing, buildings, structures, fixtures, fittings or chattels on the Crown Land (subject to the provisions of any permit, easement, concession, other encumbrance or document provided under this Proposal). The Holder will not be entitled to any compensation for any of its improvements, fencing, buildings, structures, fixtures, fittings or chattels which are on the Crown Land as at the Vesting Date.

11 Fencing and Construction Works

- 11.1 If the Holder has accepted this Proposal and that acceptance has taken effect pursuant to the Act, the Commissioner will, subject to clauses 11.2 and 14.4, erect at the Commissioner's cost new fencing:
- (a) approximately along the line marked "New Fencing Line" on the Plan; and
 - (b) to the specifications in Appendix 3;
- ("the Fencing").
- 11.2 If the Fencing requires a resource consent or any other consent from any local or territorial authority ("the Fencing Consent"), the following provisions shall apply:
- (a) The Commissioner shall use reasonable endeavours to obtain the Fencing Consent within 6 months of this Proposal taking effect pursuant to the Act.
 - (b) If the Fencing Consent:
 - (i) is not obtained within 6 months of this Proposal taking effect pursuant to the Act; and/or
 - (ii) is obtained on terms which are not satisfactory to the Commissioner in all respects;

the Commissioner may, acting reasonably, elect to do any one or more of the following:

- (iii) erect the Fencing in a position different from that shown on the Plan;
- (iv) erect the Fencing over a shorter distance than that shown on the Plan; or
- (v) erect the Fencing to specifications different from those in Appendix 3.

- 11.3 If the Commissioner has not completed the Fencing by the Settlement Date, the Holder agrees that the Commissioner may register a covenant, on terms entirely satisfactory to the Commissioner (in the Commissioner's sole discretion), over the Freehold Land to enable the Commissioner to complete the Fencing. The Holder will do all things necessary (including signing any document) to enable the Commissioner to register such a covenant.
- 11.4 The ongoing maintenance of the Fencing referred to in clauses 11.1 and 11.2 will be subject to the terms of the Fencing Act 1978.
- 11.5 If the Holder has accepted this Proposal and that acceptance has taken effect pursuant to the Act, the Commissioner will, subject to clause 11.6, undertake the construction works set out in Appendix 3 on the terms and conditions set out in Appendix 3 ("the Construction Works").
- 11.6 If any Construction Works for which the Commissioner is liable, or jointly liable with the Holder, require a resource consent or any other consent from any local or territorial authority ("the Works Consent"), the following provisions shall apply:
- (a) The Commissioner shall use reasonable endeavours to obtain the Works Consent within 6 months of this Proposal taking effect pursuant to the Act.
 - (b) If the Works Consent:
 - (i) is not obtained within 6 months of this Proposal taking effect pursuant to the Act; and/or
 - (ii) is obtained on terms which are not satisfactory to the Commissioner in all respects;
- the Commissioner may, acting reasonably, elect to vary the extent of the Construction Works in question and/or the terms and conditions upon which they are carried out.

12 Apportionments

- 12.1 Rent payable under the Lease in respect of the Freehold Land shall be apportioned as follows:
- (a) Rent paid or payable will be apportioned on the Settlement Date as at the Settlement Date and either deducted from or added to (as the case may be) the amount required to settle.
 - (b) Notwithstanding that the Lease continues in effect until a certificate of title issues for the Freehold Land, the Holder shall not be required to pay any rent under the Lease for the Freehold Land from the Settlement Date.
- 12.2 Rent paid or payable under the Lease for the Crown Land will be apportioned on the Settlement Date as at the Vesting Date and either deducted from or added to (as the case may be) the amount required to settle.
- 12.3 All rates, levies, and all other incomings and outgoings and other charges receivable from or charged upon the Freehold Land will, unless otherwise agreed by the parties, be apportioned on the Settlement Date as at the Settlement Date.
- 12.4 All rates, levies and all other incomings and outgoings and other charges receivable from or charged upon the Crown Land will be apportioned on the Settlement Date as at the Vesting Date and either deducted from or added to (as the case may be) the amount required to settle.

- 12.5 Following the date that a certificate of title issues for the Freehold Land, the Commissioner will undertake a final apportionment and either the Commissioner will pay to the Holder, or the Holder will pay to the Commissioner, any additional amounts due because of any payments made or received by one party on behalf of the other for the period from the Settlement Date to the date on which a new certificate of title issues for the Freehold Land.

13 Risk

- 13.1 On and with effect from the Unconditional Date all risk of any nature in respect of the Freehold Land will pass from the Commissioner to the Holder. For the avoidance of doubt, the Holder's current risk in respect of matters arising under the Lease, including, without limitation, the Holder's risk in respect of all improvements, buildings, fencing, fixtures, fittings and chattels, will continue to remain with the Holder until the Lease is deemed to be surrendered under clause 10.2.
- 13.2 The Holder will be required to comply with its settlement obligations under this Proposal irrespective of any damage to, or destruction of, the Freehold Land prior to the Settlement Date.

14 Survey

- 14.1 All areas of the Land forming part of this Proposal and delineated on the Plan are approximate and subject to preparation of the Final Plan. The measurements of the areas may therefore alter on the Final Plan.
- 14.2 No error, misdescription or amendment of any part of the Land will annul, vary, or derogate from this Proposal, or the Holder's acceptance of this Proposal.
- 14.3 For the avoidance of doubt, the Holder will not be entitled to cancel or withdraw its acceptance of this Proposal, nor will the Holder, or any successor in title of the Holder or any party with an interest in the Land, be entitled to payment of any compensation, should any area of the Land on the Final Plan have a different measurement to the area specified in this Proposal.
- 14.4 The Commissioner does not warrant that any existing fence is erected on, or that any new fence to be erected will be on, any boundaries of the Land or any part of the Land as outlined on the Plan or the Final Plan.

15 Holder's Acknowledgements

- 15.1 If the Holder accepts this Proposal and that acceptance takes effect under the Act, the Holder acknowledges that:
- (a) it is obtaining the freehold interest in the Freehold Land:
 - (i) "as is", solely in reliance on its own investigations and judgement; and
 - (ii) not in reliance on any representation or warranty made by the Commissioner, its employees, agents or any other person or persons directly or indirectly associated with the Commissioner;
 - (b) the Holder has carried out all inspections of the Freehold Land which the Holder considers necessary to satisfy itself as to all matters relating to the Freehold Land;
 - (c) the Holder, at its cost, is entirely responsible for all work to ensure that the Freehold Land complies with all applicable laws including (without limitation):
 - (i) the Resource Management Act 1991 any rule in any plan, resource consent or other requirement issued under the Resource Management Act 1991, and
 - (iii) the Building Act 2004; and
- the Holder hereby indemnifies and will indemnify the Commissioner against all losses, damages and expenses incurred by the Commissioner and against all claims made against the Commissioner in respect of any work or costs for which the Holder is liable under this clause 15;

- (d) nothing in this Proposal is affected by, and the Commissioner has no liability of any nature in respect of, the existence or terms of any leases, licences or other occupation rights of any nature (if any) granted by the Holder in respect of the Land; and
- (e) the Holder has no claim (and will not have any claim) whatsoever against the Crown and/or Commissioner in relation to the Tenure Review and/or this Proposal, including (without limitation) any claim for any misrepresentation or for any loss or damage suffered whether in contract, tort (including negligence) or otherwise.

16 No Representations or Warranties by the Commissioner

- 16.1 The Commissioner gives no representations or warranties of any nature in respect of the Freehold Land. Without limitation, the Commissioner does not warrant:
- (a) the accuracy of any matter in the Notice or this Proposal or in any notice, or any correspondence or other information provided to the Holder by the Commissioner or by any agent, contractor or employee of the Commissioner; or
 - (b) that the Freehold Land is or will remain suitable for the Holder's use; or
 - (c) that the Freehold Land complies with all or any statutory, territorial authority or any other legal requirements affecting or relevant to the Freehold Land.

17 Acceptance

- 17.1 The Holder's acceptance of this Proposal is irrevocable and constitutes a binding agreement between the Commissioner and the Holder.
- 17.2 If the Commissioner does not receive an acceptance to this Proposal from the Holder within three (3) months of putting it (in its substantive form) to the Holder, the Holder is deemed to have rejected this Proposal.

18 Solicitors Certificate

- 18.1 The Holder must procure the Holder's solicitors to provide the Commissioner with a solicitor's certificate (in a form satisfactory to the Commissioner, in its reasonable opinion) relating to such matters as the Holder's execution of this Proposal and the Holder's execution of any documents required to give effect to this Proposal (including, without limitation any easement, protective mechanism and/or concession). An example of the form of solicitors certificate required is set out at Appendix 2.
- 18.2 The Holder must return the completed solicitor's certificate to the Commissioner with this Proposal on its acceptance by the Holder.

19 Default

- 19.1 If from any cause whatever (except the default of the Commissioner) all or any part of the Holder's Payment or any other money payable by the Holder to the Commissioner is not paid on the due date the Holder will pay to the Commissioner interest at the Default Rate on the part of the Holder's Payment or any other money payable by the Holder to the Commissioner so unpaid from the due date until the date of actual payment in full.
- 19.2 The Commissioner's rights under this clause 19 are without prejudice to any other rights or remedies available to the Commissioner at law or in equity.

20 Goods and Services Tax

- 20.1 Unless the context otherwise requires, words and phrases used in this clause have the same meaning as in the GST Act.
- 20.2 If the supplies evidenced by the Holder's Consideration and the Commissioner's Consideration are taxable supplies under the GST Act, then:

- (a) the Commissioner and the Holder warrant to each other that they are registered for GST purposes as at the Holder's acceptance of this Proposal and that they will be so registered on the Settlement Date;
 - (b) the Commissioner and the Holder confirm that as at the Settlement Date:
 - (i) each is acquiring the goods supplied with the intention of using the goods for making taxable supplies; and
 - (ii) the Commissioner and any associated person in terms of section 2A(1)(c) of the GST Act do not intend to use the Crown Land and the Holder and any associated person in terms of section 2A(1)(c) of the GST Act do not intend to use the Freehold Land as a principal place of residence; and
 - (c) the Commissioner and the Holder agree that the supplies evidenced by the Holder's Consideration and the Commissioner's Consideration are to be zero-rated for GST purposes under section 11(1)(mb) of the GST Act.
- 20.3 If any of the circumstances set out in clause 20.2 change between the date of the Holder's acceptance of this Proposal and the Settlement Date, then the relevant party will notify the other of the changed circumstances as soon as practicable and in any event not later than 2 working days before the Settlement Date and such party shall warrant that the changed circumstances are correct as at the Settlement Date. If the GST treatment of the supplies evidenced by the Holder's Consideration and the Commissioner's Consideration changes as a result of the changed circumstances and a party has already provided the other with a GST invoice, then that party will issue a debit note or credit note, as the case may be, for GST purposes.
- 20.4 On the 10th working day following the Unconditional Date, the Commissioner will provide to the Holder a GST invoice in respect of the supply evidenced by the Holder's Consideration. The invoice will specify the Commissioner's GST Date.
- 20.5 The Holder will pay GST (if any) on the Holder's Consideration to the Commissioner by bank cheque on the Commissioner's GST Date, time being of the essence.
- 20.6 On the 10th working day following the Unconditional Date, the Holder will provide to the Commissioner a GST invoice in respect of the supply evidenced by the Commissioner's Consideration.
- 20.7 The Commissioner will pay GST (if any) on the Commissioner's Consideration to the Holder on the Commissioner's GST Date, time being of the essence.
- 20.8 Where any GST is not paid to the Commissioner or to the Holder (as the case may be) in accordance with this clause 20, the Holder will pay to the Commissioner, or the Commissioner will pay to the Holder (as the case may be), upon demand and together with the unpaid GST:
- (a) interest, at the Default Rate, on the amount of the unpaid GST and which will accrue from the Commissioner's GST Date until the date of payment of the unpaid GST; and
 - (b) any Default GST.

21 Lowest price

- 21.1 The Holder's Consideration does not include any capitalised interest and the parties agree that the "lowest price" for the purposes of valuing the Freehold Land under section EW 32(3) of the Income Tax Act 2007 is equal to the Holder's Consideration.
- 21.2 The Commissioner's Consideration does not include any capitalised interest and the parties agree that the "lowest price" for the purposes of valuing the Crown Land under section EW 32(3) of the Income Tax Act 2007 is equal to the Commissioner's Consideration.

22 Costs

- 22.1 The Commissioner will meet the costs of the survey (if any) of the Land, including all designation areas, the Final Plan and for a certificate of title to issue for the Freehold Land.

- 22.2 The Holder is responsible for all costs the Holder incurs in respect of and incidental to the Tenure Review. In particular, but without limitation, the Holder shall bear all its costs in relation to the review of all documentation forming part of the Tenure Review (including this Proposal), and all professional advice provided to or sought by the Holder.

23 No nomination or assignment

- 23.1 The Holder is not entitled to, and is expressly prohibited from, nominating another person to perform the Holder's obligations under this Proposal or assigning to another person the Holder's interest (or any part) under this Proposal.

24 Recreation Permit

- 24.1 Immediately on the registration of the Final Plan and a copy of the proposal to which it relates over the Land and pursuant to s64 of the Act, any recreation permit granted over the Land shall be determined.

25 Consents for Activities

- 25.1 If the Holder has been granted a consent by the Commissioner to do an activity on the land under sections 15 or 16 of the Act, and the area over which the consent is exercised is designated in the proposal as Crown Land then the Holder agrees to act in good faith whilst exercising the terms of consent and not damage or destroy the Crown Land or anything thereon.

26 General

- 26.1 This Proposal and the Notice:
- (a) constitute the entire understanding and agreement between the Commissioner, the Crown and the Holder in relation to the Tenure Review; and
 - (b) supersede and extinguish all prior agreements and understandings between the Crown, the Commissioner and the Holder relating to the Tenure Review.
- 26.2 Each provision of this Proposal will continue in full force and effect to the extent that it is not fully performed at the Settlement Date.
- 26.3 The Holder must comply with the Commissioner's requirements for the implementation and settlement of the Tenure Review contemplated by this Proposal.
- 26.4 The Commissioner and the Holder will sign and execute all deeds, agreements, schedules and other documents and do all acts and things as may be reasonably required by the other to effectively carry out and give effect to the terms and intentions of this Proposal.
- 26.5 This Proposal is governed by, and must be construed under, the laws of New Zealand and the Commissioner and the Holder irrevocably submit to the jurisdiction of the New Zealand courts or other New Zealand system of dispute resolution.
- 26.6 The illegality, invalidity or unenforceability of any provision in this Proposal will not affect the legality, validity or enforceability of any other provision.
- 26.7 In relation to notices and other communications under this Proposal:
- (a) each notice or other communication is to be in writing, and sent by facsimile, personal delivery or by post to the addressee at the facsimile number or address, and marked for the attention of the person or office holder (if any), from time to time designated for that purpose by the addressee to the other party. Other than the address to which the Holder is to send its acceptance of this Proposal (which the Commissioner will specifically notify the Holder of) the address, person or office holder (if any) for each party is shown on the front page of this Proposal;
 - (b) no communication is to be effective until received. A communication will be deemed to be received by the addressee:

- (i) in the case of a facsimile, on the working day on which it is despatched or, if despatched after 5.00 p.m. on a working day or, if despatched on a non-working day, on the next working day after the date of dispatch;
- (ii) in the case of personal delivery (including, but not limited to, courier by a duly authorised agent of the person sending the communication), on the working day on which it is delivered, or if delivery is not made on a working day, on the next working day after the date of delivery; and
- (iii) in the case of a letter, on the fifth working day after mailing (postage paid).

27 Interpretation

27.1 Definitions

In this Proposal unless the context otherwise requires:

Act means the Crown Pastoral Land Act 1998;

Commissioner means the Commissioner of Crown Lands appointed under section 24AA of the Land Act 1948;

Commissioner's Consideration means the amount payable by the Commissioner to the Holder by equality of exchange for the surrender of the leasehold interest in the Lease in relation to the Crown Land, as specified in the Notice;

Commissioner's GST Date means the earlier of Settlement Date or the fifth working day before the day on which the Commissioner is due to pay to the Inland Revenue Department all GST payable by the Commissioner in respect of the supply made under this Proposal;

Commissioner's Payment means the balance of the Commissioner's Consideration payable by the Commissioner to the Holder by equality of exchange for the Crown Land, as specified in the Notice (if any);

Crown Land means the land (including any improvements) set out in Schedule One and the land (including any improvements) set out in Schedule Two (if any);

Default GST means any additional GST, penalty or other sum levied against either the Commissioner or the Holder under the Goods and Services Tax Act 1985 or the Tax Administration Act 1994 by reason of either the Commissioner or the Holder failing to pay GST as required by this Proposal. It does not include any sum levied against the Commissioner or the Holder by reason of a default by the Commissioner after payment of GST to the Commissioner by the Holder or by reason of a default by the Holder after payment of GST to the Holder by the Commissioner;

Default Rate means the rate of 11 per cent per annum;

Fencing means any stock proof farm fence.

Fencing Consent means any and all consents required for fencing under the Resource Management Act 1991.

Final Plan means the final plan for the Land prepared and submitted by the Commissioner to the Surveyor-General under sections 62(4)(c) and (d) of the Act;

Freehold Land means the land set out in Schedule Three;

GST means all goods and services tax payable by the Commissioner or the Holder under the Goods and Services Tax Act 1985 in respect of their respective supplies evidenced by this Proposal;

GST Act means the Goods and Services Tax Act 1985;

Holder means holder shown on the front page of this Proposal (being the lessee under the Lease);

Holder's Consideration means the amount payable by the Holder to the Commissioner by equality of exchange for the freehold of the Freehold Land, as specified in the Notice;

Holder's Payment means the balance of the Holder's Consideration payable by the Holder to the Commissioner by equality of exchange for the freehold of the Freehold Land, as specified in the Notice (if any);

Land means the land subject to the Tenure Review identified on the front page of this Proposal;

Lease means the lease described on the front page of this Proposal;

Mortgage means any mortgage (registered or unregistered) over the Land;

Mortgagee means the holder of any Mortgage;

Notice means the notice to the Holder setting out:

- (a) the Holder's Consideration;
- (b) the Commissioner's Consideration; and
- (c) the Holder's Payment or the Commissioner's Payment (as the case may be);

which includes amounts proposed to be paid by way of equality of exchange and accompanies this Proposal, but is not part of this Proposal;

Plan means the plan of the Land showing all designations on page 2 of this Proposal;

Registrar means the Registrar-General of Lands appointed pursuant to section 4 of the Land Transfer Act 1952;

Rent Review means the process for determination of the rent payable under the Lease as set out in sections 6 - 8 of the Act;

Settlement Date means the settlement date defined in clause 3.1;

Surveyor-General means the Surveyor-General appointed under section 5 of the Cadastral Survey Act 2002;

Tenure Review means the tenure review of the Land being undertaken by the Commissioner under the Act;

Unconditional Date means the date that the Commissioner receives from the Holder an executed copy of this Proposal signed by the Holder containing the signed consents of all persons having an interest in the Land to the Holder's acceptance of this Proposal which results in the acceptance taking effect under the Act;

Vesting Date means the date on which the Crown Land vests in the Crown pursuant to the Act;

Working day means a day that is not a Saturday, a Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's birthday, Labour Day, or a day during the period commencing on any Christmas Day and ending with the 15th day of the following January or a day which is a provincial holiday in the place where the obligation is to be performed.

Works Consent means any and all consents required under the Resource Management Act 1991; and/or the Building Act 2004.

27.2 Construction of certain references

In this Proposal, unless inconsistent with the context:

- (a) a reference to a certificate of title includes a reference to a computer register;
- (b) words importing a gender include all genders;
- (c) reference to a statute includes reference to all enactments that amend or are passed in substitution for the relevant statute and to all regulations relating to that statute;
- (d) words in the singular include the plural and vice versa;
- (e) reference to a month means a calendar month;

- (f) reference to a person means an individual, a body corporate, an association of persons (whether corporate or not), a trust or a state or agency of a state (in each case, whether or not having separate legal personality);
- (g) references to sections, clauses, sub-clauses, parts, annexures, attachments, appendices, schedules, paragraphs and sub-paragraphs are references to such as they appear in this Proposal and form part of this Proposal;
- (h) headings are included for ease of reference only and will not affect the construction or interpretation of this Proposal;
- (i) all monetary amounts are expressed in New Zealand currency;
- (j) references to obligations includes reference to covenants, undertakings, warranties and, generally, obligations or liabilities of any nature properly arising whether directly or indirectly, under or in respect of the relevant contract, agreement or arrangement;
- (k) all references to times are references to times in New Zealand;
- (l) if the Holder comprises more than one person, each of those person's obligations, as Holder, will be both joint and several.

Schedule One: Provisions relating to the Schedule One Land

1 Details of Designation

- 1.1 Under this Proposal the land shown marked in pink and labelled CA on the Plan, being 1642 hectares (approximately), is designated as land to be restored to or retained in full Crown ownership and control as Conservation Area.

2 Schedule One Improvements

Nil.

Schedule Two: Provisions relating to the Schedule Two Land

1 Details of designation

Nil.

2 Information Concerning Proposed Concession

Nil.

Schedule Three: Provisions relating to the Schedule Three Land

1 Details of designation

- 1.1 Under this Proposal the land shown marked in green on the Plan, being 3441 hectares (approximately) is designated as land to be disposed of by freehold disposal to the Holder subject to:
- (a) Part IVA of the Conservation Act 1987;
 - (b) Section 11 of the Crown Minerals Act 1991;
 - (c) the covenants shaded yellow and labelled CC1 and CC2 respectively substantially as set out in Appendix 4;
 - (d) the continuation of the Open Space Covenant (under Section 22 Queen Elizabeth the Second National Trust Act 1977) shown on the Plan shaded in blue, a copy of which is attached in Appendix 5;

Schedule Four: Conditions

- 1 The Commissioner is under no obligation, and may decide, in its sole discretion, not to proceed further with the Tenure Review unless and until:
 - (a) the Commissioner considers that sufficient funds will be obtained in order to complete the Tenure Review;
 - (b) the Director General of Conservation has completed all actions required under Part IVA of the Conservation Act 1987;
 - (c) the Commissioner has reviewed, and is satisfied, in its sole discretion that the covenant referred to in Appendix 4 is in an acceptable form, has been executed, consented by the necessary parties and has been registered against the Lease.

Appendix 1: Consents – Example of Mortgagee Consent

[] as Mortgagee under Mortgage [] (“the Mortgage”), hereby:

- (a) consents to acceptance of the Proposal dated [] (“the Proposal”) by [the Holder] (“the Holder”) pursuant to the Crown Pastoral Land Act 1998 and agrees and consents to the registration of the documents affecting the Freehold Land referenced in the Proposal prior to the registration of any new mortgage to be granted in its favour over the Freehold Land ; and
- (b) agrees to sign and execute all deeds, agreements, schedules and other documents and do all acts and things as may be reasonably required by the Holder or the Commissioner to register a discharge of the Mortgage and any new mortgage over the Freehold Land.

Dated:

SIGNED by []) _____
in the presence of: [])

Witness Signature: _____

Witness Name:
Occupation:
Address:

Appendix 1: Consents (continued) - Example of "Other" Consent

[], being the party entitled to the benefit of [] registered against Lease [], hereby consents to the acceptance of the Proposal dated [] by [the Holder] pursuant to the Crown Pastoral Land Act 1998.

Dated:

SIGNED for and on behalf of)
[])
in the presence of:)

Witness Signature:

Witness Name:
Occupation:
Address:

Appendix 2: Example of Solicitors Certificate

Certifications

I [] hereby certify as follows:

1. [[insert name of Holder] ("the Holder") is a duly incorporated company under the Companies Act 1993. The Holder's entry into and performance of its obligations under the Proposal dated [] ("the Proposal") have been duly authorised by the directors and, if required, by the shareholders of the Holder. The Holder has executed the Proposal in accordance with its constitution.] **OR**

The entry into the Proposal dated [] ("the Proposal") by [insert name of Holder] ("the Holder") and performance of the Holder's obligations under the Proposal have been duly authorised by the trustees of the [insert name of trust] in accordance with its trust deed **OR**

[[insert name of Holder] ("the Holder") has delegated responsibility for signing the Proposal on its behalf to an attorney in accordance with its constitution. The attorney of the Holder has properly executed the Proposal in accordance with this power of attorney and in accordance with the Holder's constitution and a certificate of non-revocation is enclosed.]

2. The consent of each person that has an interest (registered or unregistered) in the Land (as that term is defined in the Proposal), to the Holder's acceptance of the Proposal has been obtained and included in the copy of the Proposal, signed by the Holder, that has been provided to the Commissioner.
3. [No consent, licence, approval or authorisation by any court, regulatory authority or governmental agency is required to enable the Holder to accept the Proposal, perform the Holder's obligations under the Proposal and to acquire the freehold interest in the Land (as defined in the Proposal).] **OR**

[All necessary consents, licences, approvals and authorisations required to enable the Holder to accept the Proposal, perform its obligations under it and to acquire the freehold interest in the Land (as defined in the Proposal) have been obtained. Evidence of the consents, licences, approvals and authorisations are attached to this letter.]

Yours faithfully

[signed by principal of law firm]

Appendix 3: Indicative Fencing and Construction Requirements

Fenceline

Nil.

Construction

Nil.

Appendix 4: Form of Covenant to be created

DATED _____

Between

COMMISSIONER OF CROWN LANDS
Pursuant to Section 80 of the Crown Pastoral Land Act 1998

and

MINISTER OF CONSERVATION
("the Minister")

COVENANT UNDER RESERVES ACT 1977
FOR CROWN PASTORAL LAND ACT 1998 PURPOSES



Department of Conservation
Te Papa Atawhai

THIS DEED of COVENANT is made the day of

BETWEEN **COMMISSIONER OF CROWN LANDS** acting pursuant to
section 80 of the Crown Pastoral Land Act 1998

AND **MINISTER OF CONSERVATION**

BACKGROUND

- A. The Commissioner of Crown Lands is deemed for the purposes of section 77 of the Reserves Act 1977 to be the owner of the Land under section 80(5) of the Crown Pastoral Land Act 1998.
- B. The Land contains certain Values specified in Schedule 1.
- C. The parties agree that the Land should be managed so as to preserve the particular Values specified in Schedule 1, and that such purpose can be achieved without the Minister acquiring a fee simple or leasehold interest in the Land.
- D. An approved plan designating the Land as land over which a Covenant under section 77 of the Reserves Act 1977 is to be created has been registered under section 64 of the Crown Pastoral Land Act 1998.
- E. The Commissioner of Crown Lands has agreed to grant the Minister a Covenant over the Land to preserve the particular Values specified in Schedule 1.

OPERATIVE PARTS

In accordance with section 77 of the Reserves Act 1977, and with the intent that the Covenant run with the Land and bind all subsequent Owners of the Land, the Commissioner of Crown Lands and the Minister agree as follows:

1. INTERPRETATION

1.1 In this Covenant unless the context otherwise requires:

- “Act”** means the Reserves Act 1977.
- “Covenant”** means this Deed of Covenant made under section 77 of the Act.
- “Director-General”** means the Director-General of Conservation.
- “Fence”** includes a gate.
- “Fire Authority”** means a Fire Authority as defined in the Forest and Rural Fires Act 1977.
- “Land”** means the land described in Schedule 1.
- “Minerals”** means any mineral that is a Crown owned mineral under section 2 of the Crown Minerals Act 1991.

- “Minister”** means the Minister of Conservation.
- “Natural Water”** includes water contained in streams the banks of which have, from time to time, been realigned.
- “Owner”** means the person or persons who from time to time is or are registered as the proprietor(s) of the Land.
- “Party” or “Parties”** means either the Minister or the Owner or both.
- “Values”** means any or all of the Land’s natural environment, landscape amenity, wildlife habitat, freshwater life habitat, marine life habitat or historic values as specified in Schedule 1.
- “Working Day”** means the period between any one midnight and the next excluding Saturdays, Sundays, and statutory holidays in the place where the Land is located.

1.2 For avoidance of doubt:

- 1.2.1 the reference to any statute in this Covenant extends to and includes any amendment to or substitution of that statute;
- 1.2.2 expressions defined in clause 1.1 bear the defined meaning in the whole of this Covenant including the Background. Where the parties disagree over the interpretation of anything contained in this Covenant and in determining the issue, the parties must have regard to the matters contained in the Background;
- 1.2.3 clause and other headings are for ease of reference only and are not to be treated as forming any part of the context or to affect the interpretation of this Covenant;
- 1.2.4 words importing the singular number include the plural and vice versa;
- 1.2.5 words importing one gender include the other gender;
- 1.2.6 any obligation not to do anything must be treated to include an obligation not to suffer, permit or cause the thing to be done;
- 1.2.7 the agreements contained in this Covenant bind and benefit the parties and their administrators and executors, successors and assigns in perpetuity.

2. OBJECTIVE OF THE COVENANT

- 2.1 The Land must be managed so as to preserve the Values.

3. THE OWNER’S OBLIGATIONS

- 3.1 Unless agreed in writing by the parties, the Owner must not carry out or allow to be carried out on or in relation to the Land:
- 3.1.1 grazing of the Land by livestock;
- 3.1.2 subject to clauses 3.2.1 and 3.2.3, felling, removal or damage of any tree, shrub or other plant;
- 3.1.3 the planting of any species of tree, shrub or other plant;

- 3.1.4 the erection of any Fence, building, structure or other improvement for any purpose;
 - 3.1.5 any burning, chemical spraying, top dressing or sowing of seed;
 - 3.1.6 any cultivation, earth works or other soil disturbances;
 - 3.1.7 any archaeological or other scientific research involving disturbance of the soil;
 - 3.1.8 the damming, diverting or taking of Natural Water;
 - 3.1.9 any action which will cause deterioration in the natural flow, supply, quantity, or quality of water of any stream, river, lake, pond, marsh, or any other water resource affecting the Land;
 - 3.1.10 any other activity which might have an adverse effect on the Values.
 - 3.1.11 any prospecting or mining for Minerals, coal or other deposit or moving or removal of rock of any kind on or under the Land;
 - 3.1.12 the erection of utility transmission lines across the Land.
- 3.2 The Owner must:
- 3.2.1 eradicate or control all weeds and pests on the Land to the extent required by any statute; and in particular comply with the provisions of, and any notices given under, the Biosecurity Act 1993;
 - 3.2.2 if it is safe to do so, assist the Fire Authority to extinguish any wildfire upon or threatening the Land;
 - 3.2.3 keep the Land free from exotic tree species;
 - 3.2.4 keep the Land free from rubbish or other unsightly or offensive material arising from the Owner's use of the Land;
 - 3.2.5 grant to the Minister or authorised agent of the Minister or any employee or contractor of the Director-General, a right of access at all times on and to the Land, with or without motor vehicles, machinery, and implements of any kind, for purposes associated with the management of this Covenant;
 - 3.2.6 keep all Fences on the boundary of the Land in good order and condition and, notwithstanding clause 3.1.4, rebuild or replace all such Fences when reasonably required except as provided in clause 4.2.

4. THE MINISTER'S OBLIGATIONS

- 4.1 The Minister must have regard to the objective specified in clause 2.1 when considering any requests for approval under this Covenant.
- 4.2 The Minister must repair and replace to its former condition any Fence or other improvement on the Land or on its boundary which may have been damaged in the course of the Minister or any person referred to in clause 3.2.5 exercising any of the rights conferred by this Covenant.

5. IMPLEMENTATION OF OBJECTIVES

- 5.1 The Minister may;
- 5.1.1 provide to the Owner technical advice or assistance as may be necessary or desirable to assist in meeting the objectives specified in clause 2.1;
 - 5.1.2 prepare, in consultation with the Owner, a joint plan for the management of the Land to implement the objectives specified in clause 2.1;
 - 5.1.3 prepare, in consultation with the Owner, a monitoring plan to assist the parties to meet the objectives specified in clause 2.1.

6. DURATION OF COVENANT

- 6.1 This Covenant binds the Minister and Owner in perpetuity to the rights and obligations contained in it.

7. OBLIGATIONS ON SALE, ASSIGNMENT OR OTHER DEPOSAL OF LAND

- 7.1 If the Owner sells, leases, or parts with possession of the Land, or hands over control of the Land to any other person, the Owner must ensure that the Owner obtains the agreement of the purchaser, lessee, assignee or manager to comply with the terms of this Covenant, including any agreement by the purchaser, lessee, assignee or manager to ensure that on any subsequent sale, lease, assignment, or change in control of the Land, any subsequent purchaser, lessee, assignee or manager must also comply with the terms of this Covenant including this clause.
- 7.2 A Transferee of the land will at law be bound by the registered Covenant. Such transfer is deemed to provide the agreement to comply with the terms of this covenant required by Clause 7.1

8. MISCELLANEOUS MATTERS

8.1 Rights

- 8.1.1 The rights granted by this Covenant are expressly declared to be in the nature of a covenant.

8.2 Trespass Act:

- 8.2.1 Except as provided in this Covenant, the Covenant does not diminish or affect the rights of the Owner to exercise the Owner's rights under the Trespass Act 1980 or any other statute or generally at law or otherwise;
- 8.2.2 For avoidance of doubt these rights may be exercised by the Owner if the Owner reasonably considers that any person has breached the rights and/or restrictions of access conferred by this Covenant.

8.3 Reserves Act

- 8.3.1 Subject to the terms and conditions set out in this Covenant, sections 93 to 105 of the Reserves Act 1977, as far as they are applicable and with the necessary modifications, apply to the Land as if the Land were a reserve, notwithstanding that the Land may from time to time be sold or otherwise disposed of.

8.4 Titles

8.4.1 This Covenant must be signed by the Commissioner of Crown Lands and the Minister and registered against the Certificate of Title to the Land.

8.5 Acceptance of Covenant

8.5.1 The parties agree to be bound by the provisions of this Covenant including during the period prior to the Covenant's registration.

8.6 Fire

8.6.1 The Owner must notify, as soon as practicable, the appropriate Fire Authority and the Minister in the event of wild fire threatening the Land;

8.6.2 If the Minister is not the appropriate Fire Authority for the Land, the Minister will render assistance to the Fire Authority in suppressing the fire if:

8.6.2.1 requested to do so; or

8.6.2.2 if there is in place between the Minister and the Fire Authority a formalised fire agreement under section 14 of the Forest and Rural Fires Act 1977.

9. NOTICES

9.1 A notice to be given under this Covenant by one party to the other is to be in writing and made by personal delivery, by pre-paid post, or by email addressed to the receiving party at the address or email address set out in Schedule 1.

9.2 A notice given in accordance with clause 9.1 will be deemed to have been received:

- (a) in the case of personal delivery, on the date of delivery;
- (b) in the case of pre-paid post, on the third Working Day after posting;
- (c) in the case of email, on the day on which it is dispatched if that is a Working Day or, if it is not a Working Day or if it is dispatched after 5.00pm, on the next Working Day after the date of dispatch.

9.3 The Owner must notify the Minister of any change of ownership or control of all or part of the Land and must supply the Minister with the name and address of the new owner or person in control.

10. DEFAULT

10.1 Where either the Minister or the Owner breaches any of the terms and conditions contained in this Covenant the other party:

10.1.1 may take such action as may be necessary to remedy the breach or prevent any further damage occurring as a result of the breach; and

10.1.2 will also be entitled to recover from the party responsible for the breach as a debt due all reasonable costs (including solicitor/client costs) incurred by the other party as a result of remedying the breach or preventing the damage.

10.2 Should either the Minister or the Owner become of the reasonable view that the other party (the defaulting party) has defaulted in performance of or observance of its obligations under this Covenant then that party (notifying party) may, by written notice:

10.2.1 advise the defaulting party of the default;

- 10.2.2 state the action reasonably required of the defaulting party to perform or observe in accordance with this Covenant; and
- 10.2.3 state a reasonable period within which the defaulting party must take action to remedy the default.

11. DISPUTE RESOLUTION PROCESSES

- 11.1 If any dispute arises between the Minister and the Owner in connection with this Covenant, the parties must, without prejudice to any other rights they may have under this Covenant, attempt to resolve the dispute by negotiation or other informal dispute resolution technique agreed between the parties.

11.2 Mediation

- 11.2.1 if the dispute is not capable of resolution by agreement within 14 days of written notice by one party to the other (or such further period as the parties may agree to in writing) either party may refer the dispute to mediation with a mediator agreed between the parties;
- 11.2.2 if the parties do not agree on a mediator, the President of the New Zealand Law Society is to appoint the mediator.

11.3 Failure of Mediation

- 11.3.1 in the event that the dispute is not resolved by mediation within 2 months of the date of referral to mediation the parties agree that the provisions in the Arbitration Act 1996 will apply;
- 11.3.2 notwithstanding anything to the contrary in the Arbitration Act 1996, if the parties do not agree on the person to be appointed as arbitrator, the appointment is to be made by the President of the New Zealand Law Society;
- 11.3.3 the parties further agree that the results of arbitration are to be binding upon the parties.

12. JOINT OBLIGATIONS

- 12.1 The Owner or the Minister may, by mutual agreement, carry out any work or activity or improvements or take any action either jointly or individually to better preserve the Values.

13. FURTHER AGREEMENT AND APPROVAL

- 13.1 Where clauses in this Covenant require further agreement between the parties such agreement must not be unreasonably withheld.
- 13.2 Where clauses in this Covenant require the approval of the Minister such approval must not be unreasonably withheld.

14. SPECIAL CONDITIONS

- 14.1 Special conditions relating to this Covenant are set out in Schedule 2.
- 14.2 The standard conditions contained in this Covenant must be read subject to any special conditions.

Executed as a Deed

Signed by _____ acting under a)
delegation from the Commissioner of Crown Lands)
deemed pursuant to section 80(5) of the Crown Pastoral)
Land Act 1998 to be the Owner of the Land for the)
purposes of section 77 of the Reserves Act 1977)
in the presence of : _____)

Witness: _____

Address : _____

Occupation: _____

Signed by _____ exercising his/her)
powers under section 117 of the Reserves Act 1977)
as designated Commissioner and acting for and on)
behalf of the Minister of Conservation)
in the presence of : _____)

Witness: _____

Address : _____

Occupation: _____

SCHEDULE 1

1. Description of Land

CC1 – Northern Corner of Island Hills

All that piece of land containing a total of approximately 775 hectares, shaded yellow on the designations plan.

CC2 – East Faces of the Northern Organ Range

All that piece of land containing a total of approximately 1866 hectares, shaded orange on the designations plan.

2. Address for Service

The address for service (including email address) of the Minister is:

Minister of Conservation
Department of Conservation
Conservation House
77 Stuart Street
PO Box 5244
DUNEDIN 9058

Phone: (03) 477 0677
Email: permissionsdunedin@doc.govt.nz

The address for service (including email address) of the Owner is:

Dan and Mandy Shand
Everything NZ Ltd
1619 Tekoa Road
RD 2
Culverden 7392
Phone and Fax: (03) 315 8026
Email: info@walkingtrack.co.nz

3. Values of Land to be Protected (Section 77, Reserves Act 1977)

CC1- Northern Corner of Island Hills

- The covenant area covers the northern lower slopes of the organ Range, draining into both the Mandamus River and into Gorge Stream. The land supports intake and continuous sequences from lower-altitude shrublands, riparian beech forest, though mid-altitude forest, to mid-altitude grasslands.
- The remnant and regenerating woody plan communities in this area are representative of the original character of the district and include species such as mountain beech, *Coprosma* spp, porcupine shrub, matagouri, mountain tauhinu, *hebe* spp, *Helichrysum lanceolatum*, mountain wineberry, *Corokia cotoneaster*, native broom, kanuka and manuka.
- The fauna in this area are representative of the original communities, including lizard, bird, fish and invertebrate species.

- The area provides habitat for several threatened bird species: eastern falcon (nationally vulnerable), black shag (naturally uncommon), New Zealand pipit (declining), South Island rifleman (declining) and South Island robin (declining).
- Mixed shrubland on mid slopes in the Organ Stream catchment supports populations of a nationally vulnerable plant species at its northern limit: *Olearia fimbriata*.
- Kanuka forest and manuka scrub on sunny slopes supports populations of two at risk plant species: *Traversia baccharoides* and *Senecio dunedinensis*.
- The land contains a formed though degraded pack track of historic significance, linking Mandamus River and Gorge Stream. This track is of special cultural significance due to its association with the late Sir Charles Upham; additionally, the track is one of the few remaining examples of tracks put in using a single farrow plough.

CC2 – East Faces of the Northern Organ Range

- The covenant area covers the higher altitude parts of the Organ Range, particularly the eastern facing slopes but also including some lower parts of Gorge Stream. On the east side, the covenant covers the majority of Organ Stream as well as the east draining streams off Nicholsons Knob. The land supports intact and continuous sequences from lower-altitude shrublands, riparian beech forest, through mid-altitude forest, to high altitude rocklands.
- The remnant and regenerating woody plant communities in this area are representative of the original character of the district and include species such as mountain beech, *Coprosma* spp, porcupine shrub, matagouri, mountain tauhinu, *Hebe* spp., *Helichrysum lanceolatum*, mountain wineberry, *Corokia cotoneaster*, native broom, kanuka and manuka.
- The area provides habitat for a several threatened bird species: eastern falcon (nationally vulnerable), black shag (naturally uncommon), kea (naturally uncommon), New Zealand pipit (declining), South Island rifleman (declining) and South Island robin (declining).
- The large ground beetle (*Megadromus rectalis*) is at the extremity of its range.
- Habitats on the covenant support populations of three plant species at the extremity of their range or very uncommon in this area: *Hebe hectorii* subsp. *demissa*, *Pachycladon fastigiata* and *Helichrysum depressum* X *filicaule*. Additionally, kanuka forest and manuka scrub on sunny slopes support populations of two at risk plant species: *Traversia baccharoides* and *Senecio dunedinensis*. Other threatened plant values include *Coprosma acerosa* (declining) on montane screes and *Stenostachys gracilis* (data deficient) in beech forests.
- Small areas on alluvial terraces in the Mandamus valley are within a chronically threatened land environment and support indigenous plant communities, with numerous small wetlands along the terraces also.
- All parts of this area retain high level of natural landscape character, and the fluted rock formations (organ pipes) on the Organ Range are iconic and striking and hold high significance for landscape values.

SCHEDULE 2

Special Conditions

1. Notwithstanding clause 3.1.1, CC1 may be grazed by beef cattle only at a stocking rate not to exceed 250 cows with calves or 350 dry cows. The stock may graze for any continuous 120 day period during the period from the 1st of November to the 30th of April in each calendar year.
2. Notwithstanding clause 3.1.5, CC1 may be over sown with pasture grass and fertilised except for a 20 metre margin adjoining any waterways. The minister is required to approve the pasture grass seed to be applied
3. Notwithstanding clause 3.1.5, parts of CC1 may be sprayed to allow for continued stock access and grazing areas; however, spraying may not exceed 10 hectares in any calendar year. The areas to be sprayed must be consented to by the Minister of Conservation and must specifically exclude all areas of mature forest and woody vegetation over three metres in height. Such consent will not be unduly withheld if the terms of this clause are met.
4. Notwithstanding clause 3.2.1 and 3.2.3, the Owner must control wilding pines, exotic broom and gorse on the Land and must prevent them seeding. The Owner will bear the cost of this work. Should the Owner fail to undertake this work the Minister may arrange to have this work undertaken and the Owner will bear the cost which may include reasonable costs of the Minister. Where the liabilities are significant, the Owner will submit to the Minister an agreed eradication plan for the control of wilding pines, exotic broom and gorse.
5. Notwithstanding clause 3.2.1, the Owner must control wild animals including rabbits, deer, goats and pigs to a level low enough to avoid damage to the Land. The Owner will bear the cost of this work. Should the Owner fail to control animals at an appropriate level the Minister may arrange to have this work undertaken and the Owner will bear the cost which may include reasonable costs of the Minister. Where the liabilities are significant, the Owner will submit to the Minister an agreed eradication plan for the control of wild animals including rabbits, deer, goats and pigs.
6. Notwithstanding clause 3.1.6, the owner may continue to use and maintain the existing vehicle track from the boundary of the covenant into the hut known as "Valley Camp Hut". This track is shown on the map as route "a-b"..
7. Notwithstanding clause 3.1.6, the owner may continue to use, maintain and enhance the walking route which is part of the "Hurunui High Country Track". For clarification, enhancement of the track may include benching or creation of steps. It may also include creating additional small tracks off the main track to key vantage points; but such tracks will require the pre-approval of the minister.
8. Notwithstanding clause 3.1.6, the owner may continue to use the pack track route from Valley Camp Hut to Gorge Stream. Such use may include with motor vehicle or on horse. Any vegetation that impedes access along this track may be cleared; however, no other earth works are permitted without the permission of the Minister of Conservation. Any request for consent to earth works pursuant to this clause will be considered by the Minister of Conservation with regard to the values of the land to be protected and specifically to the pack track formation. The Minister of Conservation shall also consider the reasonable and justifiable need for the earth works for farm management purposes or benefit to the "Hurunui High Country Track.

9. Notwithstanding clause 3.1.10 and 3.1.4, the Owner may place and maintain beehives and continue the associated beekeeping activity of these hives on the Land. This permission does not override clauses 3.1.2 and 3.1.6 by authorising the Owner to clear new beehive sites (where they are not already naturally cleared prior to the commencement of this covenant); nor to construct new roads for the purpose of siting/accessing beehives.

GRANT of

Correct for the purposes of the
Land Transfer Act 1952
Solicitor for the Minister

CONSERVATION COVENANT UNDER
SECTION 77 OF THE RESERVES ACT 1977 FOR
CROWN PASTORAL LAND ACT 1998 PURPOSES

COMMISSIONER OF CROWN
LANDS

to

MINISTER OF CONSERVATION

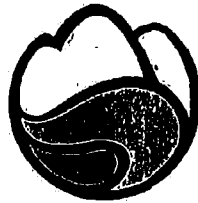
Solicitor

Department of Conservation

DUNEDIN/CHRISTCHURCH

Appendix 5: Copy of Open Space Covenant to Continue

Appendix 5: Copy of Open Space Covenant to Continue



Queen Elizabeth II

National Trust

For open space in New Zealand

OPEN SPACE COVENANT

COVENANTOR(S): E. A. D. T. & J. M. SHAND

of the Registrar-General of Land, Wellington, No. 609694.1/84
No. 5/11/68

OPEN SPACE COVENANT

(Pursuant to Section 22 of the Queen Elizabeth the Second National Trust Act 1977)

WHEREAS EDWYN ARTHUR DAVID TRESILLIAN SHAND of CULVERDEN, Farmer as to a 2/3 share and JANET MARY SHAND of CULVERDEN, Married woman as to a 1/3 share as tenants in common in the said shares.

(hereinafter called "the Covenantor") is/are registered as ^{Lessees} ~~Proprietors~~ of an estate as set out in the Schedule of land hereto (hereinafter called "the land")

AND WHEREAS the QUEEN ELIZABETH THE SECOND NATIONAL TRUST established by the Queen Elizabeth the Second National Trust Act 1977 (hereinafter called "the Trust") is authorised by that Act to obtain open space covenants over any private land or any land under Crown Lease

AND WHEREAS the Covenantor has agreed to enter into an open space covenant with the Trust for the purpose set forth in the First Schedule hereto

NOW THEREFORE in consideration of the covenants and conditions hereinafter contained THESE PRESENTS WITNESS that in pursuance of the said agreement and by virtue of Section 22 of the Act the Covenantor and the Trust with the intent and so as to bind the land into whosoever hands the same may come MUTUALLY COVENANT at all times to observe and perform the respective duties and obligations imposed by the restrictions, stipulations and agreements contained in the ~~SECOND~~ Schedules hereto to the end and intent that the same shall bind the land in perpetuity or for the unexpired term thereof of the Covenantor's lease of the land and any renewal thereof as the case may be.

FIRST SCHEDULE

The Purpose of the within written open space covenant is to achieve the following open space objectives of the Covenantor and the Trust:

- a) To protect and maintain open space values of the land,
- b) To protect native flora nad fauna on the land particularly the beech forest.

SECOND SCHEDULE

Interpretations, restrictions, stipulations and agreements

1. In the Deed unless the context otherwise requires:—

"Act" means the Queen Elizabeth the Second National Trust Act 1977.

"Board" means the Board of Directors of the Queen Elizabeth the Second National Trust.

"Covenantor" means the ~~Owner~~ who entered into this covenant with the Trust.

Manager ~~Executive Director~~ means the person appointed under Section 18 (1) of the Act. *Lessee. General

"Owner" means the person or persons who from time to time are registered as the ^{Lessees} ~~proprietor(s)~~ of "the land". "the land" means the property or part thereof defined as subject to this covenant and as shown on the plan annexed to this Deed.

2. No act or thing shall be done or placed or permitted to be done or remain upon the land which in the opinion of the Board materially alters the actual appearance or condition of the land or is prejudicial to the land as an area of open space as defined in the Act.

In particular, on and in respect of the land, except with the prior written consent of the Board, the Owner shall not:

- (a) Fell, remove, burn or take any native trees, shrubs or plants of any kind.
- (b) Plant, sow or scatter any trees, shrubs or plants or the seed of any trees, shrubs or plants other than local native flora, or introduce any substance injurious to plant life except in the control of noxious plants.
- (c) Mark, paint, deface, blast, move or remove any rock or stone or in any way disturb the ground.
- (d) Construct, erect or allow to be erected, any new buildings or make exterior alterations to existing buildings.
- (e) Erect, display or permit to be erected or displayed, any sign, notice, hoarding or advertising matter of any kind.
- (f) Carry out any exploration for, or mining or quarrying of any minerals, petroleum, or other substance or deposit.
- (g) Dump, pile or otherwise store any rubbish or other materials, except in the course of maintenance or approved construction, provided however that after the completion of any such work all rubbish and materials not wanted for the time being are removed and the land left in a clean and tidy condition.
- (h) Effect a subdivision as defined in the Local Government Act 1974.
- (i) Allow cattle, sheep, horses or other livestock to enter, graze, feed or otherwise be present provided, however, that they may graze up to any approved fenceline on the perimeter of the land.

EAD
J.M.S.
M & G Co. Ltd
11/11/68

h
11/11/68
EAD
J.M.S.
M & G Co. Ltd

3. In considering any request by the Owner for an approval in terms of Clause 2 hereof, the Board will not unreasonably withhold its consent if it is satisfied that the proposed work is in accordance with the aim and purpose of the covenant as contained in the First Schedule.
4. Except with the prior written consent of the Board, no action shall be taken or thing done, either on the land or elsewhere, which will in any way cause deterioration in the natural flow, supply, quantity, or quality of any river, stream, lake, pond, marsh, or any other water resource affecting the land.
5. The Owner shall notify the Trust of any advice received from any power authority, mining company, or other body or person of the intention to erect utility transmission lines or carry out any mining or quarrying on the land and shall not signify any concurrence in relation to the proposed work without the written permission of the Board.
- 6(i) The Owner shall continue to comply with the provisions of the Noxious Plants Act 1978 and the Agricultural Pests Destruction Act 1967 and all amendments thereto provided, however, that the Owner may request assistance from the Trust in carrying out the aforementioned responsibility.
- 6(ii) That in keeping with the aims and purposes of this covenant the Owner shall continue to comply with the Wild Animal Control Act 1977 and shall take reasonable measures for the control of wild animals as defined in the Act.
7. The Owner shall keep all fences and gates on the boundary of the land in good order and condition and will accept responsibility for all minor repairs. Except as provided for in Clause 8 herein or in the Third Schedule hereto rebuilding or replacement of all such fences and gates will be the responsibility of the Owner, and the Trust equally between them as to the Owner's share.
8. The Trust shall repair and replace to its former condition any fence, gate or other improvement on the land which may have been damaged in the course of the Trust or any member of the public exercising any of the rights conferred by the covenant.
9. Subject to any conditions mutually agreed between the Trust and the Owner, members of the public shall have access to the land with the prior permission of the Owner.
10. The Owner may approve the use of firearms and traps by any person or persons for the eradication of noxious animals on the land.
11. The Trust, through its officers, agents or servants, may at all times enter upon the land for the purpose of viewing the state and condition thereof. In exercising this right, any officer, agent or servant of the Trust will notify the Owner in advance.
12. Any consent, approval, authorisation or notice to be given by the Trust shall be sufficient if given in writing signed by the Executive Officer of the Trust and delivered or sent by ordinary post to the last known residential or official address of the Owner or to the solicitor acting on behalf of the Owner.
13. The Owner or the Trust may at any time during the term of this covenant, by mutual agreement, carry out any works, improvements or take any action either jointly or individually or vary the terms of this covenant to ensure the more appropriate preservation of the land as an open space in terms of the Act provided, however, such agreement is not contrary to the aim and purpose of this covenant.
14. The Trust may, with the prior approval of the Minister of Lands, revoke this covenant if all the members of the Board are satisfied that by reason of any change in the character of the land or of any other circumstances which the Board may deem sufficiently material, this covenant ought to be deemed obsolete, or that the continued existence thereof would impede the reasonable use of the land without securing any practical benefit consistent with the purpose of the Act.
15. Nothing in these presents hereinbefore contained shall be deemed to render the Covenantor personally liable for any breach of these covenants and conditions committed after the Covenantor shall have ceased to be the Owner.
16. The Owner shall notify the Trust of any change of ownership or control of all or any part of the land, and shall supply the Trust with the name and address of the new owner or lessee.
17. If at any time prior to registration hereof by the District Land Registrar the Owner desires to sell or otherwise dispose of all or any part of the land such sale or disposition shall be made expressly subject to the restrictions, stipulations and agreements contained in the Second Schedule hereto.

*Conservation

**General Manager

THIRD SCHEDULE

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MH

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Jan 2
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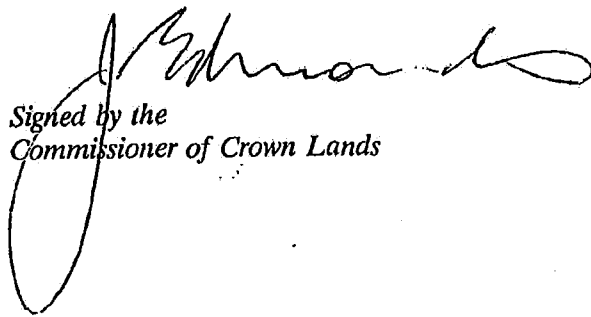
THIRD SCHEDULE

1. The Owner may maintain the existing access tracks through the forest on the land.
2. The Owner may maintain and upgrade the existing hut on the land and keep clear tree growth to within 40 metres of the building.

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Pursuant to Section 22(3) of the Queen Elizabeth the Second National Trust Act 1977 and to a delegation from the Minister of Conservation dated the 14th day of May 1990, the Commissioner of Crown Lands hereby consents to the execution of the within Open Space Covenant.

Dated the 16th day of OCTOBER 1992



Signed by the
Commissioner of Crown Lands

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I, ALAN DONAL SEWELL of CHRISTCHURCH
(full name) (Town/City)

in New Zealand BRANCH MANAGER HEREBY CERTIFY:
(Position in the Bank)

1. THAT by Deed dated the 13th day of October 1989 copies of which are deposited in the Land Transfer Offices at:

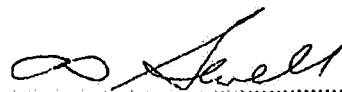
Auckland	as No.	CO56526.1F
Blenheim	as No	149027
Christchurch	as No.	835092.1
Dunedin	as No.	740456
Gisborne	as No.	G 176546.1
Hamilton	as No.	H 910602
Hokitika	as No.	083778
Invercargill	as No.	167718.1
Napier	as No.	517938.1
Nelson	as No.	292639
New Plymouth	as No.	365386
Wellington	as No.	B 039320

The Rural Bank Limited (formerly Rural Banking and Finance Corporation of New Zealand Limited as is evidenced by No. 917710 (CHCH Registry) an incorporated company having its registered office at Wellington (hereinafter called "the Bank") appointed me its Attorney with the powers and authorities specified in the said Deed.

2. THAT at the date hereof I am BRANCH MANAGER
of the Bank. (Position in the Bank)

3. THAT at the date hereof I have not received any notice or information of the revocation of that appointment by the winding up or dissolution of the Bank or otherwise.

SIGNED at CHRISTCHURCH)
this 22nd day of October)
19 92)



QUEEN ELIZABETH THE SECOND NATIONAL TRUST

OPEN SPACE COVENANT

COVENANTORS: EDWYN ARTHUR DAVID TRESILLIAN SHAND

AND

JANET MARY SHAND

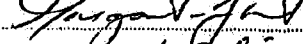
THE RURAL BANK LIMITED (STATE ADVANCES)

as mortgagee only of the land under Mortgage No: 724062 hereby consents to the registration of the within-written covenant but without prejudice to its rights, powers and remedies under the said mortgage and without undertaking or acknowledging any of the within-written restrictions, stipulations and agreements to be observed or performed.

Signed by The Rural Bank
Limited, by its Attorney
ALAN DONAL SEWELL
(one in full)


Signature

In the presence of:

Witness: 
Occupation: Bank Officer
Address: Christchurch

Private Bag
GM ECHURCH

WELLINGTON
(Firm intending to register)

The following are produced
List of Instruments Produced by Number or C.T. Reference

C.T. No. 529/39

To enable registration of:

1. An Open Space Covenant from RA & JM SAND to Queen Elizabeth II National Trust
2. A _____ from _____ to _____
3. A _____ from _____ to _____
4. A _____ from _____ to _____

After Registration Instruments Listed Above To Be Returned To:

The Rural Bank Ltd

Private Bag

Christchurch

Received Above Instruments
For D.L.R.

This copy to be given to firm intending to register. Registration authorities
above will not be accepted without production of this notice

SCHEDULE OF LAND

Land Registry: CANTERBURY
Estate: Pastoral Lease

Area: 600.9470 ha

Lot & D.P. No. Island Hills I IV
(other legal description): Part Run 261/situated in/Mandamus and/Mytholm SD, shown as Area A on DP 61642 attached.

10

Certificate(s) of Title: Part Volume 529 folio 39

IN WITNESS WHEREOF this memorandum has been executed
this *first* day of *November* 1989
Signed by:

EDWYN ARTHUR DAVID TRESILLIAN SHAND

EAD Shand

and

JANET MARY SHAND

Jan Shand

as covenantors
in the presence of:

Witness: *M.G. Gott*

Occupation: *Shepherd*

Address: *Stockgrave R.D. Amberley*

THE COMMON SEAL of the QUEEN
ELIZABETH THE SECOND NATIONAL
TRUST was hereto affixed in the
presence of:

John Shand

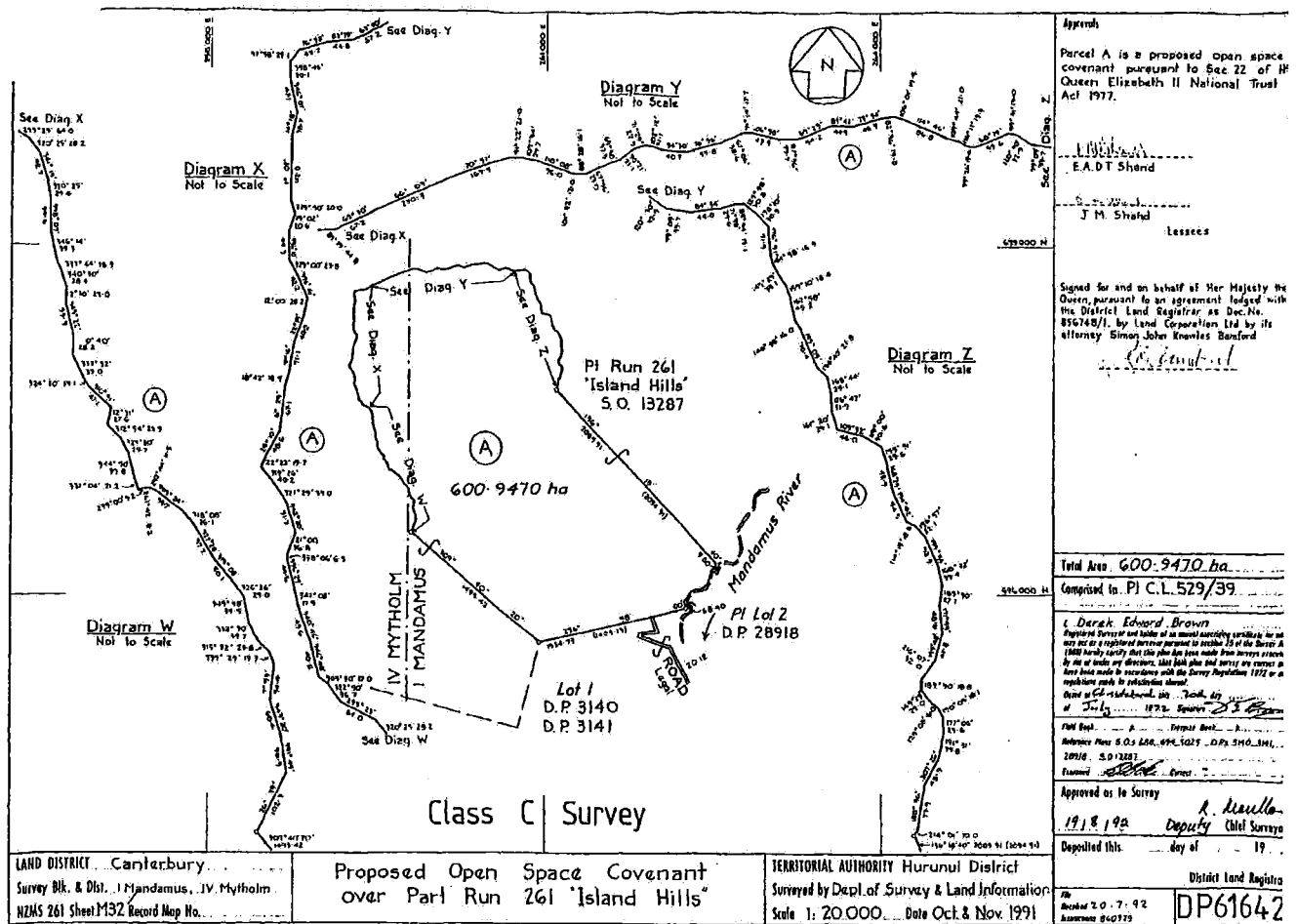
Chairman

M. Horner

Director

Alan Queen

Executive Officer
General Manager



Approve

Parcel A is a proposed open space covenant pursuant to Sec 22 of the Queen Elizabeth II National Trust Act 1977.

E.A.D.T Shand
J.M. Shand
Lessees

Signed for and on behalf of Her Majesty the Queen, pursuant to an agreement lodged with the District Land Registrar as Doc.No. 856148/1, by Land Corporation Ltd by its attorney Simon John Knowles Bowdler

Total Area 600,947.0 ha
Comprised in PI C.L. 529/39

L. Durak Edward Brown
Registered Surveyor and holder of a special certificate for the purposes of a registered survey pursuant to section 15 of the Survey Act 1980 hereby certify that this plan has been made from surveys taken by me or under my direction, that both plan and survey are correct as they have been made in accordance with the Survey Regulation 1972 or in compliance with the provisions of the Survey Act 1972 or in compliance with the provisions of the Survey Act 1972 or in compliance with the provisions of the Survey Act 1972.

Done at Christchurch, this 20th day of July 1991.

Approved as to Survey
19/8/92
Deputy Chief Surveyor

Deposited this ... day of ... 19...

District Land Registrar
DP61642

LAND DISTRICT Canterbury
Survey Blk. & Dist. I Mandamus, IV Mytholm
NZMS 261 Sheet M32 Record Map No.

Proposed Open Space Covenant
over Part Run 261 'Island Hills'

TERRITORIAL AUTHORITY Hurunui District
Surveyed by Dept. of Survey & Land Information
Scale 1:20,000 Date Oct. & Nov. 1991

BY APPOINTMENT DIRECTOR GENERAL, DEPARTMENT OF SURVEY AND LAND INFORMATION

