

## **Crown Pastoral Land Tenure Review**

**Lease name: ALPHABURN**

**Lease number: PO 380**

### **Substantive Proposal - Part 1**

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

**November**

**05**

**EXECUTION COPY**

## **Substantive Proposal**

**relating to**

Tenure Review of Alphaburn Pastoral Lease under the  
Crown Pastoral Land Act 1998

**Commissioner of Crown Lands acting under the  
Crown Pastoral Land Act 1998**

**(as the Commissioner)**

**and**

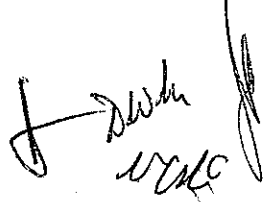
**Donald Withell McRae and Victoria Claire McRae**

**(as the Holder)**

**Date: 17 February 2003**

### ***Important***

*It is recommended that the Holder seek legal advice  
regarding the effect and consequences of this  
Substantive Proposal and the accompanying documents.*

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## Executive Summary for the Substantive Proposal for the Tenure Review of the Alphaburn Pastoral Lease under the Crown Pastoral Land Act 1998.

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### 1. Putting of Substantive Proposal

In accordance with the Tenure Review process currently being undertaken by the Commissioner of Crown Lands (the **Commissioner**), the Commissioner puts this Substantive Proposal to the holder of the Alphaburn Pastoral Lease, being Donald Withell McRae and Victoria Claire McRae (the **Holder**).

### 2. Substantive Proposal under Crown Pastoral Land Act

This Substantive Proposal is put under the provisions of the Crown Pastoral Land Act 1998 (the **Act**). It takes into account the objects of Part 2 of the Act. This Substantive Proposal relates to the land held under the Holder's Crown pastoral lease granted under the Land Act 1948 (the **Lease Land**).

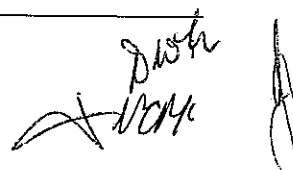
### 3. Synopsis of the Substantive Proposal for the Alphaburn Pastoral Lease

Under this Substantive Proposal the Commissioner proposes the following designations in respect of the Lease Land:

- 1124 hectares (approximately) to be designated as land to be restored to full Crown ownership and control as follows:
  - (a) 1095 hectares (approximately) under section 35(2)(a)(i) of the Act as conservation area;
  - (b) 6 hectares (approximately) under section 35(2)(a)(ii) of the Act as recreation reserve; and
  - (c) 23 hectares (approximately) under section 35(2)(a)(ii) of the Act as a government purpose reserve being a wildlife management area;
- 125 hectares (approximately) to be designated as land to be restored to Crown control as conservation area under section 35(2)(b)(i) and section 36(1)(a) of the Act, subject to a grazing concession in favour of the Holder as outlined in this Substantive Proposal; and
- 3305 hectares (approximately) to be designated as land to be disposed of by freehold disposal to the Holder under section 35(3) of the Act, subject to Part IVA of the Conservation Act 1987, section 11 of the Crown Minerals Act 1991, the easements and the covenant as outlined in this Substantive Proposal.

### 4. Separate Notice

Accompanying, but not forming part of, this Substantive Proposal is a Notice that sets out the proposed amounts that will be payable under this Substantive Proposal.



5. **Holder's Acceptance**

This Substantive Proposal, when accepted by the Holder, will constitute a contract between the Holder and the Commissioner.

To accept this Substantive Proposal the Holder must:

- sign two "Execution Copies" of this Substantive Proposal where provided in the Execution Section; and
- obtain and have endorsed in the Execution Section the written consent of all persons having an interest in the Lease Land subject to the Tenure Review, as required by clause 14.1 of this Substantive Proposal.

An original signed Execution Copy of this Substantive Proposal must be returned to the Commissioner. The Holder's acceptance of this Substantive Proposal will be irrevocable.

The Holder is to provide a Solicitor's Certificate (in a form satisfactory to the Commissioner) from the Holder's solicitors certifying as to certain matters relating to the Holder's acceptance of this Substantive Proposal.

The original signed Execution Copy of this Substantive Proposal and the completed Solicitor's Certificate is to be delivered by courier or by post to the Commissioner at the following address:

Commissioner of Crown Lands  
Land Information New Zealand  
Lambton House  
160 Lambton Quay  
Private Box 5501  
**Wellington**

Attention: Jean Greedy

If the Commissioner does not receive acceptance of this Substantive Proposal within three months of 18 February 2003, the Holder will, under the Act, be deemed to have rejected this Substantive Proposal.

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*Wayne Smith*

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This **Substantive Proposal** is made on 17 February 2003

- between (1) **Commissioner of Crown Lands acting under the Crown Pastoral Land Act 1998** (as the **Commissioner**)
- and (2) **Donald Witheill McRae** (as to a 2/3<sup>rd</sup> share) and **Victoria Claire McRae** (as to a 1/3<sup>rd</sup> share) as tenants in common in such shares (as the **Holder**).

## Introduction

- A. The Holder is the lessee under the Lease.
- B. On the written invitation of the Holder, the Commissioner is undertaking Tenure Review of the Lease Land. The Tenure Review process comprises three stages.
- C. By letter dated 11 September 2001 the Commissioner provided the Holder with a revised draft of the Preliminary Proposal for consultation purposes as stage one of the Tenure Review. The Holder and the Commissioner have consulted in relation to the draft of the Preliminary Proposal. This completed stage one of the Tenure Review.
- D. On 14 February 2002, the Commissioner put the Preliminary Proposal to the Holder under section 34 of the Act. This completed stage two of the Tenure Review.
- E. The Commissioner puts this Substantive Proposal to the Holder as Stage Three of the Tenure Review.

## It is declared

### 1. Interpretation

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#### 1.1 Definitions

In this Substantive Proposal unless the context otherwise requires:

**Act** means the Crown Pastoral Land Act 1998;

**Area A** means 1095 hectares (approximately), being part of the Schedule One Land as marked "CA1" and edged in pink on the Plan;

**Area B** means 6 hectares (approximately), being part of the Schedule One Land as marked "R1" and "R2" and edged in pink on the Plan;

**Area C** means 23 hectares (approximately), being part of the Schedule One Land as marked "R3" and edged in pink on the Plan;

**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 Schedule One Land and the Schedule Two Land, as specified in the Notice;

**Commissioner's GST Date** means the earlier of Settlement Date and 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 Substantive Proposal;

**Conservation Act** means the Conservation Act 1987;

**Covenant** means a covenant granted over that part of the Schedule Three Land comprising 567 hectares (approximately) shaded yellow and shown as areas "CC1" and "CC2" on the Plan, the terms and conditions of which are specified in the document attached as Appendix 4;

**Crown** means the Crown as defined in section 2 of the Public Finance Act 1989;

**Default GST** means any additional GST, penalty or other sum levied against either the Commissioner or the Holder under the GST Act or the Tax Administration Act 1994 by reason of either the Commissioner or the Holder failing to pay GST as required by the Substantive 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 (in each instance, as the case may be);

**Default Rate** means the floating rate agreement mid-point thirty day bank bill rate as at 10.45 a.m. on Reuters' page BKBM on the date on which the relevant payment becomes due and payable plus 500 basis points and compounded monthly;

**Diagrams** means Diagram A – Fencing Detail, Diagram B, Diagram C – Mt Roy Track Carpark and Diagram D each attached as part of Appendix 1;

**Director-General** means the Director-General of Conservation;

**Draft Preliminary Proposal** means the revised draft of the Preliminary Proposal that the Commissioner provided to the Holder for consultation purposes under the Act by letter dated 11 September 2001 and includes all schedules, parts, plans, appendices and annexures attached to that revised draft of the Preliminary Proposal;

**Easements** means, collectively the:

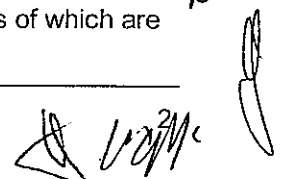
- (a) Public Access Easement; and
- (b) Public Access to Conservation Area, Vehicles for Management Purposes and Vehicle Parking Easement;

**Execution Copies** means the two copies of this Substantive Proposal each labelled "Execution Copy";

**Execution Section** means the section at the end of this Substantive Proposal containing the Commissioner's signature and evidencing the Holder's acceptance of this Substantive Proposal and containing the consent of any person having an interest in the Lease Land;

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

**Grazing Concession** means a profit à prendre in gross to be granted to the Holder over the Schedule Two Land under section 36(1)(a) of the Act, the terms and conditions of which are specified in the document attached as Appendix 5;

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

**GST Act** means the Goods and Services Tax Act 1985;

**Holder** means Donald Withell McRae (as to a 2/3<sup>rd</sup> share) and Victoria Claire McRae (as to a 1/3<sup>rd</sup> share) as tenants in common in such shares being the lessee of the Lease Land;

**Holder's Acknowledgement** means, where not inconsistent with the context, the Holder's Acknowledgement that accompanied, but did not form part of, the Draft Preliminary Proposal and the Preliminary Proposal;

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

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

**Holder's Payment** means the balance of the consideration payable by the Holder to the Commissioner by equality of exchange for the freehold of the Schedule Three Land, as specified in the Notice;

**Holder's solicitors** means the solicitor, or solicitors, if any, acting for the Holder;

**Lease** means the lease comprised and described in folio number 14C/991 (Otago Land Registry) issued under the Land Act 1948, and includes all variations and renewals of that lease;

**Lease Land** means 4553.8014 hectares being Sections 2 and 3 and Part Section 1 SO22998 being the land comprised and described in folio number 14C/991 (Otago Land Registry) subject to:

- (a) the Mortgages;
- (b) Gazette notice 931955; and
- (c) deed of easement 5465908.1;

**Minister** means the Minister of Conservation;

**Mortgages** means mortgage 873577 and mortgage 5448517.1 (Otago Land Registry) registered against the Lease;

**Mortgagee** means Rabobank New Zealand Limited, the mortgagee under Mortgage 873577 and Alpha Burn Advances Limited, the mortgagee under Mortgage 5448517.1;

**Notice** means the notice to the Holder setting out:

- (a) the Holder's Consideration;
- (b) the Commissioner's Consideration;
- (c) the Holder's Payment; and

(d) when the Holder's Payment will be payable,

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

**Plan** means the plan (including the Diagrams) of the Lease Land showing all designations, the Easement routes, the Grazing Concession and the Covenant areas and the new fencelines, attached as Appendix 1;

**Preliminary Proposal** means the preliminary proposal, that the Commissioner put to the Holder under, and subject to, section 34 of the Act on 14 February 2002 and includes all schedules, parts, plans, appendices and annexures attached to the preliminary proposal;

**Public Access Easement** means an easement to provide public access on foot over that part of the Lease Land marked "a-b" on the Plan, a sample of the form of the easement is attached as Appendix 2, although the form of the easement may be subject to change the rights over the easement area will conform to those contained in this sample;

**Public Access to Conservation Area, Vehicles for Management Purposes and Vehicle Parking Easement** means an easement to provide:

- (a) public access for persons on foot over that part of the Lease Land marked "c-d" on the Plan;
- (b) access for tenants, agents, contractors and licensees of the Minister and any employee or contractor of the Director General on foot, or on or accompanied by horses or by motor vehicles, with or without machinery and implements of any kind, for management purposes, over that part of the Lease Land marked "a-b" and "c-d" on the Plan; and
- (c) a public right of access to on foot, by non-motorised vehicle powered by a person or persons or by motor vehicle, and to stop, leave and park any such vehicles, on that part of the Lease Land marked "c" on the Plan,

a sample of the form of the easement is attached as Appendix 3, although the form of and parties to the easement may be subject to change the rights over the easement area will conform to those contained in this sample;

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

**RM Act** means the Resource Management Act 1991;

**Schedule One Land** means Area A, Area B and Area C;

**Schedule Two Land** means 125 hectares of the Lease Land, as hatched in pink and labelled "CA2" on the Plan;

**Schedule Three Land** means 3305 hectares of the Lease Land, as edged in green on the Plan;

**Settlement Date** means the settlement date defined in clause 9.1;

*Handwritten signatures and initials, including a large signature and the number 4.*

**Solicitor's Certificate** means the certificate provided by the Holder's solicitors addressed to the Commissioner, in a form acceptable to the Commissioner, certifying as to certain matters relating to the Holder's acceptance of this Substantive Proposal;

**Stage Three of the Tenure Review** means the process set out in clause 2;

**Substantive Proposal** means this substantive proposal that the Commissioner puts to the Holder under, and subject to, section 46 of the Act, and includes all schedules, parts, plans, appendices and annexures attached to this substantive proposal;

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

**Tenure Review** means the tenure review of the Lease Land being undertaken by the Commissioner under Part 2 of the Act;

**Unconditional Date** means the date that the Commissioner receives from the Holder an Execution Copy of this Substantive Proposal signed by the Holder and containing the consents of all persons having an interest in the Lease Land to the Holder's acceptance of this Substantive Proposal which results in the acceptance taking effect under section 60(4) of the Act; and

**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 15<sup>th</sup> day of the following January or a day which is a provincial holiday in the place where the obligation is to be performed.

## 1.2 Construction of certain references

In this Substantive Proposal, unless inconsistent with the context:

- (a) words importing a gender include all other genders;
- (b) reference to a statute includes reference to all enactments that amend or are passed in substitution for the relevant statute;
- (c) words in the singular number include the plural and vice versa;
- (d) reference to a month means a calendar month;
- (e) 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);
- (f) references to sections, clauses, sub-clauses, parts, annexures, attachments, appendices, schedules, paragraphs and sub-paragraphs are references to such as they appear in this Substantive Proposal and form part of this Substantive Proposal;
- (g) headings are included for ease of reference only and will not affect the construction or interpretation of this Substantive Proposal;
- (h) all monetary amounts are expressed in New Zealand currency;

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- (i) 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;
- (j) all references to times are references to times in New Zealand;
- (k) if the Unconditional Date or the Settlement Date falls on a day that is not a working day, the Unconditional Date or the Settlement Date will be the next working day after the day so nominated; and
- (l) if the Holder comprises more than one person, each of those person's obligations, as Holder, will be both joint and several.

1.3 The illegality, invalidity or unenforceability of any provision in this Substantive Proposal will not affect the legality, validity or enforceability of any other provision.

## 2. Substantive Proposal

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2.1 The Commissioner having:

- (a) considered, under section 47 of the Act:
  - (i) all matters raised by the iwi authority concerned during the consultation on the Preliminary Proposal; and
  - (ii) all written submissions relating to the Preliminary Proposal received by the Commissioner (from any person or organisation) on or before the day specified in the notice given under section 43 of the Act at the address specified in that notice;
- (b) consulted with the Director-General under section 26 of the Act about putting this Substantive Proposal to the Holder;
- (c) obtained the prior written consent of the Minister to this Substantive Proposal; and
- (d) ensured that the Crown has completed all statutory clearance and other actions and obtained all statutory and regulatory consents that the Crown is required to complete and obtain in relation to the Lease Land,

puts this Substantive Proposal to the Holder under section 46 of the Act.

2.2 Under this Substantive Proposal, the Commissioner designates that the:

- (a) Schedule One Land be restored to full Crown ownership and control as follows:
  - (i) Area A under section 35(2)(a)(i) of the Act as conservation area;
  - (ii) Area B under section 35(2)(a)(ii) of the Act as recreation reserve; and
  - (iii) Area C under section 35(2)(a)(ii) of the Act as a government purpose reserve being a wildlife management area,

and the provisions of Schedule One apply to this designation;

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- (b) Schedule Two Land be restored to Crown control as conservation area, subject to the Grazing Concession, under section 35(2)(b)(i) and section 36(1)(a) of the Act, and the provisions of Schedule Two apply to this designation;
- (c) Schedule Three Land be disposed of to the Holder by freehold disposal under section 35(3) of the Act, subject to:
  - (i) Part IVA of the Conservation Act;
  - (ii) Section 11 of the Crown Minerals Act 1991;
  - (iii) the Easements; and
  - (iv) the Covenant,

and the provisions of Schedule Three apply to this designation.

- 2.3 Notwithstanding any other clause and subject to clause 14, the Schedule Three Land to be disposed of in accordance with clause 2.2(c) may be also subject to the provisions of section 114 of the Land Act 1948.
- 2.4 This Substantive Proposal is a modified version of the Preliminary Proposal.
- 2.5 This Substantive Proposal is accompanied by a Notice under section 46(4) of the Act.

### 3. **Conservation Act**

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As required by section 24 of the Conservation Act, the Commissioner has notified the Director-General of the disposition of Crown land contemplated by this Substantive Proposal.

### 4. **Acceptance by Holder**

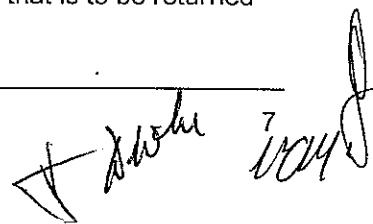
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- 4.1 The Holder may accept this Substantive Proposal by completing the Execution Section at the end of this Substantive Proposal and returning one original signed Execution Copy of this Substantive Proposal to the Commissioner. The original signed Execution Copy of this Substantive Proposal must be delivered by courier or by post to the Commissioner at the following address:

Commissioner of Crown Lands  
Land Information New Zealand  
Lambton House  
160 Lambton Quay  
Private Box 5501  
**Wellington**

Attention: Jean Greedy

- 4.2 The Holder must arrange for the Mortgagees and any other person having an interest in the Lease Land to consent to the Holder's acceptance of this Substantive Proposal as required by clause 14.1 of this Substantive Proposal. These consents must be endorsed in the Execution Section of the Execution Copy of this Substantive Proposal that is to be returned to the Commissioner.

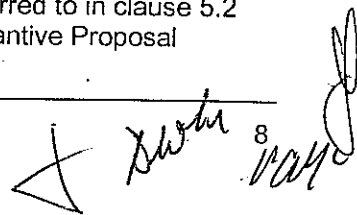


- 4.3 Under section 60(5) of the Act, the Holder's acceptance of this Substantive Proposal is irrevocable and has the effect as an irrevocable authority to, and obligation on, the Commissioner to take the appropriate actions required by Part 2 of the Act. The Holder's acceptance of this Substantive Proposal constitutes a binding contract between the Commissioner and the Holder.
- 4.4 The Holder must procure the Holder's solicitors to provide the Solicitor's Certificate and the Holder must return the executed Solicitor's Certificate to the Commissioner with the Execution Copy of this Substantive Proposal (signed by the Holder and including the written consents of all the persons referred to in clause 4.2).
- 4.5 If the Commissioner does not receive the Execution Copy of this Substantive Proposal referred to in clause 4.1 (signed by the Holder and including the written consents of all the persons referred to in clause 4.2) within three months of the Commissioner putting this Substantive Proposal to the Holder, then the Holder is deemed to have rejected this Substantive Proposal.
- 4.6 The Holder acknowledges that:
- (a) under section 61(4) of the Act, every person who, after the notice referred to in clause 5.2 has been registered, acquires an estate or interest in the Lease Land, will be bound by the Holder's acceptance of this Substantive Proposal to the same extent as the Holder; and
  - (b) under section 61(5) of the Act, if a person acquires an estate or interest in the Lease Land:
    - (i) after the Holder has accepted this Substantive Proposal; and
    - (ii) before the notice referred to in clause 5.2 has been lodged for registration,then Part 2 of the Act has effect as if the Holder had rejected this entire Substantive Proposal.

## 5. Implementation of Substantive Proposal

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- 5.1 If:
- (a) the Holder accepts this Substantive Proposal in accordance with clause 4; and
  - (b) the acceptance has taken effect under section 60(4) of the Act,
- then the parties will proceed to implement this Substantive Proposal in accordance with clauses 5.2 – 5.17.
- 5.2 Under section 61 of the Act, once the Commissioner receives the Execution Copy of this Substantive Proposal completed by the Holder and containing the requisite consents, the Commissioner must sign and forward to the Registrar a written notice of the Holder's acceptance of this Substantive Proposal, describing this Substantive Proposal in general terms.
- 5.3 Under section 61 of the Act, the Registrar must register the notice referred to in clause 5.2 against every instrument of title to the Lease Land to which this Substantive Proposal relates.

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5.4 Under section 62 of the Act, once the Holder's acceptance of this Substantive Proposal takes effect, the Commissioner must give the Surveyor-General written notice of the Holder's acceptance, attaching a copy of this Substantive Proposal.

5.5 Under section 62 of the Act, as soon as is practicable after receiving the Commissioner's notice referred to in clause 5.4, the Surveyor-General must:

- (a) determine whether any of the Lease Land needs to be surveyed before this Substantive Proposal can be given effect to; and
- (b) give the Commissioner written notice:
  - (i) of the Lease Land or parts of the Lease Land (including, but not limited to, all Easement areas, the Grazing Concession area and the Covenant areas) that need to be surveyed; or
  - (ii) that none of the Lease Land needs to be surveyed.

5.6 Under section 62 of the Act, if the Commissioner is notified by the Surveyor-General that any of the Lease Land needs to be surveyed, the Commissioner is to have it surveyed, and to have a plan or plans of it prepared and approved under the Cadastral Survey Act 2002.

5.7 Under section 62 of the Act, once the Commissioner:

- (a) has complied with clause 5.6; or
- (b) has been notified that none of the Lease Land needs to be surveyed,

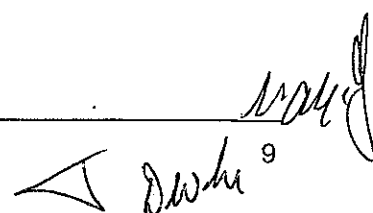
the Commissioner must prepare a Final Plan of the Lease Land to which this Substantive Proposal relates, showing the various areas to which it relates, and in respect of each area giving:

- (a) a legal description;
- (b) its designation by this Substantive Proposal; and
- (c) in respect of Area B and Area C, the purposes for which the reserves are to be held; and

submit two copies of the Final Plan to the Surveyor-General.

5.8 Under section 63 of the Act, if (and only if) the Surveyor-General is satisfied that:

- (a) the boundaries of the various areas shown on the Final Plan submitted under clause 5.7 are, in light of any discovered imprecisions in the boundaries shown or described in the accepted Substantive Proposal concerned, as close as may reasonably practicably be achieved to the boundaries shown or described in this Substantive Proposal; and
- (b) to the extent allowed by the position of the boundaries shown on the Final Plan:
  - (i) the areas they define; and

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- (ii) the designations of those areas,

accurately reflect this Substantive Proposal,

the Surveyor-General must sign and date on both copies of the Final Plan a written notice approving it for the purposes of the Act, and return one copy of the Final Plan to the Commissioner.

- 5.9 Under section 64 of the Act, once the Commissioner receives the approved Final Plan, the Commissioner must lodge the Final Plan and a copy of this Substantive Proposal with the Registrar, and the Registrar must register them against every instrument of title to the Lease Land to which the Final Plan and this Substantive Proposal relate.
- 5.10 Under sections 65, 66 and 69 of the Act, upon registration of the Final Plan and this Substantive Proposal under section 64 of the Act:
- (a) the Schedule One Land will be restored to full Crown ownership and control as:
    - (i) conservation area in respect of Area A;
    - (ii) recreation reserve in respect of Area B; and
    - (iii) government purpose reserve in respect of Area C;
  - (b) the Schedule Two Land will be restored to Crown control as conservation area subject to the grant of the Grazing Concession to the Holder; and
  - (c) subject to clause 5.15, the Commissioner will dispose of the Schedule Three Land to the Holder (subject to the encumbrances specified in paragraph 1.1 of Schedule Three) under the provisions of the Land Act 1948 by requesting that the Surveyor-General issue a certificate under section 116 of the Land Act 1948 to the Registrar and that the Registrar issue a certificate of title for the Schedule Three Land in the name of the Holder.
- 5.11 The Schedule One Land and the Schedule Two Land (subject to the Grazing Concession) will vest in the Crown freed and discharged from all mortgages, charges, claims, estates and interests.
- 5.12 The Commissioner will meet the costs for the survey (if any) of the Lease Land, including all designation areas, the Final Plan and for a certificate of title to issue for the Schedule Three Land.
- 5.13 The Lease will remain in force until a certificate of title is issued for the Schedule Three Land, and at this time the Lease will, under section 69(2) of the Act, be deemed to be surrendered in respect of the Lease Land.
- 5.14 Following registration of the Final Plan and this Substantive Proposal, the Commissioner must promptly:
- (a) prepare execution documents for the Covenant and the Grazing Concession, in the forms attached to this Substantive Proposal and prepare execution documents for the Easements based on the sample forms attached to this Substantive Proposal and forward the execution documents to the relevant parties to be signed;

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- (b) under section 66 of the Act, give the Minister written notice that the Schedule Two Land has vested in the Crown subject to the granting of the Grazing Concession and the Minister must promptly, under this Substantive Proposal, grant the Grazing Concession to the Holder by signing and returning to the Commissioner the execution documents for the Grazing Concession;
  - (c) under section 80 of the Act, agree with the Minister that the Minister should acquire the Easements and create the Covenant in each case, on the terms and conditions specified in this Substantive Proposal and the Minister must sign the execution copies of the Easements and the Covenant and return these to the Commissioner;
  - (d) arrange execution by the Commissioner of the documents for the Easements (to which the Commissioner is a party) and the Covenant;
  - (e) provide to the Holder and the Holder must sign the execution documents for the Grazing Concession and (if required), the Easements; and
  - (f) lodge the documents for the Easements and the Covenant and, at the Commissioner's sole discretion, the Grazing Concession for registration at the Otago Land Registry once the documents are signed (as the case may be) by the Commissioner, the Holder and the Minister.
- 5.15 Notwithstanding any other provision in this Substantive Proposal, the Commissioner will not request that the Surveyor-General issue a certificate under clause 5.10(c) unless and until:
- (a) the Commissioner has received the Holder's Payment from the Holder under clause 11.1, and the Commissioner has received all other money payable by the Holder under this Substantive Proposal;
  - (b) the Holder has provided to the Commissioner the duplicate of the Lease (if the Holder has this document) and the Holder has signed and returned to the Commissioner the execution documents for the Grazing Concession, the Easements and any other documents reasonably required by the Commissioner to be signed by the Holder to give effect to this Substantive Proposal; and
  - (c) the Holder has procured each Mortgagee's execution of a registrable discharge of the relevant Mortgage and, if required by any Mortgagee, the Holder has executed registrable new mortgage documents and if a Mortgagee holds the duplicate of the Lease, the Holder has procured the Mortgagee to allow the Holder to provide the Lease to the Commissioner and the Holder has provided these documents to the Commissioner.
- 5.16 Subject to clause 5.15, the Commissioner will lodge the Easements, the Covenant, the discharge of the Mortgages, the duplicate of the Lease, and any new mortgage documents at the Otago Land Registry, to be registered against the certificate of title to be issued under the Land Transfer Act 1952 for the Schedule Three Land, so that the certificate of title for the Schedule Three Land will issue subject to the Easements, the Covenant and any new mortgage. The new mortgages will be registered after the Easements and the Covenant are registered.
- 5.17 The Commissioner, may in its sole discretion, lodge the Grazing Concession for registration under the Land Act 1948 at the Otago Land Registry against the folium on the register of the Schedule Two Land.

## 6. Commissioner's considerations

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- 6.1 Under section 25 of the Act, in acting under Part 2 of the Act, the Commissioner must (to the extent that those matters are applicable), take into account:
- (a) the objects of Part 2 of the Act;
  - (b) the principles of the Treaty of Waitangi; and
  - (c) in acting in relation to land used or intended to be used by the Crown for any particular purpose, that purpose.
- 6.2 Under section 25 of the Act, in acting under Part 2 of the Act in relation to any part of the Lease Land, the Commissioner must take into account the objects of Part 2 of the Act in the light of:
- (a) their application to all of the Lease Land held under the Lease; rather than
  - (b) their application to that part of the Lease Land alone.

## 7. Discontinuance of Tenure Review

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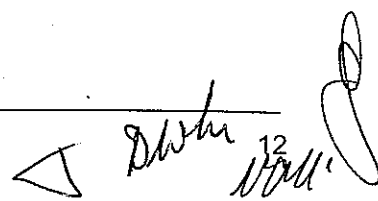
Under section 33 of the Act, at any time before the Holder accepts this Substantive Proposal, in accordance with clause 4, the Commissioner:

- (a) may discontinue the Tenure Review; and
- (b) must discontinue the Tenure Review if asked in writing by the Holder to do so.

## 8. Survey

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- 8.1 All areas of the Lease Land forming part of this Substantive Proposal and delineated on the Plan are approximate and subject to preparation of the Final Plan and, therefore, the measurements of the areas may alter on the Final Plan.
- 8.2 No error, misdescription or amendment of any part of the Lease Land will annul, vary, or derogate from the Draft Preliminary Proposal, the Preliminary Proposal, this Substantive Proposal, or the Holder's acceptance of this Substantive Proposal.
- 8.3 For the avoidance of doubt, the Holder will not be entitled to cancel or withdraw its acceptance of this Substantive Proposal, nor will the Holder, or any successor in title of the Holder or any party with an interest in the Schedule Three Land, be entitled to payment of any compensation, should any area of the Lease Land on the Final Plan have a different measurement to the area specified in this Substantive Proposal.
- 8.4 The Commissioner does not warrant that:
- (a) any existing fence is erected on; or
  - (b) any new fence to be erected will be on;

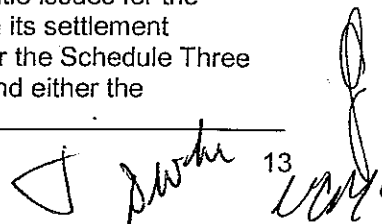
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any boundaries of the Lease Land or any part of the Lease Land as outlined on the Plan (including any Diagram) or the Final Plan.

## 9. Settlement

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- 9.1 The Settlement Date for the disposal of the Schedule Three Land to the Holder by freehold disposal will be the day that is five working days following the day that the Final Plan and a copy of this Substantive Proposal are registered at the Otago Land Registry under section 64 of the Act.
- 9.2 Notwithstanding when Settlement Date occurs, until a certificate of title issues for the Schedule Three Land, the Holder will duly and punctually comply with all obligations on its part under the Lease, and the Lease will remain in full force and effect.
- 9.3
- (a) Rent paid or payable under the Lease for the Schedule Three Land will be apportioned on the Settlement Date as at the date that a certificate of title issues for the Schedule Three Land and either deducted from or added to (as the case may be) the amount required to settle.
  - (b) Rent payable under the Lease for the Schedule Three Land from the Settlement Date to the date a certificate of title issues for the Schedule Three Land shall bear the same proportion to the total rent payable under the Lease as the Schedule Three Land area bears to the total area of the Lease Land.
  - (c) Any apportionments for rent for the Schedule Three Land for the period between the Settlement Date and the date that a certificate of title issues for the Schedule Three Land will be estimated by the Commissioner in its settlement statement. Following the date that a certificate of title issues for the Schedule Three Land, the Commissioner will undertake a final apportionment and either the Commissioner will refund to the Holder, or the Holder will pay to the Commissioner any additional amounts due because of the final apportionment.
- 9.4 Rent paid or payable under the Lease for the Schedule One Land and the Schedule Two Land will be apportioned (on a pro rata basis) 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.
- 9.5
- (a) All rates, levies, and all other incomings and outgoings and other charges receivable from or charged upon the Schedule Three Land will, unless otherwise agreed by the parties, be apportioned on the Settlement Date as at the date that a certificate of title issues for the Schedule Three Land.
  - (b) The rates, levies, incomings, outgoings and other charges described in this clause 9.5 payable in respect of the Schedule Three Land from the Settlement Date to the date a certificate of title issues for the Schedule Three Land shall bear the same proportion to the total charges payable in respect of the Lease Land as the area of the Schedule Three Land bears to the total area of the Lease Land. The appropriate payments, if any, will be made on the Settlement Date by the Commissioner and the Holder, as the case may be.
  - (c) Any apportionments for rates, levies, and all other incomings and outgoings and other charges receivable from or charged upon the Schedule Three Land for the period between the Settlement Date and the date that a certificate of title issues for the Schedule Three Land will be estimated by the Commissioner in its settlement statement. Following the date that a certificate of title issues for the Schedule Three Land, the Commissioner will undertake a final apportionment and either the

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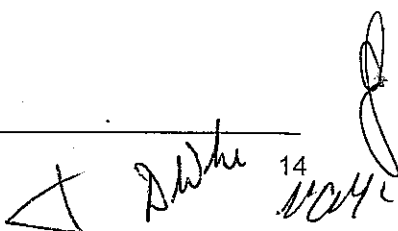
Commissioner will refund to the Holder, or the Holder will pay to the Commissioner any additional amounts due because of the final apportionment.

- 9.6 All rates, levies and all other incomings and outgoings and other charges receivable from or charged upon the Schedule One Land and/or the Schedule Two Land will be apportioned (on a pro rata basis in respect of the Lease Land if they cannot be separately assessed) 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.
- 9.7 From the date that a certificate of title is issued for the Schedule Three Land, under section 69(2) of the Act, the Lease is deemed to be surrendered and subject to clause 9.8, the Commissioner releases and discharges the Holder from the performance and observance of all covenants, conditions and obligations under the Lease.
- 9.8 The release and discharge in clause 9.7 is without prejudice to the rights, remedies and powers of the Commissioner contained in the Lease and 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 Schedule Three Land is issued or under any statute or by any reason where such liability is due to the fault of the Holder.
- 9.9 As from the date that the Final Plan and this Substantive Proposal are registered, 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 Schedule One Land, or the Schedule Two Land (subject to the provisions of the Grazing Concession, if applicable). 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 Schedule One Land, or the Schedule Two Land (subject to the provisions of the Grazing Concession) on the date that the Final Plan and this Substantive Proposal are registered.
- 9.10 The Holder must comply with the Commissioner's requirements for the implementation and settlement of the Tenure Review contemplated by this Substantive Proposal. These requirements may involve procuring 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 the Grazing Concession and the execution and registrability of any new mortgage in favour of a Mortgagee.

## 10. GST

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- 10.1 If:
- (a) the Holder has accepted this Substantive Proposal in accordance with clause 4; and
  - (b) the acceptance has taken effect under section 60(4) of the Act,
- then clauses 10.2 - 10.7 apply and will form part of this Substantive Proposal.
- 10.2 The Commissioner and the Holder warrant to each other that they are registered for GST purposes.
- 10.3 On the 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.

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- 10.4 The Holder will pay GST on the Holder's Consideration to the Commissioner by bank cheque on the Commissioner's GST Date, time being of the essence.
- 10.5 On the 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. The invoice will specify the Holder's GST Date.
- 10.6 The Commissioner will pay GST on the Commissioner's Consideration to the Holder on the Holder's GST Date, time being of the essence.
- 10.7 Where any GST is not so paid to the Commissioner or to the Holder (as the case may be), 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 or the Holder's GST Date (as the case may be) until the date of payment of the unpaid GST; and
  - (b) any Default GST.

## 11. Holder's Payment

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- 11.1 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 in cash or by bank cheque without set-off or deduction in accordance with the settlement requirements of the Commissioner.
- 11.2 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 then clause 12 will apply.

## 12. Default

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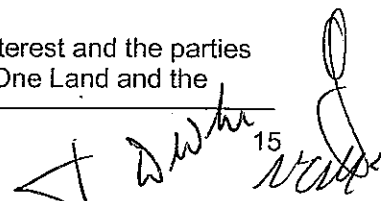
If from any cause whatever (save the default of the Commissioner) all or any part of the Holder's Payment or any other money payable by the Holder to the Commissioner is not paid on the due date:

- (a) the Holder will pay to the Commissioner interest at the Default Rate on all or 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 payment in full; and
- (b) the Commissioner's rights under this clause 12 are without prejudice to any other rights or remedies available to the Commissioner at law or in equity.

## 13. Lowest price

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- 13.1 The Holder's Consideration does not include any capitalised interest and the parties agree that the "lowest price" for the purposes of valuing the Schedule Three Land under section EH 48(3)(a) of the Income Tax Act 1994 is equal to the Holder's Consideration.
- 13.2 The Commissioner's Consideration does not include any capitalised interest and the parties agree that the "lowest price" for the purposes of valuing the Schedule One Land and the

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Schedule Two Land under section EH 48(3)(a) of the Income Tax Act 1994 is equal to the Commissioner's Consideration.

## 14. Consents

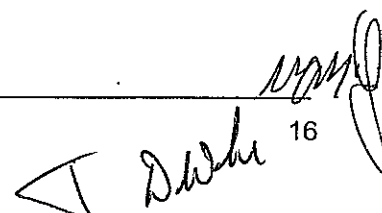
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- 14.1 Under section 60(4) of the Act the Holder must obtain the written consent to the Holder's acceptance of this Substantive Proposal from all persons having an interest in the Lease (other than the Holder), including, but not limited to:
- (a) the Mortgagees;
  - (b) The Upper Clutha Radio Telephone Users Association in respect of the easement created by deed of easement 5465908.1; and
  - (c) any other person that the Commissioner reasonably believes has an interest in the Lease Land or who the Holder reasonably believes has an interest in the Lease Land.
- 14.2 In addition to obtaining the consents of the persons outlined in clause 14.1, the Holder must also obtain:
- (a) all corporate consents; and
  - (b) if required, consent under the Overseas Investment Act 1973 and the Overseas Investment Regulations 1995,
- necessary for the Holder to accept this Substantive Proposal.
- 14.3 The Holder will procure each Mortgagee to execute a registrable discharge of the relevant Mortgage and, if required by a Mortgagee, the Holder will execute registrable new mortgage documents and forward these to the Commissioner to be registered at the same time as the certificate of title for the Schedule Three Land issues.
- 14.4 The Commissioner will provide the Mortgagee with an undertaking that, subject to the provisions in clause 5.15 being satisfied, it will register the discharge of the Mortgage and register the new mortgage against the certificate of title for the Schedule Three Land at the same time as the certificate of title for the Schedule Three Land issues.

## 15. Access and stock

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- 15.1 The Commissioner will give, and the Holder will take, vacant possession of the Schedule Three Land on the Settlement Date.
- 15.2 The Holder will not, from and including the Settlement Date, enter on, pass through, or use or permit to be entered on, passed through, or used, the Schedule One Land for any purpose.
- 15.3 The Holder will not, from and including the Settlement Date, enter on, pass through, or use or permit to be entered on, passed through, or used, the Schedule Two Land for any purpose, except in accordance with the provisions of the Grazing Concession.

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15.4 The Holder will not, from and including the Settlement Date, permit any of the Holder's stock to enter onto or graze on the Schedule One Land, or the Schedule Two Land (subject to the provisions of the Grazing Concession).

15.5 The Holder's stock may from time to time stray onto the Schedule One Land, or the Schedule Two Land (in contravention of the provisions of the Grazing Concession). If such straying occurs, the Holder will, at its own cost, remove the stock within a reasonable time after the Holder becomes aware of the straying or after being requested by the Minister to remove the straying stock.

## 16. Costs

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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 Substantive Proposal), and all professional advice provided to or sought by the Holder.

## 17. No nomination or assignment

---

17.1 The Holder is currently the lessee under the Lease.

17.2 The Holder is not entitled to, and is expressly prohibited from:

- (a) nominating another person to perform the Holder's obligations under this Substantive Proposal; or
- (b) assigning to another person the Holder's interest (or any part) under this Substantive Proposal.

## 18. General

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18.1 Each provision of this Substantive Proposal will continue in full force and effect to the extent that it is not fully performed at the Settlement Date.

18.2 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 Substantive Proposal.

18.3 This Substantive 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.

18.4 In relation to notices and other communications under this Substantive 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. The initial facsimile number, address, person or office holder (if any) for each party is specified in clause 18.4(c);

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- (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), when delivered; and
  - (iii) in the case of a letter, on the fifth working day after mailing; and
- (c) the initial address details for the Commissioner and the Holder are:

**The Commissioner:**

Commissioner of Crown Lands  
c/- The Manager  
DTZ New Zealand Limited  
41-43 Tarbert Street  
Alexandra

Fax No.: (03) 448 9099

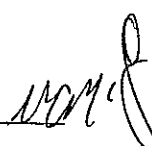
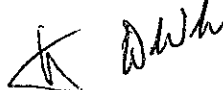
**The Holder:**

D W and V C McRae  
PO Box 73  
Wanaka

18.5 This Substantive 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.

18.6 For the avoidance of doubt, neither the Draft Preliminary Proposal nor the Preliminary Proposal, constitutes or could constitute a binding agreement between the parties.

  
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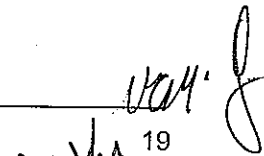
## Schedule One: Provisions relating to the Schedule One Land

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### 1. Details of designation

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- 1.1 The Schedule One Land will be designated as land to be restored to full Crown ownership and control as follows:
- (a) Area A under section 35(2)(a)(i) of the Act as conservation area;
  - (b) Area B under section 35(2)(a)(ii) of the Act as recreation reserve; and
  - (c) Area C under section 35(2)(a)(ii) of the Act as a government purpose reserve being a wildlife management area;
- 1.2 Subject to the Holder accepting this Substantive Proposal in accordance with clause 4 and that acceptance taking effect under section 60(4) of the Act, the Commissioner will implement the designation of the Schedule One Land (as envisaged by clause 5 of this Substantive Proposal).

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## Schedule Two: Provisions relating to the Schedule Two Land

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### 1. Details of designation

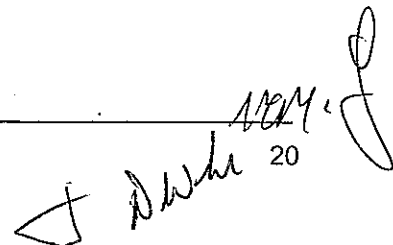
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- 1.1 Under section 35(2)(b)(i) and section 36(1)(a) of the Act, the Schedule Two Land will be designated as land to be restored to Crown control as conservation area, subject to the granting of the Grazing Concession.
- 1.2 Subject to the Holder accepting this Substantive Proposal in accordance with clause 4 and that acceptance taking effect under section 60(4) of the Act, the Commissioner will implement the designation of the Schedule Two Land (as envisaged by clause 5 of this Substantive Proposal).

### 2. Details of Grazing Concession

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- 2.1 The terms and conditions of the Grazing Concession are specified in the document attached as Appendix 5.
- 2.2 The Grazing Concession permits the grazing of 50 sheep (ewe equivalents) on an annual basis. The Grazing Concession also allows for the use of dogs and horses on the land for mustering purposes.
- 2.3 The Grazing Concession area is the Schedule Two Land and comprises steep rough hill slopes vegetated in exotic grasses, herbs and native shrub and tussock species. Most grazing occurs on north facing slopes where exotic vegetation dominates. The area is to be a conservation area for the purpose of the protection of natural and historic resources and is to be managed by the Department of Conservation.
- 2.4 The Grazing Concession is to be granted in recognition of the fact that no practical fenceline exists between lands of high inherent value and lands of lesser inherent value. The Grazing Concession caters for limited grazing and stock movement over a specific part of a larger conservation area. Provided that the stock limit and other environmental conditions are adhered to few adverse effects on natural values are anticipated. Erection of strategic fencing will prevent stock trespass into the balance of the conservation area.
- 2.5 The Grazing Concession is a concession under section 17Q of the Conservation Act.
- 2.6 The duration of the Grazing Concession is twenty years. This is in recognition of the fact that a practical fenceable boundary does not exist between the Schedule Three Land and the Schedule Two Land. Unless land use on the Schedule Three Land moves away from pastoral use a grazing concession would be required to cater for a limited amount of stock movement into the area. The twenty year term caters for this situation whilst providing the opportunity for reassessment at termination.
- 2.7 The grantee of the Grazing Concession is the Holder. The Holder currently grazes the proposed Grazing Concession area, which is part of the Lease Land, and the Holder has managed it in a manner which has preserved its inherent natural values.

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## Schedule Three: Provisions relating to the Schedule Three Land

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### 1. Details of designation

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1.1 Under section 35(3) of the Act, the Schedule Three Land will be disposed of by freehold disposal to the Holder subject to:

- (a) Part IVA of the Conservation Act;
- (b) Section 11 of the Crown Minerals Act 1991;
- (c) the Easements; and
- (d) the Covenant.

The disposal of the Schedule Three Land to the Holder may also be subject to the provisions of section 114 of the Land Act 1948.

1.2 Subject to the Holder accepting this Substantive Proposal in accordance with clause 4 and that acceptance taking effect under section 60(4) of the Act, and subject to clause 5.15, the Commissioner will implement the designation of the Schedule Three Land (as envisaged by clause 5 of this Substantive Proposal).

### 2. Fencing

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2.1 If:

- (a) the Holder has accepted this Substantive Proposal in accordance with clause 4; and
- (b) that acceptance has taken effect pursuant to section 60(4) of the Act,

then the parties will comply with paragraphs 2.2 – 2.5 of this Schedule Three.

2.2 The Commissioner will, at its cost, erect new fencing along the lines marked on the relevant Diagrams and more particularly described in Appendix 6. The position of the fencelines has been identified by using satellite positioning technology (GPS) and by pegging or by such other method that has been recommended by the Commissioner's representatives and approved by the Commissioner.

2.3 The Commissioner will erect the fencing referred to in paragraph 2.2 of this Schedule Three according to the specifications in Appendix 6.

2.4 The Commissioner will, at its cost, upgrade the fenceline marked "R-S" on Diagram A, in accordance with the relevant specifications in Appendix 6.

2.5 The ongoing maintenance of the fencing referred to in paragraph 2.2 of this Schedule Three will be under the terms of the Fencing Act 1978.

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### 3. Holder's acknowledgements

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If the Holder accepts this Substantive Proposal in accordance with the provisions set out in clause 4 and that acceptance takes effect under section 60(4) of the Act, the Holder acknowledges that:

- (a) it is obtaining the freehold in the Schedule Three Land to be disposed of to the Holder:
  - (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 Schedule Three Land which the Holder considers necessary to satisfy itself as to the condition of the Schedule Three Land;
- (c) the Holder, at its cost, is entirely responsible for all work to ensure that the Schedule Three Land complies with:
  - (i) the RM Act and its amendments and regulations; and
  - (ii) any rule in any plan, resource consent or other requirement issued under the RM Act, 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 paragraph 3; and

- (d) nothing in the Draft Preliminary Proposal, the Preliminary Proposal or this Substantive 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 Lease Land.

### 4. Risk

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- 4.1 On and with effect from the Unconditional Date all risk of any nature in respect of the Schedule Three 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.
- 4.2 The Holder will be required to comply with its settlement obligations under this Substantive Proposal irrespective of any damage to, or destruction of, the Schedule Three Land prior to the Settlement Date.

### 5. No representations or warranties by the Commissioner

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The Commissioner gives no representations or warranties of any nature in respect of the Schedule Three Land. Without limitation, the Commissioner does not warrant:

- (a) the accuracy of any matter in the Draft Preliminary Proposal, the Preliminary Proposal, the Notice or this Substantive Proposal or in any notice, or any correspondence or other information provided to the Holder by the Commissioner or by any agent or employee of the Commissioner; or
- (b) that the Schedule Three Land is or will remain suitable for the Holder's use; or
- (c) that the Schedule Three Land complies with all or any statutory, territorial authority or any other legal requirements affecting or relevant to the Schedule Three Land.