

Crown Pastoral Land Tenure Review

Lease name : COAL CREEK STATION

Lease number : PO 121

Due Diligence Report (including Status Report) - Part 1

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

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

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

April 09

DUE DILIGENCE REPORT

CPL PRE TENURE REVIEW ASSESSMENT STANDARD 6:

File Ref: Po121 **Report No:** AT1083 **Report Date:** 3 April 2002

LINZ Ref: 12464

Office of Agent: Alexandra **LINZ Case No:** TR02/397 **Date sent to LINZ:** 3/4/02

RECOMMENDATIONS:

- (1) That the Commissioner of Crown Lands or his delegate **note** this Due Diligence Report which has been prepared in accordance with the Pre-Tenure Review Assessment Standard.
- (2) That the Commissioner of Crown Lands or his delegate **note** the following incomplete actions which require action by the Manager of Crown Property Contracts.
 - 2.1 The Status Check identifies that survey representation of Run 689 and 690 on SO Plan 2361 does not comply with the closing limits required by the survey standards. The plan is suitable for area only.

Signed by DTZ New Zealand Limited



P Diver:

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



Name: GRANT KASPER WEBLEY

Date of decision: 18/4/02

(1) Details of lease:

Lease Name: Coal Creek

Location: The pastoral lease is located on the eastern flank of the Bengier Range, running from the range top in a "L" shape down to the Roxburgh Hydro township and contains most of the catchment of Coal Creek. The lease is run in conjunction with a small nearby freehold block.

Roxburgh some 9 km distance is the local service centre, and Alexandra some 31 km distance, is the nearest main centre.

Lessee: William Neville Gunn

Tenure: Crown Land subject to the Land Act 1948. Pastoral Lease No 121.

Term: 33 years from 1 July 1989.

Annual Rent: \$3,150 (*plus GST*) subject to ¼ % rebate for prompt payment.

Rental Value: \$140,000

Date of Next Review: 1 July 2011

Land Registry Folio Ref: OT 338/150

Legal Description: Run 689 and Run 690 in Blocks V, IX, and X Teviot Survey District, being all the land contained in OT 338/150.

Area: 1123.4073 ha (*subject to survey*)

(1) File Search:**Files held by LINZ Christchurch:**

<i>File Reference</i>	<i>Volume</i>	<i>First Folio</i>	<i>Date</i>	<i>Last Folio</i>	<i>Date</i>
Po120-SDN	1	1	25/3/1942	95	30/7/1980
Po121-SDN-03	3	1	23/8/1938	173	2/9/1970
5400/02/1638-1-DDN	1	No Number	8/5/1992	No Number	16/4/1993
5400/02/1124-1-DDN	1	No Number	None	No Number	None
5200/D14/C18-1-DNO	1	No Number	26/9/1994	No Number	26/9/1994

Files held by Agent in Alexandra on behalf of LINZ:

<i>File Reference</i>	<i>Volume</i>	<i>First Folio</i>	<i>Date</i>	<i>Last Folio</i>	<i>Date</i>
P121	1	174	14/9/1970	325	6/12/1999
CON/50213/09/12464A -ZNO	2	None	1/7/2000	None	Current

The history of the lease is the combined history of Run 689 (*P121*) and Run 690 (*was P120*) that were amalgamated into the lease in 1980.

G Winslow held Pastoral Run License 1619 over the eastern portion of Run 515 (*now Run 690 and 689*) of 2730 acres, from the 1 March 1921, with term extended 14 years from 1 March 1942.

A submission-lease of a 304 acre block (*being the southern portion of what is now Run 690*) to R R B Bennetts was approved for 17½ years from 1 September 1938 to coincide with license expiry.

In 1941 Winslow applied for and was granted to subdivide the run and sell the upper area (*including the area submission-leased to Bennetts*). The subdivision resulted in the creation of Run 689 (*retained by Winslow PR1978*) and Run 690 sold to D G Gunn. D G Gun held some 978 acres of nearby RL and LIP land.

Prior to subdivision the area of the license was increased by 46 acres by survey adjustment. The license to Winslow was run in conjunction with 102 acres of adjacent freehold land.

Mr. G Winslow died in 1944. The ownership passed to into an Estate of G Winslow.

The Pastoral Lease (*P121*) over Run 689 (*563 acres*) was issued from 1 July 1955 for 33 years to Eustace Shand Winslow and Lilian Mary Winslow as executors of the Estate of Gilbert Winslow. The Land Board was concerned at the split of Run 689 and 690 an wished to see them re-combined so encouraged future amalgamation by statements such as it would prefer to see them amalgamated in the future and that it would expect in future sales first options to be offered to the other holder. The stock limit was set at 420 sheep.

Similarly a Pastoral Lease (*P120*) over Run 690 (*2213 acres*) was issued from 1 July 1956 for 33 years to D G Gunn with the same statement re desire to amalgamate the two runs at a future date. A stock limit of 700 sheep was set. The sub lease to Bennetts of part Run 690 expired and was not renewed at this point. D G Gunn farmed in partnership with his son for 3 years and died in 1959 after which ownership passed to William John Gunn as sole owner. Gunn's personal stock exemption was altered in 1968 to 1400 sheep for 5 summer months and 70 cattle for the whole year on the lease.

In 1960 on the death of Lilian Winslow her half share was transferred to Edith Agnes Shand Winslow. In 1961 Edith's share was transferred to Eustace Shand Winslow.

In 1964 the lease (*P121*) was transferred to the sons of the holder of Run 690 (*P120*) Neville William Gunn and Alexander Gunn with the Land Settlement Board again stating its desire to see the two run eventually amalgamated.

A personal stock exemption was granted in 1968 for 500 sheep and 20 cattle for whole year. While P121 and P120 are run together no objection to a combined limitation of 2100 ewes for 5 summer months and 120 cattle (*including 100 breeding cows*) all year.

In 1969 A R Gunn transferred his half share to his brother W N Gunn.

A personal stock exemption was granted in 1971 for P120 - 1400 sheep for 5 summer months plus 110 cows all year, P121 - 500 sheep and 40 cows all year.

While P121 and P120 are run together no objection to a combined limitation of 2100 ewes for 5 summer months and 150 breeding cows all year.

In 1975 the personal stock exemption was amended to:

P120 - 1400 sheep for 5 summer months plus 120 cows all year.

P121 - 1000 sheep and 70 cows all year.

In 1979 approval was given to transfer P120 to William Neville Gunn on condition that P121 and P120 were amalgamated. This was executed and the area of P120 was added to P121 to give a total area of 1123.4073 ha and a new limitation of:

1000 sheep for 12 months

1400 sheep for 5 summer months.

Plus 190 cows all year.

A combined catchment control scheme for Coal Creek was drawn up in 1981 and a legal agreement registered on the lease. This involved channel works, bank stabilisation, fencing and tree planting to control extensive flood erosion resulting from cloudburst. A few trees were planted and channel bulldozing carried out plus fencing, but results were poor, and the work programme not pursued.

In 1983 K Bennetts was granted a right to continue to use and maintain a water race License No 1458 Roxburgh Registry over Run 690 by the Otago Catchment Board.

Neville Gun applied for reclassification of the lease in 1983 but put the request in hold as he looked to buy adjacent land.

At this stage the lease was run in conjunction with approximately 539 ha of freehold and DPL blocks in Washpol and Shingle Creek.

A personal stock exemption was granted in 1986 for 2700 su on the pastoral lease when run in conjunction with the freehold and DPL blocks (*539 ha*) with a suggested detailed grazing pattern above this level that is acceptable (*folio 178*). A very complex approval hard to understand but appears to mean an overall approval for 6000 ewes (*including not more than 4800 breeding ewes*) and 130 cattle (*including not more than 100 breeding cows*).

The lease was renewed for 33 years on 1 July 1989.

Due to financial hardship and after creditor meetings remission of back rents and caps on the combined rent for all his leases was set during 1988.

A prospecting licence in the name M C and M B McLellan over a section of lower Coal Creek was discussed in 1988 but did not eventuate. No interest ever registered.

Overdue rents were an issue in 1989, 1990, 1991 and 1992 but eventually paid.

The DPL and freehold land at Shingle Creek were sold off.

A series of burning consents to burn were granted each year from 1989 to 1995 mainly for patch burning of snowgrass.

The rent review was carried out in 1999 for the next 11 year period from 1 July 2000 and values and rental accepted.

DOSLI property file 5400-02-1124 and the Status Check identifies the existence of a 2.4888 ha area of Unallocated Crown Land (*Category 18 Schedule U* G43*261*CO*) on the eastern boundary of Run 689 that has been allocated for disposal. This creek reserve basically follows a marginal strip boundary along the Coal Creek waterway to the boundary of Run 689.

The Transitional and Proposed Central Otago District Scheme Plan zones the area as Rural and has no issues that would affect tenure review.

(3) Summary of lease document:

Terms of lease:

The commencement date of the pastoral lease on Crown files is in agreement with the Lease Document (*OT 338/150*).

The lease was issued over Run 689 on 1 July 1956 under the Land Act 1948 for a term of 33 years and renewed for a further 33 years commencing on 1 July 1989.

No non-standard conditions are recorded.

Original Lease Stock Limit:

Run689:

462 sheep.

Revised to 1232 su on incorporation of Run 690.

Personal Stock Exemption:

On Lease:

2700 su

Renewals and variations:

764918 Memorial renewing the term of the lease registered on 8 October 1990. (Renewing the term for a further period of 33 years commencing on 1 July 1989 and fixing for the first 11 years the annual rent at \$1,425 calculated on a rental value of \$95,000).

Area adjustments:

Original lease area (Run 689):

227.8380 ha

Added (Run 690):

895.5693 ha (Memorial CA 543137/2)

1123.4073 ha Total

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

Registered interests:

Mortgages:

534268.6 Mortgage to William John Gunn - 8 May 1980.

748343.6 Mortgage to ANZ Banking Group (New Zealand) Limited - 21 February 1990.

Other Interests:

No electricity agreement is registered on the lease.

No farm plan agreements currently registered.

No recreation permits have been issued.

No mining or prospecting licences are registered.

No Compensation Certificates are registered.

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

No Section 417 Certificates under the Resource Management Act are registered.

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

The property took part in a catchment control scheme under the Otago Catchment Board in the 1980's involving mainly tree planting for creek bed stabilisation. A legal agreement related to this was registered on the lease in 1982. Works carried out were small scale and not very successful. The legal agreement was discharged from the lease document in 1995.

The property was not involved in the Rabbit and Land Management Programme.

No Government programmes have been identified affecting the licence.

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

Copy attached as Schedule A.

5.1 ***The Pastoral Lease:***

The Land Status Report confirms the Crown Land Status under the Land Act 1948 and Crown Pastoral Land Act 1998 subject to Pastoral Lease registered as CL OT338/150.

It records one encumbrance on the lease being:

- Subject to Part IVA Conservation Act 1987.

This agrees with the lease details section of this report.

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

The Crown retains minerals ownership.

The area is confirmed as 1123.4073 ha (*subject to survey*).

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

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

No mining interests found on the National Mining Index.

Issues identified requiring possible future investigation at the Due Diligence stage were:

Current internal formation of roads does not necessarily follow the cadastral legal road boundaries (*recognised in this report*).

The survey representations of Run 689 and 690 on SO Plan 2361 does not comply with the closing limits required by the survey standards. The plan is suitable for area only.

Noted in Section 8 - Uncompleted Actions.

The existence of an area of unallocated Crown Land (2.4888 ha Creek Reserve) to be incorporated into the run, or transferred to DoC as marginal strip equivalent (*recognised in this report see Section 7 - Details of neighbouring Crown or conservation land*).

No other issues arising from the report were identified.

5.2 *Other Land:*

No other land is covered in the Status Check.

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

The topographical map:

A formed gravel road is shown ascending a leading ridge from Coal Creek through the lower portion of Run 689 and exiting into the neighbouring properties. This road re-enters the southern section of Run 690 near the range crest to link with a network of tracks along and outside the lease on the range top. This track is known to be unfenced.

An airstrip and fertiliser bin is marked on the southern area of the lease near the range top, adjacent to this formed road.

One internal access track on Run 690 is shown crossing the face near its lower boundary.

A farm track is marked crossing near the southern boundary of Run 690.

A water race is marked on the range top at the southern end of Run 690 entering from the neighbouring Bullock Creek and discharging into two natural creeks. It is assumed that this is the water race licence of K Bennetts notified in 1984.

No huts, yards, transmission sites, trig sites, tanks or other features are marked at lease.

The Cadastral map:

No marginal strips are marked within the lease.

A unformed legal road follows the ridge crest boundary of the lease (*Run 690*) for its full distance outside the property. An unfenced rough farm track is known to exist on this approximate line.

A legal road is shown ascending a leading ridge from Coal Creek through the lower portion of Run 689 and exiting into the neighbouring properties. This road re-enters the southern section of Run 690 near the range crest to link with a network of tracks along and outside the lease on the range top. This track is known to be unfenced. This road is shown on the topographical maps as a formed gravel road following, only approximately, the legal line.

A second legal road is marked as "Pomahaka Road" and cuts through the southern area of Run 690 near the ridge crest. The topographical map shows an unformed farm track in its general vicinity.

From the cadastral and topographical maps the fenced boundaries appear to follow their legal line with no major deviations noted.

(7) Details of neighbouring Crown or Conservation land:

Conservation land (G43001) named the Bains Block adjoins the north-western corner of the lease on the range top. The actual section that bounds onto the lease is an extension to the original area of the Bains Block. The values identified include botanical, wetlands and historical values.

No marginal strips within the lease have been identified.

In the Status Check DoC Christchurch has identified that a marginal Strip abuts the southeast boundary (G43010) but this relates to the freehold land at Shingle Creek sold off in 1990 and not the lease.

DOSLI property file 5400-02-1124 and the Status Check identifies the existence of a 2.4888 ha area of Unallocated Crown Land (Category 18 schedule U* G43*261*CO) on the western boundary (outside) of Run 689 that has been allocated for disposal. This creek reserve basically follows a marginal strip boundary along the Coal Creek waterway to the boundary of Run 689.

(8) Summary of uncompleted actions or potential liabilities:

8.1 The Status Check identifies that survey representation of Run 689 and 690 on SO Plan 2361 does not comply with the closing limits required by the survey standards. The plan is suitable for area only.

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

Current internal formation of roads does not necessarily follow the cadastral legal road boundaries.

The existence of an area of unallocated Crown Land (2.4888 ha creek reserve) to be incorporated into the run, or transferred to DoC as marginal strip equivalent.

In 1983 K Bennetts was granted a right to continue to use and maintain a water race License No 1458 Roxburgh Registry over Run 690 by the Otago Catchment Board. This race license document has not been viewed. No 417 Certificate under the RMA is as yet registered on the lease. This could occur.

ATTACHMENTS:

Schedule A. - Status Check.

Attachment 1 - Recent copy of lease document OT386/150

SCHEDULE A:

Status Check.

KNIGHT FRANK (NZ) LIMITED

Appendix A

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

LAND STATUS REPORT for COAL CREEK				[LIPS ref.12464]
Property	1	of	1	

Land District	Otago
Legal Description	Runs 689 and 690 situated in Blocks V, IX & X Teviot Survey District.
Area	1123.4073 hectares (Subject to survey)
Status	Crown Land subject to the Land Act 1948.
Instrument of lease	All Computer Interest Register OT338/150 pursuant to section 66 and as registered under section 83 of the Land Act 1948.
Encumbrances	Subject to Part IVA Conservation Act 1987.
Mineral Ownership	Minerals remain with the Crown as the land has never been alienated since its acquisition for settlement purposes, from the former Maori owners under the Kemp purchase 1848.
Statute	Land Act 1948 & Crown Pastoral Land Act 1998.

Data Correct as at	08 February 2002
[Certification Attached]	Yes

Prepared by	Peter M King
Crown Accredited Supplier	Knights Frank (NZ) Limited

KNIGHT FRANK (NZ) LIMITED

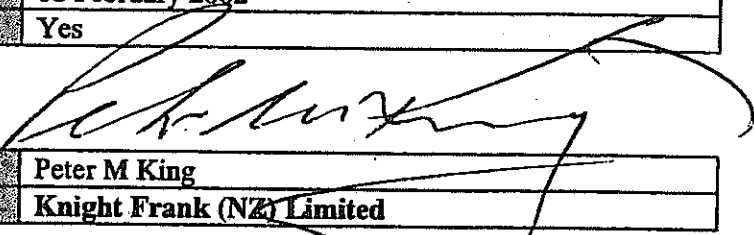
Appendix B

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

LAND STATUS REPORT for COAL CREEK				<i>[LIPS ref.12464]</i>
Property	1	of	1	

Land District	Otago
Legal Description	Runs 689 and 690 situated in Blocks V, IX & X Teviot Survey District.
Area	1123.4073 hectares
Status	Crown Land subject to the Land Act 1948
Instrument of lease	All Computer Interest Register OT338/150 pursuant to section 66 as registered under section 83 Land Act 1948.
Encumbrances	Subject to Part IVA Conservation Act 1987
Statute	Land Act 1948 & Crown Pastoral Land Act 1998.

Data Correct as at	08 February 2002
[Certification Attached]	Yes



Prepared by	Peter M King
Crown Accredited Supplier	Knight Frank (NZ) Limited

Certification:

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



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

Date *14/3/2002*



File Reference : CH 988

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Christchurch
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+64 (0) 3 379 8440 fax

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

CERTIFICATE OF AUTHORISATION

(Crown Land subject to the Land Act 1948)

PROPERTY ADDRESS: **RUN 689 & 690**
 "COAL CREEK" (Po 120)
 POMAHAKA ROAD
 OTAGO LAND DISTRICT

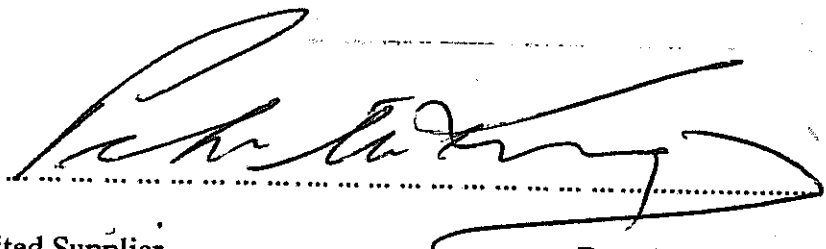
ASSURANCE

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

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

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

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


.....
Peter M King
Crown Accredited Supplier

Date: 11 February 2002

COAL CREEK Property 1 of 1

<p>Notes : This information does not affect the status of the land but was identified as possibly requiring further investigation at the due diligence stage : See Crown Pastoral Standard 6 paragraph 6</p>	<p>Current internal formation of roads does not necessarily follow the cadastral legal road boundaries.</p> <p>The survey representation of Runs 689 and 690 on SO Plan 2361 does not comply with the closing limits required by the survey standards. The plan is suitable for area only.</p> <p>LINZ File 5400-02-1124 identifies an area of unallocated Crown Land (Category 18 schedule U*G43*261*CO) described as Creek Reserve, area 2.4888ha.</p> <p>The intention is either; incorporation into the run or, transfer to DoC as a marginal strip equivalent ?</p>
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LAND STATUS REPORT COAL CREEK				[LIPS ref 12464]
Property	1	of	1	

Research Data: Some Items may be not applicable

Property	1	of	1	
SDI Print Obtained				Yes
NZMS 261 Ref				G43
Local Authority				Central Otago District Council
Crown Acquisition Map				Kemp Purchase 1848
SO Plan				SO 2361 (1942)
Relevant Gazette Notices				N/A
CT Ref / Lease Ref				All CIR OT338/150 (1956)
Legalisation Cards				N/A
CLR				N/A
Allocation Maps (if applicable)				SOE - SO 22211 (G43) no overlaps DoC - SO 22278 (G43) no overlaps
Rating Ref - if known				All assessment 28472/02400
Crown Grant Maps				N/A
If Subject land Marginal Strip:				Lease renewal in 1989 invokes a disposition under the Conservation Act 1987 however Section 24 marginal strips, are not identified on any plan.
a) Type [Sec 24(9) or Sec 58]				
b) Date Created				N/A
c) Plan Reference				N/A

LAND STATUS REPORT COAL CREEK				[LIPS ref 12464]
Property	1	of	1	

Research – continued

Property	1	of	1	
If Crown land - Check Irrigation Maps.				N/A
Mining Maps				No interest recorded National Mining Index.
If Road				
a) Is it created on a Block Plan - Section 43(1)(d) Transit NZ Act 1989				a) Section 110A Public Works Act 1928
b) By Proc				b) N/A
c) Plan				c) SO 1697 (1879), 1704 (1879), 1706 (1879)
Other Relevant Information				
a) Concessions - Advice from DOC or Knight Frank.				a) There are no DoC concessions and or no current Recreation Permits.
b) Subject to any provisions of the Ngai Tahu Claims Settlement Act 1998 or Northern South Island Regional Landbank.				b) Subject to Part 9 of the Ngai Tahu Claims Settlement Act 1998.
c) Mineral Ownership				c) Mines and Minerals are owned by the Crown because the land has never been alienated from the Crown since its acquisition for settlement purposes from the former Maori owners under the Kemp (1848) Contained in [provide evidence]: Formerly part of Run 515, PR 1619 (1920) is the earliest recorded lease available in the Land Titles Office after the Otago Waste Lands No1 Act 1863.
d) Other Info				d) N/A

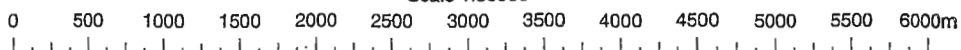


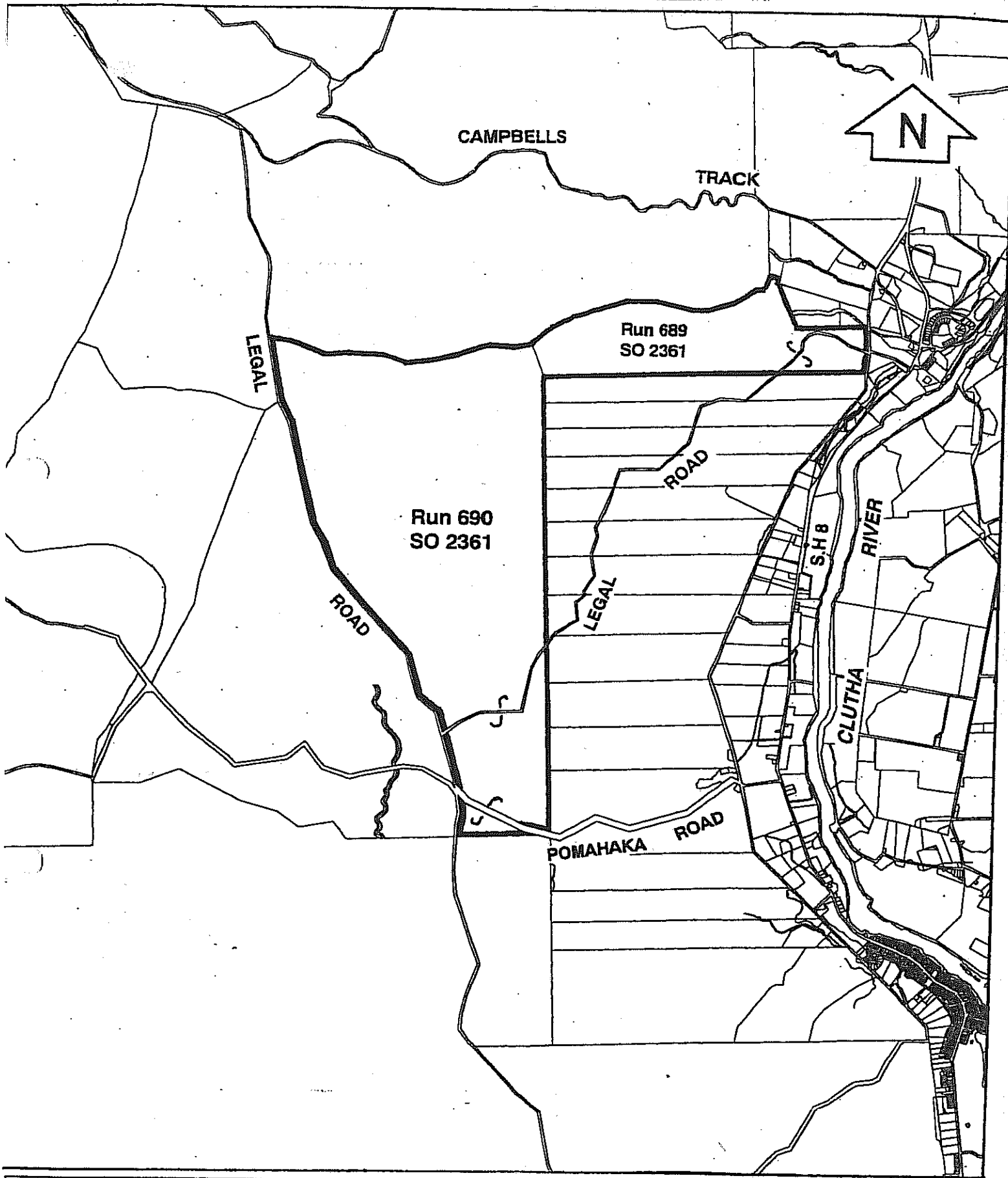
**EXCLUDES ALL LEGAL ROADS
AND MARGINAL STRIPS (IF ANY)**

Version	1	2	3	4	5
Otago Land District					Sheet 1 of 1
NZMS 260 G43					Date 11/02/2002

COAL CREEK (Runs 689 & 690)

Scale 1:50000

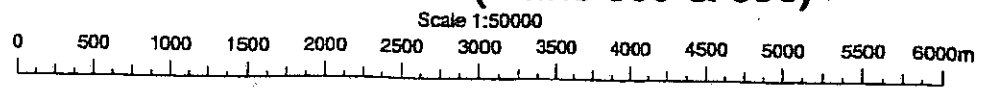




**EXCLUDES ALL LEGAL ROADS
AND MARGINAL STRIPS (IF ANY)**

Version	1	2	3	4	5
Otago Land District					
NZMS 260 G43					
				Sheet 1 of 1	
				Date 11/02/2002	

COAL CREEK (Runs 689 & 690)



ATTACHMENT 1:

Recent copy of lease document OT386/150



COMPUTER INTEREST REGISTER UNDER LAND TRANSFER ACT 1952



Historical Search Copy

R. W. Muir
Registrar-General
of Land

Identifier OT338/150
Land Registration District Otago
Date Registered 05 April 1956 10:49 am

Prior References
OT337/175

Type	Area	Term
Lease under s83 Land Act 1948	1123.4073 hectares more or less	Thirty-three years, commencing on the first day of July 1956 and renewed for a further term of 33 years commencing on the 1.7.1989

Legal Description Run 689 and Run 690

Original Proprietors
William Neville Gunn

Interests

- 534268.6 Mortgage to William John Gunn - 8.5.1980 at 1.42 pm
- 579319.4 Variation of Mortgage 534268.6 - 15.7.1982 at 2.09 pm
- 600420 Variation of Mortgage 534268.6 - 23.8.1983 at 1.32 pm
- 623049 Variation of Mortgage 534268.6 - 5.10.1984 at 11.36 am
- 675429 Variation of Mortgage 534268.6 - 26.3.1987 at 1.39 pm
- 748334.6 Mortgage to ANZ Banking Group (New Zealand) Limited - 21.2.1990 at 9.14 am
- 748334.7 Memorandum of Priority making Mortgages 748334.6 and 534268.6 first and second mortgages respectively - 21.2.1990 at 9.14 am
- 764918 Memorandum renewing the term of the within lease for a further period of 33 years commencing on the 1.7.1989 and fixing (for the first 11 years) the annual rental at \$1425.00 calculated on a rental value of \$95,000.00 - 8.10.1990 at 10.08 am

Issued as a Renewal of [or-in-Exchange-for] Lease registered in Vol. 337 fol. 175

NEW ZEALAND

OTAGO

LAND DISTRICT

DEEDS

From C. P. [unclear] -5 APR 1956
Tenor 10-09 Entered in the Register-book, Vol. 338 fol. 150
Folio E - 15 -
Abstract No. 17

Registered in the LAND REGISTRY OFFICE under the LAND TRANSFER ACT

(L and S. R. 4



10-49 o'clock
[Signature]
Land Registrar

338/150

Pastoral Lease of Pastoral Land under the Land

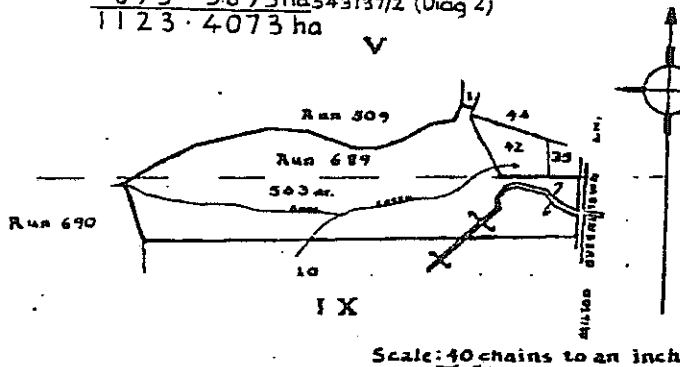
No. P. 21

This Deed, made the first day of March, one thousand nine hundred and fifty-six, between HIS MAJESTY THE KING (who, with his heirs and successors, is hereinafter referred to as "the Lessor"), of the one part, and EUGENE GEORGE WHELAN (who, with his executors, administrators, and permitted assigns, is hereinafter referred to as "the Lessee"), of the other part, WITNESSETH that, in consideration of the rent hereinafter reserved, and of the covenants, conditions, and agreements herein contained or implied and on the part of the Lessee to be paid, observed, and performed, the Lessor doth hereby demise and lease unto the Lessee all those pieces or parcels of land containing by admeasurement 563 acres, more or less, situated in the Land District of Otago, and being

Run 689 Teviot SD.

EQUIVALENT METRIC

AREA IS 327.8380 ha
895.5693 ha 543137/2 (Diag 2)
1123.4073 ha



(hereinafter referred to as "the said land"), as the same is more particularly delineated in the plan drawn hereon and therein coloured red in outline; together with the rights, easements, and appurtenances thereto belonging. TO HOLD the said premises intended to be hereby demised unto the Lessee for the term of thirty-three years, commencing on the first day of July, one thousand nine hundred and fifty-six, together with the period between the date of this lease and the aforesaid first day of July, 1956. Yielding and paying therefor during the said term unto the Department of Lands and Survey at the Principal Land Office for the said Land District of Otago the clear annual rent of thirty-five pounds (£35) payable without demand by equal half-yearly payments in advance on the 1st day of January and the 1st day of July in each and every year during the said term. And also paying in respect of the improvements specified in the Schedule hereto the sum of (£) half-yearly instalments of shillings and pence (£) on the 1st day of January and the 1st day of July in each year in the same manner as rent.

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

- 1. THAT the Lessee will fully and punctually pay the rent hereinafter reserved at the times and in the manner hereinafter named in that behalf; and also will pay and discharge all rates, taxes, assessments, and outgoings whatsoever that now are or hereafter may be assessed, levied, or payable in respect of the said land or any part or parts thereof during the said term.
- 2. THAT the Lessee will within one year after the date of this lease take up his residence on the said land, and thereafter throughout the term of the lease will reside continuously on the said land.
- 3. THAT the Lessee will hold and use the said land free for his own use and benefit and will not transfer, assign, demise, mortgage, charge, or part with possession of the said land or any part thereof without the previous approval of the Land Settlements Board: Provided that such approval will not be necessary in the case of a mortgage to the Crown or to a Department of State.
- 4. THAT the Lessee will at all times farm the said land diligently and in a husbandlike manner according to the rules of good husbandry and will not in any way commit waste.
- 5. THAT the Lessee will throughout the term of his lease to the satisfaction of the Commissioner of Crown Lands for the Land District of Otago (hereinafter referred to as "the Commissioner") use and trim all live fences and hedges, clear and keep clear the said land of all noxious weeds, and will comply strictly with the provisions of the Noxious Weeds Act, 1908-1950.
- 6. THAT the Lessee will keep the said land free from wild animals, rabbits, and other vermin, and generally comply with the provisions of the Rabbit Nuisance Act, 1922.
- 7. THAT the Lessee will clean and clear from weeds and keep open all creeks, drains, ditches, and watercourses upon the said land, including any drains or ditches which may be constructed by the Commissioner after the commencement of the term of the lease; and will not at any time without the prior consent of the Commissioner alter the channel of any such creek or watercourse or stop or divert the water flowing therein.
- 8. THAT the Lessee will at all times during the said term repair and maintain and keep in good substantial repair, order, and condition all improvements belonging to the Crown (including those specified in the Schedule hereto which are being purchased by the Lessee) now or hereafter erected on the said land, and will not, without the prior written consent of the Commissioner, pull down or remove them or any part of them.
- 9. THAT the Lessee will insure all buildings belonging to the Crown (including those specified in the Schedule hereto which are being purchased by the Lessee) now or hereafter erected on the said land to their full insurable value in the name of the Commissioner in some insurance office approved by the Commissioner and will pay all premiums falling due under every such insurance policy and deposit with the Commissioner every such policy and, not later than the fortieth day of the month on which any such premium becomes payable, the receipt for that premium.
- 10. THAT the Lessee will not throughout the term of the lease without the prior consent of the Commissioner, which consent may be given on such terms and conditions (including the payment of royalty) as the Commissioner thinks fit, fell, sell, or remove any timber, tree, or bush growing, standing, or lying on the said land, and that he will throughout the term of the lease prevent the destruction of any such timber, tree, or bush unless the Commissioner otherwise approves: Provided that the consent of the Commissioner as aforesaid shall not be necessary where any such timber or tree is required for any agricultural, pastoral, household, roadmaking, or building purposes on the said land nor where the timber or tree has been planted by the Lessee.
- 11. THAT the Lessee shall not, except for the purpose of complying with any of the provisions of the Noxious Weeds Act, 1908-1950, burn any (weeds, scrub, fern, or grass on the said land, nor permit any (weeds, scrub, fern, or grass on the said land to be burned, unless in either case he shall have obtained the prior consent in writing of the Commissioner, which consent may be given subject to such terms and conditions as the Commissioner may deem necessary.
- 12. THAT officers and employees of the Department of Internal Affairs shall at all times have a right of ingress, egress, and regress over the land comprised in this lease for the purpose of determining whether such land or any adjoining land is infested with deer, wild goats, wild pigs, opossums, or other animals which the said Department is charged with the duty of exterminating or controlling, or for the purpose of destroying any such animals: Provided that such officers and employees in the performance of the said duties shall at all times avoid undue disturbance of the Lessee's stock.
- 13. THAT the Lessee shall exercise due care in stocking the said land and shall not overstock.

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

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

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- (5) the Lessee shall have no right of acquiring the freehold of the said land
 - (6) the Lessee may, with the prior consent in writing of the Commissioner given subject to such conditions as the Commissioner may deem necessary,
 - (a) Cultivate any portion of the said land for the purpose of growing winter food for the stock depastured thereon;
 - (b) Camp such area of the said land as is sufficient for the use of himself and family and his employees;
 - (c) Plough and sow in grass any portion of the said land;
 - (d) Clear any portion of the said land by felling and burning bush or scrub and sow the land so cleared in grass;
 - (e) Sow in grass any portion of the said land;
- Provided that the Lessee shall, on the termination of the lease, leave the whole of the area that has been ploughed or cultivated properly laid down in good permanent clover and grass to the satisfaction of the Commissioner.
- (7) THAT the Lessee shall maintain the area in stocking the said land and shall not overstock; and for the purpose of this clause it is hereby mutually declared and agreed between the Land Settlement Board and the Lessee that the number of stock to be depastured on the said land during the term of the lease shall not, without the prior consent of the Commissioner, exceed the carrying capacity of the land as determined by the Commissioner.
 - (8) THAT if the Lessee shall leave New Zealand or abandon the said land or if he cannot be found or if he shall neglect or fail or refuse to comply with the covenants and conditions herein expressed or implied to the satisfaction of the Land Settlement Board or the Commissioner, as the case may be, or make default for more than two months in the payment of rent, water levy, or other payments due to the Lessee, then the Land Settlement Board may, subject to the provisions of section 144 of the Land Act, 1948, declare this lease to be forfeit, and that without discharging or releasing the Lessee from liability for rent due or accruing due or for any prior breach of any covenant or condition of the lease.
 - (9) THAT these provisions are intended to take effect as a (pastoral) lease under the Land Act, 1948, and the provisions of the said Act and of the regulations made thereunder applicable to such leases shall be binding in all respects upon the parties hereto in the same manner as if such provisions had been fully set out herein.

SCHEDULE

IMPROVEMENTS BELONGING TO THE CROWN AND BEING PURCHASED BY THE LESSEE

R11

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

Otago

on behalf of the Lessor, hath hereunto set his

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

Witness: J. E. Keenly
 Occupation: Clark, Laidlaw and Murray, Auctioneers
 Address: Dunedin

J. M. Macdonald
 Commissioner of Crown Lands

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

Witness: W. J. Kay
 Occupation: Postmaster
 Address: Roxburgh

E. S. Winslow
 Lessee

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

Witness: R. W. Keith
 Occupation: Postmaster
 Address: Alexandra

Liam M. Winslow
 Lessee



That the Lessee shall be deemed not to have failed to use due care in stocking, or to have overstocked so long as the number of sheep depastured on the said land does not exceed 1/62 (being an increase of ten per cent on the carrying capacity on which is based the rent hereinafter reserved) but the Commissioner may by notice in writing permit the Lessee to depasture thereon any greater number should he deem it advisable or expedient so to do. Any permission so granted shall be subject to revocation or amendment by the Commissioner at any time and particularly in the event of a transfer. Any variation consented to by the Commissioner shall not affect the rent payable hereunder.

J. M. Macdonald
 Commissioner of Crown Lands

E. S. Winslow
 Lessee

226183 Transfer to Eustace Lloyd Winslow of Roxburgh Farmer of current interest 27th October 1960 at 2-43-55
 226184 Transfer Eustace Lloyd Winslow & Ethel Joyce Lloyd Winslow of Roxburgh Farmers to the said Eustace Lloyd Winslow of Roxburgh Farmer 27th October 1960 at 2-46-55
 229089 Transfer of share in share block 2300 and 2301 and 2302 and 2303 of Roxburgh Farmer produced 23-1-1961 at 11-5-55
 229090 Transfer of share in share block 2300 and 2301 and 2302 and 2303 of Roxburgh Farmer produced 23-1-1961 at 11-5-55
 271292 Transfer to William Neville Gunn and Alexander Raymond Gunn both of Roxburgh Farmers as tenants in common in equal shares - 1-5-1964 at 2-31-55

THIS REPRODUCTION IS A TRUE COPY OF THE ORIGINAL RECORD FOR THE PURPOSES OF SECTION 215A LAND ACT 1952

J. M. Macdonald
 Commissioner of Crown Lands

367084 Transfer of ^{1/16} share of Alexander Raymond Gunn to William Neville Gunn of Roxburgh Farmer - 25.2.1971 at 10.31 am

504820 Registrar-General of New Zealand - 9.10.1978 at 2-26-55

W. J. Kay
 A.L.R.

W. J. Kay
 A.L.R.

C.T. 338/150

534268/4 Mortgage to the Rural Banking and Finance Corporation of New Zealand - 8.5.1980 at 1.42 pm

DISCHARGED
2 FEB 1989

534268/5 Mortgage to Bank of New Zealand - 8.5.1980 at 1.42 pm

DISCHARGED
2 FEB 1989

534268/6 Mortgage to William John Gunn - 8.5.1980 at 1.42 pm

A.L.R.

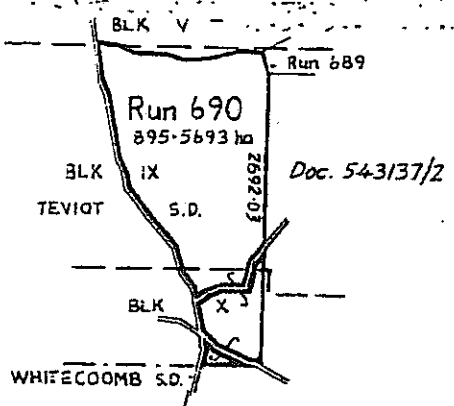


DIAGRAM NUMBER 2
Scale 1:10,000

543137/2 Certificate of Alteration incorporating in the within lease Run 690 situated in Blocks V, IX & X Teviot District (shown on diagram 2 hereon) and increasing the annual rent to \$140.00 from and inclusive of 1 July 1980 - 14.10.1980 at 10.05am

A.L.R.

575803 Land Improvement Agreement under the Soil Conservation and Rivers Control Act 1941 - 19.5.1982 at 2.2 pm

DISCHARGED
2 FEB 1989

579319/2 Mortgage to L.J. Diehl Solicitors Nominee Company Limited - 15.7.1982 at 2.9 pm

DISCHARGED
2 FEB 1989

579319/3 Mortgage to the Rural Banking and Finance Corporation of New Zealand - 15.7.1982 at 2.9 pm

DISCHARGED
2 FEB 1989

579319/4 Variation of Mortgage 534268/6 - 15.7.1982 at 2.9 pm

A.L.R.

579319/5 Memorandum of Priority ranking Mortgage 579319/2 as second Mortgage, Mortgage 579319/3 as third Mortgage, Mortgage 534268/5 as fourth Mortgage, Mortgage 534268/6 as fifth Mortgage - 15.7.1982 at 2.9 pm

DISCHARGED
2 FEB 1989

585952 Mortgage to The Rural Banking and Finance Corporation of New Zealand - 15.11.1982 at 1.42 pm

A.L.R.

599461/1 Mortgage to The Rural Banking and Finance Corporation of New Zealand - 15.11.1983 at 2.19 pm

DISCHARGED
2 FEB 1989

A.L.R.

599461/3 Memorandum of Priority ranking mortgage 599461/1 as a first mortgage, mortgage 579319/2 as a second mortgage, mortgage 579319/3 as a third mortgage, mortgage 534268/5 as a fourth mortgage, mortgage 534268/6 as a fifth mortgage, mortgage 585952 as a sixth mortgage - 4.8.1983 at 2.19 pm

A.L.R.

600420 Variation of Mortgage 534268/6 - 23.8.1983 at 1.32 pm

A.L.R.

623049 Variation of Mortgage 534268/6 - 5.10.1984 at 11.36 am

A.L.R.

675429 Variation of Mortgage 534268/6 - 26.3.1987 at 1.39pm

A.L.R.

735580/2 Mortgage to The Rural Banking and Finance Corporation of New Zealand - 16.8.1989 at 9.20am

DISCHARGED
2 FEB 1989

A.L.R.

735580/3 Memorandum of Priority ranking Mortgage 735580/2 as a first mortgage, Mortgage 599461/1 as a second mortgage, Mortgage 579319/3 as a third mortgage, Mortgage 579319/2 as a fourth mortgage, Mortgage 534268/5 as a fifth mortgage and Mortgage 534286/6 as a sixth mortgage - 16.8.1989 at 9.20am

A.L.R.

7 34/6 Mortgage to ANZ Banking Group
(New Zealand) Limited - 21.2.1990
at 9.14am

[Signature]
A.L.R.

748334/7 Memorandum of priority ranking
Mortgage 748334/6 as a first mortgage
and Mortgage 534268/6 as a second
mortgage - 21.2.1990 at 9.14am

[Signature]
A.L.R.

764918 Memorandum renewing the term
of the within lease for a further period
of 33 years commencing on the 1.7.1989
and fixing (for the first 11 years)
the annual rental at \$1425.00 calculated
on a rental value of \$95,000.00 - 8.10.1990
at 10.08am

[Signature]
A.L.R.

768405 Notice of Claim under Section
42(2) Matrimonial Property Act 1976
by Marion Aph Gunn entered 29.11.1990
at 9.35am

[Signature]
A.L.R.

30/11/90
AWD



KNIGHT FRANK (NZ) LIMITED

Appendix A

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

LAND STATUS REPORT for COAL CREEK				[LIPS ref.12464]
Property	1	of	1	

Land District	Otago
Legal Description	Runs 689 and 690 situated in Blocks V, IX & X Teviot Survey District.
Area	1123.4073 hectares (Subject to survey)
Status	Crown Land subject to the Land Act 1948.
Instrument of lease	All Computer Interest Register OT338/150 pursuant to section 66 and as registered under section 83 of the Land Act 1948.
Encumbrances	Subject to Part IVA Conservation Act 1987.
Mineral Ownership	Minerals remain with the Crown as the land has never been alienated since its acquisition for settlement purposes, from the former Maori owners under the Kemp purchase 1848.
Statute	Land Act 1948 & Crown Pastoral Land Act 1998.

Data Correct as at	08 February 2002
[Certification Attached]	Yes

Prepared by	Peter M King
Crown Accredited Supplier	Knight Frank (NZ) Limited

KNIGHT FRANK (NZ) LIMITED

Appendix B

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

LAND STATUS REPORT for COAL CREEK				[LIPS ref.12464]
Property	1	of	1	


Land District	Otago
Legal Description	Runs 689 and 690 situated in Blocks V, IX & X Teviot Survey District.
Area	1123.4073 hectares
Status	Crown Land subject to the Land Act 1948
Instrument of lease	All Computer Interest Register OT338/150 pursuant to section 66 as registered under section 83 Land Act 1948.
Encumbrances	Subject to Part IVA Conservation Act 1987
Statute	Land Act 1948 & Crown Pastoral Land Act 1998.

Data Correct as at	08 February 2002
[Certification Attached]	Yes

Prepared by	Peter M King
Crown Accredited Supplier	Knight Frank (NZ) Limited

Certification:

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

.....

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

Date 14 / 3 / 2002



File Reference : CH 988

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PO Box 142
Christchurch
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+64 (0) 3 379 8440 fax

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

CERTIFICATE OF AUTHORISATION

(Crown Land subject to the Land Act 1948)

PROPERTY ADDRESS: **RUN 689 & 690**
 "COAL CREEK" (Po 120)
 POMAHAKA ROAD
 OTAGO LAND DISTRICT

ASSURANCE

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

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

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

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

A handwritten signature in black ink, appearing to read 'Peter M King', written over a dotted line.

Peter M King
Crown Accredited Supplier

Date: 11 February 2002

COAL CREEK Property 1 of 1

<p>Notes : This information does not affect the status of the land but was identified as possibly requiring further investigation at the due diligence stage : See Crown Pastoral Standard 6 paragraph 6</p>	<p>Current internal formation of roads does not necessarily follow the cadastral legal road boundaries.</p> <p>The survey representation of Runs 689 and 690 on SO Plan 2361 does not comply with the closing limits required by the survey standards. The plan is suitable for area only.</p> <p>LINZ File 5400-02-1124 identifies an area of unallocated Crown Land (Category 18 schedule U*G43*261*C0) described as Creek Reserve, area 2.4888ha. The intention is either; incorporation into the run or, transfer to DoC as a marginal strip equivalent ?</p>
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LAND STATUS REPORT COAL CREEK				[LIPS ref 12464]
Property	1	of	1	

Research Data: Some Items may be not applicable

Property	1	of	1	
SDI Print Obtained				Yes
NZMS 261 Ref				G43
Local Authority				Central Otago District Council
Crown Acquisition Map				Kemp Purchase 1848
SO Plan				SO 2361 (1942)
Relevant Gazette Notices				N/A
CT Ref / Lease Ref				All CIR OT338/150 (1956)
Legalisation Cards				N/A
CLR				N/A
Allocation Maps (if applicable)				SOE - SO 22211 (G43) no overlaps DoC - SO 22278 (G43) no overlaps
Rating Ref - if known				All assessment 28472/02400
Crown Grant Maps				N/A
If Subject land Marginal Strip:				Lease renewal in 1989 invokes a disposition under the Conservation Act 1987 however Section 24 marginal strips, are not identified on any plan.
a) Type [Sec 24(9) or Sec 58]				
b) Date Created				N/A
c) Plan Reference				N/A

LAND STATUS REPORT COAL CREEK				[LIPS ref 12464]
Property	1	of	1	

Research – continued

Property	1	of	1	
If Crown land - Check Irrigation Maps.				N/A
Mining Maps				No interest recorded National Mining Index.
If Road				
a) Is it created on a Block Plan - Section 43(1)(d) Transit NZ Act 1989				a) Section 110A Public Works Act 1928
b) By Proc				b) N/A
c) Plan				c) SO 1697 (1879), 1704 (1879), 1706 (1879)
Other Relevant Information				
a) Concessions - Advice from DOC or Knight Frank.				a) There are no DoC concessions and or no current Recreation Permits.
b) Subject to any provisions of the Ngai Tahu Claims Settlement Act 1998 or Northern South Island Regional Landbank.				b) Subject to Part 9 of the Ngai Tahu Claims Settlement Act 1998.
c) Mineral Ownership				c) Mines and Minerals are owned by the Crown because the land has never been alienated from the Crown since its acquisition for settlement purposes from the former Maori owners under the Kemp (1848) Contained in [provide evidence]: Formerly part of Run 515, PR 1619 (1920) is the earliest recorded lease available in the Land Titles Office after the Otago Waste Lands No1 Act 1863.
d) Other Info				d) N/A