

Crown Pastoral Land Tenure Review

Lease name : GLENROY

Lease number : SO 445

Due Diligence Report (including Status Report)

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

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

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

June 09

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

GLENROY

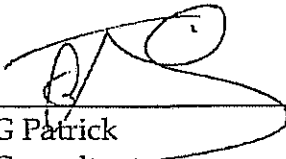
File Ref: PRY-C60-12598-TNR-SO455-A Report No: DN0270 Report Date: 12 July 2006

Office of Agent: Dunedin LINZ Case No: Date sent to LINZ: 13 July 2006

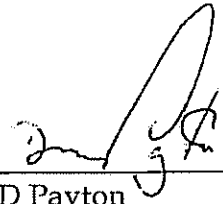
RECOMMENDATIONS

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:
 - a) The current lease expires on 30 June 2008.
 - b) The tenure review of the lease is subject to Part 9 of the Ngai Tahu Claims Settlement Act 1998.

Signed by Opus:



G Patrick
Consultant



D Payton
Contract Manager

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

Name:

Date of decision: / /

1. Details of lease:

Lease Name: Glenroy
Location: At Coal Pit Saddle, on Coal Pit Saddle Road off SH 6, Gibbston, 20km south east of Queenstown.
Lessee: Glenroy Station Limited
Tenure: Crown Land subject to a lease issued pursuant to Section 67 Land Act 1948 and registered under Section 83 Land Act 1948
Term: 10 Years from 1 July 1998 (expires 30 June 2008) with one right of renewal for a further 10 years.
Annual Rent: \$1,500.00
Rental Value: \$30,000.00
Date of Next Review: 30 June 2008
Land Registry Folio Ref: OT18C/1087
Legal Description: Sections 9, 11 and 16 SO 24636
Area: 584.4728 ha

2. File Search

Files held by LINZ:

File Reference	Volume	From	To
Po106	1	28/07/1952	05/09/1985
Con/50180/09/12598/A -ZNO-01	1	06/10/1995	13/12/1996
Con/50180/09/12598/A -ZNO-02	1	06/12/1996	01/05/1997
Con/50180/09/12598/A -ZNO-03	1	23/05/1997	09/03/2000
CPL/04/11/12598	1	01/07/1998	Current

3. Summary of lease document:

Terms of lease

Stock Limitation in Lease

.0.20 Stock Units per ha (110 su per year) between 1 January and 30 April with no greater number than 1000 sheep at any one time.

Commencement Date

1 July 1998

Special Provisions

Clause 20. The lessee shall allow the public unrestricted foot and mountain bike access along the routes marked with a dotted line on the plan those being a route generally along Welshmans water race and along the 4WD track to the Mount Rosa boundary. The specific consent of the Lessee will be required for the use of firearms or dogs on the access route.

Clause 23. Officers servants workmen and agents of the Department of Conservation may at all reasonable times have motor vehicle access over farm tracks on the said land for the purpose of gaining access for management purposes to adjoining land managed by that department provided however that before such right is exercised at least 24 hours notice is given to the Lessee. The Director-General of Conservation as his execution hereof bears witness, agrees to repair any damage done to such tracks as a result of such use at his own cost.

Clause 24. The Lessee shall allow the adjoining landowner to the east at all reasonable times to have motor vehicle access from the summit of Coal Pit Saddle Road along the existing farm track to the boundary of their property.

Clause g i. Notes that the lessee may have a renewal of this lease for a further term of 10 years provided rent has been paid and the lessee has observed and performed its covenants.

The lease contains a Schedule which relates to Management Principles.

Schedule Clause 1. Notes the purpose of the lease is to provide for the sustainable management and use of the lease area as determined by the district plan and the policies of Land Information New Zealand.

Schedule Clause 2. This outlines the Management Policy including stock numbers.

Schedule Clause 3. The lessee will carry out a programme of eradication of wilding conifers over three years from the commencement of the lease. After the eradication programme lessee to keep the land free from wilding conifers.

This clause also requires the control of rabbits and other vermin and notes that a significant rabbit population exist on the lower slopes above Doolans Creek. Lessee required to carry out a poison programme and follow up in conjunction with adjoining owners.

Schedule Clause 4. The Knight Frank (NZ) Ltd Vegetation Monitoring Report 1996 is benchmark for condition of land and vegetation.

Schedule Clause 5. This provides for resource monitoring by the lessor.

Schedule Clause 6. This clause establishes the definition of what constitutes adverse effects in vegetation trends and the effects on stocking this event.

Area adjustments

There are no area discrepancies

Registered interests

There are no registered interests on the lease.

Unregistered interests

There are no known unregistered interests in the property

4. Summarise any Government programmes approved for the lease:

A search of the file indicates that there are no Government programmes approved in the lease.

5. Summary of Land Status Report:

A Land Status Report was undertaken by Opus International Consultants Limited on 19 June 2006. This confirms the status of the land as Crown Land under the Land Act 1948, pursuant to section 67(2) of the Land Act 1948, and registered under section 83 of the Land Act 1948.

6. Review of aerial photography, topographical and cadastral data:

A review of the available aerial photography, topographical and cadastral plans attached to the Land Status Report reveals that there are no communication sites, long distance transmission lines, airstrips, or treatment sites on the property.

The topo map shows a track intersecting the lease. This is a disused race which does not carry water but is now used by the public for access purposes and is the public access provided by Clause 20.

There are no fence lines shown on the topographic map.

7. Details of any neighbouring Crown or conservation land

	<i>Legal Description</i>	<i>Status</i>	<i>Owner</i>
<i>North</i>	Nil		
<i>West</i>	Section 12 SO 24636	Held for Conservation Purposes under CFR 3328.	Department of Conservation
<i>East</i>	Section 5 SO 24743	Held for Conservation Purposes under CFR 2589.	Department of Conservation.
	Section 10 SO 24636	Held for Conservation Purposes under CFR 2529.	Department of Conservation
<i>South</i>	Part Section 9 SO 24636	Marginal Strip (S24(9) Conservation Act 1987)	Department of Conservation

8. Summarise any uncompleted actions or potential liabilities:

LINZ file, CPL/04/11/12598 notes four issues:

- 1) The lease expires on 30 June 2008.
- 2) That no stock had been grazed on the lease property in 2001 [return completed by lessee] and 2002 [valuation report for rent review]. No details were found on the stocking regime from July 2002 to the present date.
- 3) In April 2002 a submission was made to the Commissioner of Crown lands by DTZ, New Zealand Ltd in terms of the Statutory Land Management Contract, on the possible breach of the lease covenants in respect to the eradication of wilding trees. This resulted in a letter dated 8 July 2002 requiring the lessee to take action in compliance with Clause 13 of the lease and advising that a further inspection would be undertaken early in 2003 to ascertain if this requirement was being complied with. A letter dated 28 February 2003 from DTZ to LINZ concluded that the lessee has taken all necessary action to meet his obligations. This was accepted by LINZ on 5 March 2003 [email from Portfolio manager to DTZ].

4) In February 2003 DTZ reported on damage done to the leased land by trail bikers on the lower slopes above Doolans Creek. The report to LINZ noted that no immediate action was required but that the long terms underlying tenure requires addressing with the aim of establishing a more permanent solution. In April 2005 the lessee publicly expressed concern [article in 7 April 2005 Mountain Scene] at the damage caused to land by trail bike uses who were operating outside of the public access easement defined in clause 20 of the lease.

Ngai Tahu Claims Settlement Act 1998

The leased land is "relevant land" within the meaning of Part 9 [Right of First Refusal] of the Ngai Tahu Claims Settlement Act 1998 – Clause (b) (i). In terms of Section 52 of the Act preliminary notice will need to be given to Ngai Tahu that Land Information New Zealand is considering the disposal of the lease.

As the lessee is not a lessee of a lease exempted in terms of Section 50 of the Act and unless Ngai Tahu give a waiver in terms of Section 55 of the Act any offer to dispose of the Crown Land will first need to be made to Ngai Tahu in terms of Section 56 of the Act.

**OPUS INTERNATIONAL CONSULTANTS LIMITED
DUNEDIN OFFICE**

Project Number 6NL598.TR 096YD

This report has been prepared on the instruction Land Information New Zealand,
and is undertaken for the purposes of the Crown Pastoral Land Act 1998.

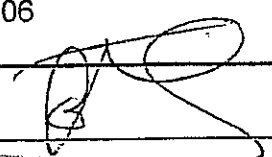


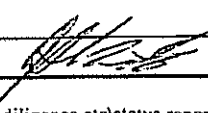
LAND STATUS REPORT for Glenroy Special Lease

Property 1 of 1

Land District	Otago
Legal Description	Section 9, 11 and 16 SO 24636
Area	584.4728 ha
Status	Crown Land under the Land Act 1948 subject to Special Lease, S455.
Instrument of title / lease	CIR OT18C/1087
Encumbrances	None on lease.
Mineral Ownership	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 Purchase of 1848.
Statute	Section 67(2) Land Act 1948.
Notes (if any) 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.	Nothing noted affecting status.

Data Correct as at	19 June 2006
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Prepared by	G Patrick 
Crown Accredited Agent	Opus International Consultants Ltd, Dunedin
This report has been prepared in terms of OSG Standard 1999/05 and Regulatory Chiefs Land Status Investigation Guidelines 1999/01.	

Peer reviewed by	John Kirk 
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Research Data: *Some Items may be not applicable*

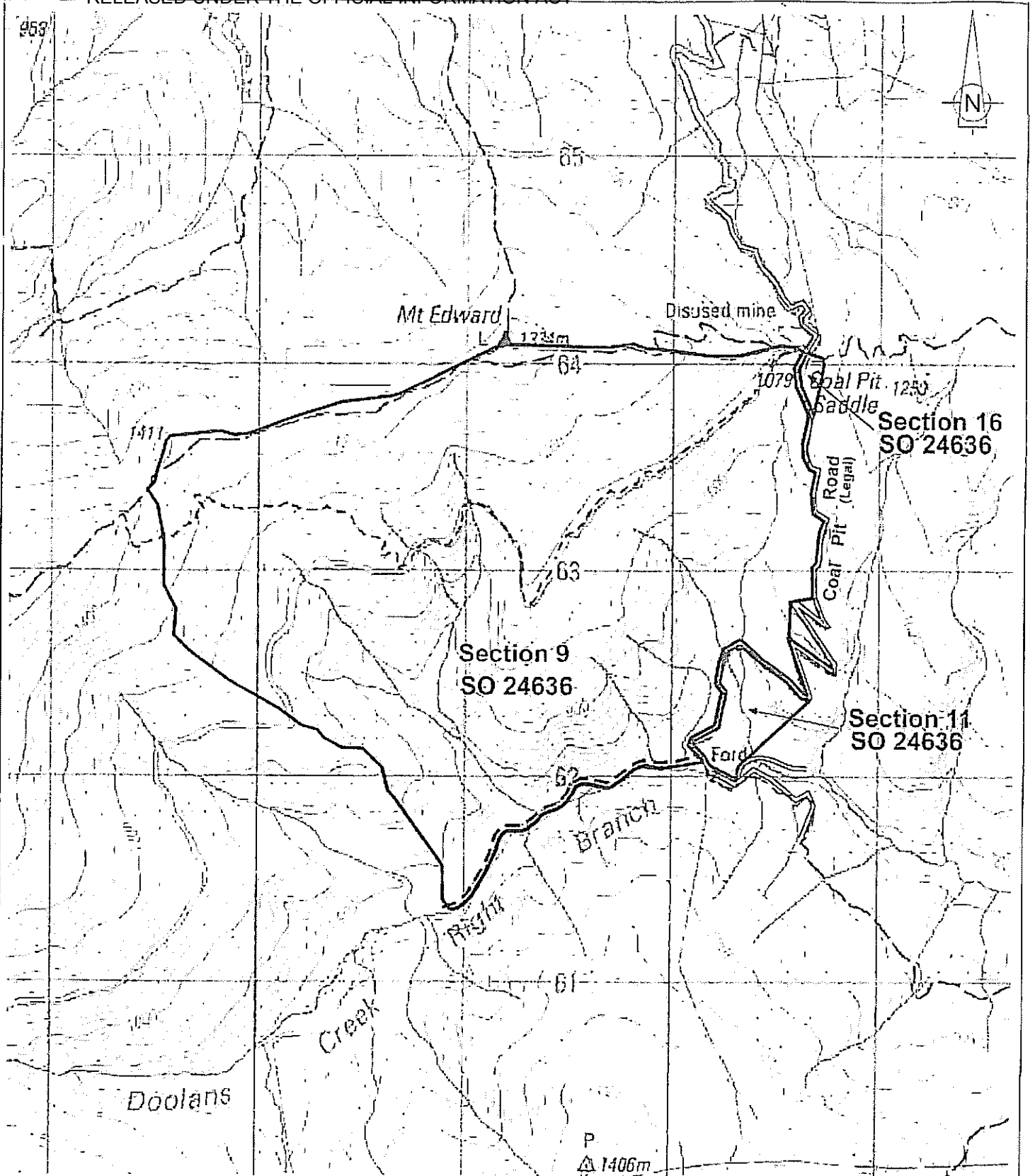
Property	1 of 1
Terraviva Print Obtained	Yes / No
NZMS 261 Ref	F41
Local Authority	Queenstown Lakes District Council
Crown Acquisition Map	Kemp
SO Plan	<p>SO 24636 being a plan of Sections 1 – 16 approved 13 February 1998.</p> <p>SO 24547 being a plan of Sections 1- 7 approved January 1998. this is a plan of adjoining land.</p> <p>SO 798 being a plan of Run 345D approved February 1918.</p> <p>SO's 4659 and 4660 being plans of mining applications dated 1887.</p>
Relevant Gazette Notices	N/A
Computer Register Ref / Lease Ref	<p>CIR OT18C/1087 – the subject land issued on the completion of the tenure review of Glenroy Station completed in terms of the Land Act 1948.</p> <p>CL 338/143 – prior pastoral lease. CFR 2589 – adjoining conservation land. CFR 3328 - adjoining conservation land. CFR 113342 – adjoining freehold land. CFR OT19A/736 – adjoining freehold land. CFR 149031 – adjoining freehold land. CFR 14730 – adjoining freehold land.</p> <p>Transfer 5030823.4 being a grant of easement over Section 3 SO 24636 [now part of Lot 2 DP 327909].</p>
Legalisation Cards	SO 24636. Copy attached. Shows Secs 5, 6, 7, 8, 10, 12 to 16 set apart for Conservation Purposes by New Zealand Gazette 1999 page 2148.
Plan Index	Not applicable.
CLR	Not viewed as lease issued in 1998. CLR not maintained since 31 March 1987.
Allocation Maps (if applicable)	N/A
VNZ Ref - if known	28441/11000
Crown Grant Maps	N/A

"RELEASED UNDER THE OFFICIAL INFORMATION ACT"

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<p>If Subject land Marginal Strip :</p> <p>a) Type [Sec 24(9) or Sec 58]</p> <p>b) Date Created</p> <p>c) Plan Reference</p>	<p>a) Section 24(9)</p> <p>b) 1 July 1998.</p> <p>c) SO 24636.</p> <p>SO 24636 notes " Under Section 24(F) of the Conservation Act 1987 half the bed of the Right Branch of the Doolans Creek remains in Crown Ownership.</p>
<p>If Crown land – Check Irrigation Maps.</p>	<p>Map F41 - Nothing found.</p>
<p>Mining</p>	<p>LINZ Mining maps not searched as they have not been maintained since 1998.</p> <p>Search of Ministry of Economic Development notes Prospecting Permit 39 322 issued over 20550 sq km including subject land.</p>
<p>If Road</p> <p>a) Is it created on a Block Plan – Section 43(1)(d) Transit NZ Act 1989</p> <p>b) By Proc</p>	<p>a) SO Plan</p> <p>b) Proc Plan</p> <p>c) Gazette Ref</p>

<p>Other Relevant Information</p> <p>a) Concessions – Advice from DOC or Knight Frank.</p> <p>b) Subject to any provisions of the Ngai Tahu Claims Settlement Act 1998</p> <p>c) Mineral Ownership</p>	<p>a) Nothing found.</p> <p>b)</p> <p>c) Either</p> <p><input type="checkbox"/> 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 1848 Kemp Purchase.</p> <p><input type="checkbox"/> Contained in [provide evidence].</p>
<p>Other Info</p>	<p>d)</p>

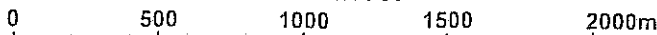


Marginal Strip Subject to Sec 24 (9)
Conservation Act 1987 = = = = =

Version	1	2	3	4	5
Otago Land District	Sheet 1 of 1				
NZMS 260 F.41	Date 19/06/2006				

Glenroy

Scale 1 : 25000



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TL Survey Services Ltd DUNEDIN

