

Crown Pastoral Land Tenure Review

Lease name : LILYBANK

Lease number : PT 002

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.

May 09

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

LILYBANK PASTORAL LEASE

File Ref: CNO/50239/09/12788/A-ZNO-01 Report No: CH0030 Report Date: 22 /02/2001

Office of Agent: **CHRISTCHURCH** LINZ Case No: ~~00F~~ Date sent to LINZ: 22/02/2001

TR01/87

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:
 - Registration of a Variation to record the effect of the rent review has been overlooked.
 - The question of public access through Lilybank to the Macauley and Godley river valleys has been defined and discussed with Council and the lessee's but it has not as yet been resolved by legalisation or any other means.
3. That the Commissioner of Crown Lands or his delegate **note** that no potential liabilities have been identified as a result of the file search.
4. That the Commissioner or his delegate **note** that:
 - The surrender and gazettal of Section 1, SO 19981 for Conservation purposes has resulted in the severance of two small areas of land in the Macauley River valley being severed from the balance lease.

Signed by Agent:



Name: D Ferguson
Opus International Consultants Limited

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



Name: MICHAEL JOHN TODD
Date of Decision: 20 / 3 / 2001

1. Details of Lease:

Lease Name: Lilybank.

Location: On Lilybank Road approximately 40 kilometres from Tekapo.

Lessee: Lilybank New Zealand Limited.

Tenure: Pastoral lease pursuant to Section 66 and registered under Section 83 of the Land Act 1948.

Term: 33 years from 1 July 1984 (expires 30.6.2017).

Annual Rent: \$100,000.

Rental Value: \$2,250.00.

Date of Next Review: 1 July 2006.

Land Registry Ref : CT 10K/888 as a substitute title of leasehold land held in CL 529/2 (Canterbury Registry).

Area: 2135.6656 ha.

2. File Search:

Files held by Agent (Knight Frank (NZ) Ltd) on behalf of LINZ:

File Ref	Volume	First Folio No.	Date	Last Folio No.	Date
Pt 002-SCH02	2	327	13.03.1951	495	27.07.1971
Pt 002-SCH03	3	497	02.08.1971	656	06.10.1975
Pt 002-SCH04	4	657	12.11.1975	752	01.02.1977
Pt 002-SCH05	5	753	02.02.1977	795	12.09.1977
Pt 002-SCH006	6	1	12.09.1977	96	12.12.1978
Pt 002-SCH007	7	97	22.01.1979	190	07.08.1980
Pt 002-SCH008	8	191	07.08.1980	316	16.07.1982
Pt 002-SCH009	9	317	12.08.1982	410A	21.08.1984
Pt 002-SCH0010	10	411	22.08.1984	470	16.09.1985
P2	11	471	19.10.1985	575	05.05.1992
Pt 8002	12	576	15.05.1992	642	07.08.1995
Pt 8002	13	-	27.07.1994	-	04.06.1996
Pt 002	-	-	04.06.1996	-	30.06.2000

Files held by Agent (Opus International Consultants Ltd) on behalf of LINZ:

File Ref	Volume	First Folio No.	Date	Last Folio No.	Date
CON50239/09/12788/A-2NO	1	1	28/10/2000	-	-
CON50239/09/12788/A-2NO-02	2	-	-	-	-
CON50239/09/12788/A-2NO-03	3	-	-	-	-
CON50239/09/12788/A-2NO-04	4	-	-	-	-

Other Relevant files held by LINZ:

File Ref	Volume	First Folio No.	Date	Last Folio No.	Date
CPR 01/01/20/152	1	Pt 1	01.03.1997	-	10.09.1998
CPL 04/10/12788/ZCH	2	-	01.09.1998	-	16.06.1999
	3	-	15.03.1999	-	Current

3. Summary of Lease Document: (Copy of CL 10K/888 and 529/2 attached as Appendix 1).

3.1 Terms of Lease

A 33 year term from 1 July 1984 at the Annual rental of \$2,250 based on the Rental Value of \$100,000.

Stock Limitation in Lease

4895 sheep.

[Note Variation A 387257.3 whereby the lessee may not depasture stock but may move stock across Section 2, SO 19981].

Commencement Date

1 July 1984.

The Memorandum of Renewal of Lease No. 732520/1 was registered on 24 March 1988.

No action has been taken to record the effect of the review of rent effective 1 July 1995.

Other Provisions

The lease is subject to the following provisions:

1. Section 8 of the Coal Mines Act 1950 reserving to the lesser coal existing on or under the surface of the land and the power to grant coal mining rights over the land under Part I of the Coal Mines Act 1925.
2. Variation A387257/3 whereby from 30 November 1998, notwithstanding the provisions of Clause 13 and covenants (a) and (f), the lessee shall not depasture stock but may move stock across that part of the land known as Section 2 from and to adjacent lands. To ensure compliance, the lessee shall maintain stock proof boundaries of the said Section 2.

3.2 Area Adjustments

The area adjustments are historical. There are no discrepancies.

3.3 Registered Interests

Land Improvement Agreements

Land Improvement Agreements 286745/1 (registered 8 August 1980) and 830901.1 (registered 5 October 1989).

Mortgages

A450207.2 – to ASB Bank Limited registered 16 March 2000.

3.4 Unregistered Interests

Recreation permits.

A search of available records did not reveal the existence of any current Recreation permits.

Unregistered Mortgages/Debts

None known.

4. Summarise any Government programmes approved for the lease:

Land Improvement Agreement (registered as Document 286745/1) secured a SWC Plan executed on 14 July 1980 between the then lessee and the Waitaki Catchment Commission. The works involved retirement from grazing and surrender of approximately 21,600 ha of severely eroded Class VII and VIII lands, a retirement fencing programme and development to integrate game and sheep/cattle grazing.

The works and requirements of the plan apply for 33 years (expiry 14 July 2013) except by agreement.

Land Improvement Agreement registered as Document 830901.1 secured a SWC Plan executed on 16 August 1989 between the then lessee and the Waitaki Catchment Board. The works involved a follow-up programme to establish offsite and other works to bring about retirement and surrender of the 21,600 ha establishment of tree windbreaks and stabilise gully and riverbank erosion.

The works and requirements of the plan apply for 33 years (expiry 16 August 2022) except by agreement.

This property is not part of any Rabbit and Land Management Plan.

5. Summary of Land Status Report:

A Land Status Report undertaken by Opus International Consultants Ltd on 15 February 2001 confirms the status of the land as Crown Land, leased pursuant to Section 66 of the Land Act 1948 and registered under Section 83 of the same Act.

The land is subject to the registered interests included in Clause 3.3 above and Part IVA of the Conservation Act 1987 upon disposition.

The minerals remain with the Crown as the land has never been alienated since its acquisition from the original Maori owners under the Kemp purchase.

The report noted the following issues:

1. Pastoral lease CT 10K/888 is a substitute title of the leasehold land in CL529/2. CL 529/2 contains a notation for Section 58 strips to be excluded from the lease along all rivers and streams over 3 metres in width. This was also denoted on SOs 11076 and 17867. These strips are notional only.
2. The lessee was given Notice of the rent review on 21 December 1994 and accepted the values and the new rental payable on 18 January 1995. The rent was effective from 1 July 1984 but a Variation has not yet been registered against the lease.
3. The surrender and gazettal of Section 1, SO 19981 for Conservation purposes has resulted in two small areas of land in the upper Macauley River valley remaining within but being severed from the balance lease area.
4. The question of public access through Lilybank to the Macauley and Godley River valleys has been a vexed question between successive lessees and recreational users.

SO's 11914 and 11915 redefined the topographical definition of the legal roads. Some formed but not legal roads exist.

In 1979 the then lessee sought the relocation of public access to the Godley valley (at its expense) to overcome a conflict with its deer farming operations. The Mackenzie County (now District) Council was approached and the understanding was in late 1979 that the County Engineer had been instructed to arrange survey. No survey has been approved or legalisation action undertaken (folios 97, 100 and 134 on Pt 002).

In late 1995 KFL, DOC and Council representatives met with the lessees resulting in recommendations being made on public access to the Macauley and Godley valleys. As a baseline the existing legal roads were flagged by the Crown and signage erected. The intention was to agree on a firm negotiated route with the lessees with a view to legalisation if deemed necessary. No further action has been undertaken although it would appear that a controlled situation exists (copies of relevant reports etc dated November 1995 and April 1996 on file P002).

A copy of the Land Status Report is attached as Appendix 2.

6. Review of Topographical and Cadastral Data:

Both maps attached to the Land Status Report show there are no water races, historic sites or transmission lines on the property. The topographical map reveals the existence of:

- 1) Huts, "Weka Hut" in the Godley River Valley and "Stoney Stream" Hut in the Macauley River Valley.
- 2) Power supply lines across the lease to the Lilybank freehold. This line is under the control of the local Power Supply authority under the Electricity Act.

Although the plans do not show its existence, a 1,000 m sealed *airstrip* has been constructed on the lease on the southern part of the lease near the freehold area.

Legal Roads – formed and paper

The Land Status Report indicates that the Topo Plans 58T denoted the roads abutting the roads are legal by Crown Grant or Section 110A of the Public Works Act 1928. Roads through the Lease were subsequently redefined by SO's 11914 and 11915 (Approved 8 December 1973).

Fenced Boundaries vs Legal Boundaries

Two small areas of land in the Upper Macauley River Valley are still contained in the Lease notwithstanding that all the land adjoining the cadastral riverbed has been surrendered and declared conservation land.

7 Details of any neighbouring Crown or Conservation Land

Northern, Western and Eastern Boundaries – Section 1, SO 19981 held for conservation purposes by NZ Gazette 1999, p1433.

Southern, Western Boundary – Sections 1 and 2, SO 19047 – held for conservation purposes by NZ Gazette, 1999, p1433.

8. Summarise any uncompleted actions or potential liabilities

8.1 Rent review

The lessee accepted the rent review values / rent but Variation has not yet been registered.

8.2 Public Access to Macauley and Godley river valleys

Action has not been completed towards the legalisation or other means of resolving the public access proposals across Lilybank to the Macauley and Godley river valleys.

APPENDICES

1. Copy of Lease document.

2. copy of Land Status report.



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



Historical Search Copy

R.W. Muir
Registrar-General
of Land

Identifier CB10K/888
Land Registration District Canterbury
Date Registered 16 July 1971 00:00

Part-Cancelled

Prior References
CB529/2

Estate	Leasehold		
Area	27518.6236 hectares more or less	Term	33 years commencing on 1.7.1951 and a further period of 33 years from 1-7-1984
Legal Description	Run 78, Section 1-2 Survey Office Plan 19047, Section 1-4 Survey Office Plan 19186 and Section 1-2 Survey Office Plan 19981		

Original Proprietors
Lilybank New Zealand Limited

Interests

- 286745.1 Land Improvement Agreement pursuant to Section 30A Soil Conservation and Rivers Control Act 1941 - 8.8.1980 at 9.11 am
- 732520.1 Variation of the terms of the within Lease and extending the term for a further 33 years commencing on 1.7.1984 - 24.3.1988 at 9.58 am
- 830901.1 Land Improvement Agreement pursuant to Section 30A Soil Conservation and Rivers Control Act 1941 - 5.10.1989 at 10.13 am
- A387257.2 Surrender of Lease as to Sections 1 and 2 SO 19047, Sections 2, 3 and 4 SO 19186 and Section 1 SO 19981 (25,382.9580 ha) - 25.1.1999 at 11.29 am
- A387257.3 Variation of Lease - 25.1.1999 at 11.29 am
- A450207.2 Mortgage to ASB Bank Limited - 16.3.2000 at 9.51 am

Reference:
Parent C/F. 529/2 -
N/C. Order No. 837179
Lease No.



REGISTER

CERTIFICATE OF TITLE UNDER LAND TRANSFER ACT

LEASEHOLD

Registered Lease No.	Name of Lessor	Term of Lease	Lessor's Title: Vol. Folio
529/2	Her Majesty the Queen	33 years commencing on 1.7.1951 EXTENDED 33 YEARS FROM 1.7.1984	Crown Land

This Certificate dated the 16th day of July one thousand nine hundred and seventy-one under the seal of the District Land Registrar of the Land Registration District of Canterbury

WITNESSETH that NEW ZEALAND TROPHY GUIDE SERVICE LIMITED a company having its registered office at Hamilton

is seized of an estate of leasehold created by the lease particulars of which are set out above (subject to such reservations, restrictions, encumbrances, liens, and interests as are notified by memorials underwritten or endorsed hereon) in the land hereinafter described, delineated with bold black lines on the plan hereon, be the several admeasurements a little more or less, that is to say: All that parcel of land containing 58,200 acres or thereabouts situated in the Torlesse, Godley, Sinclair and Tekapo North Survey Districts being Run 78 "Lilybank"

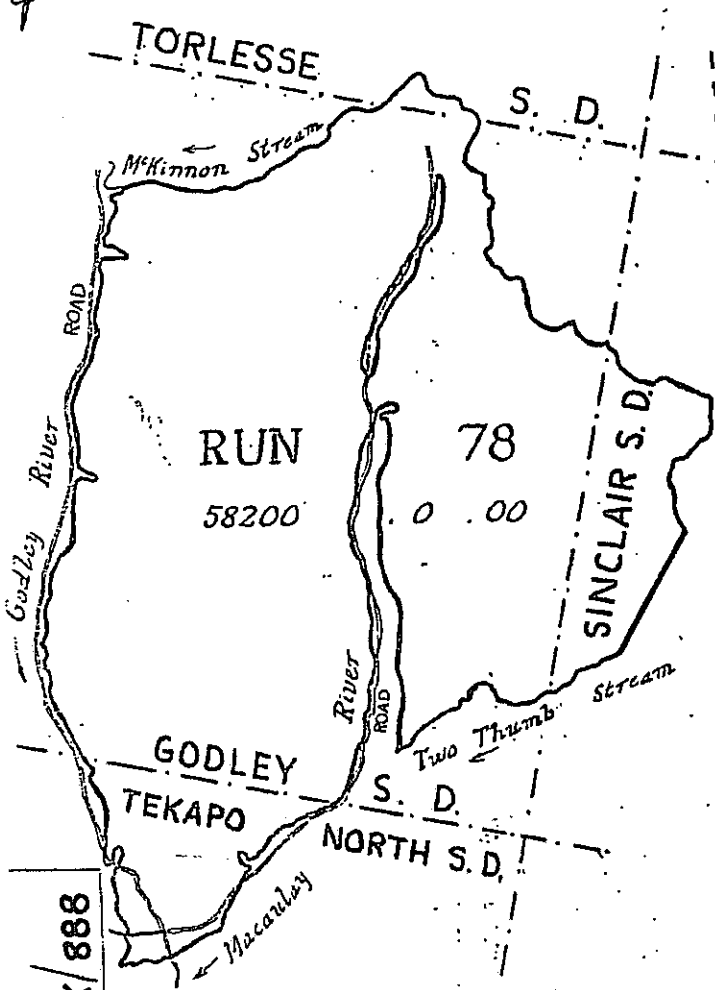


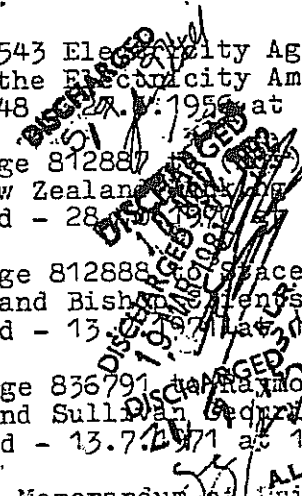
Image Quality due to Condition of Original



Deputy District Land Registrar

Subject to:

- No. 440543 Electricity Agreement under the Electricity Amendment Act 1948 at 11.39 a.m.
- Mortgage 812887 Australia and New Zealand Banking Group Limited - 28.3.1971 at 2.53 p.m.
- Mortgage 812888 Grace Hammond Grace and Bishop Jones Securities Limited - 13.7.1971 at 11.50 p.m.
- Mortgage 836791 Raymond Ward and Sullivan Securities Limited - 13.7.1971 at 11.50 p.m.
- 836793 Memorandum of Priority making mortgage No. 836791 first, 812887 second and mortgage 812888 third mortgage - produced 13.7.1971 at 11.50 a.m.



Deputy District Land Registrar
D.L.R.

5/18/71-REG 10 W

at 11.50 a.m. OVER

Scale: 1 inch == 3 miles
METRIC AREA: 2352.7043 ha
Area Reduced to 2435.6456 ha
Scale: 1 inch == 3 miles

C.T. 10K/888

Variation of Mortgage 812888 - 6/4/1972 at 10.15 a.m.

A.L.R.

No.17108/1 ~~Special~~ Land Charge under the Rural Housing Act 1959/25.11.1974 at 10.05 a.m.

A.L.R.

Mortgage 170331/1 to ~~the Rural Banking and Finance Corporation of New Zealand~~ 22.11.1978 at 11a.m.

for A.L.R.

Land Improvement Agreement, 286745/1 under Section 30A of the Soil Conservation and Rivers Control Act 1941 - 8.8.1980 at 9.11 a.m.

No. 314784/1 Change of Name of the abovenamed Mortgage in Mortgage 812888 to Stace Hammond Clients Securities Limited 5.3.1981 at 10.24 a.m.

for A.L.R.

Mortgage 351354/1 to Her Majesty the Queen - under the Marginal Land Act 1950 - 22.10.1981 at 1.45 pm

for A.L.R.

No.351354/3 Memorandum of Priority making Mortgages 351354/1 and 170331/1 second and third mortgages respectively - 22.10.1981 at 1.46 p.m.

Certificate No. 925191/1 that the within Mortgage No. 351354/1 is vested in the Rural Banking and Finance Corporation of New Zealand 13/3/1983 at 11/34 a

for A.L.R.

No.489553/1 Certificate of Alteration under Section 113 Land Act 1948 increasing the within area to 27518.6236 hectares following redefinition - 23.5.1984 at 11.43 am.

for A.L.R.

Mortgage 560899/2 to ~~the Rural Banking and Finance Corporation of New Zealand~~ - 13.8.1985 at 9.00 a.m.

for A.L.R.

No.560899/3 Memorandum of Priority making charge and mortgages 17108/1, 560899/2 and 812887 first, second and third charge and mortgages respectively - 13.8.1985 at 9.00 a.m.

for A.L.R.

No. 732520/1 Variation of the terms of the within Lease and extending the term for a further 33 years commencing on 1.7.1984 - 24.3.1988 at 9.58am

for A.L.R.

No.830901/1 Land Improvement Agreement pursuant to Section 30A of the Soil Conservation & Rivers Control Act 1941 - 5.10.1989 at 10.13am

for A.L.R.

Transmission A23092/2 to Kelvin Bryce Hampton of Burnham, Soldier as Administrator - 10.11.1992 at 11.51am

for A.L.R.

No.917710/1 Change of Name of the mortgagee under Mortgage 560899/2 to The Rural Bank Limited - produced 28.1.1991 and entered 10.11.1992 at 11.52am

for A.L.R.

No. A116303/1 Notice of Appellation whereby parts of the within land (36.5880ha) are now known as Sections 1 and 2 S.O. Plan 19047 - 7.6.1994 at 9.22am

A.L.R.

No. A128084/1 Notice of Appellation whereby parts of the within land (25488.0000 ha) are now known as Sections 1-4 SO Plan 19186 - 10.8.1994 at 9.06am

for A.L.R.

A367227.1 Notice of Appellation whereby parts of the within land (Sections 1, 2 and 3 SO. 19186 - 25313.3700 ha) are now known as Section 1 SO Plan 19981

A367227.2 Notice of Appellation whereby part of the within land (Section 1 SO 19186 - 141.6300 ha) is now known as Section 2 SO Plan 19981

all 4.9.1998 at 9.00

for DLR

A370671.1 Notice of Appellation whereby part of the within land (part section 1 SO 19186 - 25313.3700 ha) is now known as section 1 SO 19981 - 29.9.1998 at 1.15

for DLR

A374436.1 Notice of Appellation whereby part of the within land (part Section 1 SO 19186 - 141.6300ha) is now known as Section 2 SO 19981 - 23.10.1998 at 11:56

for DLR

SEE SHEET TWO.....

for DLR

A387257.1 Change of name of the registered proprietor to Lilybank New Zealand Limited

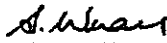
A387257.2 Surrendered as to Sections 1 and 2 SO 19047, Sections 2, 3 and 4 SO 19186 and Section 1 SO 19981 (25,382.9580 ha)

A387257.3 Variation of Lease P 2

all 25.1.1999 at 11.29


for DLR

A450207.2 Mortgage to ASB Bank Limited -
16.3.2000 at 9.51


for RGL



NOT REGISTERED UNDER THE LAND TRANSFER ACT

NEW ZEALAND

Entered in the Register-book, Vol. 529 fol. 2

CANTERBURY LAND DISTRICT

6 day of November

Issued as a Renewal of (see in Exchange for) Lease Pastoral License No. 498 registered in Vol. 101 fol.

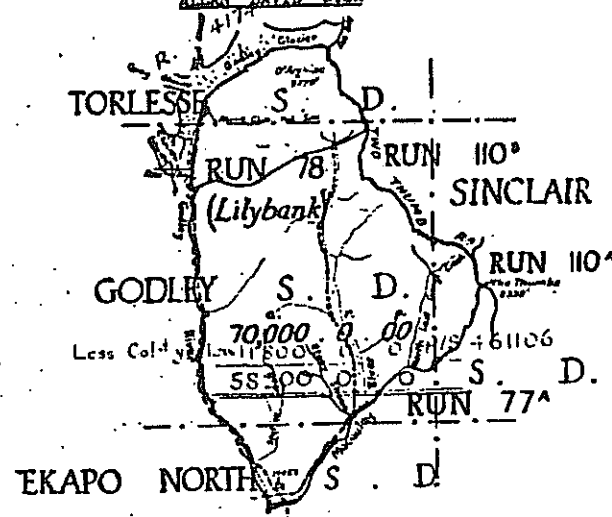


Pastoral Lease of Pastoral Land under the Land No. P.2



Land Registrar signature and name.

This Deed, made the 1st day of March, one thousand nine hundred and fifty-one between HIS MAJESTY THE KING (who, with his heirs and successors, is hereinafter referred to as "the Lessee"), of the one part, and ALAN DAVY DICK of Lake Tekapo



Sheepfarmer (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 Lessee doth hereby demise and lease unto the Lessee All that piece or parcel of land containing by admeasurement Seventy thousand (70,000) acres or thereabouts, a little more or less, situated in the Land District of Canterbury and being Run 78 "Lilybank" situated in Torlesse, Godley, Tekapo North and Sinclair Survey Districts

(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 together with one thousand nine hundred and fifty-one (1951) together with the period between the date of this lease and the aforesaid first day of July 1951 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 Canterbury the clear annual rent of £160. 0. 0 (one hundred and sixty pounds) payable on a continuing capacity of 4,250 sheep (£160.0.0) 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 (£) by a deposit of (£) (the receipt of which sum is hereby acknowledged) and thereafter by half-yearly instalments of shillings and pence (5 : :) on the 1st day of January and the 1st day of July in each year in the same manner as aforesaid.

Scale: 4 miles to an inch

- AND the Lessee doth hereby covenant with the Lessee as follows, that is to say:-
1. THAT the Lessee will fully and punctually pay the rent hereinbefore reserved at the times and in the manner hereinbefore reserved 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 bona fide for his own use and benefit and will not transfer, assign, sublet, mortgage, charge, or part with possession of the said land or any part thereof without the previous approval of the Land Settlement Board: Provided that such approval will not be necessary in the case of a mortgage to the Crown or to a Department of State.
 4. THAT the Lessee will at all times farm the said land diligently and in a husbandlike manner according to the rules of good husbandry and will not in any way commit waste.
 5. THAT the Lessee will throughout the term of his lease to the satisfaction of the Commissioner of Crown Lands for the Land District of Canterbury (hereinafter referred to as "the Commissioner") cut and trim all live fences and hedges, clear and keep clear the said land of all noxious weeds, and will comply strictly with the provisions of the Noxious Weeds Act, 1928.
 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, 1924.
 7. THAT the Lessee will clean and clear from weeds and keep open all creeks, drains, ditches, and watercourses upon the said land, including any drains or ditches which may be constructed by the Commissioner after the commencement of the term of the lease; and will not at any time without the prior consent of the Commissioner alter the channel of any such creek or watercourse or stop or divert the water flowing therein.
 8. THAT the Lessee will at all times during the said term repair and maintain and keep in good substantial repair, order, and condition all improvements belonging to the Crown (including those specified in the Schedule hereto which are being purchased by the Lessee) now or hereafter erected on the said land, and will not, without the prior written consent of the Commissioner, pull down or remove them or any part of them.
 9. THAT the Lessee will insure all buildings belonging to the Crown (including those specified in the Schedule hereto which are being purchased by the Lessee) now or hereafter erected on the said land to their full insurable value in the name of the Commissioner in some insurance office approved by the Commissioner and will pay all premiums falling due under every such insurance policy and deposit with the Commissioner every such policy and, not later than the forenoon of the day on which any such premium becomes payable, the receipt for that premium.
 10. THAT the Lessee will not throughout the term of the lease without the prior consent of the Commissioner, which consent may be given on such terms and conditions (including the payment of royalty) as the Commissioner thinks fit, fell, sell, or remove any timber, tree, or bush growing, standing, or lying on the said land, and that he will throughout the term of the lease prevent the destruction of any such timber, tree, or bush unless the Commissioner otherwise approves: Provided that the consent of the Commissioner as aforesaid shall not be necessary where any such timber or tree is required for any agricultural, pastoral, household, roadmaking, or building purpose on the said land nor where the timber or tree has been planted by the Lessee.
 11. THAT the Lessee shall not, except for the purpose of complying with any of the provisions of the Nuisance Tenure Act, 1916, burn any tussock, scrub, fern, or grass on the said land, nor permit any tussock, scrub, fern, or grass on the said land to be 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.

NOTE: Pursuant to Section 58 of the Land Act 1948 a strip of land one chain in width along the banks of all streams and rivers is excluded from the within lease.

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

- (a) THAT the Lessee shall have the exclusive right of pasturage over the said land, but shall have no right to the soil.
- (b) THAT the Lessee shall have no right, title, or claim whatsoever to any minerals (within the meaning of the Land Act, 1948) on or under the surface of the soil of the said land, and all such minerals are reserved to His Majesty together with a free right of way over the said land in favour of the Commissioner or of any person authorized by him and of all persons lawfully engaged in the working, extraction, or removal of any mineral on or under the surface of the said land or any adjacent land of the Crown, subject to the payment to the Lessee of compensation for all damage done to improvements on the said land belonging to the Lessee in the working, extraction, or removal of any such minerals: Provided that the Lessee shall have 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 dwelling-house: Provided also that the Lessee may, with the prior consent in writing of the Commissioner, which consent may be given subject to such conditions as the Commissioner thinks fit, use any such minerals for any agricultural, pastoral, household, roadmaking, or building purpose on the said land, but not otherwise.
- (c) THAT upon the expiration by effluxion of time of the term hereby granted and thereafter at the expiration of each succeeding term to be granted to the Lessee the outgoing Lessee shall have a right to obtain, in accordance with the provisions of section 60 (2) of the Land Act, 1948, a new lease of the land hereby leased as 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.
- (d) 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 60 (2) of the Land Act, 1948, a new lease of the land hereby leased as 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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529/2

C.D. Dick

- (4) THAT the Lessee shall have no right of acquiring the fee-simple of the said land.
- (4) THAT the Lessee may, with the prior consent in writing of the Commissioner given subject to such conditions as the Commissioner may deem necessary,
 - (i) Cultivate any portion of the said land for the purpose of growing winter food for the stock depastured thereon;
 - (ii) Crop such area of the said land as is sufficient for the use of himself and family and his employees;
 - (iii) Plough and sow in grass any portion of the said land;
 - (iv) Clear any portion of the said land by felling and burning bush or scrub and sow the land so cleared in grass;
 - (v) Surface sow in grass any portion of the said land;

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

(4) THAT the Lessee shall maintain the roads in the said land and shall own, construct, and for the purpose of this clause in the lease, generally declared and agreed between the Lessee and the Lessor that the number of stock to be depastured on the said land during the winter months shall not, without the prior consent of the Commissioner, exceed 4895 sheep, being an increase of ten per cent on the carrying capacity on which the rent hereinbefore reserved

(5) 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 to comply with the covenants and conditions herein expressed or implied to the satisfaction of the Land Settlement Board or the Commissioner, as the case may be, or make default for not less than two months in the payment of rent, water levy, or other payments due to the Lessor, then the Land Settlement Board may, subject to the provisions of section 118 of the Land Act, 1914, 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.

(6) THAT these presents are intended to take effect as a pastoral lease under the Land Act, 1914, and the provisions of the said Act and of the regulations made thereunder applicable to such lease shall be binding in all respects upon the parties hereto in the same manner as if such provisions had been fully set out herein.

CONDITIONS

IMPROVEMENTS BELONGING TO THE CROWN AND HELD PURCHASED BY THE LESSEE

- (1) THAT pursuant to Section 8 of the Coal Mines Amendment Act, 1950, this lease is subject to the reservation to the Lessor of all coal existing on or under the surface of the land, and subject also to the reservation to the Lessor of the power to grant coal mining rights over the land under Part I of the Coal Mines Act, 1925.

In witness whereof the Commissioner of Crown Lands for the Land District of Canterbury, on behalf of the Lessor, hath hereunto set his hand, and these presents have also been executed by the said Lessee.

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

Witness: R. Yennings
Occupation: Land office clerk
Address: Christchurch

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

Witness: J. S. S. Redman F.P.
Occupation: Private Hotel Proprietor
Address: Kate's shops

Continuation of memoranda from below
NCO. 837179
16-7-1971
Commissioner of Crown Lands
C.T. 10K/883 issued
ALR
ALR
ALR

C.D. Dick

(5) 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 4,895 (being an increase of ten per cent on the carrying capacity on which is based the rent hereinbefore 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 the event of a transfer. Any variation consented to by the Commissioner shall not affect the rent payable hereunder.

M 503

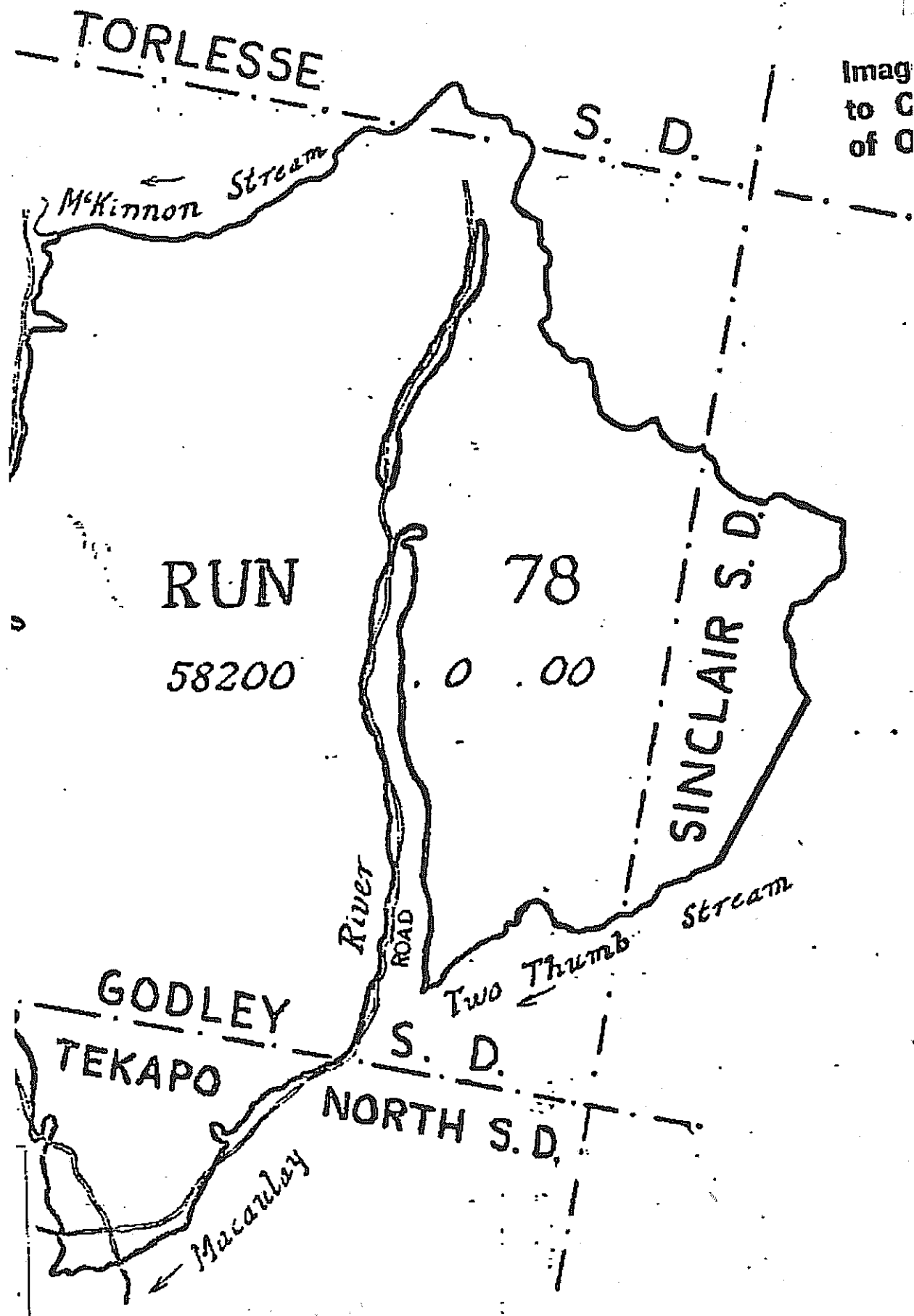
DISCHARGED
440543 Electricity payment under Electricity Amendment Act 1957 presented 27 June 1957 at 11:39 am.
461106 Surrender of title to 11.00 acre Calabash yellow with discom done 25/10/1957 at 11:43 am.
462249 Mortgage, Allotment 11 to Harold Hetherington and Grace Palmer, Christchurch, produced 12/7/1957 at 11:55 am.
Transfer 648257 to Brian James Goff of Balclutha Sheep-Ramer - 18/5/1965 at 9:40 am pursuant to Section 5 of the Australia and New Zealand Banking Group Act 1970 (1970) is now vested in the Australia and New Zealand Banking Group Limited.
Mortgage 836791 to Raymond Raymond Ward and Sullivan Securities Limited 13/7/1971 at 11:50 am.
Mortgage 836791 first mortgage, 812887 second mortgage, 11/11/1970 mortgage, 73.7.1971 at 11:50 am.
Mortgage 812887 to Bruce Fraser 25.10.1970 at 2:53 pm (15.7.1971)
Mortgage 812888 to Grace Hammond Grace and Bishop Securities Limited 25.10.1970 at 2:53 pm
Mortgage 812887 to Quatrack and New Zealand Bell Limited - 25/10/1970 at 2:53 pm
No. 836793 Memorandum of Priority making 11/11/1970 mortgage, 73.7.1971 at 11:50 am.

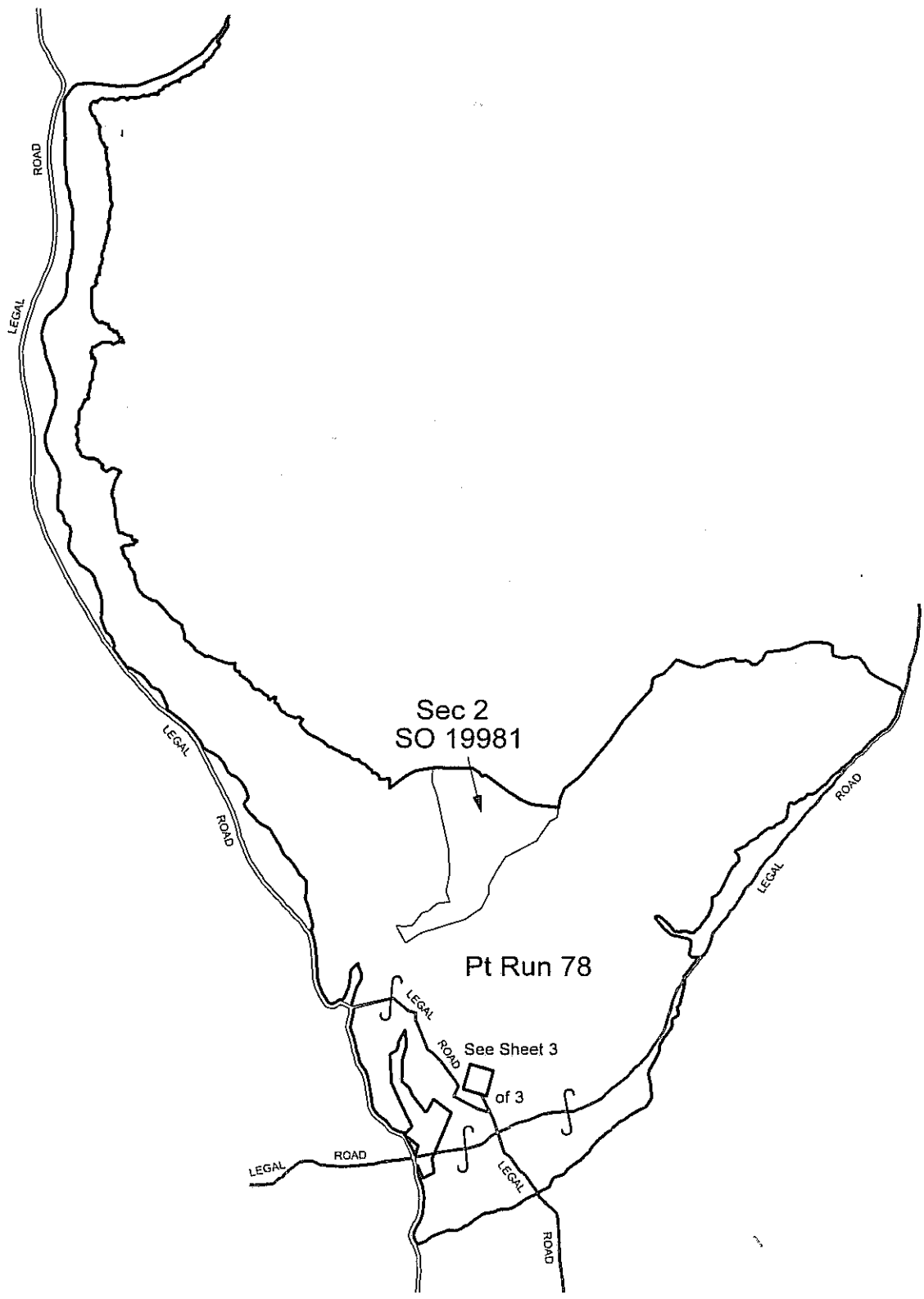
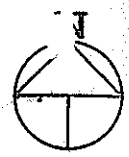
No 812884 Variation of the terms of within Lease 28.10.1970 at 2:53 pm
Transfer 812885 to New Zealand Trophy Guide Service Limited at Hamilton 28.10.1970 at 2:53 pm
Mortgage 812886 to Bruce Fraser 25.10.1970 at 2:53 pm (15.7.1971)
Mortgage 812888 to Grace Hammond Grace and Bishop Securities Limited 25.10.1970 at 2:53 pm
Mortgage 812887 to Quatrack and New Zealand Bell Limited - 25/10/1970 at 2:53 pm
No. 836793 Correction of the name of the above named mortgage under Mortgage 812888 to Grace Hammond Grace and Bishop Client Securities Limited 15.7.1971 at 11:50 am
Mortgage 836791 to Raymond Raymond Ward and Sullivan Securities Limited 13.7.1971 at 11:50 am
No. 836793 Memorandum of Priority making 11/11/1970 mortgage, 73.7.1971 at 11:50 am.



Identifier

CB10K/888

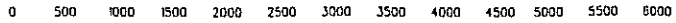




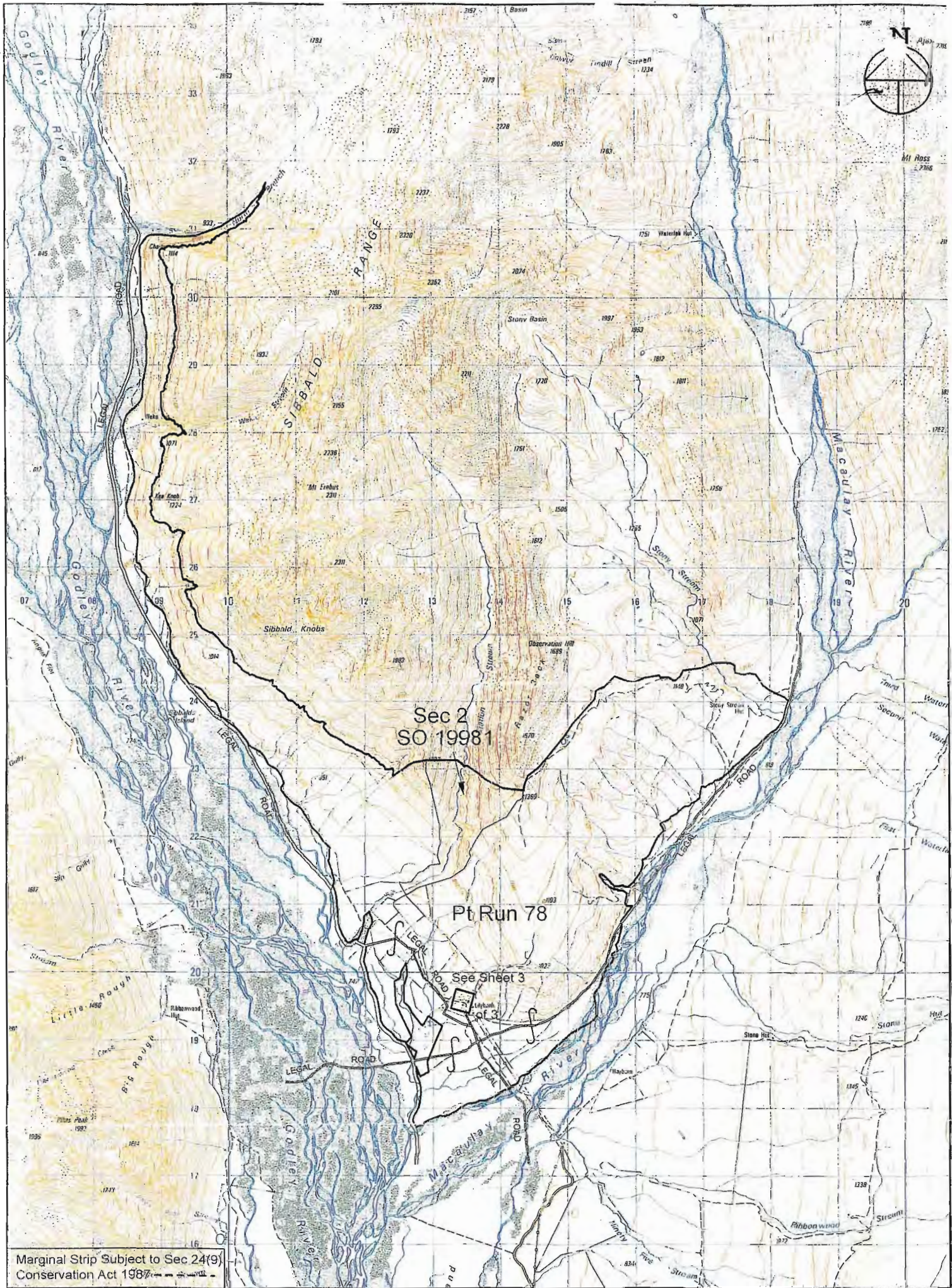
Marginal Strip Subject to Sec 24(9)
Conservation Act 1987 - - - - -

Lilybank

Scale 1:50000



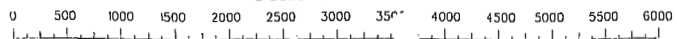
Version	1	2	3	4	5
Canterbury Land District					
Topographic Map 260 - 136					
				Sheet 1 of 3	
				Date 8/12/00	



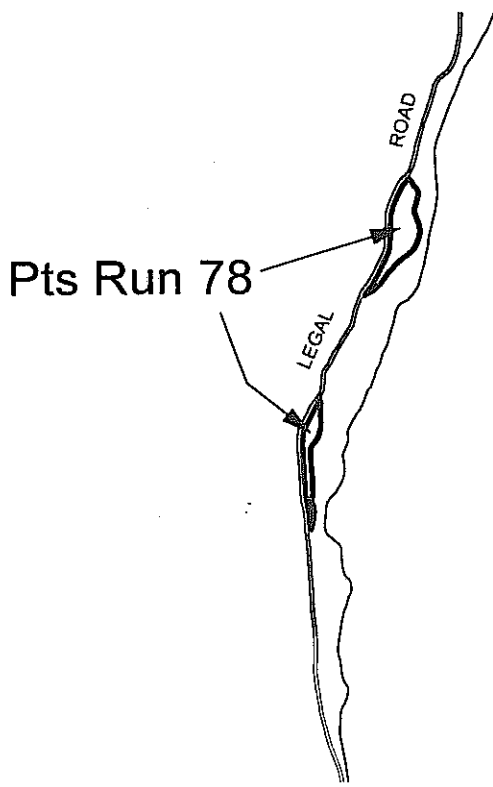
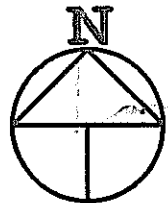
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Conservation Act 1987

Lilybank

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Canterbury Land District					Sheet 1 of 3
Topographic Map 260 - I36					Date 8/12/00

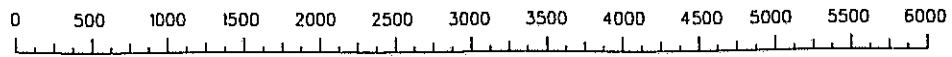


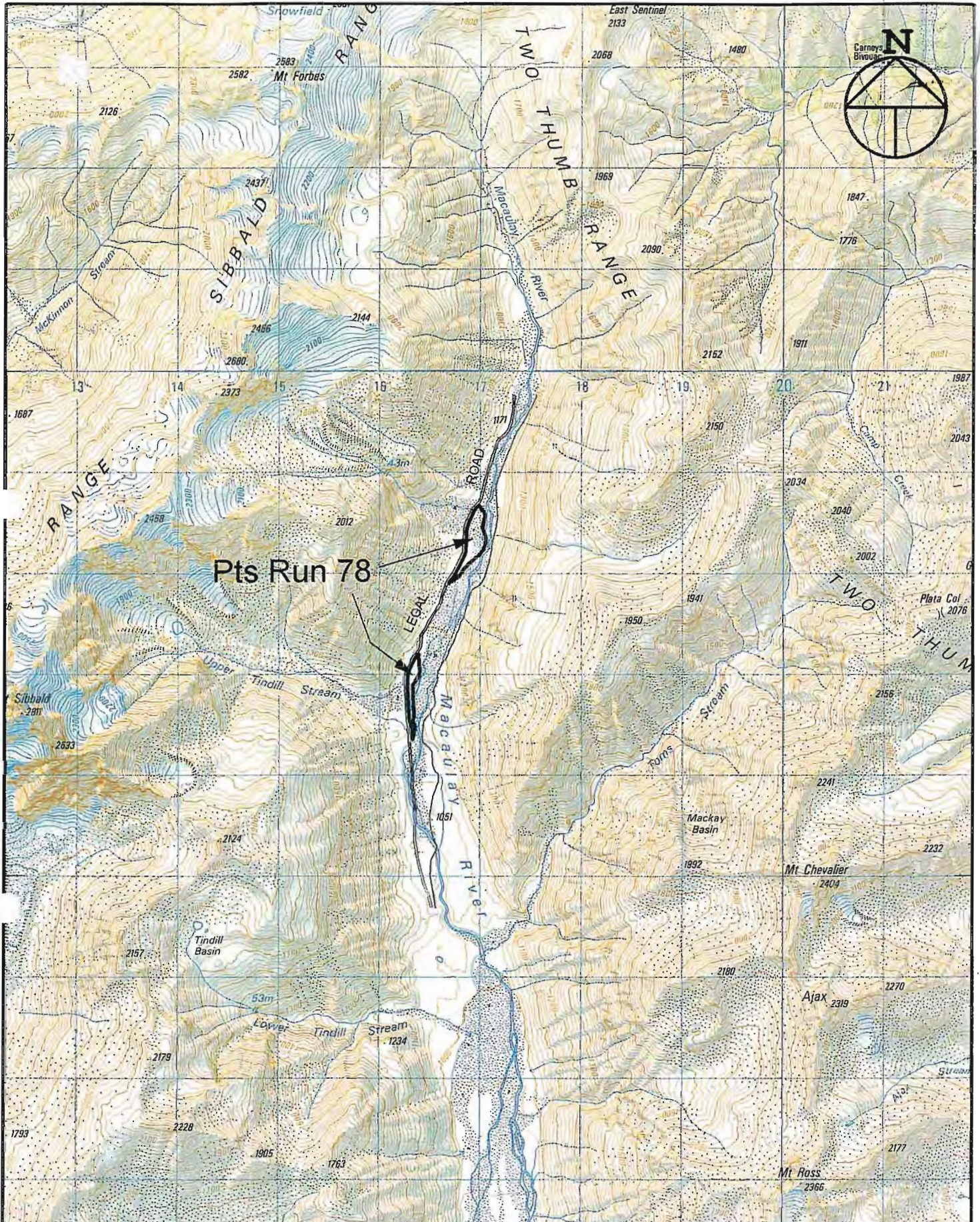
Marginal Strip Subject to Sec 24(9)
Conservation Act 1987 - - - - -

Version	1	2	3	4	5
Canterbury Land District			Sheet 2 of 3		
Topographic Map 260 - 136			Date 8/12/00		

Lilybank

Scale 1:50000





Pts Run 78

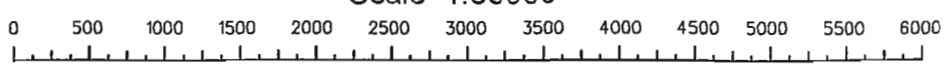
LEGAL
Macaulay River

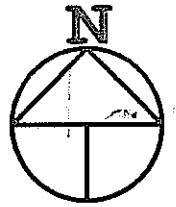
Marginal Strip Subject to Sec 24(9)
Conservation Act 1987 - - - - -

Version	1	2	3	4	5
Canterbury Land District					
Topographic Map 260 - 136					
Sheet 2 of 3					
Date 8/12/00					

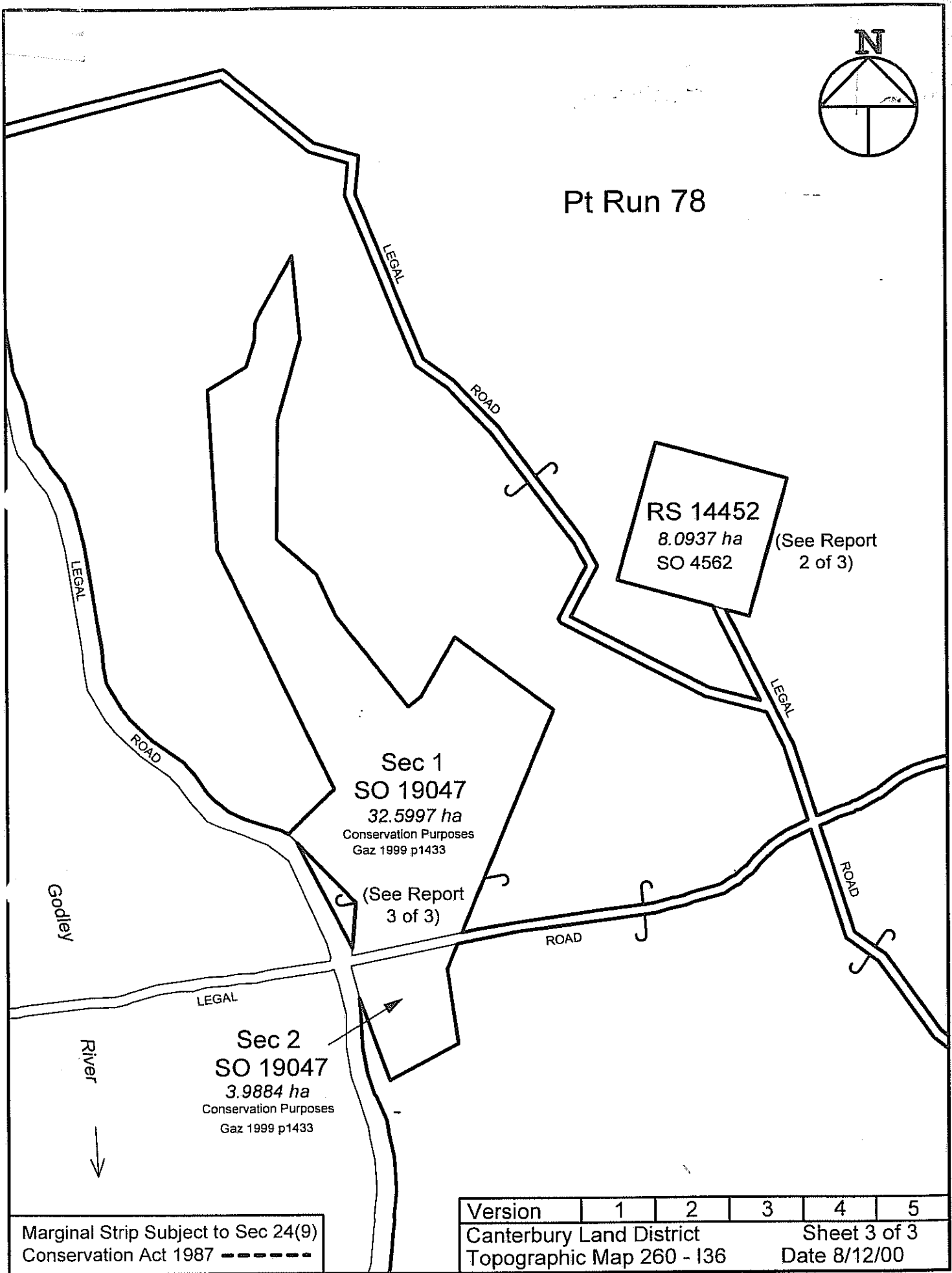
Lilybank

Scale 1:50000





Pt Run 78



RS 14452
8.0937 ha
SO 4562
(See Report 2 of 3)

Sec 1
SO 19047
32.5997 ha
Conservation Purposes
Gaz 1999 p1433
(See Report 3 of 3)

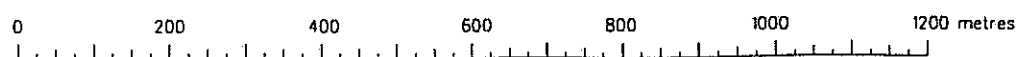
Sec 2
SO 19047
3.9884 ha
Conservation Purposes
Gaz 1999 p1433

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

Version	1	2	3	4	5
Canterbury Land District			Sheet 3 of 3		
Topographic Map 260 - 136			Date 8/12/00		

Lilybank

Scale 1:10000



APPENDIX 2

**PROPERTY 1 OF 3
Land Status Report**

OPUS INTERNATIONAL CONSULTANTS LIMITED
CHRISTCHURCH OFFICE

APPENDIX A

Project Number: 6NL 788 TR (CH 0030)

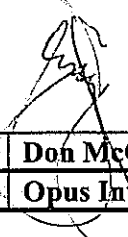
This report has been prepared on the instruction of Land Information New Zealand in terms of Contract No: 50239 dated 30 September 2000 and is undertaken for the purposes of the Crown Pastoral Land Act 1998.

LAND STATUS REPORT for Lilybank Tenure Review		LIPS Ref: 12788
Property	1	of 3

Land District	Canterbury.
Legal Description	Part Run 78 situated in Blocks III VII X XIV XVI Godley II III VI and VII Tekapo North Survey Districts and Section 2, SO 19981.
Area	2135.6656.
Status	Crown land subject to the Land Act 1948.
Instrument of title / lease	Balance Pastoral Lease 10K/888 pursuant to Section 66 and registered under Section 83 of the Land Act 1948 as a substitute title of leasehold land held in CL 529/2 as varied by Memorandum of Renewal 732520/1.
Encumbrances	<p>Subject to:</p> <ol style="list-style-type: none"> 1. Land Improvement Agreements No. 286745/1 and 830901/1 under Section 30 of the Soil Conservation and Rivers Control Act 1941. 2. Section 8 of the Coal Mines Amendment Act, 1950, this lease is subject to the reservation to the lessor of all coal existing or under the surface of the land and subject also to the reservation to the lessor of the power to grant coal mining rights over the land under Part I of the Coal Mines Act 1925. 3. Variation A 387257/3 whereby from 30 November 1998, notwithstanding the provisions of Clause 13 and covenants (a) and (f), the lessee shall not depasture stock but may move stock across that part of the land known as Section 2 from and to adjacent lands. To ensure compliance, the lessee shall maintain stock proof fences on the boundaries of the said Section 2. 4. Part IVA of the Conservation Act 1987 upon disposition.
Mineral Ownership	The 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.
Statute	Land Act 1948 and Crown Pastoral Land Act 1998.

LAND STATUS REPORT for Lilybank Tenure	LIPS Ref: 12788
Property 1 of 3	

Data Correct as at	15 February 2001.
[Certification Attached]	Yes.



Prepared by	Don McGregor
Crown Accredited Supplier	Opus International Consultants Ltd, Christchurch

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.

1. Pastoral Lease CL 10K/1088 is a substitute title of the leasehold interest in CL 529/2. CL 529/2 contains a notation for Section 58 strips to be excluded from the lease along all rivers and streams over 3 metres in width. This was also denoted on SO's 11076 and 17867. These strips are notional only.
 2. The lessee was given Notice of the rent review on 21 December 1994 and accepted the values and the new rental payable on 18 January 1995. The rent was effective from 1 July 1984 but a Variation has not yet been registered against the lease.
 3. The surrender and gazettal of Section 1, SO 19981 for Conservation purposes has resulted in two small areas of land in the upper Macauley River valley remaining within but being severed from the balance lease area.
 4. The question of public access through Lilybank to the Macauley and Godley river valleys has been a vexed question between successive lessees and recreational users.
- SO's 11914 and 11915 redefined the topographical definition of the legal roads. Some formed but not legal roads exist.
- In 1979 the then lessee sought the relocation of public access to the Godley valley (at its expense) to overcome a conflict with its deer farming operations. The Mackenzie County (now District) Council was approached and the understanding was in late 1979 that the County Engineer had been instructed to arrange survey. No survey has been approved or legalisation action undertaken (folios 97, 100 and 134 on Pt 002).
- In late 1995 KFL, DOC and Council representatives met with the lessees resulting in recommendations being made on public access to the Macauley and Godley valleys. As a baseline the existing legal roads were flagged by the Crown and signage erected. The intention was to agree on a firm negotiated route with the lessees with a view to legalisation if deemed necessary. No further action has been undertaken although it would appear that a controlled situation exists (copies of relevant reports etc

LAND STATUS REPORT for Lilybank Tenure				LIPS Ref: 12788
Property	1	of	3	

	dated November 1995 and April 1996 on file P002).
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Research Data: Some Items may be not applicable

SDI Print Obtained	Yes.
NZMS 261 Ref	I 36.
Local Authority	Mackenzie District Council.
Crown Acquisition Map	Kemps Dead of Purchase.
SO Plans	<p>SO 109 – Plan of Burke and Tekapo SD's.</p> <p>SO 4562 – Plan of RS 14452 (1888).</p> <p>SO 11076 – Plan of Macauley (Approved 5 August 1968).</p> <p>SO 11331 – Plan of Godley (Approved 19 January 1970).</p> <p>SO 11914/11915 – Plan of Road Redefinitions (Approved 8 February 1973).</p> <p>SO 13481/13482 – Plan of RS 40458 and parts Run 110A and B – adjoining property - (Approved 23 January 1975).</p> <p>SO 13774 – Plan of Res 4174 and RS 40573 – adjoining property (Approved 15 October 1975).</p> <p>SO 17105 – DOC Allocation Plan.</p> <p>SO 17867 – Sections 1-9 being Part Run 77A- adjoining property (Approved 9 August 1989).</p> <p>SO 19047 – Plan of Sections 1 and 2 (approved 9 May 1994)</p> <p>SO 19186 – Plan of Sections 1-4 (approved 25 July 1994)</p> <p>SO 19981 - Plan of Sections 1 and 2 (approved 31 August 1998)</p>
Relevant Gazette Notices	<i>NZ Gazette 1999, p1433</i> declared parts of the lease to be held for Conservation purposes. (Sections 1 and 2, SO 19047, Sections 2, 3 and 4, SO 19186; Section 1, SO 19981).
CT Ref / Lease Ref	10K/888 as a substitute title of leasehold land held in CL 529/2 and varied by Memorandum of Renewal

LAND STATUS REPORT for Lilybank Tenure				LIPS Ref: 12788
Property	1	of	3	

	732520/1.
Legalisation Cards	Searched. Not applicable.
CLR	Confirms pastoral lease tenure.
Allocation Maps (if applicable)	No allocations of part of lease. Extract of DOC allocation maps (SO's 17104, 17105) show land on NE boundary to be DOC allocations I 36-7 and 8. This land is stewardship land held subject to Section 62 of the Conservation Act 1987.
VNZ Ref - if known	VR 25300/15400.
Crown Grant Maps	Not applicable.
If Subject land Marginal Strip : Type [Sec 24(9) or Sec 58]	a) See (1) notes above.
b) Date Created	b) Not applicable.
c) Plan Reference	c) Not applicable.
If Crown land – Check Irrigation Maps.	Searched. Not applicable.
Mining Maps	Searched. Not applicable.
If Road a) Is it created on a Block Plan – Section 43(1)(d) Transit NZ Act 1989	a) SO Plans 11076 – Roads shown burnt sienna on Topo Plan 58T are legal roads either by Crown Grant or by Section 110A of the Public Works Act 1928. Additional legal roads depicted on BM 181 (May 1969). SO's 11914 and 11915 redefined legal roads shown on Topo Plan 58T.
b) By Proc	b) Proc Plan – Not applicable c) Gazette Ref – Not applicable
Other Relevant Information a) Concessions – Advice from DOC or Knight Frank.	a) No current DOC concessions. DOC has interests in undetermined Marginal strips under the Conservation Act 1987. Knight Frank (NZ) Limited does not administer any current concessions.
b) Subject to any provisions of the Ngai Tahu Claims Settlement Act 1998	b) Not applicable.

LAND STATUS REPORT for Lilybank Tenure				LIPS Ref: 12788	
Property	1	of	3		

c) Mineral Ownership	c) <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.
d) Other Info	d) Not applicable.

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