

## **Crown Pastoral Land Tenure Review**

**Lease name : MATANGI**

**Lease number : PO 371**

### **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.

**June 09**

## DUE DILIGENCE REPORT

### CPL PRE TENURE REVIEW ASSESSMENT STANDARD 6:

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File Ref: CON/50268/12610 (Po371)

Report No: AT2107

Report Date: 30 August 2002

Contractor's Office: Alexandra

LINZ Case No:

Date sent to LINZ: 2 Sept 2002

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#### 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 An access agreement under the Crown Minerals Act 1991 was granted to Fulton Hogan Central Limited in 1996. The easement document was sent to the CCL on 17 June 1996 but the file copy has not been signed. This appears to be an uncompleted action.
  - 2.2 A Telecom easement to establish a transmitter site behind the homestead was processed and lessee agreement obtained on 10 December 1997, but no outcome has been found. A file note on Vol. 6 folio 53 states that the CCL and Telecom Managers have agreed to a generic easement document that does not require survey. This appears to be an uncompleted action.
  - 2.3 In 1987 approval was given for the surrender of land in Graveyard Gully (*Sections 14 & 15 Block VI Cairnhill Survey District*) for a Alexandra Borough Council water treatment plant. The legal road through this area was also closed and incorporated into the treatment plant area (*Section 1 SO 22177*). The balance of this road through the lease was also closed (*Section 2 SO22177*) but no evidence of incorporation into the lease can be found. It remains unallocated land.
  - 2.4 At lease issue an area of approximately 20 acres opposite Section 3 Block VI Cairnhill Survey District was to be surveyed and excluded prior to lease issue for sale to the Alexandra Borough Council for future residential development (*Land Settlement Board approval- folio 333*). This was later estimated as 11 acres 2 roods 20 perches approximate. The survey was never carried out and the lease issued with the undefined area excluded. At lease renewal in 1985 the question of defining the planned residential area was brought up and its future discussed without resolution. In 1985 Mr Sanders pushed for the land to be returned. Investigations resulted in a recommendation that it be reincorporated back into the lease in 1987 (*folio 450*). A search into who actually held the land found that it had not been defined and was not unallocated Crown Land, but a Category 18 land allocation to DoC and Landcorp (*folio 514*). In 1993 Mr Sanders again requested its return (*folio 506*). Mr Sanders again applied for resolution in 1997 (*Vol. 6, folio 24*). No response was given to his 1997 enquiry and the issue remains unresolved.

**Signed for DTZ New Zealand Limited:**



\_\_\_\_\_  
P R Diver:

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

\_\_\_\_\_  
Name:

Date of decision:

**1. Details of lease:**

**Lease Name:** Matangi

**Location:** The lease runs from the Manuherikia River adjacent to Alexandra eastwards to Little Valley then southwards in a elongated manner to encompass the headwaters of the Little Valley Creek backing onto the Knobies Range. The homestead is located on 102 ha of irrigated freehold land at Little Valley and is serviced by a gravel road some 12 km from Alexandra the nearest local service center. Dunedin some 2.5 hours by road is the nearest major city.

**Lessee:** Matangi Station Limited

**Tenure:** Pastoral lease under the Land Act 1948 and Crown Pastoral Land Act 1998. Pastoral Lease number 371

**Term:** 33 years from 1 July 1985 to 30 June 2018.

**Annual Rent:** \$8,325.00 (excluding GST with 0.25% rebate for prompt payment available)

**Rental Value:** \$370,000.00

**Date of Next Review:** 1 July 2007

**Land Registry Folio Ref:** OT386/95

**Legal Description:** Section 3 Block IV Cairnhill Survey District and Part Run 569 Blocks IV, V, VI, VII, X, XI, XII, XV and XVI Cairnhill Survey District, Blocks XIV, XV, and XVI Teviot Survey District and Block V Long Valley Survey District

**Area:** 11,257.4512 hectares

**2. 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>
Po/153-SDN-01	1	1	19/09/1940	368	30/10/1957
Po/153-SDN-02	2	371	24/09/1957	218	20/08/1971
Po/153-SDN-03	3	219	01/09/1971	364	07/05/1985
Po/371-SDN-01	1	365	13/05/1985	436	16/10/1987
P371	1	1	22/09/1987	1	22/09/1987
7900-04-P371	1	1	No date	13	03/06/1992

***Files held by contractor 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>
Po371	2	437	17/06/1987	518	08/09/1995
Po371	3	1	24/11/1995	69	18/05/2000
CON/50213/09/12610/ A-ZNO	4	1	01/09/2000	4	30/11/2001

With the exception of a very few missing folios the records are complete post-1940. Confidence is held that all important data has been searched.

A pasturage licence (*PR1826*) for 35 years from 1 March 1917 over Run 569 Cairnhill Survey District (*28,303 acres*) was taken up by J C Sanders in 1917. This was run in conjunction with a 50 acre PR (*Section 3 Block IV Galloway Settlement*) and 500 acres of freehold land held by other members of the family.

Early file history contains little of note except for rent payment issues.

In 1945 a miners site residence for a Mr A J Henderson of 1 acre 3 roods 2 perches was surrendered from the lease (*known as section 7 Blk VI Cairnhill Survey District*).

In 1947 a proposal to create a domain around the lower Manorburn dam from 100 acres of the lease was proposed but no approval gained from Sanders (*folio's 105 & 143*).

A returned serviceman, B Govan, applied for 7 acres of land between the Manorburn Dam and the Manuherikia River for orchard in 1948. This was not followed through.

Messrs Dickison and Thompson applied for a sandpit of 6 acres between the railway line and trig T in 1948.

A area of the lease at the mouth of graveyard gully was surveyed out and transferred to his nephew I B Sanders the holder of Run 568 in 1950 (*Section 8 Block VI Cairnhill SD- 19 acres 0 roods 19 perches*) - Folio 121 and summary on folio 159.

The Alexandra Carrying Co. Ltd applied for a sand licence on all the land above the railway line adjacent to Alexandra.

A Mr Sturmer was declined an application for land near the Manorburn Dam due to the lessee refusal to surrender land in 1950.

A smaller application from Mr Hay was also made the same year and agreed to by the lessee but turned down by the Land Settlement Board as the area was part of the planned Domain in the area.

The removal of the land around the Lower Manorburn Dam as a Domain was debated with the Winter Sports Club in 1950 but lessee refusal to surrender stalled any progress.

Prior to lease issue the Alexandra borough Council applied for an area of land adjacent to the Manuherikia to be excluded from the run for residential development (*folio 195*).

From file notes (*folio's 194 and 198*) Mr Sanders was said to have indicated his agreement to the proposal.

Applications for land blocks along the Manuherikia were received from various parties for houses and grape growing ventures prior to lease issue but none were approved.

PR 1826 (*Run 569*) and PR 1531 (*Section 3 Blk IV Cairnhill Survey District*) expired on 29 February 1952.

A pastoral lease (*P153*) was approved for 33 years from 1.7.1952 (*plus a broken period*) with a stock limitation of 5500 sheep. The lease was issued over a total of 28105 acres 2 roods 5 perches. Excluded from the lease was the 100 acre area around the Lower Manorburn Dam (*Section 1 Blk VII Cairnhill SD to go to the Alexandra Borough Council to be administered as Domain*) and 57 acres 2 roods 20 perches that was taken under the Public Works Act for irrigation purposes with domain as a secondary use around the same Dam. In addition to this a area of approximately 20 acres opposite Section 3 Block VI Cairnhill SD was to be surveyed and excluded from the lease prior to lease issue for sale to the Alexandra Borough Council for future residential development (*Land Settlement Board approval- folio 333*). This was later estimated as 11 acres 2 roods 20 perches approximate. The survey was never carried out and the lease issued with the undefined area excluded.

The Section 3 Block IV originally held under PR 1531 was amalgamated into the lease.

In 1957 R W Welsh was granted a licence to remove sand from a nearby area to that being mined by Alexandra Carrying Company towards the Lower Manorburn Dam.

17 acres 1 rood 15 perches were removed by proclamation by the State Electricity Department for the development of Lake Roxburgh along the margin of the Manuherikia River in 1956.

A full summary of area of lease changes is contained in folio 370 and 371.

Kane (*Alexandra Carrying Co. Ltd*) applied for exclusive right to take gravel from a 1 ha site near the road-rail bridge in 1960 (*folio 380*) but was turned down on the basis of monopoly concerns. The Vincent County Council was encouraged to reserve the area as a gravel reserve to supply both the MOW and Alexandra Borough Council but costs of establishment deterred them from proceeding with its formation.

Both Kane and the Alexandra Borough Council applied to remove gravel for a specific contract from the above area but withdrew it due to time constraints and opposition from the lessee.

A Mr E Dreckow applied for 7 acres of the lease near the road rail bridge for a stone marketing business in 1965 but this was not supported by Sanders or the Borough Council who had a desire to develop future residential sections in the area.

In 1965 Sanders applied to freehold the land between the Manuherikia River and the formed road which runs parallel to the railway line for the purpose of building a retirement house and tree planting. This was turned down mainly due to the fact that he already owned a section in Alexandra.

In 1966 a Residence Site Licence held by W. K. Morgan over 0-1-08p was agreed to be surrendered from the lease (*folio's 138 & 139*). No follow up action could be found on file and the area was not removed from the lease. The reason for this is not known.

A 13 mile Strategic Firebreak track, as part of the Roxburgh East-Teviot Firebreak System, was approved and established in 1966.

Alexandra Jaycees were granted a easement to establish a clock on the hill face overlooking Alexandra in 1967 and during plan preparation it was discovered that the main road to Little Valley was not legal. The easement was altered to provide access to the junction of Graveyard Gully and Tucker Hill roads. This was registered on the lease in 1972.

In the late 1960's the growing rabbit problem on the lease was reported on frequently and was the subject of many top level meetings and inspections.

The road to Little Valley was surveyed and taken by Gazette in 1970 (*folio 208*).

The danger to the public of mine shafts in the area of the rail bridge was investigated in 1971 but judged to be minimal as the shafts were horizontal, stable and on the lease where the public should not be without permission (*folio's 212 and 209*).

The lease ownership was transferred in 1971 to J C B Sanders as trustee of A C B Sanders Children's Trust.

A personal stock exemption was granted on 1973 for 65 cattle (*including not more than 50 breeding cows*).

The easement for the Town clock was transferred to the Alexandra Borough Council in 1975.

A personal stock exemption was granted on 1975 for 6,100 sheep and 80 cattle (*including not more than 60 breeding cows*). While run in conjunction with 215ha of freehold an overall limitation of 6,600 sheep (*including not more than 3,600 breeding ewes*) and 100 cattle (*including not more than 70 breeding cows*).

The NZED advised that a Mr Van Welie had built a house on waterpower land illegally and was spreading his holding onto the pastoral lease. Access was gained through the pastoral lease. In 1985 Van Welie applied to move his house from the river reserve onto the lease area. This was declined and the NZED took legal steps and removed the building. The existence of a similar occupation of NZED land nearby by a Mr Ken Morgan was noted (*folio's 385 & 384*).

An official information request for file data was received from the Otago Acclimatisation Society and answered.

During the lease renewal process conservation values of the "Green Swamp" area were identified as important.

The offer of lease renewal was made in 1986 without any resolution to the boundary adjustments in relation to the un-surveyed residential area. Sanders applied for consideration of an extension to allow this to be done (*folio 402*), but was not catered for (*folio 403*). The renewal and rental were accepted but wished the residential area re-included in the lease (*folio's 416, 417, 419, 420, 421, 423 & 425*).

The lease was renewed for 33 years from 1 July 1985 at LEI of \$360,000 and rental of \$5,400 with no changes in conditions.

In 1979 a one-quarter share was transferred from A C Sanders to the family trust.

An airstrip for the Speargrass Block was approved in 1980.

Suitability for reclassification was investigated in 1980 but the area was declined.

A Rural Bank for development was taken out in 1981

A personal stock exemption was granted on 1982 for 6,400 sheep and 145 cattle (*including more than 80 breeding cows*). While run in conjunction with 215ha of freehold an overall limitation of 7,000 sheep (*including not more than 3,700 breeding ewes*) and 155 cattle (*including not more than 80 breeding cows*).

The QEII trust entered into discussions to have the clock face put under covenant but no outcome occurred.

A personal stock exemption was granted on 1984 for 7000 sheep (*including not more than 3,200 breeding ewes*) and 130 cattle (*including more than 100 breeding cows*). While run in conjunction with 215ha of freehold an overall limitation of 7,500 sheep (*including not more than 3,750 breeding ewes*) and 130 cattle (*including not more than 100 breeding cows*).

At lease renewal the question of defining the planned residential area excluded from the lease at issue was brought up and its future discussed without any resolution (*folio 337*).

The lease was renewed for a further period of 33 years commencing on 1 July 1985 and fixing for the first 11 years the annual rent at \$5,400 calculated on a rental value of \$360,000.00.

A C Sanders transferred  $\frac{1}{4}$  of his  $\frac{3}{4}$  share to his wife under the Matrimonial Property Act in 1984.

Rabbit numbers and motor cycle damage on the front country were issues in the mid 1980's. In 1985 Mr Sanders raised the question of the residential land excluded from the lease being Returned (*folio 384*).



In 1987 approval was given for the surrender of 3.3219ha of land in Graveyard Gully (*Sections 14 & 15 Block VI Cairnhill Survey District*) for water treatment plant for the Alexandra Borough Council. The legal road through this area was also closed and incorporated into the treatment plant area. (*Section 16 SO 22177*). The balance of this road through the lease was also closed (*Section 2 SO22177*) but no evidence of incorporation can be found (*folio 438*).

Investigations into the history of the residential site removed at lease issue resulted in a recommendation that it be reincorporated back into the lease in 1987 (*folio 450*). Investigations were begun into who actually held the land under the Land Allocation.

Mr Morgan applied for an easement to cross a section of the lease near the road rail bridge to give access to his small block. But could not get sanders approval.

A 39ha prospecting licence was applied for in 1988 by Hapuka Holdings Limited but no work eventuated from this.

All discussions re protection of the RAP Green Swamp area on the property met with hostility from the lessee's.

Consent was granted to Works Consultancy for drilling investigation roading near the wall of the Lower Manorburn Dam in 1990.

Approval for two airstrips (*Middle and Carter's Blocks*) and roading was granted in 1990.

A very large Rabbit and Land Management Plan was undertaken between 1990-95 on the lower areas of the property involving control operations, new and existing netting of fences, briar removal and tree planting. A legal Agreement was registered on the lease document. The program was not fully completed due to lack of lessee matching funds. The legal agreement contains no issues that would affect tenure review.

From 1990 to 1993 only routine processing of burning permits are contained in files.

Fulton Hogan (Central) Limited applied for a access agreement to their sand pit licence in 1996 and the agreement sent for approval on 26 July 1996 but no further file data could be found for its approval (*folio 502*).

In 1993-4 the Sanders pushed for some resolution to the re-incorporation of the residential land excluded from the lease at issue (*summary data on folio 506*).

Approval for forestry planting of 230ha of land on Matangi under the Rabbit and Land Management Program was granted in 1994.

Investigation into the residential land excluded from the lease at issue resulted in discovery that it has not been satisfactorily defined and was not unallocated Crown Land but Category 18 land allocation to DOC and Landcorp (*folio 514 gives search data*) The Sanders again applied for resolution in 1997 (*folio 24*).

The rental was reviewed in 1996 but the LEI elected to be set by LVT. In 1999 the rental valuations were agreed with Crown Law Office (*not LVT*) and re-presented to the lessee who after due date was deemed to have accepted the offer.

A application for an easement over Matangi Station in favour of Riverside Station was made in 1997 but later withdrawn.

The lease was transferred to Matangi Station Limited in 1997.

A boundary adjustment between Little Valley Station and Matangi was processed resulting in a total of 99ha (*Section 1 & 2 SO 24757*) being surrendered from Matangi in 1998.

A Telecom easement to establish a transmitter site behind the homestead was processed in 1998 but no outcome has been found. A file note on Vol. 6 folio 53 states that the CCL and Telecom Managers have agreed to a generic easement document that does not require survey.

Similarly an easement application to convey water across Matangi for Little Valley Station was processed with no apparent outcome. A file note (*Vol. 6 folio 410*) states that no formal application has been received and to await this.

An official application request was made and duly processed in 1998.

The Marginal Strip file contains investigation sheets and shows eligible creeks as being around "Rivers" dam (*private dam*), the Manorburn Creek, Little Valley Creek and a short section of Little Valley Creek West Branch.

### **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 386/95*).

The lease was issued from 1 July 1952 under the Land Act 1948 for a term of 33 years and covered the split period from 1 March 1952 to 30 June 1952. The lease was renewed for a further 33 years commencing on 1 July 1985.

No non-standard conditions exist on the lease.

The legal description on the Computer Interest Register does not agree with the Status Check. (*See Status Check Section of this report for details.*)

#### ***Original Lease Stock Limit:***

5500 sheep.

**Personal Stock Exemption (27 July 1984)**

7000 sheep (including not more than 3,200 breeding ewes)  
130 cattle (including more than 100 breeding cows)

While run in conjunction with 215ha of freehold an overall limitation of 7,500 sheep (including not more than 3,750 breeding ewes) and 130 cattle (including not more than 100 breeding cows).

**Renewals and variations:**

694252 Memorandum renewing the term of the within lease registered on 12 January 1998 (renewing the term for a further period of 33 years commencing on 1 July 1985 and fixing for the first 11 years the annual rent at \$5400.00 calculated on a rental value of \$360,000.00).

936596.1 Variation of the covenants and conditions within the lease. (Variation requiring CCL approval for company share transfers and liability of company employees and breaches of covenants)

**Area adjustments:**

	<i>Area</i>	
Original lease area	28105-2-08	
Less surrender (road)	17-2-15.3	Proc 3614456
Less surrender (waterpower)	17-2-15.0	Proc 234901
<b>Total</b>	28087-2-17.7	
<b>Total Metric</b>	11359.7731 ha	
Less Sections 14 & 15 (Water Treatment Plant)	3.3219 ha	743561
Less Sections 1 & 2 (boundary adjustment with Little Valley Station)	99.0000 ha	985733.1
<b>Total</b>	11257.4512 ha	

This area is in agreement with the Status Check but not with the Computer Interest Register cover sheet that has the area as 11,373.9126 ha.

**Registered interests:**

**Mortgages:**

936596.3 Mortgage to Wrightson Farmers Finance Limited 7 September 1997.

**Other Interests:**

390585 Right of way (*in gross*) over Part Run 599 (*now known as Section 10 and 11 block VI Cairnhill Survey District, 1 acre 1 rood 23 perches*) in favour of the Alexandra Borough Council-15 September 1972. (*Easement for town clock and supply services.*)

Mining Licence embodied in CT OT 5D/54 - 2 October 1978. (*A 1.68ha gold Mining Licence (32 463) issued to Norman Hall in 1978 for 5 years near the road-rail bridge area. This licence has expired and could be removed from the lease document.*)

533699 Electricity Agreement pursuant to Section 50 Electricity Supply Act 1968 - 30 April 1980. (*Farm Supply Agreement.*)

746279.1 Transfer creating the following easements - 25 January 1990. (*An access easement in favour of freehold Section 11 block VI Cairnhill Survey District (name of Terrence Raymond Rawson) across two short sections of part run 569 (now known as Sections 10 & 11) near the road rail bridge. Two covenants contained in this easement prohibited any subdivision of land or any use other than a single dwelling. These two covenants were later discharged in memorial 850747 - 1 September 1994.*)

843066 Land Improvement Agreement pursuant to Section 30A Soil Conservation and Rivers Control Act 941 - 14 July 1993. (*Rabbit and Land Management programme containing, control operations, new and existing netting of fences, briar removal and tree planting plus temporary destocking of blocks. All destocking conditions have expired and only maintenance of capital works until 2010 exists. No liabilities are identified.*)

Mining permit embodied in CT OT9D/467 - 24 December 1993. (*Sand extraction permit (MP 41 187) over 8ha area towards the lower Manorburn dam in favour of Fulton Hogan Central Limited for 21 years from 3 December 1993. The royalty payments were revised in 1997. This area has been continuously worked for many years.*)

947311.1 Certificate specifying Mining Rights under Section 417(2) Resource Management Act 1991-6.5.1998. *Water race licence in favour of Matangi over Mount Campbell Station from Speargrass Creek to Matangi Station.*

No Conservation Farm Plan agreement is registered.

No Compensation Certificates are registered.

**4. Summarise any Government programmes for the lease:**

A 13-mile Strategic Firebreak track as part of the Roxburgh East-Teviot Firebreak System was approved and established in 1966.

A large Rabbit and Land Management Plan was undertaken between 1990-95 on the lower areas of the property involving control operations, new and existing netting of fences, briar removal, tree planting and five year destocking of many lower blocks. A legal agreement is registered on the lease document. All destocking conditions have expired and only maintenance of capital works until 2010 exists. The program was not fully completed due to lack of lessee funds to match the grants available. No liabilities are identified in the programme or legal agreement.

The legal agreement itself contains no issues that would affect tenure review.

No Conservation Farm Plan Programme was ever undertaken. No legal agreement was ever registered on the lease document

**5. Summary of Land Status Report:**

Copy attached as Schedule A.

**5.1 The Pastoral Lease:**

The Status Check refers to the lease as P153 throughout instead of the correct new number Po371.

The Land Status Report confirms the Crown Land Status under the Land Act 1948 and Crown Pastoral Land Act 1998 subject to PL registered as CIR OT 386/95.

**It records seven encumbrances on the lease being:**

- 390585 Right of way (*in gross*) over Part Run 599 (*now known as Section 10 and 11 block VI Cairnhill Survey District, 1 acre 1 rood 23 perches*) in favour of the Alexandra Borough Council - 15 September 1972. (*Easement for town clock and supply services*)
- Mining Licence embodied in CT OT 5D/54 - 2 October 1978. (*A 1.68ha gold Mining Licence (32 463) issued to Norman Hall in 1978 for 5 years near the road-rail bridge area. This licence has expired and could be removed from the lease document.*)
- 533699 Electricity Agreement pursuant to Section 50 Electricity Supply Act 1968 - 30 April 1980. (*Supply agreement.*)
- 746279.1 Transfer creating the following easements - 25 January 1990. *A access easement in favour of freehold Section 11 block VI Cairnhill Survey District (name of Terrence Raymond Rawson) across two short sections of part run 569 (now known as Sections 10 & 11) near the road rail bridge.*
- 843066 Land Improvement Agreement pursuant to Section 30A Soil Conservation and Rivers Control Act 941 - 14 July 1993. (*Rabbit and Land Management Plan*).
- Mining permit embodied in CT OT9D/467 - 24 December 1993. *Sand extraction permit (MP 41 187) over 8ha area towards the lower Manorburn dam in favour of Fulton Hogan Central Limited for 21 years from 3.12.1993.*
- 947311.1 Certificate specifying Mining Rights under Section 417(2) Resource Management Act 1991 - 6 May 1998  
*Water race licence in favour of Matangi over Mount Campbell Station from Speargrass Creek to Matangi Station.*

All the above encumbrances are recognised in this report and commented on in section 3 -Summary of Lease document.

The legal description is confirmed as that being used in this Due Diligence Report. This differs from the Computer Interest Register cover sheet (See below - Issues identified requiring possible future investigation at the Due Diligence stage).

The Crown retains minerals ownership.

The area is confirmed as 11,257.4512 ha. This differs from the Computer Interest Register cover sheet that records the area as 11,373.9126 ha. (*See below - Issues identified requiring possible future investigation at the Due Diligence stage*). A full reconciliation sheet of the lease area is included in the Status Check. A minor typo error is noted in the middle of page two of the reconciliation sheet where the area of Proc. 234901 is written as 17-2-15.3 instead of 17-2-15.0. This error is not repeated elsewhere in the report and was not used in the area additions.

The Status Check does not identify any recreation permits, DoC concessions or UCL land within the lease. DoC Christchurch identifies an area of conservation land being recreation reserve (*part Central Otago Rail Trail*) I42061 along the boundary of the lease near the Manuherikia River. They also identify the area of land as being under their control (G42075). See Section 7 Details of Conservation Land, for further information on this area.

Marginal strips are identified on Con. unit G42126, G42073, G42076 (*See section 7 - Details of neighbouring Crown or Conservation land for details*).

The only Mining interest recorded is that of the Fulton Hogan Central Ltd for sand extraction (9D/457). This report agrees with this.

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

- The correct area and legal description is Section 3 Block IV Cairnhill Survey District and Part Run 569 Blocks IV, V, VI, VII, X, XI, XII, XV and XVI Cairnhill Survey District, Blocks XIV, XV, and XVI Teviot Survey District and Block V Long Valley Survey District, being 11,257.4512 hectares not Section 3 Block IV Cairnhill Survey District, Sections 10-11 and Sections 14-15 Block VI Cairnhill Survey District and Sections 1-2 Survey Office Plan 24757 being 11,373.9126 hectares as shown in CIR 386/85. (*This report agrees with this finding*).
- The access easement for Telecom. was granted for a multi access radio facility in Little Valley and lessee agreement obtained on 10 December 1997. This does not appear to have been signed (*This report agrees that this appears to be a uncompleted action*).
- An Access agreement under the Crown Minerals Act 1991 was granted to Fulton Hogan Central Limited in 1996. The easement document was sent to the CCL on 17 June 1996 but does not appear to have been signed. (*This report agrees that this appears to be a uncompleted action*)

## 5.2 Other Land:

No other land reported on.

## 6. Review of topographical and cadastral data:

### *Topographical Map:*

The topographical map shows no water races marked but it is known that the old unused Borough water supply race from Mount Campbell Creek traverses the property to terminate at the old reservoir above the town clock.

The formed Little Valley Road from the road rail bridge at Alexandra, to Little Valley passes through the lease. This is gravel and unfenced and appears to be on its correct legal line.

Tucker Hill Road exists northward from the Little Valley Road above the road rail bridge through the lease for a short section then forms the western boundary as far as the Manorburn River. This is a rough unfenced gravel road part of which floods on occasions. It appears to be on its correct legal line. Two short tracks (not legal) are shown from this road to the Fulton Hogan gravel pit area.

Graveyard Gully Road heads southward from the above junction forming most of the western boundary of the lease to Graveyard Gully. This is unfenced, gravel and appears to follow its correct legal line.

Internal farm access tracks (unfenced, 4WD) are marked on the lower country traversing most of the ridge tops. The backcountry is serviced by a track past the homestead that travels out through the centre of the lease to Speargrass Creek. From there a branch goes to the Speargrass Dam while another climbs the Speargrass faces to form a network over the back country along all major ridges.

Two gravel pits are marked one being the currently used Fulton Hogan Pit near the lower Manorburn Dam and the other being the disused pit adjacent to the Little Valley Road above the Clock Face.

Local supply electricity pylons and telephone lines are shown crossing the lease close together from Alexandra to Little Valley.

No National Grid power pylons are marked

No transmission sites are marked within the lease boundary.

All boundary fences appear to follow their correct legal line with no major variations except for one area against Mount Campbell where the east-west boundary fence cutting across from Speargrass Creek to Little Valley Creek (east branch) appears to include a ribbon of land from Mount Campbell.

One hut is marked on the lease being near the boundary with Mount Campbell Station in a tributary of Speargrass Creek. This is known to belong to Matangi.

Four airstrips are identified within the lease boundary. Three are marked in the centre country in a line from Speargrass Creek to Little Valley Creek (west branch). A third is marked in the headwaters of Little Valley Creek (west branch).

#### ***Cadastral Map:***

The cadastral map shows a marginal strip adjoining the lease on the full length of the Manorburn River above and below the Lower Manorburn Dam except for a short section where the lease boundary is away from the river.

The boundary of the lake margin of the Lower Manorburn Dam is land held for irrigation purposes with a Domain Use as secondary purpose.

Little Valley Creek at its lowest margin against the Manorburn River has a marginal strip for a short distance where the lease adjoins the creek.



The closed legal road in Graveyard Gully is marked (*Section 2 SO2217, 11D/818*) as a very small area of Part Run 569 against the Cemetery reserve in Graveyard Gully.

The rail trail is marked cutting through the lease near the road rail bridge (*Crown Land Blk VI Cairnhill Survey District*).

The legal Little Valley Road is marked and appears on its correct legal line.

The Old Coach Road that travels from Roxburgh to the Lower Manorburn Dam is marked outside the lease on the boundary with Riverside to the south. It then enters the lease at Graveyard Gully to become the Little Valley Road for a distance then descends to the lower Manorburn Dam. This is a very rough four-wheel drive access only on sections outside the Little Valley Road and appears to only generally follow its legal line.

No legal roads pass through the lower section of the backcountry.

The backcountry itself is traversed by four legal roads that cut north south through it. These form a network with legal roads outside the property. All of these are unformed or have a very rough track in the general vicinity of their legal line.

The area excluded from the lease at issue for future residential development is shown as "Part Run 569". This area has yet to be defined by survey.

The Proposed and Transitional Central Otago District Scheme Plans have no sites marked or issues that would affect the tenure review process. The faces overlooking Alexandra are noted as areas of outstanding landscape values, the Teviot/Mannorburn road is marked as a special heritage site. Three archaeological sites (*gold mining*) are noted below Tucker Hill road.

## **7. Details of neighbouring Crown or Conservation land:**

Marginal strips exist on the lease boundary for the length of the Manorburn River above the Lower Manorburn Dam except for a short section where the lease boundary deviates from the river (*G42073, G42126*). A marginal strip below the Lower Manorburn Dam (*G42076*) exists against the lease boundary.

Little Valley Creek at its lowest margin against the Manorburn River has a marginal strip for a short distance where the lease adjoins the creek. (*No Con number but created at boundary adjustment with Little Valley Station*) (*shown as Section 58 strip under Land Act 1948 in Status Check*). No other watercourses are shown as having marginal strips in DoC records or the Status Check even though the marginal strips File 7900/04/P372-DDN identifies two other watercourses as being over 3 metres. (*Speargrass Creek behind the Dam and a short section of Little Valley Creek (west branch)*).

A area of land of Crown Land adjacent to Section 96 & 122 Block IX Leaning Rock Survey District (*Con Unit 42075, 2.2 ha*) is separated from the lease by Tucker Hill Road near the Manorburn confluence with the Manuherikia.

The boundary of the water margin of the Lower Manorburn Dam is land taken for irrigation purposes under the Public Works Act with Domain use as a secondary purpose.

The closed legal road in Graveyard Gully (*Section 2 SO2217 11D/818*) does not appear to be incorporated back into the lease and is unallocated Crown Land.

The Central Otago Rail Trail (*Recreation Reserve I42061, 836 ha*) cuts through the lease from the road rail bridge, then forms the boundary of the lease against the Manuherikia River for a distance.

The 20 acre area excluded from the lease at issue for future residential development is shown as "Part Run 569" within the lease near the road rail bridge on the Status Check maps. This area has yet to be defined by survey and does not show on DoC registers as being administered by them. This was later estimated at approximately 11 acres 2 roods 20 perches.

Investigation into who held the land resulted in discovery that it was not unallocated Crown Land but Category 18 land allocation to DoC and Landcorp (*folio 514 gives search data*). See file search for protracted history of attempts to have this land returned to the lease.

## **8. Summary of uncompleted actions or potential liabilities:**

- 8.1** An access agreement under the Crown Minerals Act 1991 was granted to Fulton Hogan Central Limited in 1996. The easement document was sent to the CCL on 17 June 1996 but the file copy has not been signed. This appears to be an uncompleted action.
- 8.2** A Telecom easement to establish a transmitter site behind the homestead was processed and lessee agreement obtained on 10 December 1997, but no outcome has been found. A file note on Vol. 6, folio 53 states that the CCL and Telecom Managers have agreed to a generic easement document that does not require survey. This appears to be an uncompleted action.
- 8.3** In 1987 approval was given for the surrender of land in Graveyard Gully (*Sections 14 & 15 Block VI Cairnhill Survey District*) for a Alexandra Borough Council water treatment plant. The legal road through this area was also closed and incorporated into the treatment plant area (*Section 1 SO 22177*). The balance of this road through the lease was also closed (*Section 2 SO22177*) but no evidence of incorporation into the lease can be found. It remains unallocated land.
- 8.4** At lease issue an area of approximately 20 acres opposite Section 3 Block VI Cairnhill Survey District was to be surveyed and excluded prior to lease issue for sale to the Alexandra Borough Council for future residential development (Land Settlement Board approval folio 333). This was later estimated as approximately 11 acres 2 roods 20 perches. The survey was never carried out and the lease issued with the undefined area excluded. At lease renewal in 1985 the question of defining the planned residential area was brought up and its future discussed without resolution. In 1985 Mr Sanders pushed for the land to be returned. Investigations resulted in a recommendation that it be reincorporated back into the lease in 1987 (*folio 450*). A search into who actually held the land found that it had not been defined and was not unallocated Crown Land but a Category 18 land allocation to DoC and Landcorp (*folio 514*). In 1993 Mr Sanders again requested its return (*folio 506*). Mr Sanders again applied for resolution in 1997 (*Vol. 6 folio 24*).<sup>b</sup> No response was given to his 1997 enquiry and the issue remains unresolved.

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

The correct area and legal description is Section 3 Block IV Cairnhill Survey District and Part Run 569 Blocks IV, V, VI, VII, X, XI, XII, XV and XVI Cairnhill Survey District, Blocks XIV, XV, and XVI Teviot Survey District and Block V Long Valley Survey District being 11,257.4512 hectares **Not** Section 3 Block IV Cairnhill Survey District, Sections 10-11 and Sections 14-15 Block VI Cairnhill Survey District and Sections 1-2 Survey Office Plan 24757 being 11,373.9126 hectares as shown in CIR 386/85.

A minor typo error is noted on middle of page two of the reconciliation sheet in the Status Check where the area of Proc 234901 (Sections 10 & 11) is written as 17-2-15.3 acres instead of 17-2-15.0 acres. This error is not repeated elsewhere in the report and is not used in the additions of the lease area.

The Status Check refers to the lease as P153 throughout instead of the correct new number Po371.

Mining Licence embodied in CT OT5D/54 has expired and could be removed from the lease document.

The boundary against Mount Campbell Station along the east-west boundary fence cutting across from Speargrass Creek to Little Valley Creek (east branch) appears to include a ribbon of land from Mount Campbell.

In 1966 a Residence Site Licence held by W. K. Morgan over 0-1-08p was agreed to be surrendered from the lease (*folio's 138 & 139*). No follow up action could be found on file and the area was not removed from the lease. The reason for this is not known.

**Attachments:**

- |              |   |
|--------------|---|
| Schedule A   | Status Check.   |
| Attachment 1 | Recent Copy of Lease Document OT386/95.                               |
| Attachment 2 | Excluded Residential Land History - folios 333, 450, 514, Vol. 6, 24. |

**SCHEDULE A:**

Status Check.



Your File reference : LINZ (LIPS 12610) File P 153  
Our File Reference : 1046

## CERTIFICATE OF AUTHORISATION

### PROPERTY ADDRESS:

**MATANGI PASTORAL LEASE ( P 153 )- STATUS REPORT.**

### ASSURANCE

DTZ New Zealand 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 :

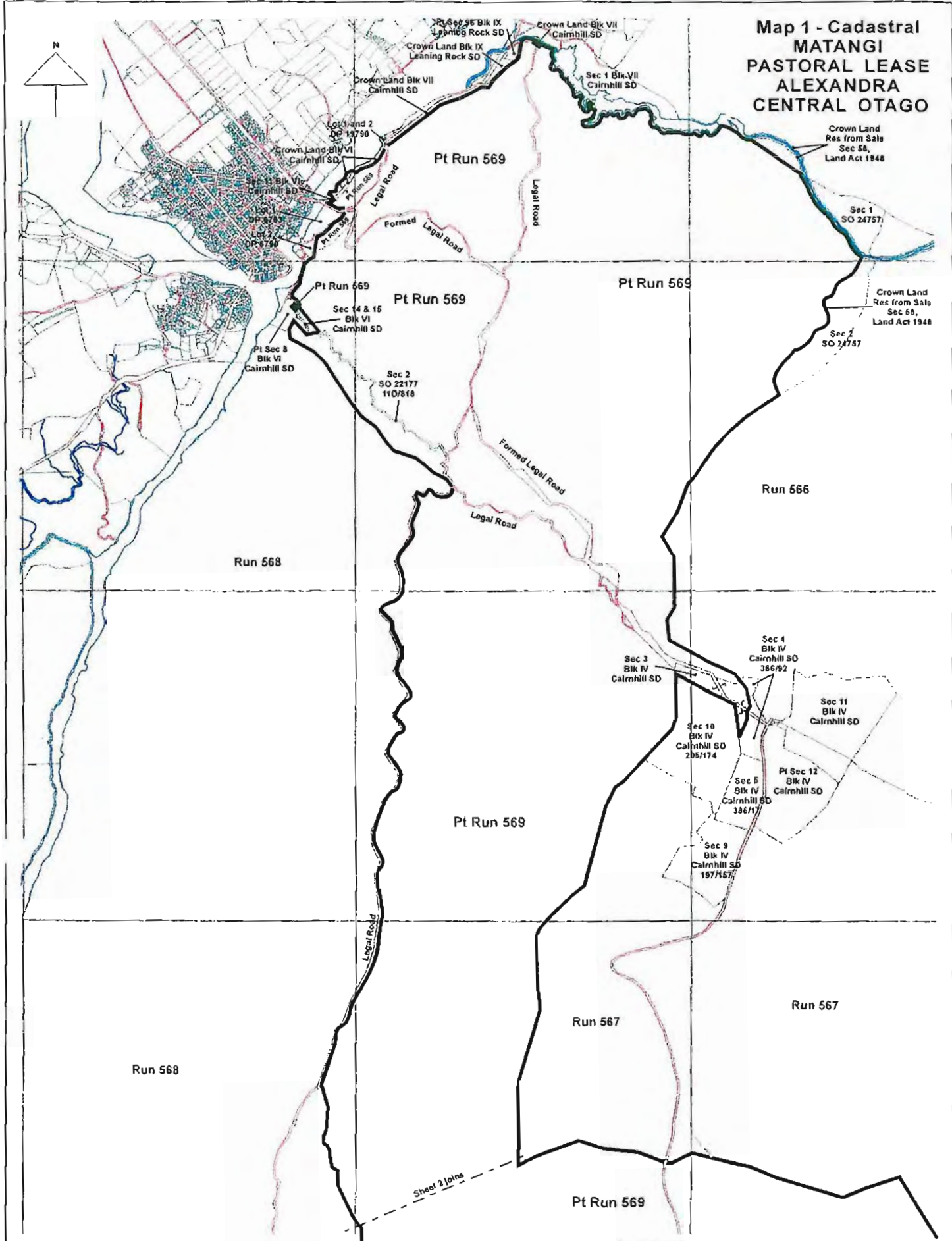
- The New Standards & Guidelines Manuals Chief Crown Property Officer; Legalisation /Roading;OSG Standard 1995/05.
- Land Act 1948
- Crown Pastoral Land Act 1998

In giving this assurance DTZ New Zealand undertakes that all relevant policy instructions, legal requirements, court judgements and any other matters have been taken into account and applied where appropriate.

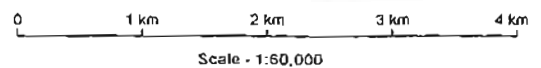
  
Murray Bradley  
Crown Accredited Supplier / Nominated Person

Date : 31/7/02.

# Map 1 - Cadastral MATANGI PASTORAL LEASE ALEXANDRA CENTRAL OTAGO



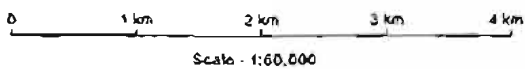
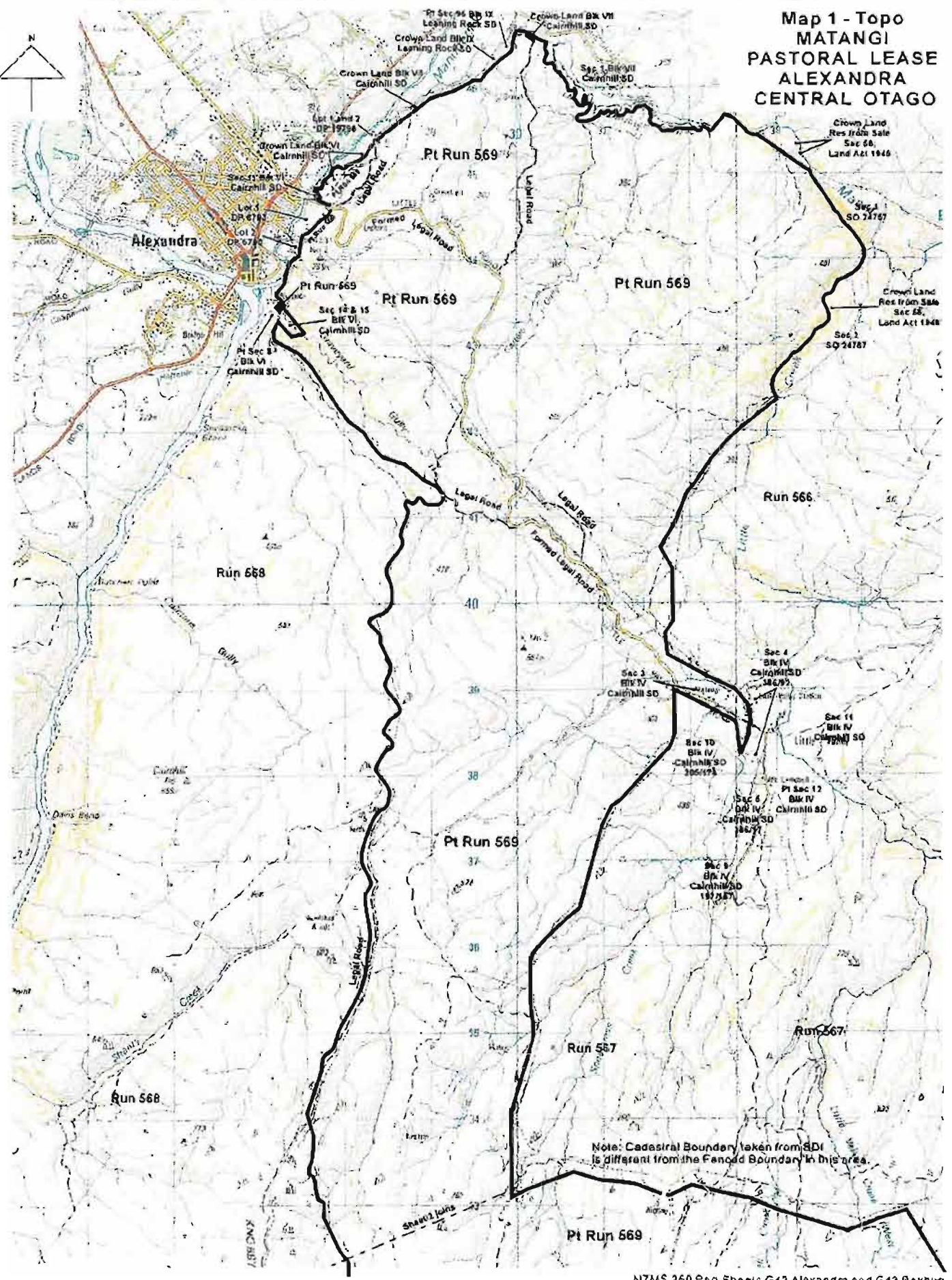
Cadastral Information from LINZ Core Record System (CRS). Crown Copyright Reserved



**PASTORAL LEASE BOUNDARY**  
 (Subject to Part IV, Sections 24(3) and 24(9)  
 of Conservation Act 1987.)

**DTZ** John McMeeking  
 DTZ Mapping, Dunedin  
 03 474 0571  
 01.08.2002

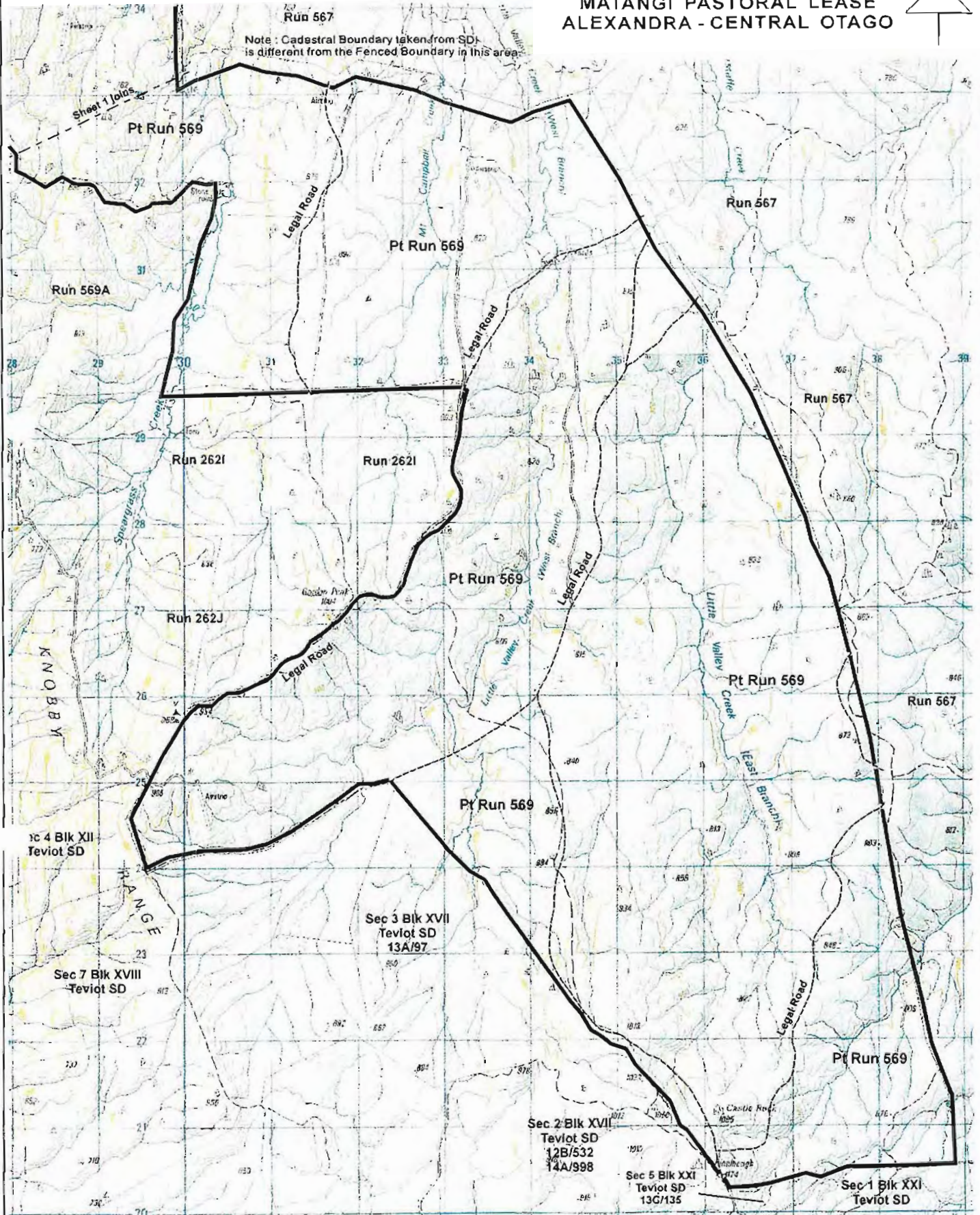
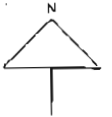
# Map 1 - Topo MATANGI PASTORAL LEASE ALEXANDRA CENTRAL OTAGO



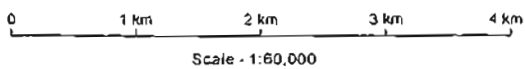
**PASTORAL LEASE BOUNDARY**  
(Subject to Part IV, Sections 24(3) and 24(9)  
of Conservation Act 1987)

**DTZ** John McMeeking  
DTZ Mapping, Dunedin  
03 474 0371  
01.08.2002

# Map 2 - Topo MATANGI PASTORAL LEASE ALEXANDRA - CENTRAL OTAGO



NZMS 260 Part Sheets G42 Alexandra and G43 Roxburgh



**PASTORAL LEASE BOUNDARY**  
[Subject to Part IV, Sections 24(3) and 24(9)  
of Conservation Act 1987.]

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01.08.2002