

### Crown Pastoral Land Tenure Review

Lease name: Mt OLYMPUS

Lease number: PC 050

### 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.

### **DUE DILIGENCE REPORT**

### for Tenure Review

### RYTON STATION (MT OLYMPUS)

Prepared by Don McGregor McGregor Property Services for and on behalf of Q.V.Valuations

June 2002

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

Report No: QVV 367 File Ref: CON/50272/09/12755/A-ZNO-01

Report Date: 28/06/2002

Office of Agent: CHRISTCHURCH

LINZ Case No: 02/

Date sent to LINZ: 02/07/2002

#### RECOMMENDATIONS

- That the Commissioner of Crown Lands or his delegate note this Due Diligence Report which 1. has been prepared in accordance with the Pre Tenure Review Assessment Standard;
- That the Commissioner of Crown Lands or his delegate note that the only incomplete action 2. relates to the creation of an easement in respect of a VHF Repeater facility on the summit of Mt Olympus.
- That the Commissioner of Crown Lands or his delegate note that there are no potential liabilities 3 that have been identified as a result of the file search.
- The Commissioner or his delegate note that despite efforts at renewal to negotiate with former 4 lessees to surrender the retired land as not been achieved.

ned by Sub - Contractor:	Signed by Contractor
me: D. McGregor McGregor Property Services Limited	Name: B. Dench Team Leader for Tenure Review Quotable Value (Valuations)
	Ouetable Value (Valuations)
Accredited Agent	Quotable Value (Valuations)
Accredited Agent pproved/Declined (pursuant to a delegation	

#### **Details of Lease:** 1.

Lease Name:

Mt Olympus

Location:

Located off Harper Road, north of Lake Coleridge, 12 kilometres

west of Christchurch by road distance.

Lessees:

Ryton Station Limited

Tenure:

Pastoral lease of pastoral land under Section 66 and registered under Section 83 of the Land Act 1948 as varied by Memorandum

of Renewal 749840.1.

Term:

33 years from 1 July 1987 (expires 30 June 2020).

Annual Rent:

\$562.50 (Reviewed 1 July 1998).

Rental Value:

\$25,800 (Reviewed 1 July 1998).

Date of Next Review:

1 July 2009.

Land Registry Folio Ref:

Computer Interest Register (Pastoral Lease) CB529/90

(Canterbury Registry).

Legal Description:

Run 179, situated in Blocks X XI XIV and XV, Harper and II III

VI and VII, Coleridge Survey Districts.

Area:

5058.5705 hectares

#### File Search 2.

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

File Reference	Volume	First Folio Number	Date	Last Folio Number	Date
Pc 050-SCH-01	1	***	Sept. 1895	137	26/08/1964
Pc 050-SCH-02	2	138	08/09/1964	259	09/12/1985
Pc 050-SCH-03	3	260	29/011986	-	02/08/1994
Pc 050-SCH-04	4		01/03/1995	-	31/12/1999
Pc 050-SCH-05	5	_	01/01/2000	<b></b>	30/06/2000
Pc 050A-SCH-01	1	Plans only			
Pc 050/8-SCH-01	1	-	August 1996	-	Current
CON/50213/09/127	55/A-ZNO				
	1	-	01/07/2000	-	Current

#### Files held by agent Q.V. Valuations on behalf of LINZ:

File Reference:

CON/50272/09/12755/A-ZNO-01

Volume:

First folio:

Date:

August 2001.

Last folio note:

File current.

Date:

3 Summary of Lease Document: (Copy of Computer Interest Register (Pastoral Lease) CB529/90 attached as Appendix 1)

#### 3.1 Terms of Lease

A 33 year term from 1 July 1987 at the Annual rental of \$562.50 based on the Rental Value of \$25,000.

Stock Limitation

1,100 sheep.

Commencement date

1 July 1987, being the renewal of the original Pastoral lease issued on 1 July 1954 to Ian Roderick Coleridge Murchison, Donald Sinclair Murchison, James Deans, Robert John Sinclair Murchison, John Nolan Murchison, Michael Roderick Murchison, Neil Sinclair Murchison, Walter Robert McCallum and Christina McLennan Guthrie at the Annual rental of \$80 based on the stock limitation in the lease of 1100 sheep.

The current lessees acquired the property by Transfer 536342.1 (registered 19 March 1985).

The lease was renewed for a further term of 33 years from 1 July 1987 (by Memorandum of Renewal 749840.1 (registered on 5 July 1988) at the Annual Rental of \$207 based on the Rental Value of \$13,800.

The Annual rental was reviewed as at 1 July 1998 to \$562.50 based on the Rental Value of \$25,000.

#### 3.2 Area adjustments

There have been no area adjustments since commencement of the lease.

#### 3.3 Registered Interests

Mortgages:

No. 988162.2

to Trust Bank Canterbury Limited (registered 13 April 1992).

Land Improvement Agreement:

677166.1 Land Improvement Agreement 678433.1 under the Soil Conservation and Rivers Control Act Act 1941 registered 27 April 1987.

Refer to Clause 4 below.

#### 3.4 Unregistered Interests

Recreation Permits:

DTZ New Zealand Limited administers a Recreation permit issued to the Windwhistle Winter Sports Club (Incorporated) pursuant to Section 66A of the Land Act 1948 over 350 hectares of the lease to operate and maintain a ski-field including accommodation (and the access road). The Permit is for a term of 5 years from 1 January 2000 (expiring 31 December 2004) at the minimum annual fee of \$250 plus additional fees of 2.5% of the gross revenue derived from the permitted activities.

Copy of Permit attached as Appendix 2

Unsecured Debts:

None known.

#### 4 Summarise any Government programmes approved for the lease:

A Land Improvement Agreement (LIA) registered as Document 677166.1 on 27 April 1987 secured a SWC Plan over the property executed on 20 January 1987 between the then lessee and the North Canterbury Catchment Board. The works involved completion of conservation fencing, oversowing and topdressing and windbreak tree-planting and incorporates retirement objectives. The Agreement enures for 99 years (expiring 20 January 2086) or earlier by agreement between the parties.

The property is not part of a Rabbit and Land Management programme.

#### 5 Summary of Land Status Report:

The Land Status Report by D. McGregor, McGregor Property Services Limited, for and on behalf of Q.V.Valuations on 2 May 2002, confirmed the status as Crown land under the Land Act 1948 and leased pursuant to Section 66 and registered under Section 83 of the Land Act 1948 as Computer Interest Register CB529/90 and varied by Memorandum of Renewal 749840.1

The land is subject to Part IVA of the Conservation Act 1987, upon disposition.

The minerals remain with the Crown. A significant part of the land has never been alienated since the original acquisition from the original Maori owners under the 1848 Kemp Deed of Purchase.

The report noted that Computer Interest Register (Pastoral lease) CB529/90 does not but S.O.s 11026 and 11388 contain a notation that the lease is subject to Section 58 of the Land Act 1948 applying in respect of all rivers and streams in excess of 3 metres in width. However such strips are 'notional' only pending disposition of the land.

A copy of the Land Status Report is attached as Schedule A.

#### 6 Review of Topographical and Cadastral Data:

Both maps attached to the Land Status Report show that there are no historic sites, transmission or power lines, water races, airstrips, telecommunication or other installations on the lease. The topographical map does however show that there are two huts on the lease with one associated with the "Windwhistle Winter Sports Club" and the other further to the south.

#### 6.1 Marginal Strips:

The provision of Marginal Strips along rivers and streams in excess of three metres in width are still "notional" only pending disposition of the land.

#### 6.2 Legal Roads - formed and paper

The Land Status Report indicates that SO's 11026, 11313 and Topo 21G showed abutting roads as being legal by Section 110A of the Public Works Act 1928.

#### 6.3 Fenced Boundaries v Legal Boundaries (peripheral):

There appear to be no boundary discrepancies.

It should be noted however that initiatives were taken at renewal in 1986 to negotiate with the lessee for surrender of the retired area (all but 85 ha approx) but without conclusion.

Copy of renewal papers attached as Appendix 3.

#### 7 Details of any neighbouring Crown or Conservation land:

Northern boundary

Pt RS 40658 - (Part Craigieburn Conservation Park pursuant to

Section 61 of the Conservation Act 1987).

Eastern boundary

Pt Run 256 - (Part Castle Hill Pastoral lease).

Section 1, SO 18352 - (Part Castle Hill Pastoral Lease)

Pt R.S 39658 - (Stewardship land pursuant to Section 62 of the

Conservation Act 1987).

#### 8 Summarise any uncompleted actions or potential liabilities:

#### 8.1 VHF Repeater site on Mt Olympus

On 20 October 1980 the Commissioner of Crown Lands approved the installation of a VHF Repeater Station for Forest Service (now Department of Conservation) on the summit of Mt Olympus subject to conditions. No access tracks were involved as all servicing and installation was to be done by helicopter.

The Commissioner advised Forest Service of the approval and the latter indicated that the lessees consent had been obtained on 7 November 1980.

Creation of an easement to formalise this occupation is outstanding.

Copies of the relevant folios are attached as Appendix 4.

#### **APPENDICES**

Schedule A - Land Status Report.

- 1. Copy of Lease.
- 2. Copies of recreation permit.
- 3. Copies of relevant folios Surrender issues.
- 4. Copies of relevant folios VHF Repeater station on Mt Olympus.

### LAND STATUS REPORT

### for Tenure Review

## RYTON STATION(MT OLYMPUS)

Prepared by Don McGregor, McGregor Property Services Limited for and on behalf of Q.V.Valuations

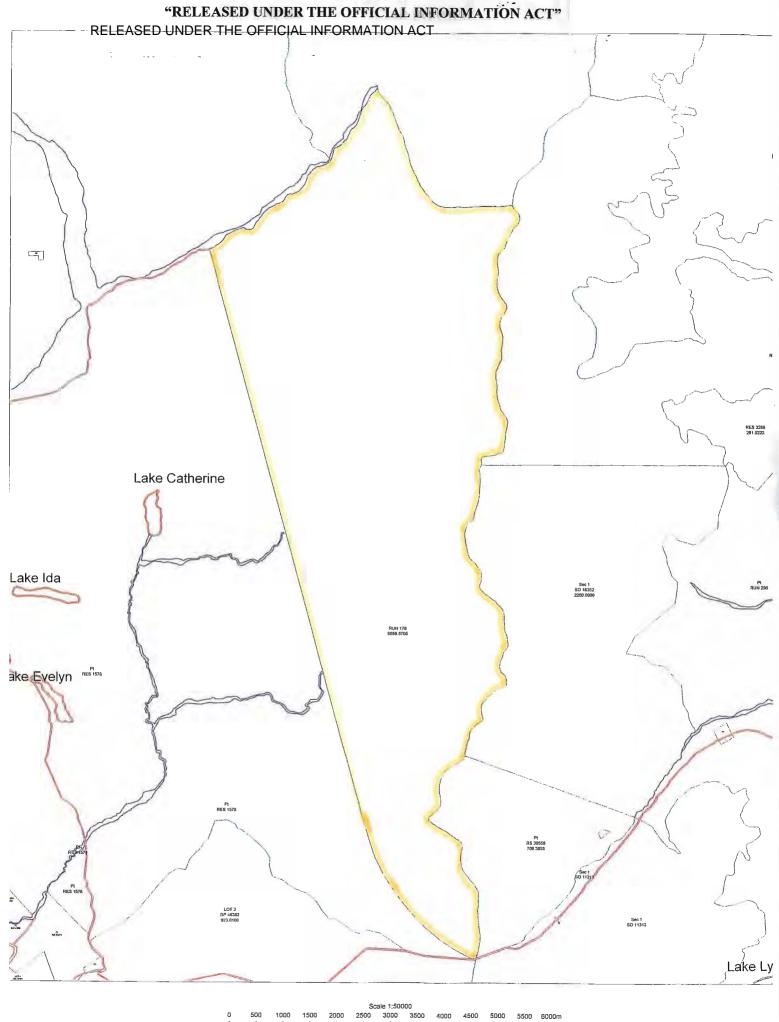
May 2002

### **CONTENTS**

# APPENDIX A LAND STATUS REPORTS (and supporting plans)

- SO Plans (Additional)
- Extract of CLR
- Extracts of Allocation maps
- DOC Consultation
- Information supporting Mineral investigation
- Other Information

APPENDIX B LAND STATUS REPORT (Certified Correct by Chief Surveyor)



APPENDIX A – LAND STATUS REPORT (and supporting plans)

Q.V. VALUATIONS

CHRISTCHURCH OFFICE

APPENDIX A1

Project No: QVV: 366

This report has been prepared on the instruction of Land information New Zealand in terms of Contract No. 50272 (as yet undated) and is undertaken for the purposes of the Crown Pastoral Land Act 1998.

LAND STATUS RE	PORT for Ryton Station (Mt Olympus Tenure Review	LIPS Ref: 12755
Property 1 of	1	

Land District	Canterbury.
Legal Description	Run 179, situated in Blocks X XI XIV and XV, Harper and II III VI and VII, Coleridge Survey Districts.
Area	5058.5705 hectares
Status	Crown land subject to the Land Act 1948.
Instrument of title / lease	Computer Interest Register (Pastoral Lease) CB529/90 pursuant to Section 66 and registered under Section 83 of the Land Act 1948 as varied by Memorandum of Renewal 749840.1.
Encumbrances	Subject to:  1) Part IVA of the Conservation Act 1987, upon disposition.  2) 677166.1 Land Improvement Agreement pursuant to Section 30A Soil Conservation and Rivers Control Act 1941.
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 Deed of Purchase.
Statute	Land Act 1948 and Crown Pastoral Land Act 1998.

Data Correct as at	2 May 2002.
[Certification Attached]	Yes

Prepared by	Don McGregor, McGregor Property Services Limited, Christchurch
Crown Accredited Supplier	for and on behalf of Q.V. Valuations.
	<del></del>

NOTES: This information does not affect the status of the land but was identified as possible requiring further investigation at the due diligence stage: See Crown Pastoral Standard 6 Computer Interest Register (Pastoral lease) CB529/90 does not but S.O.s 11026 and 11388 contain a notation that the lease is subject to Section 58 of the Land Act 1948 applying in respect of all rivers and streams in excess of 3 metres in width. However such strips are 'notional' only pending disposition of the land.

LAND STA	TUS	REP	ORT	for Ryton Station (Mt Olympus) Tenure Review LIPS Ref: 12755	
Property	1	of	1		

Research Data: Some Items may not be applicable

SDI Print Obtained	Yes.
NZMS 261 Ref	K 34/35.
Local Authority	Selwyn District Council.
Crown Acquisition Map	Kemp Deed of Purchase.
SO Plans	SO 113- Plan of Harper & Coleridge Survey Districts (area 1880's)
	SO 8759– Plan of Reserve 4761 (Approved 23 <sup>rd</sup> September 1954)
	SO 10995 - Plan of Broken River area - including Run 179 "Mt Olympus". (Approved 15 May 1968).
	SO 11174 - Plan of R.S. 39658 adjoining area showing part of Run 179 "Mt Olympus" (Approved 30 January 1969).
	SO 11313 - Plan of adjoining Runs 332 "Brooksdale" and Run 332A showing Run 179 " Mt Olympus" (Approved 6 November 1969).
	SO 13999 - Plan of RS's 40657 and 40658- including Run 179 "Mt Olympus" (Approved 2 February 1977).
	SO's 17120 and 17121 – DOC Allocation plans.
	SO 18352 - Plan of Section 1- adjoining showing Run 179 "Mt Olympus" (Approved 20 September 1990).
Gazette Notices	N.Z Gazette 1956 p.234 set apart Reserve 4761 as State Forest (part formerly Part Run 179). Reserve 4761 is now RS's 40657, 40658 and 41164.
Lease Ref	Computer Interest Register (Pastoral Lease) CB529/90 pursuant to Section 66 and registered under Section 83 of the Land Act 1948 as varied by Memorandum of Renewal 749840.1.
Legalisation Cards	Searched. Not applicable.
CLR	Confirms Pastoral Lease tenure.
Allocation Maps (if applicable)	Searched. No DoC, SOE or UCL Allocations within the periphery of the lease.
	Adjoining DoC Allocations are K34-11 (SO 17120) and, K35-2 (SO 17121) - Stewardship Land subject to Section 62 of the Conservation Act 1987.
	Extracts of Schedules and Allocation Maps attached.
VNZ Ref – if known	V.R. 24260/2700.
Crown Grant Maps	Not applicable.

Subject Land Marginal Strip: a) Type [Sec 24(9) or Sec 58]	a) Refer to Notes above
b) Date Created	b) Not applicable.
c) Plan Reference	c) Not applicable.

Subject Land Marginal Strip: a) Type [Sec 24(9) or Sec 58]	a) Refer to Notes above
b) Date Created	b) Not applicable.
c) Plan Reference	c) Not applicable.

LAND STATUS REPORT for Ryton Station (Mt Olympus) Tenure Review	LIPS Ref 12755
Property 1 of 1	

If Crown land —	Searched – Not applicable.	
Check Irrigation Maps		
Mining Maps	Searched – Not applicable.	
If Road		
a) Is it created on a Block	a) SO Plans 11026 and 11313 21G denote abutting Roads coloured	
Plan – Section 43(1)(d)	burnt sienna as legal by Section 110A of the Public Works Act 1928.	
Transit NZ 1989		
b) By Proclamation	b) Not applicable.	
c) Gazette Ref:	c) Not Applicable.	
Other relevant information		
a) Concessions – Advice from	a) No current DOC concessions exist within the lease boundaries. The	
DOC or DTZ New Zealand	only DOC interests are in the Marginal Strips yet to be defined.	
Limited.		
	DTZ (NZ) Limited administers a Recreation permit over 350 hectares of the lease issued to the Windwhistle Winter Sports Club (Incorporated) to operate and maintain a ski-field including accommodation facilities (and the access road) for a term of 5 years from 1 January 2000 (expiring 31 December 2004) at the minimum annual fee of \$250 plus additional fees of 2.5% of the gross revenue derived from the permitted activities.	
b) Subject to any provisions of the Ngai Tahu Claims Settlement Act 1998	b) Part 9 of the Ngai Tahu Claims Settlement Act 1998, upon disposition.	
c) Mineral Ownership	c) Mines and Minerals are owned by the Crown because the land has never been alienated from the Crown since its acquisition for settlement purposes from the former Maori owners under the 1848 Kemp Deed of Purchase.	
d) Other Info	d) Not applicable.	

"RELEASED UNDER THE OFFICIAL INFORMATION ACT"

CHRISTCHURCH OFFICE

Project Number: QVV 366

This report has been prepared on the instruction of Land Information New Zealand in terms of Contract No: 50272 (as yet undated) and is undertaken for the purposes of the Crown Pastoral Land Act 1998.

LAND STATUS REPORT for Ryton Station (Mt Olympus) Tenure	LIPS Ref: 12755
Review	
Property 1 of 1	

Land District	Canterbury	
Legal Description	Run 179, situated in Blocks X XI XIV and XV, Harper and II III VI and VII, Coleridge Survey Districts.	
Area	5058.5705 hectares.	
Status	Crown land subject to the Land Act 1948.	
Instrument of title / lease	Computer Interest Register (Pastoral Lease) CB529/90 pursuant to Section 66 and registered under Section 83 of the Land Act 1948 as varied by Memorandum of Renewal 749840.1.	
Encumbrances	Subject to:  1) Part IVA of the Conservation Act 1987, upon disposition.  2) 677166.1 Land Improvement Agreement pursuant to Section 30A Soil Conservation and Rivers Control Act 1941.	
Statute	Land Act 1948 and Crown Pastoral Land Act 1998.	

Data Correct as at	5 March 2002.
[Certification Attached]	Yes

Prepared by	Don McGregor
Crown Accredited Supplier	McGregor Property Services Limited, Christchurch for and
C. C. M. A. C.	on behalf of Q.V. Valuations
The state of the s	

Certification:

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

R. Moulles

Date: 29/3/2002

R Moulton, Chief Surveyor (Canterbury Land District) Land Information New Zealand, Christchurch

### CERTIFICATION

Report to the Chief Surveyor, Christchurch, for certification of Status Investigation for RYTON STATION (MT OLYMPUS) Pastoral Lease Tenure Review.

- I, Donald McGregor of McGregor Property Services Limited, acting for and on behalf of QV Valuations, certify that the status report enclosed for certification is in order for signature.
- 2. In giving this certification I, Donald McGregor of McGregor Property Services Limited, acting for and on behalf of Q.V. Valuations, undertake that the status report has been completed in compliance with all relevant policy instructions and in particular, OSG Standard 1999/05 and the Regulatory Chiefs' Land Status Investigations Guidelines 1999/01.

D McGragor

McGrego Property Services Limited

Accredited Supplier

5 March 2002



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

# **Historical Search Copy**



**Identifier** 

CB529/90

Land Registration District Canterbury

**Date Registered** 

22 May 1958 01:36 pm

Type

Lease under s83 Land Act 1948

Area

5058,5705 hectares more or less

**Term** 

thirty three years commencing on the first day of July 1954 and renewed for further 33 years commencing on 1.7.1987

Legal Description Run 179

**Original Proprietors** 

Ryton Station Limited

#### **Interests**

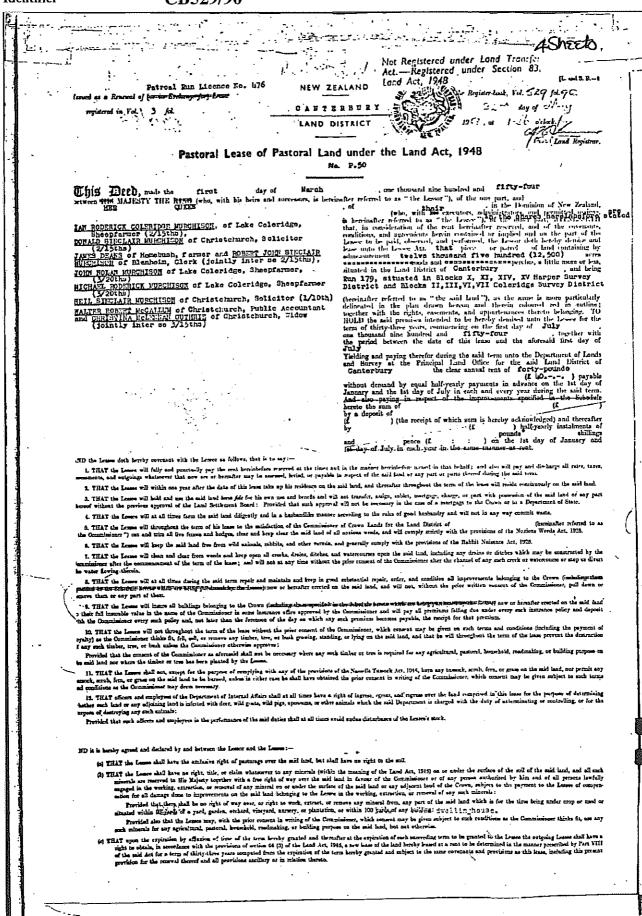
504624.1 Variation of the terms of the within Lease - 28.8.1984 at 9.02 am

677166.1 Land Improvement Agreement pursuant to Section 30A Soil Conservation and Rivers Control Act 1941 -27.4.1987 at 11.18 am

749840.1 Renewal of within Lease for 33 years commencing on 1.7.1987 and variation of terms hereof - 5.7.1988 at 11.13

988162.2 Mortgage to Trust Bank Canterbury Limited - 13.4.1992 at 11.25 am

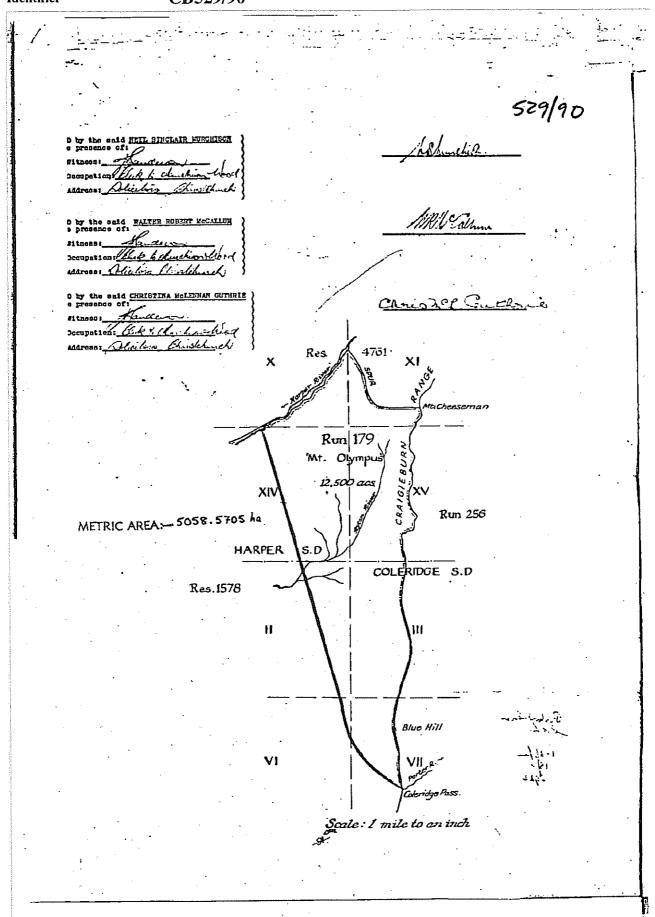
**Identifier** 



Identifier

		ما الما الما الما الما الما الما الما ا
	•	
	(d) THAT the Lower shall have no right of acquiring the fee simple of the said hard.	
· •	(c) THAT the Lower may, with the prior concess in uniting of the Commissioner given subject to	
	(2) Caltivate any portion of the said land for the purpose of growing winter level for t (3) Crep such area of the said land as is reflected for the new of kinself and family an	
	(ii) Finish and new in great easy persons of the mid land;	
	(to) Chee may parties of the mid land by felling and burning bush so events and som t	he land us elvared in grave;
	by therface offe in gram any parties of the said land;  Fraction that the boson shall, on the termination of the boson, buyer the whole of the area.	their has been plunghed or extrinsively preparty total down in good permanent eleven and grames to
	the estimation of the Commissioner.	parties the perpens of this plane is the baster traceasts the company in the baster
	National Appendix of the Company of	entraturis; ibs reincurence brothet en ; entrascribe pens en best et alle sandicerens entras Anne allen de un les elemperard et un un le dustite brothet de dat.
	the William of the Land the Court New York to the short of the said land or if he remort he for	ad as if he shall probes us fall as refere to remady with the currents and readitions berrin
	have no asker payments that he bound, then the Latel Settlement Board way, subject t	s, as the row may be, or make default for not less than two months in the payment of reat, water to the provisions of section 146 of the Land Art, 1314, the law this bear to be furfest, and that
	mithent discharging on releasing the Lease from liability for even due on corruing due or	s, and the previous of the and Art and of the regulations made throughder applicable to each
	bears shall be binding in all respects upon the parties hereto in the same manner as if suc	a previous had love fully art out brivis.
. '	and the state of t	
	Suppose many distinctions of the loss of t	an-Memo-Penant restaurablesses
	(i) That the leases shall be deemed not to have failed to use apparent of the said lend does not exceed 1100 sheep (being rent hereinbefore reserved). But the Corniusioner may by a should be deem it advisable or expedient to do so. Any permit of the consistency at any time and in particular in the event of a consistency at any time and in particular in the event of a built before the rent payable hereinder.	g an increase of ten jor cent on the carrying curucity on milities in writing, puralt the leases to departure thereon any
	should be deem it advisable or expedient to do so. Any permissioner at any time and in particular in the event of a	lation so granted shall be subject to revocation or assumed transfer. Any variation consented to by the Commissioner sl
3		Conterbury . on behalf of the Lessor, both hereunto set his
ь	and, and three presents have also been executed by the said Lessen.	
	Signed by the said Commissioner, on behalf of the Lesson, in	
	the presence of—	Albans I to
•	10 do Wing 5 B	Communicator of Crown Lands.
-	Occupation : MANAGE STATE COLOR	•
	Address; Citable Surger	
•	Witness:	Jan Muscheson
1.0	Occupation : While to the day	Lessee.
	Address: Thurstakend	· · · · · · · · · · · · · · · · · · ·
	Bigned by the suld DONALD STECLAR MURCHISCH }	- Drughim
•	in the presence of:	- The much in the
•	Witnesss	•
_ ;	Occupation:	
	Address: bleiling bhudehich	
	Signed by the said JANES DEAMS in the	James Gran
İ	prosence of:	<del>U</del>
	Competions Click bod al alice	·
	Address Delicitie Elistfand	
•		
}	Signed by the said <u>noment John STHCLAIR</u> FURCHISON in the presence of:	Journa -
	Vitness 1	
	Occupations D. L. L'al hein to A	· · · · · · · · · · · · · · · · · · ·
•	Address Defecto ( thinkle al	
		and the second second
	Signed by the said JOHN KOLAW MURCHISCH   in the presence of:	John Munemon
	Vitness Ander	
	Occupation! Elect of the chia - tout	
	Address Steilers Chickmach }	
	Signed by the said MICHAEL ROBERICK MURCHISON )	Ale towarding
•	in the presence of:	Als: The same
	Witness:	, .
•	Occupation: Bet tot relianted	
	Marcons Solicitio Churchy	
		Note that the second of the se
	`·:	

Identifier



Identifier

Francher 436772 Ale above proposition for fair Colored	
Solicity, Murchen of Schreichard Retriet Sature	
of Shrishland Widow and Walter house for what were	O
Theretains that the More Marchier of Lake. Transfer 536342/1 to Ryton State Toleridge Sheepformer get to 33 slave and Transfer 536342/1 to Ryton State	ion
Michel Roderch Murchist - Fant State Limited at Christianich - 19.3.	
they farmer as to a 38 stare as terminate 10.59 am.	
for A.L.R.	
The Note Making and Michael Roderick Mortgage 560769/1 10 Hank at New Zea	land -
Mushim both of Lake Charles Sheep Farmers as Escation - 12.8. 1985 at 9. 1884 1885 at 9. 1884	ı
A.L.R.	ı
Reservation 634672 of the Joint Share of Walter No. 677166/1 Land Improvement Ag  Robert - Callum and Christina - Mr Lennan Guthre under Section 30A of the Soil	reement
to the said Christing In Lennan Guthrie as Conservation and Rivers Control	Act
Surviver Contened 15/9/1964-12.41/20 1941 - 27.4.1987 at 11.18 am	
Franzier 634673 of how Share Christina in Leman	ike
Gulleri to the good Chair ting In Terman Gulkery	1
Saw Robert Gardiner Guthrie of Gunedin Shiffing No. 749840/1 Renewal of within Lease 33 years commencing on 1.7.1987 and	TOT
Inerages and Jack Brabagon Inarris of Inelblation variation of terms hereof - 5.7.1988	at
Janus - 15/9/1964 at 2.46 pm 2000 11.13 am	has 1
ut Downson many with the springs opened	/ . 1
Inchase laterick hurchan to be and John Noon	
Mortgage 988162/2 to trust Bank Call Mortgage 98	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
1361-) 10 District	A.L.R
Maramossian 739598 of the above of Michael	
Me Lenan Gethrie to San Robert Gertiner. Gullrie and Joch Gestaron Travio Malk	
aboverned 20 turviving 20.5. 1968 ac	
et e	
Transmission 739598 Stoke where at N & A.	1
Jack Brake in Rabert Generaline in their	
a Sania - 20/1/188 of 9.42	
	1
Joseph 776185 of the share of Son Robert Gordiner	
Julius and fack Brotogon mornin to the mid la	
of 6 househough of the real Similar purchism	
8 Shouldburk, Nativitar. 15-9-1949 at 16 we to	
THIS REPRODUCTION ON A REDUCE COLUMN CERTIFIED TO UE A TRUE COPY OF THE	
ORIGINAL REGISTER FOR THE PURPOSES C	1
Note & Level - Timorila.	
	- t
2 2 MX 1953	
Fro: L 1147	
Acres the 1912	[
No. 504624/1 Variation of the terms of the within lease - 28.8.1984	
at 9.02 a.m.	1
houses	1
for A.L.R.	
	()
1 <b>1</b>	ì

### APPENDIX 2

#### RECREATION PERMIT

#### **UNDER THE LAND ACT 1948**

PARTIES:

THE COMMISSIONER OF CROWN LANDS pursuant to the Land Act 1948

("the Grantor")

<u>AND</u>

WINDWHISTLE WINTER SPORTS CLUB (INCORPORATED) ("the

Grantee")

#### **BACKGROUND:**

- A. The Grantee wishes to undertake the activities described in the First Schedule over the land described in the Second Schedule ("the Operational Area")
- B. The Grantor has agreed to grant a recreation permit pursuant to Section 66A of the Land Act 1948 to the Grantee on the terms and conditions set out herein.

#### THE PARTIES AGREE as follows:

#### 1. AUTHORISATION

- 1.1. The Grantor hereby authorises the Grantee to use the Operational Area for the purposes and activities set out in the First Schedule hereto.
- 1.2. This permit is intended to take effect as a recreation permit under Section 66A of the Land Act 1948 and any enactments passed in substitution thereof and the provisions of the said Act and of the regulations made thereunder shall be binding in all respects in the same manner as if such provisions had been fully set out herein.
- 1.3. This permit does not create any registerable interest in the Operational Area or any other part of the Grantor's land.
- 1.4. This permit is personal to the Grantee and shall not be capable of assignment, charge, transfer or other disposition or dealing including the transfer of shares should the Grantee be an incorporated company, in whole or in part for any purpose whatsoever.

#### TERM

2.1. The term of this permit shall be for a period of five (5) years commencing on the 1<sup>st</sup> day of January 2000.

#### 3. FEES

3.1. The Grantee will pay to the Grantor at the offices of the Commissioner of Crown Lands at Wellington or such other place as the Grantor shall nominate from time to time the fees set out hereunder:

A).

- 3.1.1. A minimum fee of \$ 250 plus GST per annum payable without demand in advance on the 1<sup>st</sup> day of July in each and every year; and
- 3.1.2. A fee of 2.5% plus GST of gross revenue ("the additional fee") derived from the permitted activities during the period ending 31 December 2000 and each 12 month period thereafter. The additional fee is payable without demand on the 1<sup>st</sup> day of March in each and every year from 2001 to 2006 inclusive. The additional fee must be accompanied by an annual return showing the gross revenue for the relevant period and a statutory declaration signed by two office holders of the Grantee as to the correctness of the annual return.
  - 3.1.2.1 . "Gross revenue" is for the purpose of calculating the additional fee the total income, exclusive of GST, from skifield operations including field takings i.e., tow fees, ski school, ski instruction and any on-field ski hire, accommodation, meals and canteen (excluding cost of food and beverages including alcoholic beverages)"
- 3.1.3 If payment is not made within seven (7) days of due date, then the Grantee shall pay in addition penalty interest of 12.5% per annum on the amount outstanding calculated from due date until the date of actual payment.

#### 4. GRANTEE'S OBLIGATIONS

- 4.1. The Grantee shall:
  - 4.1.1. Not remove any vegetation, disturb any soil or light any fire on the Operational Area without express permission in writing from the Grantor for each occasion.
  - 4.1.2. Not at any time cause any building, erection, structure or fence or alteration or addition thereto to be placed or carried out upon the Operational Area without the prior written approval of the Grantor.
  - 4.1.3. Not do or cause to be done anything for which consent would be required in terms of the Land Act 1948 or the Crown Pastoral Land Act 1998 without that consent first being obtained
  - 4.1.4 Comply at all times with all statutes and regulations and obtain all approvals, consents and authorisations as are necessary for the Grantee to conduct the activities permitted by this Permit.
  - 4.1.5. Remove and take away or cause to be removed and taken away all refuse including vegetable matter and the land kept in a clean and tidy condition provided however that combustible material may be burnt in fires within approved buildings or in a properly erected incinerator.

- 4.1.6. Comply with the provisions of the Health and Safety in Employment Act 1992.
- 4.1.7. Ensure that the activities authorised by this permit will be confined exclusively to the Operational Area and shall use the operations area solely for the activities authorised by this permit.
- 4.1.8. Take all reasonable precautions to guard against danger on the Grantor's land.
- 4.1.9. Not interfere or obstruct the Grantor or his/her agent's employees or contractors or authorised invitees.
- 4.1.10. Not operate any vehicles off the formed access roads unless there is sufficient snow on the ground to prevent damage to soil and vegetation.
- 4.1.11. At all times maintain the access road and associated works to a standard necessary to minimise the risk of soil erosion. No alteration to the alignment of the access road may be made without the prior written consent of the Grantor.

#### COSTS

5.1. The Grantee shall be responsible for all reasonable costs associated with the preparation of this permit and for any reasonable costs legal or otherwise arising as a result of a breach by the Grantee of any of the conditions of this permit or default by the Grantee hereunder.

#### 6. INDEMNITY

- 6.1. The Grantee hereby indemnifies the Grantor against any loss, claim, damage, costs, expense, liability or proceeding suffered or incurred at any time by the Grantor in connection with this permit or as a direct result of the exercise by the Grantee of its rights under this permit, or any breach by the Grantee of its obligations, undertakings or warranties contained or implied by this permit.
- 6.2. The Grantor shall not be liable to the Grantee in contract tort or otherwise in relation to any aspect of this permit (extending to consequential loss, anything arising directly or indirectly from the permit or any activity on the Grantor's land).

#### 7. TERMINATION

The Grantor shall be entitled to revoke the permit

7.1 At any time in the event that the Grantee shall be in default in respect of any of the Grantee's obligations herein and such default continues for a period of one month after the date that the Grantor gives notice to the Grantee to remedy such default <a href="PROVIDED THAT">PROVIDED THAT</a> such revocation of the permit for any reason shall not release the Grantee from any liability hereunder.



- 7.2 At any time in the event that the Grantee shall fail to pay any moneys due where such non payment continues for a period of one month after written demand for payment has been made by the Grantor to the Grantee <a href="PROVIDED THAT">PROVIDED THAT</a> such revocation of the permit for any reason shall not release the Grantee from any liability hereunder.
- 7.2 Three months after the date of notice of termination given by the Grantor to the Grantee in the event that the Operational Area becomes part of the land subject to the tenure review process under Part 2 of the Crown Pastoral Land Act 1998 PROVIDED THAT such revocation of the permit for any reason shall not release the Grantee from any liability hereunder.

#### 8. REMOVAL OF GRANTEE'S IMPROVEMENTS

- 8.1 If the permit shall be terminated for any reason the Grantee shall forthwith remove the Grantee's improvements and leave the operational area and surrounding land in a clean and tidy state to the satisfaction of the Grantor.
- 8.2 Should the Grantee fail to remove the improvements within a reasonable time after the Grantor shall have demanded such removal then either (at the sole option of the Grantor):
  - (a) The Grantor may carry out such removal and recover all removal and associated costs and penalty interest from the Grantee; or
  - (b) The Grantee shall forfeit the improvements and all right and title in such improvements to the Grantor."

#### 9 DISPUTES

9.1 If any dispute arises between the Grantor and Grantee under this permit the parties shall enter into negotiations in good faith to resolve their dispute. If the dispute is not resolved within one month of the date on which the parties begin their negotiations or within such time as both parties agree, the Grantor shall make a determination and the overriding provisions of section 17 Land Act 1948 shall apply.

#### 10. NOTICES

10.1. The address for service for the Grantor shall be as follows or as notified in writing by the Grantor to the Grantee from time to time:

Commissioner of Crown Lands
C/- Knight Frank (NZ) Limited
76 Cashel Street
PO Box 142
CHRISTCHURCH



5

Telephone: (03)3799787 Facsimile: (03)3798440

10.2. The address of the Grantee shall be as follows or as notified in writing by the Grantee to the Grantor from time to time:

Windwhistle Winter Sports Club (Inc)

C/- D J Studholme 34 Aikmans Road CHRISTCHURCH PO Box 25055 CHRISTCHURCH

Telephone: Facsimile:



6

SIGNED for an on behalf of HER MAJESTY THE QUEEN

by

pursuant to a delegation from the

COMMISSIONER OF CROWN LANDS

in the presence of

Roll.

Witness Name

GRANT KASPER WEBLEY PORTFOLIO MANAGER

Occupation

CROWN PROPERTY MANAGEMENT C/- LINZ, CHRISTCHURCH

Address

THE COMMON SEAL of
WINDWHISTLE WINTER SPORTS
CLUB INCORPORATED was hereunto
affixed in the presence of

ejesin

Down Bours SonTwy
Idday STCHURCH.

RPC 009 RECREATION PERMIT.DOC

7

#### **CONSENT OF LESSEE**

<u>RYTON STATION LIMITED</u> together with its successors and assigns consents to the issue of a recreation permit to <u>WINDWHISTLE WINTER SPORTS CLUB INCORPORATED</u> by the Commissioner of Crown Lands pursuant to section 66A of the Land Act 1948 on the terms of the accompanying recreation permit.

DATED this

**\**\ day of

Ayunt, 2000

SIGNED by RYTON STATION LIMITED )

PETER A GLASSFORD
CHARTERED ACCOUNTANT

Member of Institute of

Chartered Accountants (NZ)

AJ Holdo RO Box Boke

8

#### FIRST SCHEDULE

The Grantee shall operate and maintain a ski-field including accommodation facilities on the said land in accordance with the terms and conditions as are herein contained and shall provide all the necessary facilities and ancillary services.

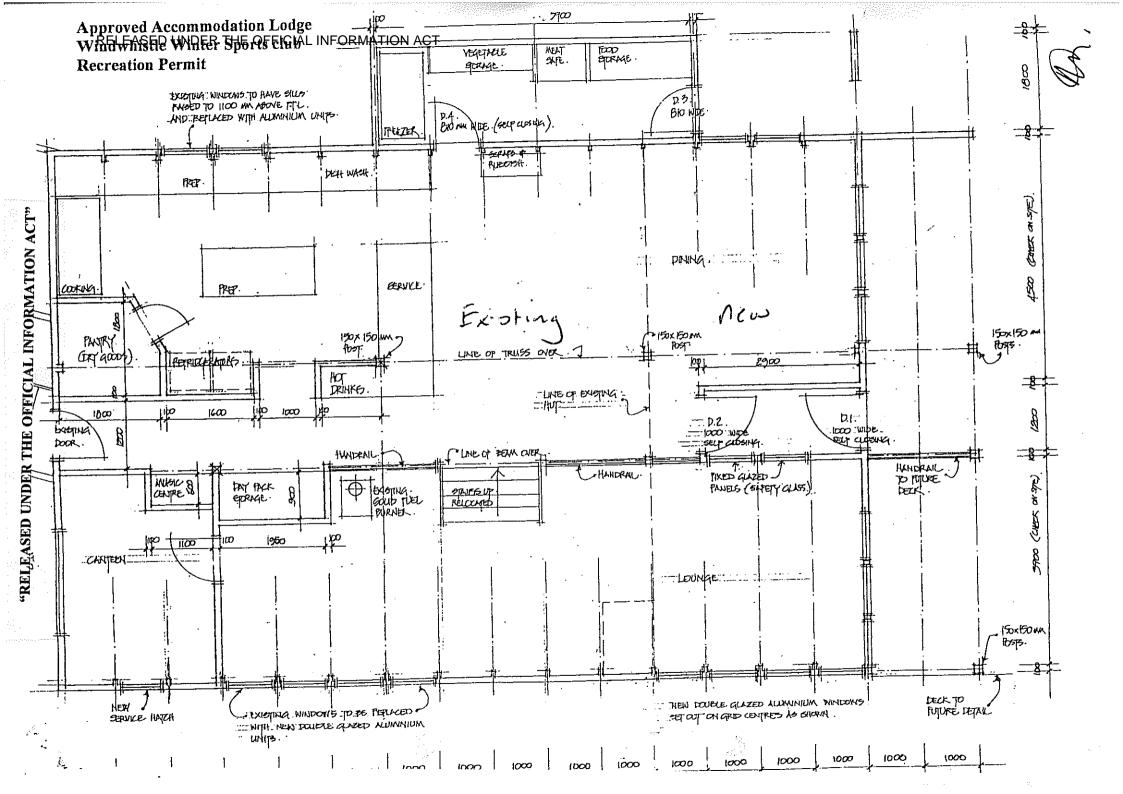
Present facilities at the issue of this permit include;

- (1) Tows
  - (i) Access tow (approximately 320 metres in length)
  - (ii) Main tow (approximately 305 metres in length)
  - (iii) Top tow (approximately 70 metres in length)
  - (iv) Learner's tow (approximately 100 metres in length)
- (2) Buildings
  - (i) Existing accommodation lodge and the extension shown on the attached plan
  - (ii) Bottom hut and attached garage (total area 50 square metres)
  - (iii) Tow shed for main and access tows (total area 50 square metres)
  - (iv) Top tow shed (less than 25 square metres)
  - (v) Learner tow shed (less than 25 square metres)

#### SECOND SCHEDULE

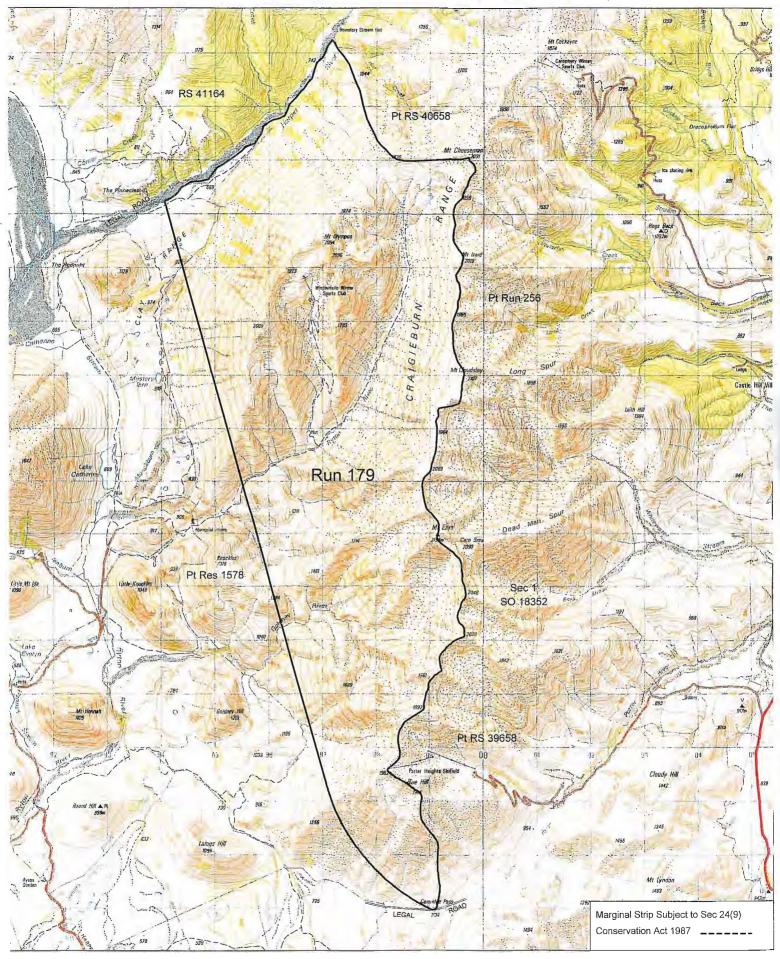
All that parcel of land situated in the Canterbury Land District containing approximately 350 hectares of Mt Olympus pastoral lease being Part Run 179 (Land Registry Folio Reference 529/90) including the access road as more particularly shown on the attached plan and aerial photograph.





### "RELEASED UNDER THE OFFICIAL INFORMATION ACT"







### **Ryton Station**

Scale 1:50000

0 500 1000 1500 2000 2500 3000 3500 4000 4500 5000

Version	1	2	3	4	5
Canterbury Land District				Sheet	1 of 1
Topographic Man 260 - K34 K35			(35	Date 22/	03/02

### Recreation Permit Area

(Permit only applies to land held under pastoral lease)



Boundary of Permit --Ski Tous --Hule A

Ad

### APPENDIX 3

P 50

799-760

Private Bag

CONFIDENTIAL COPY PROVIDED TO CHRISTCHURCH

LINZ (CROWN PROPERTY MANAGEMENT) CONTRACTOR FOR PURPOSES ASSOCIATED

29 October 1986

WITH CONTRACT 5027 ONLY.
NOT TO BE FURTHER COPIED, REPRODUCED
OR DISTRIBUTED WITHOUT THE

The Directors OR DISTRIE

Ryton Station Limited PERM

R.D.Z.

PERMISSION OF LINZ

1/4/87

Dear Sirs/Madam

RENEWAL OF PASTORAL LEASE: RUN 179 "MT OLYMPUS" AREA: 5058.5705 HECTARES

As you know your pastoral lease over the above land will expire on 30 June 1987.

I am pleased to inform you that acting under delegated authority from the Land Settlement Board I have, pursuant to Section 66 Land Act 1948, approved the renewal of your lease for a further term of 33 years from 1 July 1987.

The Board has, pursuant to Section 131 of the Land Act 1948, determined the values for renewal as follows:

(a) Value of Improvements

\$7,700

(b) Value of Improvements included in Rental Value

NIL

(c) Value of Land Exclusive of Improvements

\$13,800

The pastoral lease is to be renewed over an area of 5058,5705 hectares on the following conditions:

- (a) the annual rental for the first eleven years of the new lease is based on 11% of the value of LEI ((c) above) which is \$207 and the yearly rent after the initial period will be calculated at 21% (less one-ninth rebate) of the then LEI and the lease is issued subject to eleven yearly reviews of rent. N.B. Please note that the new annual rental to be effective from 1 July 1987 will be subject to G.S.T.
- (b) the stock limit to be shown in the lease document be set as follows: 1000 sheep plus 10%
- (c) that the Crown retain the right to apply the provisions of Section 58 Land Act 1948 in respect of all rivers and streams in excess of 3 metres in width traversing or forming the boundary of the property subject to legal confirmation in that regard.

In relation to condition (c) of this offer it should be noted in particular that the matter of the application of Section 58 of the Land Act 1948 as it relates to the renewal of pastoral leases is currently the subject of an investigation by the department's legal advisers. Section 56 requires the Crown to reserve from sale or other disposition a strip of land not less than 20 metres in width along (among other things) the banks of all rivers and streams which have an average width of not less than 3 metres. When I have been advised of the full legal implications of this investigation I will advise you further. In the interim however a new lease cannot be issued. If you require a guarantee as to security in order to raise finance please contact me and I will arrange for an "undertaking to issue a renewal lease" to be prepared.

You will see that the attached notices set out full details of the renewal values. Section 132(1) of the Act requires that you notify me within six months of receipt of this letter as to which of the options set out in the notice of values you wish to pursue, an election form also being enclosed for this purpose. I would also point out that pursuant to Section 132(2) if you fail to notify me of which option you wish to elect within the prescribed period, you shall be deemed to have agreed to accept a renewal lease at the rental value and other values set out in the notice.

As a separate matter, I would like to inform you of the department's intention in terms of the 1985 joint NWASCA/LSB destocking and land surrender policy of seeking the exclusion from the lease of those significant areas of Class VIII and severely eroded Class VII land not suitable for pastoral use. This area has been jointly identified by officers of the Department of Lands and Survey and North Canterbury Catchment Board as that part of your leasehold behind the retirement fence, and accordingly, the Department will be seeking the exclusion of this area from the lease at the first available opportunity. I have enclosed a plan of your lease with the area concerned identified. Nothing related to this matter in any way affects your right to a renewal of the total lease area as outlined above, and I do not wish to deny your company of any of your renewal rights. However, should you be willing to surrender the land so identified for exclusion from the lease, the department would accept the surrender of the land as from 31 December 1987 with appropriate adjustments being made to the rental value and annual rent based on the sum of \$8,650 being the value of Land exclusive of Improvements of the residue area after surrender.

Yours faithfully

L.M. KENWORTHY

Commissioner of Crown Lands

Encls.

CPLO OFFICE

Copy for your information.

L.M. KENWORTHY
Commissioner of Crown Lands

#### LAND SETTLEMENT BOARD

#### SUBMISSION TO COMMISSIONER OF CROWN LANDS

#### RENEWAL OF PASTORAL LEASE



FILES H.O. D.O. CASE NO. 86/585

CANTERBURY LAND DISTRICT

LESSEE

RYTON STATION LIMITED (Michael Stuart Mears & others)

RUN NAME

"Mt Olympus"

#### LAND HELD IN LEASE

Run 179 "Mt Olympus" situated in Harper and Coleridge Survey Districts.

5058.5705 hectares. Area

P50

#### LOCATION

Off Harper Road, 140 km west of Christchurch.

#### PARTICULARS OF TENURE

Tenure

Pastoral Lease

Term

33 years from 1/7/54

Expires

30/6/87

Annual Rental

\$80.00

Stock Limit in the Lease 1000 sheep plus 10%

DEEDENTIAL COPY PROVIDED TO (CROWN PROPERTY MANAGEMENT) TRACTOR FOR PURPOSES ASSOCIATED

TH CONTRACT 5027 ONLY. BE FURTHER COPIED, REPRODUCED DISTRIBUTED WITHOUT THE MERMISSION OF LINZ

#### Present Stock Limit

1000 sheep plus 10% Pastoral Lease Leasehold & freehold combined No limit specified.

#### CROWN IMPROVEMENTS

Nil

#### OTHER LAND HELD

907.6495 hectares University of Canterbury leasehold and 443.37 hectares freehold.

#### **PLANS**

An illustrative plan of the property is attached.

#### GENERAL DESCRIPTION

A relatively small, cold, high altitude property at the southern end of the Craigieburn Range overlooking Lake Coleridge near the headwaters of the Rakaia River.

Since 1971 when the retirement fence was completed under a Soil and Water Conservation Run Plan, 97.5% (4933.57 ha) of the property has been retired from grazing leaving only 2.5% (125 ha) able to be grazed.

The retirement land was not surrendered, for when the plan was accepted it was the lessee's wish that the land remain within the lease and be made available for grazing in case of severe drought or an abnormal stress period on the rest of the property.

Since approximately 1948 the Mount Olympus Ski Club have operated a club skifield within the retired area. This is the subject of negotiations for a Recreation Permit with this department.

#### LAND CAPABILITY

Class	Hectares
III	-
ΙV	
V	
VI	87 ha
VII	435 ha
VIII	<u>4536 ha</u>
	5058 ha

There is a Soil and Water Conservation Run Plan in operation on the adjoining freehold and leasehold land.

#### VALUATION

(a) Roll Valuation as at 1/7/85

Value of Improvements	\$ 6,500
Land Value	\$15,000
Capital Value	\$21,500

(b) Valuation for renewal as at 30/6/85 by K.C. Hagan, District Valuer. (Total Area 5058.57 ha)

Value of Improvements	\$ 7,700
Land Exclusive of Improvements	\$13,800 -
Capital Value	\$21,500

(c) Partial valuation for renewal as at 30/6/85.

(On basis of net area of 125 ha after surrender of 4933.5 ha)

Value of Improvements	\$ 5,100
Land Exclusive of Improvements	\$ 8,650
Capital Value	\$13,750

#### FIELD REPORT

No special field report has been undertaken for renewal purposes.

3.

#### 1. Variation to Basic Stock Limitation

No change necessary. The lease will be renewed subject to the existing stock limitation as shown in the lease. The personal stock limitation is to be reviewed at first opportunity.

#### 2. Boundary Adjustments

#### (a) Run Plan

The continued presence of the 4933 ha of retired land as part of the pastoral lease must be questioned in the light of current Land Settlement Board policy.

In 1984 Mt Olympus Pastoral Lease was transferred to the current lessee company. At the time of transfer the company did not wish to surrender the land for it recognised the possibility of recreation potential on the retired area and wished to investigate this further. To-date there have been no developments on this matter.

At purchase the possibility of freeholding the grazed area was discussed but the lessee has taken no further action.

In the letter of approval to the transfer it was made clear to the purchaser that the department was desirous of having the retired land surrendered from the lease and discussions to achieve this would be undertaken at an early opportunity. No discussions have yet taken place.

Should the company still not wish to surrender the Land Settlement Board could consider resumption in terms of Section 117 Land Act 1948.

See folios 222, 232, 234, 237, 239, 241 and 244 for history of retirement and surrender debate.

#### 3. Areas to be Excluded or Protected

This lease falls within the Coleridge Ecological District. However, no PNA programme has been completed as yet. Therefore there are no known areas of ecological, scientific, scenic or geological importance that require protection or exclusion at this stage.

#### LESSEES COMMENTS

The lessees were not interviewed for this report.

#### DISTRICT FIELD OFFICER'S COMMENTS

Even though the lessee has a right of renewal covering present boundaries, it appears nonsensical to me to renew this lease in its entirety. Since 97.5% of the area has been destocked, the logical step is to press for surrender of this portion and renew only 2.5%. Because there is little economic dependance on the pastoral lease this example would make a suitable test case for the Land Settlement Board policy on surrender.

In respect of the valuation for rental assessment no account seems to have been taken of the ski club buildings or roading. It is acknowledged that these improvements belong to neither the lessee nor the lessor but can hardly be ignored on that account.

Obviously with a new retirement boundary survey will be required to define the retirement fence. It would also be appropriate at the same time to refix the bank of the CHIEF SURVEYOR'S COMMENTS ment rence. It would also be appropriate at the same time to relia the bank of the Harper River, the existing NW boundary. The survey method may entail photogrammetry if the retirement fence can be pinpointed on the aerial photography, otherwise survey to Class C standards will have to be used.

Please note that there does not appear to be a Section 58 strip on the Harper River - the appropriate clause should be included in the new lease.

That pursuant to Section 131 of the Land Act 1948, the values for renewal purposes subject to any adjustments that may be required resulting from Recommendation RECOMMENDATIONS 1. 3. below be fixed as follows:

ubj∈ 3. b∈	ect to an elow be f	ixed as follows	5:		\$ 7,700 Nil
	,	- Improvements	- in Pental	Value	\$13,800
(b) (c)	Value of	f Land exclusiv	included in Kents ve of Improvements	66 of	the Land Act

- That the lease be renewed pursuant to Section 66 of the Land Act 1948 on the
  - (a) The annual rental for the first eleven years of the new lease based on  $1\frac{1}{2}\%$ following conditions: of the value of 1(c) above be fixed at \$207, the rental after the initial or the value of 1(c) above be fixed at \$20%, the remtal arter the first period to be  $2\frac{1}{4}\%$  (less one-ninth rebate) of the then land exclusive of improvements and lease to be subject to eleven yearly reviews of rent.
    - (b) The stock limit to be shown in the lease document be set as follows:
  - That the Crown retain the right to apply the provisions of Section 58 Land Act 1948 in respect of all rivers and streams in excess of 3 metres in width traversing or forming the boundary to the property, subject to legal confirmation 3 in that regard.
    - That follow-up action be taken to negotiate the surrender of the 4933.5 hectares of land retired under the Run Plan Agreement entered into with the North Canterbury Catchment Board in terms of the 1985 joint policy on destocking and 4.

Negotiations to be commenced immediately and if lessee does not agree to surren consideration should be given to resume the land pursuant to Section 117 Land surrender. Act 1948.

#### DECISION

Approved/Dectined. ( Dec celso my note hereunder).

Commissioner of Crown Lands 1/10/86

Prepared by:

Checked by:

the context of the 1985 joint describing and land surrender policy. We agreed that this was a straightforward case where the two agencies could, without any further effort, jointly identify the land behind the retirement force as trefared of class VIII fand and severely eroded class VIII land not as the fared of class VIII fand and severely eroded class VIII land not suitable for pastoral use within the pastoral lease that plend be suitable for pastoral use within the pastoral lease that plend be suitabled from the lease.

Interno of their rights the lessee must be offered a renewal of the wester area of the expering lease and be entitled to exercise its options under S. 132 area of the expering lease and be entitled to exercise its options under S. 132 land act 1948. Nevertheless, at the time of notifying the terms of the renewal, the lessee is to be notified as a separate malter.

1. that interms of the font policy, the Department and the NC Calchment. Board have identified the land not suited to pastaral use as the land behind the retirement fence and consequently, the Department will be seeking the exclusion of that area from the lease at the price opportunity.

2 that the Dept. does not wish to deny the lessee any of its rights under the act but, as long as the lessee eccepts the values for versual and is infling to surrender the hand so identified for exclusion from the lesse, the Department to surrender the hand so identified for exclusion from the lesse, the Department would accept the surrender of that hand as from 31 December 1987 with would accept the surrender of that hand as from 31 December 1987 with the appropriate adjustment in rest based on an LEI of \$8650.

Jun am 1/10/86.