

Crown Pastoral Land Tenure Review

Lease name : SHORTLANDS

Lease number : PO 293

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

06

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

File Ref: Po293 Report No: AT2017 Report Date: 26 June 2002
LINZ Ref: 12555
Office of Agent: Alexandra LINZ Case No: Date sent to LINZ: 26/6/02

RECOMMENDATIONS:

- (1) That the Commissioner of Crown Lands or his delegate **note** this Due Diligence Report which has been prepared in accordance with the PRE Tenure Review Assessment Standard.
- (2) That the Commissioner of Crown Lands or his delegate **note** the following incomplete actions which require action by the Manager of Crown Property Contracts.
 - 2.1 The New Zealand Electricity Department was granted the right to establish an easement over the lease for a track to a VHF repeater station subject to a survey and preparation of the easement in 1981 (*folio 332 - see Attachment 2*). This has not been registered on the lease document.
 - 2.2 Murray Paterson applied for the right to install an access track and private repeater site below Mount Nobbler (*near Trig H*) in 1989 (*folio 426 - see Attachment 3*). No file data could be found re any approvals granted but from rough notes on folio 426 it appears the area was inspected by both Landcorp and DoC with no major issues and an arrangement with D Crutchley made. If actually established this easement appears to have no formal approval. No easement has been registered on the lease document.
 - 2.3 A Riley and C Smith applied to site displaced cribs on the lease and obtain freehold. Having been refused, they returned with a sub-lease agreement with the station (*folio 416*). This sublease was approved (*folio 419 - see Attachment 4*). The District Council also granted their consent to the proposal. Whilst investigating illegal dumping of rubbish it was noted that the area for the cribs was not on the area approved. A request that if they wished to proceed to the new area it must first be cleared with the Historic Places Trust (*folio 483*) was made. No further file reference is made on this sublease but the topographical maps show two huts located in that area so it could be assumed that the huts have been established. This sublease has not been registered on the lease document.

- 2.4 In 1994 the Department of Conservation drafted a lease agreement (*folio 26 Volume IV - final copy also contained in Status Check reference 2b*) with the lessee to establish a remote access weather station on a 15 square metre site near Young Road and access to it. The lease was for 3 years with a 17 year 121 day renewal provision. The consent of the CCL was sought, but after some legal argument, he deemed the lease to be under Section 12 of the Reserves Act 1977 and thus not requiring his consent. The site was established and DoC Alexandra confirms the existence and current use of the site. No sub-lease is registered on the lease document.
- 2.5 Three small freehold blocks within the lease boundary (*Sections 16 and 38 Block V, and Section 25 Block VI Kyeburn Survey District*) have no legal road access.

Signed by 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: Shortlands

Location: The lease is located adjacent to the Kyeburn River on the eastern side of the Danseys Pass Road between the Maniototo and North Otago. The lease is run in conjunction with adjoining 1054 ha of freehold land. The homestead is 23 km from Ranfurly, the nearest service centre with Dunedin some 140 km distant.

Lessee: Eric Alexandra Stringer and Philip Anthony Tonkin as to ½ share and David Charles Crutchley as to ½ share.

Tenure: Pastoral lease under the Land Act 1948 and Crown Pastoral Land Act 1998. Pastoral Lease No 293.

Term: 33 years from 1 July 1997 to 1 July 2030.

Annual Rent: \$5,250 (excluding GST).

Rental Value: \$350,000

Date of Next Review: 1 July 2008

Land Registry Folio Ref: OT1D/765

Legal Description: Run 736 situated in Kyeburn and Domet Survey Districts being all the land contained in Instrument of Title OT1D/765

Area: 4997.8677 ha

(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>
Po293-SDN-01	1	141	23/5/1962	235	14/10/1969
Po293-SDN-02	2	236	16/10/1969	438	15/6/1988

Files held by Agent in Alexandra on behalf of LINZ:

<i>File Reference</i>	<i>Volume</i>	<i>First Folio</i>	<i>Date</i>	<i>Last Folio</i>	<i>Date</i>
Po293	3	1	11/12/1988	68	28/4/2000
CON/50213/09 /12555/A-ZNO	4	1	20/2/2001	44	11/10/2001

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

PR1865 over Run 206B and Section 24 Block VI Kyeburn Survey District (*term was for 35 years from 1 March 1939*) was purchased by the Crutchley Brothers in 1946 and run in conjunction with some 2777 acres of adjacent freehold and other temporary leases.

Prior to lease renewal agreement was reached to rationalise a number of blocks (*totalling 122 acres 1 rood 22 perches*) within the lease occupied and grazed without title and to close three roads. These were all incorporated into the proposed pastoral lease offered. Two mining site licence areas of 1 acre each and three small riverbank reserves were excluded from the lease.

The pastoral lease was approved on that basis for 33years from 1 July 1964 and broken period with a stock limitation of 4075 sheep (*including not more than 1875 breeding ewes*) and 75 cattle (*including 35 breeding cows*) but while worked with adjoining freehold an overall limitation of 7250 sheep (*including 3750 ewes*) and 150 cattle (*including 70 breeding cows*). The lease was granted in the name of one brother C J Crutchley.

In advance of the lease issue a personal stock exemption was granted for 4200 sheep (*including not more than 2500 breeding ewes*) and 100 cattle (*including 75 breeding cows*) but while worked with adjoining freehold an overall limitation of 7500 sheep (*including 5300 ewes*) and 250 cattle (*including 200 breeding cows*).

Following the process of road closure a new certificate (*CT 1D/765*) was issued in 1965 and a new description given over all the area as Run 736.with a total area of 12350 acres.

In 1965 an Otago Catchment Board Farm Plan was undertaken involving extensive conservation fencing, cattleproofing, onsite oversowing and windbreaks. No retirement or surrender involved and no legal agreement registered on the lease document.

A personal stock exemption was granted in 1966 for 5300 sheep (*including not more than 3100 breeding ewes*) and 250 cattle (*including 160 breeding cows*) but while worked with adjoining 2578 acres of freehold an overall limitation of 8800 sheep (*including 7000 ewes*) and 450 cattle (*including 350 breeding cows*).

In 1969 C J Crutchley transferred ownership to a trust for his two sons (*C J Crutchley Sons Trust*).

J W B Smith disputed a boundary between his M 952 area of 56 acres in the Kyeburn Riverbed and the lease in 1971. This was resolved by survey.

Mr Crutchley was granted approval to cultivate 81 ha of land in 1973.

Two large additions of boundary cattleproofing works were added to the farm plan program in the mid 1970's.

A personal stock exemption was granted in 1974 for 6000 sheep (*including not more than 3800 breeding ewes*) and 300 cattle (*including 250 breeding cows*) but while worked with adjoining 1044 ha of freehold an overall limitation of 11000 sheep (*including 8500 breeding ewes*) and 700 cattle (*including 300 breeding cows*).

The farm plan was completed in 1975 but an additional windbreak proposal was added in 1977.

The sons trust was wound up in 1977 and ownership transferred to D C and S W Crutchley and C J Crutchley remained the approved manager.

A personal stock exemption was granted in 1977 for 6000 sheep (*including not more than 3800 breeding ewes*) and 300 cattle (*including 250 breeding cows*) but while worked with adjoining 1044 ha of freehold an overall limitation of 11500 sheep (*including 9000 breeding ewes*) and 850 cattle (*including 300 breeding cows*).

Mr Crutchley was granted approval to cultivate 60 ha of land in 1979.

A small over-burn occurred in 1979 but no action was taken.

The partnership was dissolved in 1980 and the Shortlands lease and freehold transferred to the D C Crutchley Trust.

A Rural Bank (*LDEL*) was taken out in 1980.

A personal stock exemption was granted in 1977 for an overall limitation of 12500 sheep (*including 10000 breeding ewes*) and 1000 cattle (*including 350 breeding cows*) as well as approval to cultivate a further 100 ha of land.

The New Zealand Electricity Department was granted the right to establish an easement over the lease for a track to a VHF repeater station subject to a survey and preparation of the easement in 1981 (*folio 332*).

A second stage Catchment Board Farm Plan involving 9 km of erosion control fencing was adopted in 1981. The programme involved no retirement, surrender or de-stocking. A legal agreement was registered on the lease but discharged in 1995.

Approval was granted in 1982 for 65 ha of cultivation and access tracks.

A personal stock exemption was granted in 1983 for 7000 sheep (*including not more than 4500 breeding ewes*) and 400 cattle (*including 300 breeding cows*) but while worked with adjoining 1044 ha of freehold an overall limitation of 14000 sheep (*including 11000 breeding ewes*) and 1200 cattle (*including 300 breeding cows*).

Mr Crutchley applied for reclassification in 1983 but eventually agreed to withdraw the application until the land Settlement Board Policy was clarified.

A personal stock exemption was granted in 1984 for an overall limitation of 16000 sheep (*including 12000 breeding ewes*) and 2000 cattle (*including 300 breeding cows*) subject to a block limit on the Upper Nobbler, Upper Pass Faces and Far Pass Faces of 8000 ewes for 8 weeks with no more than two weeks on each block.

An escaped fire occurred on the Nobbler Block in 1985 resulting in a 3 year de-stocking directive being sent.

In 1989 A Riley and C Smith applied to site displaced cribs on the lease and obtain freehold. Having been refused, they returned with a sub lease agreement with the station (*folio 416*). This sublease was approved (*folio 419*). The District Council also granted their consent to the proposal. Whilst investigating illegal dumping of rubbish it was noted that the area for the cribs was not on the area approved. A request that if they wished to proceed the new area it must first be cleared with the Historic Places Trust (*folio 483*) was made. No further file reference is made on this sublease but the topographical maps show two huts located in that area so it could be assumed that the huts have been established.

Danseys Pass Hotel Limited applied for a recreation permit to develop a tennis court and swimming pool area on the lease across the river from the hotel in 1989. This was converted to a earth disturbance application in the name of Crutchley, which was approved (*folio 427*). Levelling of the 2 ha site caused concern as tailings would be destroyed. D Crutchley was a partner in the hotel venture.

Murray Paterson applied for the right to install an access track and private repeater site below Mount Nobbler (*near Trig H*) in 1989 (*folio 426*). No file data could be found re any approvals granted but from rough notes on folio 426 it appears the area was inspected by both Landcorp and DoC with no major issues and an arrangement with D Crutchley made. If actually established this site would not appear to have been formally approved.

In 1994 the Department of Conservation drafted a lease agreement (*folio 26 Volume IV*) with the lessee to establish a remote access weather station on a 15 square metre site near Young Road and access to it. The lease was for 3 years with a 17 year 121day renewal provision. The consent of the CCL was sought, but after some legal argument, he deemed the lease to be under Section 12 of the Reserves Act 1977 and thus not requiring his consent. The site was established and DOC Alexandra confirms the existence and current use of the site.

Routine burning consent processing was an annual occurrence.

The lease was renewed for 33 years form the 1 July 1997 with annual rent of \$5,250 based on a rental value of \$350,000.

Consent to topdress and sow seed (*renewal of pastures*) on 120 ha was granted in 1999.

Consents to maintain tracks, oversow and topdress and cultivate and establish a "K-line irrigation system" were approved in 2001 as well as a consent to burn which was opposed by DOC on the basis of landscape values.

In 1989 the P N A survey for the Dansey Ecological district was completed and identified a small area around Mount Nobbler on the lease as having botanical values.

(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 1D/765*).

The lease was issued on 1 July 1964 under the Land Act 1948 for a term of 33 years and covered the period from 1 March to 1 July 1964. The lease was renewed for a further 33 years commencing on 1 July 1997.

No non-standard conditions are recorded

Original Lease Stock Limit:

4075 Sheep (*including not more than 1875 breeding ewes*).

75 Cattle (*including not more than 35 breeding cows*).

Personal Stock Exemption (1984):

16000 Sheep (*including not more than 12000 breeding ewes*).

2000 Cattle (*including not more than 300 breeding cows*).

Block limit:

Upper Nobbler, Upper Pass faces and Far Pass Faces of 8000 ewes for 8 weeks with no more than 2 weeks on each block.

Renewals and variations:

976282.1 Memorial renewing the term of the lease registered on 7 October 1999 (*renewing the term for a further period of 33 years commencing on 1 July 1997 and fixing for the first 11 years the annual rent at \$5,250 calculated on a rental value of \$350,000*).

Area adjustments:

None made since issue of current lease.

Original lease area	12350 acres	0 roods	0 perches
Metric total area	4997.8677 ha		

The lease document area is in agreement with the area currently used in agent's files, the Computer Interest Register cover sheet and the Status Check.

A full area reconciliation sheet of area in previous instruments of title and the current lease is contained in the Status Check and no errors could be detected.

Registered interests:***Mortgages:***

5040890.1 Mortgage to Westpac Banking Corporation 11 May 2001.

Other Interests:

852051 Certificate specifying Mining Rights under Section 417 Resource Management Act 1991 – 25 March 1994 (*Right to use and maintain a water race in favour of David Crutchley from Old Hut Creek. Only a small section of the race passes through the lease near Round Hill to supply the freehold flats*).

523796 Electricity agreement pursuant to Section 50 Electricity Act 1968 – 2 October 1979 (*agreement to install electrical lines and recoup the capital cost by annual payments over a 15 year period. This agreement is expired and could be removed from the lease document.*

5D/91 Prospecting licence (*in favour of Aoetea Minerals Limited over 36 ha of land alongside the Kyeburn Diggings Road issued for 2 years on 23 February 1979. Mines Division notified that it had expired in 1982 but as yet it has not been discharged*).

9D/75 Prospecting licence (*n favour of Aoetea Minerals Limited for 2 years over 740 ha on the low hill country of the lease and adjacent freehold land - issued 16 February 1984. Expired.*

9D/75 Prospecting licence (*renewal of 9D/75 for a further 2 year period expiring in 1988. Mines Division notified that it had expired in 1988 but as yet it has not been discharged*).

An unregistered lease of weather recording site to DOC is known to exist.

No Land Improvement Agreement for Farm Plan is registered on the lease.

No Compensation Certificates are registered.

No recreation permits or DoC concessions are currently issued affecting the lease.

(4) Summarise any Government programmes for the lease:

Two Otago Catchment Board Farm Plan programmes have been carried out on the lease between 1965 and 1986. Works involved boundary cattleproofing, conservation fencing, onsite oversowing and top dressing, and windbreaks.

The plans involved no de-stocking, temporary retirement or surrender. The work programmes were all completed. Legal agreements were registered on the lease but discharged in 1995. No issues that could affect tenure review were identified in these programmes.

No Rabbit and Land Management Plan was undertaken on the property.

(5) Summary of Land Status Report:

Copy attached as Schedule A.

5.1 The Pastoral Lease:

The Land Status Report confirms the Crown Land Status under the Land Act 1948 and Crown Pastoral Land Act 1998 subject to Pastoral Lease registered as CIR OT 1D/765.

It records five encumbrances on the lease being:

523796 Electricity agreement pursuant to Section 50 Electricity Act 1968 - 2 October 1979 (*agreement to install electrical lines and recoup the capital cost by annual payments over a 15 year period. This agreement is expired and could be removed from the lease document.*)

5D/91 Prospecting licence (*in favour of Aoetea Minerals Limited over 36 ha of land alongside the Kyeburn Diggings Road issued for 2 years on 23 February 1979. Mines Division notified that it had expired in 1982 but as yet it has not been discharged.*)

9D/75 Prospecting licence (*in favour of Aoetea Minerals Limited for 2 years over 740 ha on the low hill country of the lease and adjacent freehold land, issued 16 February 1984. Expired. Renewed for a further 2 year period expiring in 1988. Mines Division notified that it had expired in 1988 but as yet it has not been discharged.*)

852051 Certificate specifying Mining Rights under Section 417 Resource Management Act 1991 – 25 March 1994 (*right to use and maintain a water race in favour of David Crutchley from Old Hut Creek. Only a small section of the race passes through the lease near Round Hill to supply the freehold flats.*)

Subject to part IVA the Conservation Act 1987

These agree with the lease details section of this report.

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

The Crown retains minerals ownership.

The area is confirmed as 4997.8677 ha. *A full reconciliation of the lease area is contained in the report.*

The Status Check does not identify any recreation permits or DoC concessions on the lease but recognises a part of the lease is subleased to DoC (*small automatic weather site leased for 3 years 1994 - 1997 with term extension, recognised in this report*).

No recorded mining interests noted on the National Mining Index.

A DOC administered recreation reserve adjoining the lease and a marginal strip on the Kyeburn River that is in places is within the lease was identified by a letter from their Christchurch office (*recognised in this report see Section 7 - details of neighbouring Crown or conservation land*).

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

- (a) Note that a optional easement over part Run 736 for access in favour of the Ministry of Energy as shown on SO 21964 have not been created and registered (*recognised in this report – see file search and summary of uncompleted actions*).

5.2 **Other Land** (*five other areas are reported on*):

5.2.1 Section 4 Block V Kyeburn Survey District (*OT 7D/1146*).

A 20.1812 ha freehold area alongside the Kyeburn Diggings Road held by the current lessee of the pastoral lease (*No issues noted*).

5.2.2 Section 19 Block V Kyeburn Survey District (*OT 7D/1150*).

A 127.4481 ha freehold area on the southern boundary of the lease. This is held by the current lessee of the pastoral lease (*only issue noted is it is subject to Section 417 Certificate under the Resource Management Act*).

5.2.3 Section 25 Block VI Kyeburn Survey District (*OT 2D/1249*).

A 4047 sq.m. freehold area within the lease near the Kyeburn River held by a Charles and Sheila MacMurray. This title was created pursuant to Section 18 of the Mining Tenures Registration Act 1962 (*no issues noted*).

5.2.4 Section 16 Block V Kyeburn Survey District (OT 7D/1148).

A 4047 sq.m. freehold area within the lease near the Kyeburn River held by the current lessee of the pastoral lease (*no issues noted*).

5.2.5 Section 38 Block V Kyeburn Survey District (OT 3A/1374).

A 3187 square metre freehold area within the lease near the Kyeburn River held by a Helen Jane Skinner. This title was created pursuant to Section 18 of the Mining Tenures Registration Act 1962 (*no issues noted*).

(6) Review of topographical and cadastral data:

The topographical map shows three water races within the lease. Two arise in mid-catchment of Nobbler Stream and travel westward to terminate near the same old gold workings area near the Kyeburn River. The third is marked arising from an unnamed creek opposite the Danseys Pass Hotel and skirts the foothills heading south for 1.2 km to terminate in another unnamed creek.

The Kyeburn Diggings Road is marked entering the lease for a short section on the south-eastern boundary to travel outside the lease up the Kyeburn valley to the Kyeburn Diggings and Hotel. This road is marked as gravel and appears to be mostly fenced. From there it re-enters the lease to travel to the top of the Danseys Pass as the Danseys Pass road. It is gravel and appears mostly unfenced.

Only two other very short sections of formed road are marked on the southern boundary near the homestead. Young Road links up with the Kyeburn Diggings road via a short section that passes through the lease. McCready road is marked off Young Road for a short distance along the lease southern Boundary. Both of these are marked as gravel.

No other formed roads are shown affecting the property.

Electricity supply pylons cross the lease, alongside the road, from the Kyeburn Diggings to the top of the Danseys Pass.

The internal farm access track system is shown ascending the ridge north of Nobbler Creek to Mount Nobbler where it links with a ridge track that travels north to link with the Danseys Pass road at the pass. This track also goes southward along the range crest and is often outside property boundary. Two other tracks are marked ascending from the Danseys Pass Road on either side of Healy Creek to join the above network.

No transmission sites, are evident within the lease boundary but a repeater site is shown outside the boundary on a unnamed ridge crest north-east of Mount Alexander.

The fenced boundaries appear to approximately follow their legal line in most areas. The Kyeburn boundary, which meanders greatly in the upper area, is fenced on practical lines and has minor variations from its exact legal position.

The lower Kyeburn fenced boundary is across the river and includes freehold land ex Glenshee Station. The lessee appears from files to have occupied this for many years. This area of land between the Kyeburn Diggings road and the legal river boundary is shown on farm maps as Cemetery Paddock and part of Browns River.

No major variation from legal line could be identified on the mountain boundaries.

No huts are shown on the upper hill country of the lease but two huts are marked alongside the Kyeburn opposite German Creek (*in the area of the sub-lease to A Riley and C Smith*) and another two marked very close to or on the freehold Section 38 Block V Kyeburn Survey District - owned by Helen Skinner.

An airstrip is identified just north of the lower Nobbler Stream.

The Cadastral shows a Marginal Strip (*I41052*) exists on Kyeburn River on the western boundary from McCready Raod near the homestead to just above the Kyeburn Diggings, with it sometimes entering the lease. In three places the legal road replaces the marginal strip for short distances. Marginal strips are not identified on any other watercourses within the lease.

The formed legal Kyeburn Diggings road passes through the lease in three sections near the south-western boundary. Above the Kyeburn Diggings this joins with the Danseys Pass road which travels to top of Danseys Pass mostly within the lease very close to the lease boundary.

A legal road is shown from the Danseys Pass summit following the Kakanui Range ridge crest southward for the full eastern length of the lease boundary. This road is sometimes within the lease and sometimes in the neighbouring property. No formed road exists on this line but a farm track follows this approximate line as far south as Mount Nobbler.

McCready Road bounds on the south-eastern boundary of the lease. Topographical maps show only the very lower portion near the homestead is formed.

A unformed extension of Young Road passes through then south western corner of the lease to link up with the Kyeburn Diggings Road.

The three small freehold blocks within the lease boundary (*Sections 16 & 38 Blk V, and Section 25 Blk VI Kyeburn Survey District*) are identified. It is noted that none of these have legal road access marked.

The Proposed and Transitional Central Otago District Scheme Plans have no sites marked or issues that would affect the tenure review process.

(7) Details of neighbouring Crown or Conservation land:

A Conservation Area (*I41051 - Danseys Pass Recreational Reserve of 6 ha*) is adjacent to the lease across the marginal strip and road near the junction of German Creek and the Kyeburn River. This area is identified as having recreational values.

A marginal strip (*I41052*) exists on Kyeburn river on the western boundary to just above the Kyeburn Diggings, with it sometimes entering the lease. In three places the legal road replaces the marginal strip for short distances. Marginal strips are not identified on any other watercourses within the lease.

No other Crown land has been identified within or adjoining the lease.

The PNA survey for the Danseys Ecological district identified a small area around Mount Nobbler on the lease as having botanical values (*RAP10 – 320 ha*). This has no legal standing.

(8) Summary of uncompleted actions or potential liabilities:

- 8.1 The New Zealand Electricity Department was granted the right to establish an easement over the lease for a track to a VHF repeater station subject to a survey and preparation of the easement in 1981 (*folio 332 - see Attachment 2*). This has not been registered on the lease document.
- 8.2 Murray Paterson applied for the right to install an access track and private repeater site below Mount Nobbler (*near Trig H*) in 1989 (*folio 426 - see Attachment 3*). No file data could be found re any approvals granted but from rough notes on folio 426 it appears the area was inspected by both Landcorp and DoC with no major issues and an arrangement with D Crutchley made. If actually established this easement appears to have no formal approval. No easement has been registered on the lease document.
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- 8.4 In 1994 the Department of Conservation drafted a lease agreement (*folio 26 Volume IV - final copy also contained in Status Check reference 2b*) with the lessee to establish a remote access weather station on a 15 square metre site near Young Road and access to it. The lease was for 3 years with a 17 year 121day renewal provision. The consent of the CCL was sought, but after some legal argument, he deemed the lease to be under Section 12 of the Reserves Act 1977 and thus not requiring his consent. The site was established and DOC Alexandra confirms the existence and current use of the site. No sub-lease is registered on the lease document.
- 8.6 The three small freehold blocks within the lease boundary (*Sections 16 and 38 Block V, and Section 25 Block VI Kyeburn Survey District*) have no legal road access.

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

- Danseys Pass Hotel Limited applied for a recreation permit to develop a tennis court and swimming pool area on the lease across the river from the hotel in 1989. This was converted to a earth disturbance application in the name of D Crutchley, which was approved (*folio 427 - see Attachment 5*). No easement or sub-lease has ever been proposed to further this development. The work is thought to have been shelved.
- The lower Kyeburn river fenced boundary is across the river on the road boundary and includes freehold land (*ex Glenshee Station*) which the lessee appears to have occupied for many years. This area of land between the Kyeburn Diggings Road and the legal river boundary is shown on farm maps as "Cemetery Paddock" and part of "Browns River". Ownership status or agreement for this occupation is unknown.
- Three Prospecting Memorials (*5D/91, 9D/75 and its renewal*) have expired and could be discharged.
- A Electricity Agreement (*Memorial 523796*) has expired and could be discharged.
- The cover sheets for the Status Check refer to the pastoral lease number as P 203 whereas it should be P 293. This does not affect the main body of the report.

ATTACHMENTS:

- Schedule A. - Status Check.
- Attachment 1 - Recent Copy of Lease Document OT 1D/765.
- Attachment 2 - Approval of New Zealand Electricity Department easement.
- Attachment 3 - Application for private repeater site - M Paterson.
- Attachment 4 - Approval sub-lease to Riley and Smith.
- Attachment 5 - Earth disturbance approval for hotel tennis court and swimming pool.

SCHEDULE A:

Status Check.

KNIGHT FRANK (NZ) LIMITED

Appendix A

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

LAND STATUS REPORT for SHORTLANDS				<i>[LIPS ref.12555]</i>
Property	1	of	6	

Land District	Otago
Legal Description	Run 736 situated in Kyeburn and Domet Survey Districts.
Area	4997.8677 hectares.
Status	Crown land subject to The Land Act 1948.
Instrument of lease	All CIR OT 1D/765.
Easements	-Prospecting Licence embodied in Register OT 5D/91 - -Electricity Agreement pursuant to Section 50 Electricity Act 1968 No. 523796. -Prospecting Licence embodied in Register OT 9D/75 -Certificate specifying Mining Rights under Section 417 Resource Management Act 1991 No. 825051. -Subject to Part IVA Conservation Act 1987.
Mineral Ownership	Minerals remain with the Crown as the land has never been alienated since its acquisition for settlement purposes from the former Maori owners under The Kemp Deed of Purchase (1848).
Statute	Land Act 1948 & Crown Pastoral Land Act 1998.

Data Correct as at	28 March 2002
[Certification Attached]	Yes

Prepared by	Murray Bradley <i>M. Bradley</i>
Crown Accredited Agent	Knight Frank (NZ) Limited

KNIGHT FRANK (NZ) LIMITED

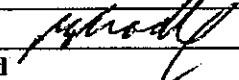
Appendix B

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LAND STATUS REPORT for SHORTLANDS				<i>[LIPS ref.12555]</i>
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Statute	Land Act 1948 & Crown Pastoral Land Act 1998.

Data Correct as at	28 March 2002
[Certification Attached]	Yes

Prepared by	Murray Bradley 
Crown Accredited Agent	Knight Frank (NZ) Limited

Certification:

Pursuant to section 11(1)(1) 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.

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Date 26 / 4 / 2002

Max Warburton, Chief Surveyor
Land Information New Zealand, Dunedin

SHORTLANDS RESEARCH - Property 1 of 3

Notes : This information does not affect the status of the land but was identified as possibly requiring further investigation at the due diligence stage : See Crown Pastoral Standard 6 paragraph 6	NB: We note that the optional easements over part Run 736 for Access in favour of the Ministry of Energy as shown on SO 21964 have not yet been created and registered against the lease.
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LAND STATUS REPORT for SHORTLANDS [LIPS ref.12555]

Property 1 of 6

Research Data: *Some Items may be not applicable*

Property 1 of 6	
SDI Print Obtained	Yes
NZMS 261 Ref	I41.
Local Authority	Central Otago District Council.
Crown Acquisition Map	Kemp Deed of Purchase.
SO Plan	SO 13608 – (1965) – Defines Run 736. SO 21964 – (1986) – Shows plan of easements over Runs 510, 736 and Section 2 SO 25070.
Relevant Gazette Notices	N/A
CT Ref / Lease Ref	All CIR OT 1D/765.
Legalisation Cards	SO 13608 – No legalisation card. SO 21964 – The legalisation card refers to the easements by letter.
CLR	The Crown Land Register records the following: Area : 12,350 acres (4997.8677 ha) CT : 1D/765. SO Plan : 13608. Run 736 previously included Run 206B Kyeburn and Domet Survey Districts and Section 24 Block VI Kyeburn Survey District, Section 9, Block V, Sections 2 and 20, Block VI, P.R. "C" Block V, Water Race Block XI and Closed Roads Blocks V, VI, X and XI, Kyeburn Survey District.
Allocation Maps (if applicable)	A check of the SOE/DOC/UCL Allocation Maps Schedules revealed no allocations within the boundaries of this lease.
VNZ Ref - if known	28310-12300A and B and 28310-12301
Crown Grant Maps	The Crown Grant Map for the Domet and Kyeburn Survey Districts identified Runs 206B and 736.
If subject land Marginal Strip: (a) Type [Sec 24(9) or Sect 58] (b) Date Created (c) Plan Reference	(a) Section 24(9) of The Conservation Act 1987. (Lease renewed for 33 years from 1 July 1997). (b) 1 July 1997. (c) CT No 1D/765.

LAND STATUS REPORT for SHORTLANDS				<i>[LIPS ref.12555]</i>
Property	1	of	6	

Research – continued

Property	1	Of	6	
If Crown land - Check Irrigation Maps.				N/A
Mining Maps				There are no mining interests recorded within the boundaries of the Pastoral Lease in the National Mining Index.
If Road a) Is it created on a Block Plan - Section 43(1)(d) Transit NZ Act 1989 b) By Proc c) Plan No				Crown Grant and Section 110(a) Public Works Act 1928. (a) N/A (b) N/A (c) SO Plan 13608.
Other Relevant Information a) Concessions - Advice from DOC or Knight Frank. b) Subject to any provisions of the Ngai Tahu Claims Settlement Act 1998. c) Mineral Ownership (d) Other Information				(a) DOC have advised that an area of Recreation Reserve is on the boundary of the lease (con unit I41051) and also a marginal strip (con unit I 41052) which in places is located within the lease boundary. There are no concessions over the marginal Strips. DOC also advise that part of the pastoral lease is subleased to DOC (See copy of sub lease attached.) (b) Subject to Part 9 of The Ngai Tahu Claims Settlement Act 1998. (c) Mines and minerals are owned by the Crown because the land has never been alienated since its acquisition for settlement purposes from the former Maori owners under the Kemp Deed of Purchase (1848). Contained in (provide evidence): CT No 337/63 (1/3/1929) being the first lease issued in the Land Transfer Office since the establishment of pastoral runs in the Otago Land District. (d) We note that the optional easements over part Run 736 for Access in favour of the Ministry of Energy as shown on SO 21964 have not yet been created and registered against the lease.

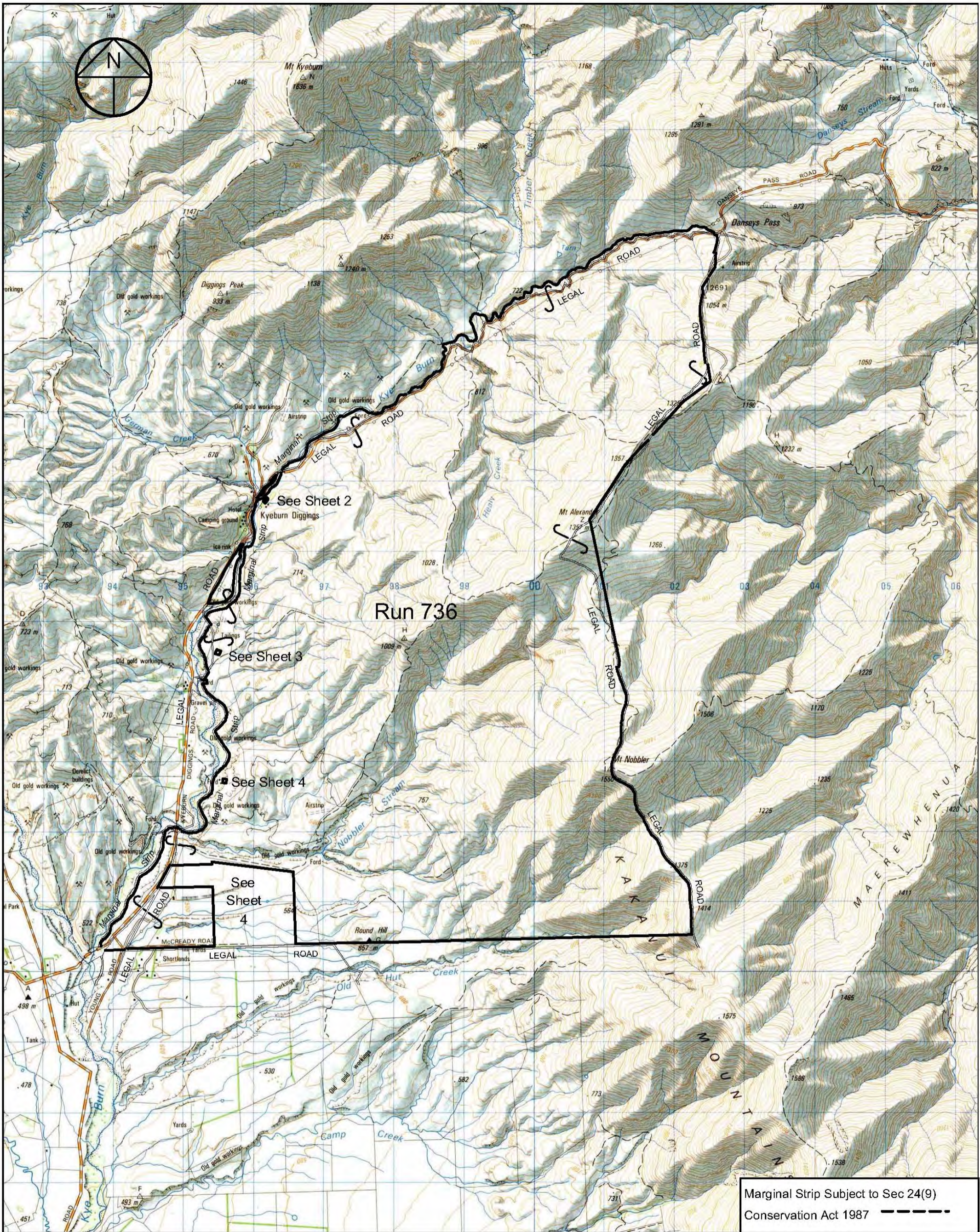
SHORTLANDS PASTORAL LEASE

RECONCILIATION OF AREA IN LEASE

	<u>Acres</u>	<u>Roods</u>	<u>Perches</u>
Run 206B CT 337/63 – (1. 3.1929)	12,220		
Plus, Certificates of Alteration No. X18228 incorporating Section 24 Block VI Kyeburn Survey District into Run 206(B), CT No 337/63. (19.11.1956)	37	0.	30
CT No. 337/63 cancelled and new CT No. 1D/765 issued on 8. 4.1965.			
New Appellation No. 284492 whereby Section 9 and P.R.C. Block V, Sections 2, 20 and 24, Block VI, Water Race Block XI, Closed Roads in Blocks V, VI, X, XI, Kyeburn S.D. and Part Run 206B Kyeburn and Domet Survey Districts is now known as run 736 Kyeburn and Domet Survey Districts (SO 13608) – (9.4.1965).			
Area:	12,350	0.	0 (4997.8677 ha)

AREA AS RECORDED IN PRESENT LEASE

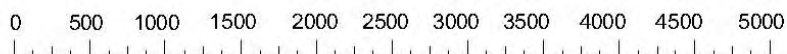
Run 736	CT 1D/765	(8. 4.1965)	
	Area in Acres	:	12,350 Acres (337/63)
	Area in Metric	:	4,997.8677 ha
	Area in CT 1D/765	:	4,997.8677 ha



Certified a true copy of the original status plan

Shortlands

Scale 1:50000



Version	1	2	3	4	5
Otago Land District Topographic map 260 - 141	Sheet 1 of 4 Date:3/02/08				