

Crown Pastoral Land Review of Other Crown Land

Property name: Glenlee

Property number: Om 025

Preliminary Proposal

A Preliminary Proposal is advertised for public submissions as per Section 43 of the Crown Pastoral Land Act 1998.

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

PROPOSAL FOR REVIEW OF CROWN LAND Under Part 3 of the Crown Pastoral Land Act 1998

Date:

Commissioner of Crown Lands:

C/o Manager Land and Property Land Information New Zealand Private Bag 4721 Christchurch 8140

The Land

Legal Description: Run 109A

Area: 5787.0046 hectares more or less

Certificate of Title/Unique Identifier: 129198

Currently Subject to: Nil

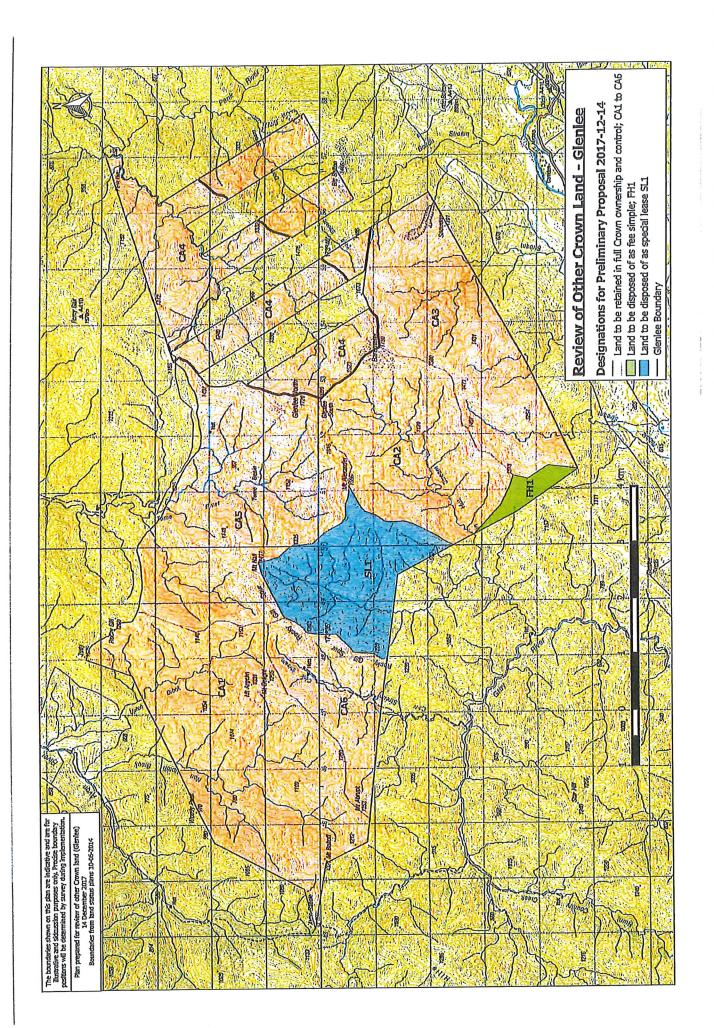
Pastoral Occupation Licence: PL 5840145.1

Expiry Date: 31 December 2008

Summary of Designations

Under this Proposal, the Land is designated as follows:

- (a) Upon the expiry of the Pastoral Occupation Licence or the registration of the Final Plan (whichever is the later), the Crown Land (shown marked in pink on the Plan) is to be restored to, or retained by, the Crown as set out in Schedule One; and
- (b) Upon the expiry of the Pastoral Occupation Licence or the registration of the Final Plan (whichever is the later), the Disposal Land (shown marked in green and blue on the Plan) is to be disposed of under the Land Act 1948 as set out in Schedule Two.



2 Conditions

2.1 This Proposal is subject to the conditions contained in Schedule Three (if any).

3 Registration of Documents

3.1 The Commissioner will lodge all documents necessary to give effect to this Proposal (including, without limitation any easement, covenant, discharge of mortgage, and/or duplicate copy of the Pastoral Occupation Licence).

4 Improvements

- 4.1 Any improvements which currently belong to the holder of the Pastoral Occupation Licence specified in Schedule One and/or Schedule Two (as the case may be) shall remain upon the Crown Land and the Disposal Land respectively.
- 4.2 The Commissioner shall pay compensation to the holder of the Pastoral Occupation Licence in respect of such improvements in accordance with the Act.

5 Fencing

- 5.1 The Commissioner shall, at its cost, erect new fencing approximately along the line marked as such on the Plan (if any).
- 5.2 The Commissioner shall erect the fencing referred to in clause 5.1 according to the specifications in Appendix 1.

6 Survey

6.1 All areas of the Land forming part of this Proposal and delineated on the Plan are approximate and subject to preparation of the Final Plan. The measurements and boundaries of the areas may therefore alter on the Final Plan.

7 Vesting of Crown Land

7.1 The Crown Land will vest in the Crown on the expiry of the Pastoral Occupation Licence or the registration of the Final Plan (whichever is the later).

8 No Representations or Warranties by the Commissioner

8.1 The Commissioner gives no representations or warranties of any nature in respect of the Disposal Land. Without limitation, the Commissioner does not warrant the accuracy of any matter in this Proposal or in any notice, or any correspondence or other information provided by the Commissioner or by any agent, contractor or employee of the Commissioner.

9 Costs

9.1 The Commissioner will meet the costs of the survey (if any) of the Land, including all designation areas, and the Final Plan.

10 Interpretation

10.1 Definitions

In this Proposal unless the context otherwise requires:

Act means the Crown Pastoral Land Act 1998;

Commissioner means the Commissioner of Crown Lands appointed under section 24AA of the Land Act 1948;

Crown Land means the land (including any improvements) set out in Schedule One;

Disposal Land means the land set out in Schedule Two;

Final Plan means the final plan for the Land prepared and submitted by the Commissioner to the Surveyor-General under sections 90 and 62(4)(c) and (d) of the Act;

Improvements has the meaning attributed in section 2 of the Act;

Land means the land subject to the Review described on the front page of this Proposal;

Pastoral Occupation Licence means the pastoral occupation licence described on the front page of this Proposal;

Plan means the plan of the Land showing all designations on page 2 of this Proposal;

Review means the review of the Land being undertaken by the Commissioner under Part 3 of the Act.

Surveyor-General means the Surveyor-General appointed under section 5 of the Cadastral Survey Act 2002;

10.2 Construction of certain references

In this Proposal, unless inconsistent with the context:

- (a) a reference to a certificate of title includes a reference to a computer register;
- (b) words importing a gender include all genders;
- (c) reference to a statute includes reference to all enactments that amend or are passed in substitution for the relevant statute and to all regulations relating to that statute;
- (d) words in the singular include the plural and vice versa;
- reference to a person means an individual, a body corporate, an association of persons (whether corporate or not), a trust or a state or agency of a state (in each case, whether or not having separate legal personality);
- (f) references to sections, clauses, sub-clauses, parts, annexures, attachments, appendices, schedules, paragraphs and sub-paragraphs are references to such as they appear in this Proposal and form part of this Proposal;
- (g) headings are included for ease of reference only and will not affect the construction or interpretation of this Proposal;
- (h) references to obligations includes reference to covenants, undertakings, warranties and, generally, obligations or liabilities of any nature properly arising whether directly or indirectly, under or in respect of the relevant contract, agreement or arrangement;
- (i) all references to times are references to times in New Zealand;
- (j) if the Holder comprises more than one person, each of those person's obligations, as Holder, will be both joint and several.

Schedule One: Provisions relating to the Schedule One Land

1 Details of Designation

1.1 Under this Proposal the land shown marked in pink and marked CA1, CA2, CA3, CA4, CA5 and CA6 on the Plan, being 5249 hectares (approximately), is designated pursuant to section 86(5)(a)(i) of the Act as land to be retained in full Crown ownership and control as conservation area.

2 Schedule One Improvements to remain on the Crown Land

The Teme Basin Hut;

The huts at Cow Stream;

Such fencing as is currently located on the Crown land; and

Stockyards in Teme Basin as are currently located on the Crown land.

Schedule Two: Provisions relating to the Schedule Two Land

1 Details of designation

- 1.1 Under this Proposal the land shown marked in green and marked FH1 on the Plan, being 58 hectares (approximately) is designated pursuant to section 86(5)(b)(ii) of the Act as land to be disposed of in fee simple under the Land Act 1948 subject to:
 - (a) Part IVA of the Conservation Act 1987; and
 - (b) Section 11 of the Crown Minerals Act 1991.
- Under this Proposal the land shown marked in blue and marked SL1 on the Plan, being 480 hectares (approximately) is designated pursuant to section 86(5)(b)(i) of the Act as land to be disposed of by special lease under the Land Act 1948 on terms and conditions similar to those set out at Appendix 2 (subject to final determination by the Commissioner) subject to:
 - (a) Part IVA of the Conservation Act 1987; and
 - (b) Section 11 of the Crown Minerals Act 1991.

2 Schedule Two Improvements to remain on the Disposal Land

Nil

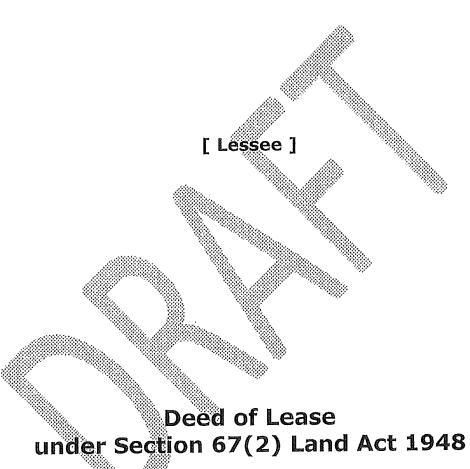
Schedule	Three:	Conditions
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None.

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lease terms and co	

Her Majesty the Queen acting by and through The Commissioner of Crown Lands



Parties

- 1 Her Majesty the Queen acting by and through The Commissioner of Crown Lands ("the Lessor")
- 2 Lessee ("the Lessee")

Background

- A The Lessor has agreed to grant and the Lessee has agreed to accept a lease of the Land pursuant to section 67(2) of the Land Act 1948 ("the Act").
- B The Lessor and the Lessee acknowledge that the purposes of this lease include to:
 - a. Promote the management of the Land in a way that is ecologically sustainable; and
 - b. Recognise that the Land contains significant inherent values, as that term is defined in section 2 of the Grown Pastoral Land Act 1998, and is also capable of economic use subject to some restrictions.
 - c. Subject to a and b the land may be grazed with sheep and cattle subject to the limitations in this lease.

Agreement

- 1 Interpretation
- 1.1 Definitions:

Commencement Date means [];

GST means Goods and Services Tax payable in terms of the Goods and Services Tax Act 1985;

Improvements has the meaning set out in Section 2 Crown Pastoral Land Act 1998.

Land means all that Crown pastoral land comprising [] more or less being ([] Registry) outlined black on the attached plan and subject to and together with the rights, easements, appurtenances and encumbrances attaching thereto;

Lessee means the Lessee, the executors, administrators or successors and permitted assigns or subtenants or licensees of the Lessee and, where not repugnant to the context, includes the employees and agents of the Lessee;

Lessor means the Lessor and her successors and assigns and, where not repugnant to the context, include the employees and agents of the Lessor (including for the purpose of giving notice, any management agent appointed from time to time by the Lessor);

Term means a term of 20 years from and including the Commencement Date created by this lease with no right of renewal.

- 1.2 In this Deed, unless inconsistent with the context:
 - a. words importing a gender include all other genders;
 - reference to a statute includes reference to all enactments that amend or are passed in substitution for the relevant statutes;
 - c. words in the singular number include the plural and vice versa;
 - d. reference to a month means a calendar month;
 - e. reference to a person means an individual, a body corporate, an association of persons (whether corporate or not), a trust, or a state or agency of a state (in each case, whether or not having separate legal personality))
 - f. If the Lessee comprises more than one person, each of those person's obligations as Lessee, shall be both joint and several.

2 Demise

2.1 The Lessor grants and the lessee accepts, subject to the exclusions, reservations and restrictions set out in this lease, a lease of the Land for grazing sheep and cattle for the Term, commencing on the Commencement Date on the terms and conditions set out in this lease.

3 Annual rent and rent reviews

- 3.1 The Lessee shall pay to the Lessor during the first 5 years of the Term an annual rent of \$[] plus GST.
- 3.2 The Lessee shall pay the annual rent to the Lessor without demand, and without any deduction or set-off, by equal half-yearly instalments in advance payable on 1 January and 1 July in each year during the Term, with the first payment together with any balancing payment for any broken period from and including the Commencement Date until 1 January or 1 July following the Commencement Date due on the Commencement Date.

- 3.3 The Lessor shall give written notice to the Lessee not later than three months prior to the 5th anniversary of the Commencement Date specifying the annual rent which the Lessor considers to be the new current market rent payable from such date.
- 3.4 If the Lessee gives written notice to the Lessor within 21 days after receipt of the Lessor's notice that the Lessee disputes that the new annual rent is the current market rent, then the new rent shall be determined by way of a rehearing by the Commissioner of Crown Land pursuant to Section 17 of the Land Act 1948;
- 3.5 If the Lessee fails to give such notice (time being of the essence), the Lessee shall be deemed to have accepted the annual rent specified in the Lessor's notice;
- 3.6 Pending any determination of the new rent, the Lessee shall continue to pay rent in the amount payable immediately prior to the expiration of the preceding term. Upon determination of the new annual rent, an appropriate adjustment will be made.

4 Rates and Expenses

4.1 The Lessee shall fully and punctually pay and discharge all rates, taxes, assessments and outgoings whatsoever that may now or in the future be assessed, levied or payable in respect of the Land, or any part or parts of the Land, during the Term.

5 Permitted Use

5.1 The Lessee shall only use the Land for the Lessee's own use and benefit and solely for the purpose of grazing sheep and cattle.

6 Assignment and Subletting

6.1 The Lessee shall not assign, sublet, charge or otherwise part with possession of the Land or any part of the Land without the previous approval in writing of the Lessor. It shall be a condition of any such approval that any assignee, sub-lessee or other person taking possession of the Land or any part of the Land shall agree to undertake the monitoring referred to in clause 7.3.

7 Good Husbandry and monitoring of impact of grazing

- 7.1 The Lessee shall exercise due care in stocking the Land and shall at all times graze the Land diligently and in a manner according to the rules of good husbandry and the Lessee shall not in any way commit waste.
- 7.2 The Lessee shall check stock distribution on the Land regularly to ensure that:
 - a. all stock are contained within the Land;

- b. there is sufficient feed on the Land to discourage stock from grazing other land; and
- c. stock do not graze the Land to a level resulting in damage to the Land.
- 7.3 The Lessee shall undertake the land and vegetation monitoring requirements set out in the Schedule hereto.

8 Stock Limitations

- 8.1 The Lessee shall only permit or allow a maximum of 100 stock units on an annual equivalent basis. (For the purpose of this clause breeding ewes equate to 1 stock unit, dry sheep 0.7 stock units, breeding cows 6.0 stock units and dry cattle 4.5 stock units.)
- 8.2 Notwithstanding clause 8.1, the Lessee may, with the prior written consent of the Lessor, carry such additional number of sheep and cattle on the Land on such terms and conditions as may be specified in the Lessor's consent and subject to the Lessor's right to revoke or vary such consent at any time.
- 8.3 Notwithstanding clauses 8.1 or 8.2, the Lessor may, by notice in writing reduce the number of sheep and/or cattle allowed on all or any part of the Land on such terms and conditions as may be specified in the Lessor's notice and subject to the Lessor's right to revoke or vary such notice at any time.
- 8.4 The number of stock to be carried will be reviewed concurrently with each rent review based on the information obtained from the vegetation monitoring set out in the Schedule hereto.

9 Maintenance and compliance with legislation

- 9.1 The Lessee shall at all times graze the Land in a manner to promote soil conservation and prevent erosion and shall at all times comply with the Soil Conservation and Rivers Control Act 1941.
- 9.2 The Lessee shall throughout the Term, to the satisfaction of the Lessor, keep the Land free of weeds and pests, in particular but without limitation exotic broom, gorse, wilding tree species and any other species that the Lessor may determine from time to time and shall also comply strictly with the provisions of the Biosecurity Act 1993.
- 9.3 The Lessee shall comply with the provisions of all statutes, ordinances, regulations and by-laws relating to the use of the Land by the Lessee or other occupant and shall also comply with the provisions of all consents, licences, requisitions and notices issued by any competent authority in respect of the Land or the use of the Land by the Lessee or other occupant.

- 9.4 The consent of the Lessor under this lease does not indicate consent under any other Act of Parliament. Any such consents, where required, must also be obtained by the Lessee.
- 9.5 The Lessee shall at all times during the Term keep all buildings, fences, tracks, gates and other structures or Improvements now on the Land, or to be erected on the Land in the future, or on the boundaries of the Land, in good repair, order and condition and the Lessee shall yield up the buildings, fences, gates and other structures or Improvements in such good repair, order and condition at the expiration or sooner determination of this lease.
- 9.6 If any upgrade of an existing fence is required or additional fences are required to give effect to the stock containment requirements in this lease, then the Lessee shall upgrade or effect such fencing at its cost.
- 9.7 The Lessee shall place in prominent positions on any electric fences warning signs advising that the fences are electric.
- 9.8 The Lessor or its officers, servants, workmen or agents, may at all reasonable times enter upon the Land to view and inspect the Land and the improvements on the Land. If the Lesson shall give to the Lessee written notice of any fallure on the part of the Lessee to comply with the Lessee's obligations under this lease, then the Lessee shall, within one month of receipt of such notice, so comply.
- 9.9 The Lessee shall not:
 - a. cut, harm, remove or destroy any tree or shrub or use or remove any gravel or sand on or from the Land or otherwise disturb the surface of the Land or
 - b. burn any vegetation on the land, nor permit any vegetation on the Land to be burned.
- 9.10 The Lessee shall not light any fire save in a properly constructed fireplace and shall strictly observe the requirements of the Forest and Rural Fires Act 1977 and any regulations thereunder.
- 9.11 The Lessee shall not at any time alter the channel of any creek or watercourse of stop or divert the water flowing therein.
- 9.12 Pursuant to the provisions of the Wild Animal Control Act 1977 warranted officers and employees of the Department of Conservation or other authorised persons shall at all times have a right to enter upon the Land for the purposes of determining whether the Land or any adjoining land is infested with deer, wild goats, wild pigs, opossums, or other animals which the Department is charged with the duty of exterminating or controlling, or for the purpose of destroying any such animals, provided that such officers and employees in the performance of the said duties shall at all times avoid undue disturbance of the Lessee's stock.

9.13 The Lessee shall not leave any rubbish or garbage or scrap materials on the Land.

10 No right to minerals or to fee simple

- 10.1 The Lessee shall have no right, title or claim whatsoever to any minerals (within the meaning of the Crown Minerals Act 1991) on or under the surface of the soil of the Land and all minerals are reserved to the Crown pursuant to section 11 of the Crown Minerals Act 1991.
- 10.2 The Lessee shall have no right of acquiring the fee simple estate in respect of the Land.

11 Lessor's rights

11.1 Notwithstanding anything to the contrary, the Lessor reserves the right to set aside any part or parts of the Land to be de-stocked, where in the opinion of the Lessor, the setting aside of such part of parts of the Land is necessary to promote the interests of vegetation or soil conservation or prevention of erosion, with suitable adjustment to the annual rent at the Lessor's discretion.

12 Use of Improvements and Right of others to enter on the Land

- 12.1 Notwithstanding anything to the contrary, in terms of section 67A of the Land Act 1948 the public shall have the right to enter on the Land at all times and from time to time on foot, mountain bike or horse without the consent of the Lessee provided that:
 - a. dogs or firearms shall not be allowed on the Land; and
 - b: all gates must be left as they are found.
- 12.2 The provisions of section 67A of the Land Act 1948 shall apply to the rights under this clause.

13 Lessee to insure improvements

13.1 The Lessee shall at all times during the Term keep and maintain any buildings and improvements on the Land insured to their full replacement and reinstatement value against loss, damage or destruction by fire and such other risks as the Lessor may reasonably require in the names of the Lessor and the Lessee for their respective rights and interests.

14 Default

14.1 If the Lessee:

- a. abandons the Land; or
- b, cannot be found; or

- c. being a company, is dissolved or shall go into liquidation other than for the purposes of reconstruction; or
- neglects or fails or refuses to comply with the covenants and conditions expressed or implied in this lease to the satisfaction of the Lessor; or
- e. makes default for not less than six months in the payment of annual rent or other payments due to the Lessor,

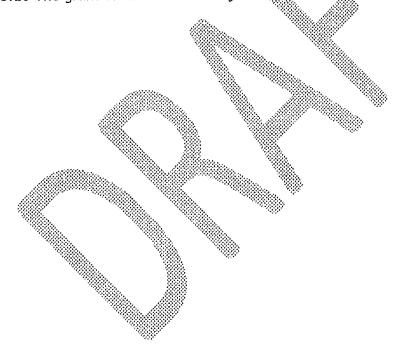
then the Lessor may, subject to the provisions of section 146 of the Act and without prejudice to any other remedies he may have, declare this lease to be forfeited and the term shall terminate forthwith but without prejudice to the rights of either party against the other and without discharging or releasing the Lessee from liability for annual rent or other outgoings due or accruing due or for any prior breach of any covenant or condition of the lease.

15 General

- 15.1 The Lessee shall pay to the Lessor or as the Lessor shall direct the GST payable by the Lessor in respect of the rent and other payments payable by the Lessee under this lease. The GST in respect of the rent shall be payable on each occasion when any rent payment falls due for payment. If the Lessee makes default in payment of rent or other payments under this lease and the Lessor becomes liable to pay additional GST, then the Lessee shall on demand, pay to the Lessor the additional GST.
- 15.2 If the Lessee defaults in payment of the rent or other payments due under this lease for 14 days, then the Lessee shall pay on demand interest at the Westpac prime mortgage rate plus 2% on the unpaid moneys from the due date for payment to the date of actual payment.
- 15.3 The Lessee shall pay the Lessor's reasonable costs of and incidental to the preparation of this lease and any variation or any deed recording a rent review, and the Lessor's legal costs (as between solicitor and client) of and incidental to the enforcement or attempted enforcement of the Lessor's rights, remedies and powers under this lease.
- 15.4 If so required by the Lessor, the Lessee shall execute a variation of this lease to record or give effect to any variation of the terms and conditions of this lease required by the Lessor in accordance with this lease.
- 15.5 No warranty expressed or implied has been or is made by the Lessor that the Land is now or will remain suitable or adequate for use by the Lessee or that any use of the Land by the Lessee will comply with the by-laws, ordinances or other requirements of any authority having jurisdiction.
- 15.6 No waiver or failure to act by either party in respect of any breach by the other shall operate as a waiver of another breach.

- 15.7 Should the Lessee be a company, section 89 of the Act shall apply to all transfers and other dispositions of shares of the Lessee as if such shares were an interest in the Land and no share or shares in the company shall be transferred or otherwise disposed of by any shareholder without the consent of the Lessor.
- 15.8 In the event that this lease is terminated or expires, no compensation shall be payable by the Lessor for any loss of grazing or for any Improvements undertaken by the Lessee.
- 15.9 Notwithstanding any other terms of this lease, this lease is intended to take effect as a lease under section 67(2) of the Act and the provisions of the Act and the Crown Pastoral Land Act 1998 and any regulations made under the Act applicable to such a lease ("the legislation") shall be binding in all respects on the parties in the same manner as if such provisions had been fully set out in this lease. In the event of any conflict between the legislation and the terms of this lease the covenants and conditions implied by the legislation shall prevail.

15.10 The grant of this lease is subject to Part IVA of the Conservation Act 1987.



Execution

Signed for and on behalf of Her Majesty the Queen acting by and through The Commissioner of Crown Lands pursuant to delegated authority by in the presence of:

Witness Signature	
Print Name	
Witness Occupation	
Place of Residence	
race of Residence	
Signed by []	
in the presence of:	
Witness Cignoty	
Witness Signature	
Print Name	
Witness Occupation	. ***
Place of Residence	
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SCHEDULE

MONITORING AGREEMENT

Glenlee Special Lease

Goal:

The purpose of this lease is to provide continued grazing of the land comprised within the lease whilst ensuring conservation values are maintained, particularly patches of beech forest, mixed shrublands and regenerating manuka and kanuka.

Objective of Monitoring Agreement:

The Monitoring Agreement shall provide a record of the condition of the land and vegetation during the course of the lease.

Responsibility:

The Lessee shall be responsible for undertaking this monitoring programme to the satisfaction of the Lessor.

Methods:

The land and vegetation monitoring shall consist of a minimum of the following:

- (1) Records of stock grazing: The Lessee is to maintain a record of stock grazing including:
 - (a) Type of stock, numbers of stock and time and duration of grazing.
 - (b) Notes about disruption of grazing
 - (c) Notes on grazing by feral animals if relevant.

These records are to be available to the Lessor of Lessor's agent at all times and an annual return is to be made by the Lessee by 31 July each year.

(2) Notes on Climate and Season:

The Lessee shall maintain records of the climate, indicating rainfall information and providing brief summary notes on seasonal growth etc. These records are to be available to the Lessor or the Lessor's agent at any time on request

(3) Photographic Record:

The Lessee shall maintain a photographic record of the state of the lease by:

- (a) Taking a series of oblique photographs from three permanently marked photo-points [to be agreed]
- (b) Taking a series of "close up" photographs at three permanently marked sites within each of the areas photographed in (a).

All photographs are to be retaken at the end of March each year. All photographs are to be compiled into a logbook which shall be available to the Lessor and/or Lessor's agent at any time. (4) Vegetation Monitoring:

The Lessee shall arrange to have undertaken by a party acceptable to the Lessor an assessment of the vegetation within the lease. This assessment shall comprise, as a minimum, of the following;

- (a) General description and assessment of the vegetation cover and condition of the land within the lease, particularly in relation to the areas specified in 3(a) above.
- (b) Quantitative measurement of vegetation cover and composition using methods acceptable to the Lessor. This shall comprise, as a minimum, of the following;
 - Assessment of ground cover
 - Frequency of occurrence of species

At three permanently marked sites in the areas specified in 3(a) above.

The precise location of the monitoring sites and the time of sampling shall be agreed upon between the Lessor and Lessee but shall be undertaken during the summer immediately preceding the review date specified in Clause 8.4 of the Special Lease

A full report, including data collected from this assessment and comment on the extent to which the land and vegetation is/is not being adversely affected, shall be made available to the Lessor within three months of undertaking measurement to enable the review specified in Clause 8.4 of the special lease to be completed.



SIGNED by Craig Harris Commissioner of Crown Lands

in the presence of:

Witness

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Address