

Crown Pastoral Land Tenure Review

Lease name: GLEN NEVIS

Lease number: PO 201

Substantive Proposal

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

November 05

Substantive Proposal

relating to

**Tenure Review of Glen Nevis Pastoral Lease
under the Crown Pastoral Land Act 1998**

**Commissioner of Crown Lands acting under
the Crown Pastoral Land Act 1998
(the Commissioner)**

and

**Lachlan James Taylor and Fiona Jillian
Taylor
(the Holder)**

16 December 2002

Important

*It is recommended that the Holder seek legal advice
regarding the effect and consequences of this
Substantive Proposal and the accompanying documents.*

Executive Summary for the Substantive Proposal for the Tenure Review of the Glen Nevis Pastoral Lease under the Crown Pastoral Land Act 1998.

1. Putting of Substantive Proposal

In accordance with the Tenure Review process currently being undertaken by the Commissioner of Crown Lands (the **Commissioner**), the Commissioner puts this Substantive Proposal to the holder of the Glen Nevis Pastoral Lease, being Lachlan James Taylor and Fiona Jillian Taylor (the **Holder**).

2. Substantive Proposal under Crown Pastoral Land Act

This Substantive Proposal is put under the provisions of the Crown Pastoral Land Act 1998 (the **Act**). It takes into account the objects of Part 2 of the Act. This Substantive Proposal relates to the land held under the Holder's Crown pastoral lease granted under the Land Act 1948 (the **Lease Land**).

3. Synopsis of the Substantive Proposal for the Glen Nevis Pastoral Lease

Under this Substantive Proposal the Commissioner proposes the following designations in respect of the Land:

- 4474 hectares (approximately) to be designated as land to be restored to full Crown ownership and control under section 35(2)(a)(i) of the Act as conservation area;
- 2200 hectares (approximately) to be designated as land to be disposed of by freehold disposal to the Holder under section 35(3) of the Act, subject to Part IVA of the Conservation Act 1987, section 11 of the Crown Minerals Act 1991, the Covenant and the Easement as outlined in this Substantive Proposal.

4. Separate Notice

Accompanying, but not forming part of, this Substantive Proposal is a Notice that sets out the proposed amounts that will be payable under this Substantive Proposal.

5. Holder's Acceptance

This Substantive Proposal, when accepted by the Holder, will constitute a contract between the Holder and the Commissioner.

To accept this Substantive Proposal the Holder must:

- sign two "Execution Copies" of this Substantive Proposal where provided in the Execution Section; and

- obtain and have endorsed in the Execution Section the written consent of all persons having an interest in the Land subject to the Tenure Review, as required by clause 14.1 of this Substantive Proposal.

An original signed Execution Copy of this Substantive Proposal must be returned to the Commissioner. The Holder's acceptance of this Substantive Proposal will be irrevocable.

The Holder is to provide a Solicitor's Certificate (in a form satisfactory to the Commissioner) from the Holder's solicitors certifying as to certain matters relating to the Holder's acceptance of this Substantive Proposal.

The original signed Execution Copy of this Substantive Proposal and the completed Solicitor's Certificate is to be delivered by courier or by post to the Commissioner at the following address:

Commissioner of Crown Lands
Land Information New Zealand
Lambton House
160 Lambton Quay
Private Box 5501
Wellington

Attention: Jean Greedy

If the Commissioner does not receive acceptance of this Substantive Proposal within three months of 11 December 2002, the Holder will, under the Act, be deemed to have rejected this Substantive Proposal.

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Execution Section 28

Consent 30

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This **Substantive Proposal** is made on 11 December 2002

between (1) Commissioner of Crown Lands acting under the Crown Pastoral Land Act 1998 (the **Commissioner**)

and (2) Lachlan James Taylor and Fiona Jillian Taylor (the **Holder**).

Introduction

- A. The Holder is the lessee under the Lease.
- B. On the written invitation of the Holder, the Commissioner is undertaking Tenure Review of the Lease Land. The Tenure Review process comprises four stages.
- C. On 24 October 2000 the Commissioner provided the Holder with a draft of the Preliminary Proposal for consultation purposes. The Holder returned a completed Holder's Acknowledgement dated 3 November 2002 relating to the draft of the Preliminary Proposal to the Commissioner. This completed stage one of the Tenure Review.
- D. On 6 March 2001 the Commissioner put the Preliminary Proposal to the Holder under section 34 of the Act. This completed stage two of the Tenure Review.
- E. By letter dated 29 July 2002 the Commissioner provided the Holder with a draft of the Substantive Proposal for consultation purposes. The Holder returned a completed Holder's Acknowledgement dated 10 August 2002 relating to the draft of the Substantive Proposal to the Commissioner. This completed stage three of the Tenure Review.
- F. The Commissioner puts this Substantive Proposal to the Holder as Stage Four of the Tenure Review.

It is declared

1. Interpretation

1.1 Definitions

In this Substantive 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;

Commissioner's Consideration means the amount payable by the Commissioner to the Holder by equality of exchange for the surrender of the leasehold interest in the Lease in relation to the Schedule One Land, as specified in the Notice;

Commissioner's GST Date means the earlier of Settlement Date and the fifth working day before the day on which the Commissioner is due to pay to the Inland Revenue Department all GST payable by the Commissioner in respect of the supply made under this Substantive Proposal;

Conservation Act means the Conservation Act 1987;

Covenant means a conservation covenant created under section 40(2)(b) of the Act, over that part of the Schedule Two Land, being 926 hectares as shaded yellow on the Plan, the terms and conditions of which are specified in the document attached as Appendix Three;

Crown means the Crown as defined in section 2 of the Public Finance Act 1989;

Default GST means any additional GST, penalty or other sum levied against either the Commissioner or the Holder under the GST Act or the Tax Administration Act 1994 by reason of either the Commissioner or the Holder failing to pay GST as required by the Substantive Proposal. It does not include any sum levied against the Commissioner or the Holder by reason of a default by the Commissioner after payment of GST to the Commissioner by the Holder or by reason of a default by the Holder after payment of GST to the Holder by the Commissioner (in each instance, as the case may be);

Default Rate means the floating rate agreement mid-point thirty day bank bill rate as at 10.45 a.m. on Reuters' page BKBM on the date on which the relevant payment becomes due and payable plus 500 basis points and compounded monthly;

Director-General means the Director-General of Conservation and refers to the Director-General's consultative function under the Act;

Draft Preliminary Proposal means the draft of the Preliminary Proposal that the Commissioner provided to the Holder for consultation purposes under the Act on 24 October 2000; and includes all schedules, parts, plans, appendices and annexures attached to that draft of the preliminary proposal;

Draft Substantive Proposal means the draft of this Substantive Proposal that the Commissioner provided to the Holder for consultation purposes under the Act on 29 July 2002, and includes all schedules, parts, plans, appendices and annexures attached to that draft of this Substantive Proposal;

Easement means the Public Access to Conservation Area Easement;

Execution Copies means the two copies of this Substantive Proposal each labelled "Execution Copy";

Execution Section means the section at the end of this Substantive Proposal containing the Commissioner's signature and evidencing the Holder's acceptance of this Substantive Proposal and containing the consent of any person having an interest in the Land;

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

GST means all goods and services tax payable by the Commissioner or the Holder under the GST Act in respect of their respective supplies evidenced by this Substantive Proposal;

GST Act means the Goods and Services Tax Act 1985;

Holder means Lachlan James Taylor and Fiona Jillian Taylor, as tenants in common in equal shares, being lessee of the Lease Land;

Holder's Acknowledgement means, where not inconsistent with the context, the Holder's Acknowledgement that accompanied, but did not form part of, the Draft Preliminary Proposal, the Preliminary Proposal and the Draft Substantive Proposal;

Holder's Consideration means the amount payable by the Holder to the Commissioner by equality of exchange for the freehold of the Schedule Two Land, as specified in the Notice;

Holder's GST Date means the earlier of Settlement Date and the fifth working day before the day on which the Holder is due to pay to the Inland Revenue Department all GST payable by the Holder in respect of the supply made under this Substantive Proposal;

Holder's Payment means the balance of the consideration payable by the Holder to the Commissioner by equality of exchange for the freehold of the Schedule Two Land, as specified in the Notice;

Holder's solicitors means the solicitor, or solicitors, if any, acting for the Holder;

Land means the Lease Land;

Lease means the lease comprised and described in folio number 386/103 (Otago Land Registry) issued under the Land Act 1948, and includes all variations and renewals of that lease;

Lease Land means 6673.6138 hectares being Part Run 354B Lorn, Kingston and South Wakatipu Survey District and Section 38 Block I Kingston Survey District being the land comprised and described in folio number 386/103 (Otago Land Registry) subject to:

- (a) 786047.5 Mortgage; and
- (b) 5263431.1 Exploration Permit

Minister means the Minister of Conservation;

Mortgage means mortgage 786047.5 (Otago Land Registry) registered against the Lease;

Mortgagee means Rural Banking and Finance Corporation of New Zealand Limited, the mortgagee under the Mortgage;

Notice means the notice to the Holder setting out:

- (a) the Holder's Consideration;
- (b) the Commissioner's Consideration;
- (c) the Holder's Payment; and
- (d) when the Holder's Payment will be payable,

which includes amounts proposed to be paid by way of equality of exchange and accompanies this Substantive Proposal, but is not part of this Substantive Proposal;

Plan means the plan of the Lease Land showing all designations, the Easement route and the Covenant, attached as Appendix One;

Preliminary Proposal means the preliminary proposal, that the Commissioner put to the Holder under, and subject to, section 34 of the Act, on 6 March 2001 and includes all schedules, parts, plans, appendices and annexures attached to the preliminary proposal;

Public Access to Conservation Area Easement means an easement to provide public access for persons on foot over that part of the Land marked "a-b" on the Plan, in the form attached as Appendix Two;

Registrar means the Registrar-General of Land appointed pursuant to section 4 of the Land Transfer Act 1952;

RM Act means the Resource Management Act 1991;

Schedule One Land means the 4474 hectares of the Land, divided into two areas being 6 hectares and 4468 hectares respectively, as outlined in Pink on the Plan;

Schedule Two Land means 2200 hectares of the Land, as outlined in Green on the Plan;

Settlement Date means the settlement date defined in clause 9.1;

Solicitor's Certificate means the certificate provided by the Holder's solicitors addressed to the Commissioner, in a form acceptable to the Commissioner, certifying as to certain matters relating to the Holder's acceptance of this Substantive Proposal;

Stage Four of the Tenure Review means the process set out in clause 2;

Substantive Proposal means this substantive proposal that the Commissioner puts to the Holder under, and subject to, section 46 of the Act, and includes all schedules, parts, plans, appendices and annexures attached to this substantive proposal;

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

Tenure Review means the tenure review of the Land being undertaken by the Commissioner under Part 2 of the Act;

Unconditional Date means the date that the Commissioner receives from the Holder an Execution Copy of this Substantive Proposal signed by the Holder and containing the consents of all persons having an interest in the Land to the Holder's acceptance of this Substantive Proposal which results in the acceptance taking effect under section 60(4) of the Act;

working day means a day that is not a Saturday, a Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's birthday, Labour Day, or a day during the period commencing on any Christmas Day and ending with the 15th day of the following January or a day which is a provincial holiday in the place where the obligation is to be performed.

1.2 Construction of certain references

In this Substantive Proposal, unless inconsistent with the context:

- (a) words importing a gender include all other genders;
- (b) reference to a statute includes reference to all enactments that amend or are passed in substitution for the relevant statute;
- (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) references to sections, clauses, sub-clauses, parts, annexures, attachments, appendices, schedules, paragraphs and sub-paragraphs are references to such as they appear in this Substantive Proposal and form part of this Substantive Proposal;
- (g) headings are included for ease of reference only and will not affect the construction or interpretation of this Substantive Proposal;
- (h) all monetary amounts are expressed in New Zealand currency;
- (i) 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;
- (j) all references to times are references to times in New Zealand;
- (k) if the Unconditional Date or the Settlement Date falls on a day that is not a working day, the Unconditional Date or the Settlement Date will be the next working day after the day so nominated; and
- (l) if the Holder comprises more than one person, each of those person's obligations, as Holder, will be both joint and several.

1.3 The illegality, invalidity or unenforceability of any provision in this Substantive Proposal will not affect the legality, validity or enforceability of any other provision.

2. Substantive Proposal

2.1 The Commissioner having:

- (a) considered, under section 47 of the Act:
 - (i) all matters raised by the iwi authority concerned during the consultation on the Preliminary Proposal; and
 - (ii) all written submissions relating to the Preliminary Proposal received by the Commissioner (from any person or organisation) on or before the day specified in the notice given under section 43 of the Act at the address specified in that notice;

- (b) consulted with the Director-General under section 26 of the Act about putting this Substantive Proposal to the Holder;
- (c) obtained the prior written consent of the Minister to this Substantive Proposal; and
- (d) ensured that the Crown has completed all statutory clearance and other actions that the Crown is required to complete in relation to the Lease Land,

put this Substantive Proposal to the Holder under section 46 of the Act.

2.2 Under this Substantive Proposal, the Commissioner designates that the:

- (a) Schedule One Land be restored to full Crown ownership and control as conservation area under section 35(2)(a)(i) of the Act, and the provisions of Schedule One apply to this designation;
- (b) Schedule Two Land be disposed of to the Holder by freehold disposal under section 35(3) of the Act, subject to:
 - (i) Part IVA of the Conservation Act;
 - (ii) Section 11 of the Crown Minerals Act 1991;
 - (iii) the Easement; and
 - (iv) the Covenant,

and the provisions of Schedule Two apply to this designation.

2.3 Notwithstanding any other clause and subject to clause 14, the Schedule Two Land to be disposed of in accordance with clause 2.2(b) may be also subject to the provisions of section 114 of the Land Act 1948.

2.4 This Substantive Proposal is a modified version of the Draft Substantive Proposal.

2.5 This Substantive Proposal is accompanied by a Notice under section 46(4) of the Act.

3. **Conservation Act**

As required by section 24 of the Conservation Act, the Commissioner has notified the Director-General of the disposition of Crown land contemplated by this Substantive Proposal.

4. Acceptance by Holder

- 4.1 The Holder may accept this Substantive Proposal by completing the Execution Section at the end of this Substantive Proposal and returning one original signed Execution Copy of this Substantive Proposal to the Commissioner. The original signed Execution Copy of this Substantive Proposal must be delivered by courier or by post to the Commissioner at the following address:

Commissioner of Crown Lands
Land Information New Zealand
Lambton House
160 Lambton Quay
Private Box 5501
Wellington

Attention: Jean Greedy

- 4.2 The Holder must arrange for the Mortgagee and any other person having an interest in the Lease Land to consent to the Holder's acceptance of this Substantive Proposal as required by clause 14.1 of this Substantive Proposal. These consents must be endorsed in the Execution Section of the Execution Copy of this Substantive Proposal that is to be returned to the Commissioner.
- 4.3 Under section 60(5) of the Act, the Holder's acceptance of this Substantive Proposal is irrevocable and has the effect as an irrevocable authority to, and obligation on, the Commissioner to take the appropriate actions required by Part 2 of the Act. The Holder's acceptance of this Substantive Proposal constitutes a binding contract between the Commissioner and the Holder.
- 4.4 The Holder must procure the Holder's solicitors to provide the Solicitor's Certificate and the Holder must return the executed Solicitor's Certificate to the Commissioner with the Execution Copy of this Substantive Proposal (signed by the Holder and including the written consents of all the persons referred to in clause 4.2).
- 4.5 If the Commissioner does not receive the Execution Copy of this Substantive Proposal referred to in clause 4.1 (signed by the Holder and including the written consents of all the persons referred to in clause 4.2) within three months of the Commissioner putting this Substantive Proposal to the Holder, then the Holder is deemed to have rejected this Substantive Proposal.
- 4.6 The Holder acknowledges that:
- (a) under section 61(4) of the Act, every person who, after the notice referred to in clause 5.2 has been registered, acquires an estate or interest in the Land, will be bound by the Holder's acceptance of this Substantive Proposal to the same extent as the Holder; and

(b) under section 61(5) of the Act, if a person acquires an estate or interest in the Land:

- (i) after the Holder has accepted this Substantive Proposal; and
- (ii) before the notice referred to in clause 5.2 has been lodged for registration,

then Part 2 of the Act has effect as if the Holder had rejected this entire Substantive Proposal.

5. Implementation of Substantive Proposal

5.1 If:

- (a) the Holder accepts this Substantive Proposal in accordance with clause 4; and
- (b) the acceptance has taken effect under section 60(4) of the Act,

then the parties will proceed to implement this Substantive Proposal in accordance with clauses 5.2 – 5.16.

5.2 Under section 61 of the Act, once the Commissioner receives the Execution Copy of this Substantive Proposal completed by the Holder and containing the requisite consents, the Commissioner must sign and forward to the Registrar a written notice of the Holder's acceptance of this Substantive Proposal, describing this Substantive Proposal in general terms.

5.3 Under section 61 of the Act, the Registrar must register the notice referred to in clause 5.2 against every instrument of title to the Lease Land to which this Substantive Proposal relates.

5.4 Under section 62 of the Act, once the Holder's acceptance of this Substantive Proposal takes effect, the Commissioner must give the Surveyor General written notice of the Holder's acceptance, attaching a copy of this Substantive Proposal.

5.5 Under section 62 of the Act, as soon as is practicable after receiving the Commissioner's notice referred to in clause 5.4, the Surveyor General must:

- (a) determine whether any of the Lease Land needs to be surveyed before this Substantive Proposal can be given effect to; and
- (b) give the Commissioner written notice:
 - (i) of the Lease Land or parts of the Lease Land (including, but not limited to, all Easement areas) that need to be surveyed; or

(ii) that none of the Lease Land needs to be surveyed.

5.6 Under section 62 of the Act, if the Commissioner is notified by the Surveyor General that any of the Lease Land needs to be surveyed, the Commissioner is to have it surveyed, and to have a plan or plans of it prepared and approved under the Cadastral Survey Act 2002.

5.7 Under section 62 of the Act, once the Commissioner:

(a) has complied with clause 5.6; or

(b) has been notified that none of the Lease Land needs to be surveyed,

the Commissioner must prepare a Final Plan of the Lease Land to which this Substantive Proposal relates, showing the various areas to which it relates, and in respect of each area giving:

(a) a legal description; and

(b) its designation by this Substantive Proposal;

submit two copies of the Final Plan to the Surveyor General.

5.8 Under section 63 of the Act, if (and only if) the Surveyor General is satisfied that:

(a) the boundaries of the various areas shown on the Final Plan submitted under clause 5.7 are, in light of any discovered imprecisions in the boundaries shown or described in the accepted Substantive Proposal concerned, as close as may reasonably practicably be achieved to the boundaries shown or described in this Substantive Proposal; and

(b) to the extent allowed by the position of the boundaries shown on the Final Plan:

(i) the areas they define; and

(ii) the designations of those areas,

accurately reflect this Substantive Proposal,

the Surveyor General must sign and date on both copies of the Final Plan a written notice approving it for the purposes of the Act, and return one copy of the Final Plan to the Commissioner.

5.9 Under section 64 of the Act, once the Commissioner receives the approved Final Plan, the Commissioner must lodge the Final Plan and a copy of this Substantive Proposal with the Registrar, and the Registrar must register

them against every instrument of title to the Lease Land to which the Final Plan and this Substantive Proposal relate.

- 5.10 Under sections 65 and 69 of the Act, upon registration of the Final Plan and this Substantive Proposal under section 64 of the Act:
- (a) the Schedule One Land will be restored to full Crown ownership and control as conservation area;
 - (b) subject to clause 5.15, the Commissioner will dispose of the Schedule Two Land to the Holder (subject to the encumbrances specified in paragraph 1.1 of Schedule Two) under the provisions of the Land Act 1948 by requesting that the Surveyor General issue a certificate under section 116 of the Land Act 1948 to the Registrar and that the Registrar issue a certificate of title for the Schedule Two Land in the name of the Holder.
- 5.11 The Schedule One Land will vest in the Crown freed and discharged from all mortgages, charges, claims, estates and interests.
- 5.12 The Commissioner will meet the costs for the survey (if any) of the Lease Land, including all designation areas, the Final Plan and for a certificate of title to issue for the Schedule Two Land.
- 5.13 The Lease will remain in force until a certificate of title is issued for the Schedule Two Land, and at this time the Lease will, under section 69(2) of the Act, be deemed to be surrendered in respect of the Lease Land.
- 5.14 Following registration of the Final Plan and this Substantive Proposal, the Commissioner must promptly:
- (a) prepare execution documents for the Covenant and the Easement in the forms attached to this Substantive Proposal and forward the execution documents to the relevant parties to be signed;
 - (b) under section 80 of the Act, agree with the Minister that the Minister should acquire the Easement and create the Covenant on the terms and conditions specified in this Substantive Proposal and the Minister must sign the execution copies of the Easement and the Covenant and return these to the Commissioner;
 - (c) sign the execution documents for the Easement and the Covenant; and
 - (d) lodge the documents for the Easement and the Covenant for registration at the Otago Land Registry once the documents are signed (as the case may be) by the Commissioner, the Holder and the Minister.
- 5.15 Notwithstanding any other provision in this Substantive Proposal, the Commissioner will not request that the Surveyor General issue a certificate under clause 5.10(b) unless and until:

- (a) the Commissioner has received the Holder's Payment from the Holder under clause 11.1, and the Commissioner has received all other money payable by the Holder under this Substantive Proposal;
- (b) the Holder has provided to the Commissioner the duplicate of the Lease (if the Holder has this document) and the Holder has signed and returned to the Commissioner any documents reasonably required by the Commissioner to be signed by the Holder to give effect to this Substantive Proposal; and
- (c) the Holder has procured the Mortgagee's execution of a registrable discharge of the Mortgage and, if required by the Mortgagee, the Holder has executed registrable new mortgage documents and if the Mortgagee holds the duplicate of the Lease, the Holder has procured that Mortgagee to allow the Holder to provide the Lease to the Commissioner and the Holder has provided these documents to the Commissioner.

5.16 Subject to clause 5.15, the Commissioner will lodge the Easement, the Covenant, the discharge of the Mortgage, the duplicate of the Lease, and any new mortgage documents at the Otago Land Registry, to be registered against the certificate of title to be issued under the Land Transfer Act 1952 for the Schedule Two Land, so that the certificate of title for the Schedule Two Land will issue subject to the Easement, the Covenant and any new mortgage. The new mortgage will be registered after the Easement and the Covenant are registered.

6. Commissioner's considerations

6.1 Under section 25 of the Act, in acting under Part 2 of the Act, the Commissioner must (to the extent that those matters are applicable), take into account:

- (a) the objects of Part 2 of the Act;
- (b) the principles of the Treaty of Waitangi; and
- (c) in acting in relation to land used or intended to be used by the Crown for any particular purpose, that purpose.

6.2 Under section 25 of the Act, in acting under Part 2 of the Act in relation to any part of the Lease Land, the Commissioner must take into account the objects of Part 2 of the Act in the light of:

- (a) their application to all of the Lease Land held under the Lease; rather than
- (b) their application to that part of the Lease Land alone.

7. Discontinuance of Tenure Review

Under section 33 of the Act, at any time before the Holder accepts this Substantive Proposal, in accordance with clause 4, the Commissioner:

- (a) may discontinue the Tenure Review; and
- (b) must discontinue the Tenure Review if asked in writing by the Holder to do so.

8. Survey

- 8.1 All areas of the Lease Land forming part of this Substantive Proposal and delineated on the Plan are approximate and subject to preparation of the Final Plan and, therefore, the measurements of the areas may alter on the Final Plan.
- 8.2 No error, misdescription or amendment of any part of the Lease Land will annul, vary, or derogate from the Draft Preliminary Proposal, the Preliminary Proposal, the Draft Substantive Proposal, this Substantive Proposal, or the Holder's acceptance of this Substantive Proposal.
- 8.3 For the avoidance of doubt, the Holder will not be entitled to cancel or withdraw its acceptance of this Substantive Proposal, nor will the Holder, or any successor in title of the Holder or any party with an interest in the Schedule Two Land, be entitled to payment of any compensation, should any area of the Lease Land on the Final Plan have a different measurement to the area specified in this Substantive Proposal.
- 8.4 The Commissioner does not warrant that any existing fence is erected on any boundaries of the Lease Land or any part of the Lease Land as outlined on the Plan or the Final Plan.

9. Settlement

- 9.1 The Settlement Date for the disposal of the Schedule Two Land to the Holder by freehold disposal will be the day that is five working days following the day that the Final Plan and a copy of this Substantive Proposal are registered at the Otago Land Registry under section 64 of the Act.
- 9.2 Notwithstanding when Settlement Date occurs, until a certificate of title issues for the Schedule Two Land, the Holder will duly and punctually comply with all obligations on its part under the Lease, and the Lease will remain in full force and effect.
- 9.3 (a) Rent paid or payable under the Lease for the Schedule Two Land will be apportioned on the Settlement Date as at the date that a certificate

of title issues for the Schedule Two Land and either deducted from or added to (as the case may be) the amount required to settle.

- (b) Rent payable under the Lease for the Schedule Two Land from the Settlement Date to the date a certificate of title issues for the Schedule Two Land shall bear the same proportion to the total rent payable under the Lease as the Schedule Two Land area bears to the total area of the Lease Land.
- (c) Any apportionments for rent for the Schedule Two Land for the period between the Settlement Date and the date that a certificate of title issues for the Schedule Two Land will be estimated by the Commissioner in its settlement statement. Following the date that a certificate of title issues for the Schedule Two Land, the Commissioner will undertake a final apportionment and either the Commissioner will refund to the Holder, or the Holder will pay to the Commissioner any additional amounts due because of the final apportionment.

9.4 Rent paid or payable under the Lease for the Schedule One Land will be apportioned (on a pro rata basis) on the Settlement Date as at the Settlement Date and either deducted from or added to (as the case may be) the amount required to settle.

- 9.5
- (a) All rates, levies, and all other incomings and outgoings and other charges receivable from or charged upon the Schedule Two Land will, unless otherwise agreed by the parties, be apportioned on the Settlement Date as at the date that a certificate of title issues for the Schedule Two Land.
 - (b) The rates, levies, incomings, outgoings and other charges described in this clause 9.5 payable in respect of the Schedule Two Land from the Settlement Date to the date a certificate of title issues for the Schedule Two Land shall bear the same proportion to the total charges payable in respect of the Lease Land as the area of the Schedule Two Land bears to the total area of the Land. The appropriate payments, if any, will be made on the Settlement Date by the Commissioner and the Holder, as the case may be.
 - (c) Any apportionments for rates, levies, and all other incomings and outgoings and other charges receivable from or charged upon the Schedule Two Land for the period between the Settlement Date and the date that a certificate of title issues for the Schedule Two Land will be estimated by the Commissioner in its settlement statement. Following the date that a certificate of title issues for the Schedule Two Land, the Commissioner will undertake a final apportionment and either the Commissioner will refund to the Holder, or the Holder will pay to the Commissioner any additional amounts due because of the final apportionment.

9.6 All rates, levies and all other incomings and outgoings and other charges receivable from or charged upon the Schedule One will be apportioned (on a

pro rata basis in respect of the Lease Land if they cannot be separately assessed) on the Settlement Date as at the Settlement Date and either deducted from or added to (as the case may be) the amount required to settle.

- 9.7 From the date that a certificate of title is issued for the Schedule Two Land, under section 69(2) of the Act, the Lease is deemed to be surrendered and subject to clause 9.8, the Commissioner releases and discharges the Holder from the performance and observance of all covenants, conditions and obligations under the Lease.
- 9.8 The release and discharge in clause 9.7 is without prejudice to the rights, remedies and powers of the Commissioner contained in the Lease and will not release or discharge the Holder from any liability under the Lease arising prior to the date that the certificate of title for the Schedule Two Land is issued or under any statute or by any reason where such liability is due to the fault of the Holder.
- 9.9 As from the date that the Final Plan and this Substantive Proposal are registered, the Holder will not have any estate, right or claim against any of the land, improvements, fencing, buildings, structures, fixtures, fittings or chattels on the Schedule One Land. The Holder will not be entitled to any compensation for any of its improvements, fencing, buildings, structures, fixtures, fittings or chattels which are on the Schedule One Land, on the date that the Final Plan and this Substantive Proposal are registered.
- 9.10 The Holder must comply with the Commissioner's requirements for the implementation and settlement of the Tenure Review contemplated by this Substantive Proposal. These requirements may involve procuring the Holder's solicitors to provide the Commissioner with a solicitor's certificate (in a form satisfactory to the Commissioner, in its reasonable opinion) relating to such matters as the execution and registrability of any new mortgage in favour of the Mortgagee.

10. GST

- 10.1 If:
- (a) the Holder has accepted this Substantive Proposal in accordance with clause 4; and
 - (b) the acceptance has taken effect under section 60(4) of the Act,
- then clauses 10.2 - 10.7 apply and will form part of this Substantive Proposal.
- 10.2 The Commissioner and the Holder warrant to each other that they are registered for GST purposes.
- 10.3 On the working day following the Unconditional Date, the Commissioner will provide to the Holder a GST invoice in respect of the supply evidenced by the

Holder's Consideration. The invoice will specify the Commissioner's GST Date.

- 10.4 The Holder will pay GST on the Holder's Consideration to the Commissioner by bank cheque on the Commissioner's GST Date, time being of the essence.
- 10.5 On the working day following the Unconditional Date, the Holder will provide to the Commissioner a GST invoice in respect of the supply evidenced by the Commissioner's Consideration. The invoice will specify the Holder's GST Date.
- 10.6 The Commissioner will pay GST on the Commissioner's Consideration to the Holder on the Holder's GST Date, time being of the essence.
- 10.7 Where any GST is not so paid to the Commissioner or to the Holder (as the case may be), the Holder will pay to the Commissioner, or the Commissioner will pay to the Holder (as the case may be), upon demand and together with the unpaid GST:
- (a) interest, at the Default Rate, on the amount of the unpaid GST and which will accrue from the Commissioner's GST Date or the Holder's GST Date (as the case may be) until the date of payment of the unpaid GST; and
 - (b) any Default GST.

11. Holder's Payment

- 11.1 By 3.00 p.m. on the Settlement Date, the Holder must pay the Holder's Payment and all other money payable to the Commissioner or the duly appointed agent of the Commissioner in cash or by bank cheque without set-off or deduction in accordance with the settlement requirements of the Commissioner.
- 11.2 If the Holder fails to pay the Holder's Payment or any part of it or any other money to the Commissioner or to the duly appointed agent of the Commissioner on the Settlement Date then clause 12 will apply.

12. Default

If from any cause whatever (save the default of the Commissioner) all or any part of the Holder's Payment or any other money payable by the Holder to the Commissioner is not paid on the due date:

- (a) the Holder will pay to the Commissioner interest at the Default Rate on all or the part of the Holder's Payment or any other money payable by the Holder to the Commissioner so unpaid from the due date until payment in full; and

- (b) the Commissioner's rights under this clause 12 are without prejudice to any other rights or remedies available to the Commissioner at law or in equity.

13. **Lowest price**

- 13.1 The Holder's Consideration does not include any capitalised interest and the parties agree that the "lowest price" for the purposes of valuing the Schedule Two Land under section EH 48(3)(a) of the Income Tax Act 1994 is equal to the Holder's Consideration.
- 13.2 The Commissioner's Consideration does not include any capitalised interest and the parties agree that the "lowest price" for the purposes of valuing the Schedule One Land under section EH 48(3)(a) of the Income Tax Act 1994 is equal to the Commissioner's Consideration.

14. **Consents**

- 14.1 Under section 60(4) of the Act the Holder must obtain the written consent to the Holder's acceptance of this Substantive Proposal from all persons having an interest in the Lease Land (other than the Holder), including, but not limited to:
 - (a) the Mortgagee;
 - (b) any other person that the Commissioner reasonably believes has an interest in the Lease Land or who the Holder reasonably believes has an interest in the Lease Land.
- 14.2 In addition to obtaining the consents of the persons outlined in clause 14.1, the Holder must also obtain:
 - (a) all corporate consents; and
 - (b) if required, consent under the Overseas Investment Act 1973 and the Overseas Investment Regulations 1995,necessary for the Holder to accept this Substantive Proposal.
- 14.3 The Holder will procure the Mortgagee to execute a registrable discharge of the Mortgage and, if required by the Mortgagee, the Holder will execute registrable new mortgage documents and forward these to the Commissioner to be registered at the same time as the certificate of title for the Schedule Two Land issues.
- 14.4 The Commissioner will provide the Mortgagee with an undertaking that, subject to the provisions in clause 5.15 being satisfied, it will register the discharge of the Mortgage and register the new mortgage against the

certificate of title for the Schedule Two Land at the same time as the certificate of title for the Schedule Two Land issues.

15. Access and stock

- 15.1 The Commissioner will give, and the Holder will take, vacant possession of the Schedule Two Land on the Settlement Date.
- 15.2 The Holder will not, from and including the Settlement Date, enter on, pass through, or use or permit to be entered on, passed through, or used, the Schedule One Land for any purpose.
- 15.3 The Holder will not, from and including the Settlement Date, permit any of the Holder's stock to enter onto or graze on the Schedule One Land.
- 15.4 The Holder's stock may from time to time stray onto the Schedule One Land. If such straying occurs, the Holder will, at its own cost, remove the stock within a reasonable time after the Holder becomes aware of the straying or after being requested by the Minister to remove the straying stock.

16. Costs

The Holder is responsible for all costs the Holder incurs in respect of and incidental to the Tenure Review. In particular, but without limitation, the Holder shall bear all its costs in relation to the review of all documentation forming part of the Tenure Review (including this Substantive Proposal), and all professional advice provided to or sought by the Holder.

17. No nomination or assignment

- 17.1 The Holder is currently the lessee under the Lease.
- 17.2 The Holder is not entitled to, and is expressly prohibited from:
- (a) nominating another person to perform the Holder's obligations under this Substantive Proposal; or
 - (b) assigning to another person the Holder's interest (or any part) under this Substantive Proposal.

18. General

- 18.1 Each provision of this Substantive Proposal will continue in full force and effect to the extent that it is not fully performed at the Settlement Date.
- 18.2 The Commissioner and the Holder will sign and execute all deeds, agreements, schedules and other documents and do all acts and things as

may be reasonably required by the other to effectively carry out and give effect to the terms and intentions of this Substantive Proposal.

18.3 This Substantive Proposal is governed by, and must be construed under, the laws of New Zealand and the Commissioner and the Holder irrevocably submit to the jurisdiction of the New Zealand courts or other New Zealand system of dispute resolution.

18.4 In relation to notices and other communications under this Substantive Proposal:

(a) each notice or other communication is to be in writing, and sent by facsimile, personal delivery or by post to the addressee at the facsimile number or address, and marked for the attention of the person or office holder (if any), from time to time designated for that purpose by the addressee to the other party. The initial facsimile number, address, person or office holder (if any) for each party is specified in clause 18.4(c);

(b) no communication is to be effective until received. A communication will be deemed to be received by the addressee:

(i) in the case of a facsimile, on the working day on which it is despatched or, if despatched after 5.00 p.m. on a working day or, if despatched on a non-working day, on the next working day after the date of dispatch;

(ii) in the case of personal delivery (including, but not limited to, courier by a duly authorised agent of the person sending the communication), when delivered; and

(iii) in the case of a letter, on the fifth working day after mailing; and

(c) the initial address details for the Commissioner and the Holder are:

The Commissioner:

Commissioner of Crown Lands
c/- The Manager
DTZ
43 Tarbet Street
ALEXANDRA

Fax No.: 03 448 9099

The Holder:

LJ and FJ Taylor
Glen Nevis
PO Box 16
KINGSTON
SOUTHLAND

18.5 This Substantive Proposal and the Notice:

(a) constitute the entire understanding and agreement between the Commissioner, the Crown and the Holder in relation to the Tenure Review; and

(b) supersede and extinguish all prior agreements and understandings between the Crown, the Commissioner and the Holder relating to the Tenure Review.

18.6 For the avoidance of doubt, neither the Draft Preliminary Proposal, nor the Preliminary Proposal nor the Draft Substantive Proposal, constitutes or could constitute a binding agreement between the parties.

Schedule One: Provisions relating to the Schedule One Land

1. Details of Designation

- 1.1 Under section 35(2)(a)(i) of the Act, the Schedule One Land will be designated as land to be restored to full Crown ownership and control as conservation area.
- 1.2 Subject to the Holder accepting this Substantive Proposal in accordance with clause 4 and that acceptance taking effect under section 60(4) of the Act, the Commissioner will implement the designation of the Schedule One Land (as envisaged by clause 5 of this Substantive Proposal).

Schedule Two: Provisions relating to the Schedule Two Land

1. Details of designation

1.1 Under section 35(3) of the Act, the Schedule Two Land will be disposed of by freehold disposal to the Holder subject to:

- (a) Part IVA of the Conservation Act;
- (b) Section 11 of the Crown Minerals Act 1991;
- (c) the Covenant; and
- (d) the Easement.

The disposal of the Schedule Two Land to the Holder may also be subject to the provisions of section 114 of the Land Act 1948.

1.2 Subject to the Holder accepting this Substantive Proposal in accordance with clause 4 and that acceptance taking effect under section 60(4) of the Act, and subject to clause 5.15, the Commissioner will implement the designation of the Schedule Two Land (as envisaged by clause 5 of this Substantive Proposal).

1.3 The Easement and the Covenant are protective mechanisms as defined in the Act.

2. Holder's acknowledgements

If the Holder accepts this Substantive Proposal in accordance with the provisions set out in clause 5 and that acceptance takes effect under section 60(4) of the Act, the Holder acknowledges that:

- (a) it is obtaining the freehold in the Schedule Two Land to be disposed of to the Holder:
 - (i) "as is", solely in reliance on its own investigations and judgement; and
 - (ii) not in reliance on any representation or warranty made by the Commissioner, its employees, agents or any other person or persons directly or indirectly associated with the Commissioner;
- (b) the Holder has carried out all inspections of the Schedule Two Land which the Holder considers necessary to satisfy itself as to the condition of the Schedule Two Land;

- (c) the Holder, at its cost, is entirely responsible for all work to ensure that the Schedule Two Land complies with:
 - (i) the RM Act and its amendments and regulations; and
 - (ii) any rule in any plan, resource consent or other requirement issued under the RM Act, and

the Holder hereby indemnifies and will indemnify the Commissioner against all losses, damages and expenses incurred by the Commissioner and against all claims made against the Commissioner in respect of any work or costs for which the Holder is liable under this paragraph 3; and

- (d) nothing in the Draft Preliminary Proposal, the Preliminary Proposal, the Draft Substantive Proposal or this Substantive Proposal is affected by, and the Commissioner has no liability of any nature in respect of, the existence or terms of any leases, licences or other occupation rights of any nature (if any) granted by the Holder in respect of the Land.

3. Risk

- 3.1 On and with effect from the Unconditional Date all risk of any nature in respect of the Schedule Two Land will pass from the Commissioner to the Holder. For the avoidance of doubt, the Holder's current risk in respect of matters arising under the Lease, including, without limitation, the Holder's risk in respect of all improvements, buildings, fencing, fixtures, fittings and chattels, will continue to remain with the Holder.
- 3.2 The Holder will be required to comply with its settlement obligations under this Substantive Proposal irrespective of any damage to, or destruction of, the Schedule Two Land prior to the Settlement Date.

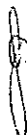
4. No representations or warranties by the Commissioner

The Commissioner gives no representations or warranties of any nature in respect of the Schedule Two Land. Without limitation, the Commissioner does not warrant:

- (a) the accuracy of any matter in the Draft Preliminary Proposal, the Preliminary Proposal, the Draft Substantive Proposal, the Notice or this Substantive Proposal or in any notice, or any correspondence or other information provided to the Holder by the Commissioner or by any agent or employee of the Commissioner; or
- (b) that the Schedule Two Land is or will remain suitable for the Holder's use; or

- (c) that the Schedule Two Land complies with all or any statutory, territorial authority or any other legal requirements affecting or relevant to the Schedule Two Land.

Appendix 1: Plan



Appendix 2: Form for Public Access to Conservation Area Easement



RELEASED UNDER THE OFFICIAL INFORMATION ACT Instrument

Section 90, Land Transfer Act 1952

If there is not enough space in any of the panels below, cross-reference to and use the approved Annexure Schedule: no other format will be received.

Land Registration District

Otago

[Empty box]

Unique Identifier(s) or C/T(s) All/Part Area/description of part or stratum

All

Transferor Surname(s) must be underlined

COMMISSIONER OF CROWN LANDS, acting pursuant to section 80 of the Crown Pastoral Land Act 1998

Transferee Surname(s) must be underlined

HER MAJESTY THE QUEEN, acting by and through the Minister of Conservation

Estate or Interest to be transferred, or easement(s) or profit(s) à prendre to be created State if fencing covenant imposed.

Public Access Easement to conservation area under section 7(2) of the Conservation Act 1987 (continued on pages 2, 3 and 4 of Annexure Schedule).

Operative Clause

The Transferor transfers to the Transferee the above estate or interest in the land in the above certificate(s) of title or computer register(s) and, if an easement or profit à prendre is described above, that easement or profit à prendre is granted or created.

Dated this day of

Attestation If the transferee or grantee is to execute this transfer, include the attestation in an Annexure Schedule.

Signed in my presence by the Transferor

Signature of witness

Witness to complete in BLOCK letters (unless legibly printed)

Witness name

Occupation

Address

Signature [common seal] of Transferor

Certified correct for the purposes of the Land Transfer Act 1952

[Empty box]

Annexure Schedule

Transfer Instrument Dated Page of Pages

Definitions

1. In this transfer unless the context otherwise requires:
 - 1.1 "Easement Area" means that part of the Servient Land being 10 metres wide which is marked "[]" on S.O. Plan No [].
 - 1.2 "Dominant Land" means the land administered by the Department of Conservation and contained in Certificate of Title "[]".
 - 1.3 "Servient Land" means the land owned by the Transferor and described on page 1.
 - 1.4 "Transferee" means Her Majesty the Queen acting by and through the Minister of Conservation and includes the Transferee's tenants, agents, contractors, and licensees; and any employee or contractor of the Director-General of Conservation; and any member of the public.
 - 1.5 "Transferor" means the owner of the Servient Land described on page 1 and includes the Transferor's tenants and invitees.

Standard Easement Terms

Access

- 2.1 The Transferee has the right in common with the Transferor to pass and re-pass at any time over and along the Easement Area on foot, or on or accompanied by horses, or by non-motorised vehicle powered by a person or persons for the purpose of obtaining access to the Dominant Land.
- 2.2 The Transferor must keep the Easement Area clear at all times of obstructions whether caused by parked vehicles, deposit of materials or unreasonable impediment to the use and enjoyment of the Easement Area.

Exclusion of Schedules

3. The rights and powers contained in the Seventh Schedule of the Land Transfer Act 1952 and the Ninth Schedule of the Property Law Act 1952 are expressly excluded.

Annexure Schedule

Transfer Instrument Dated Page of Pages

Term

4. The easement created by this transfer is to be appurtenant to the Dominant Land in perpetuity.

Temporary Suspension

5. The Transferee may, at any time in exercise of her/his powers, temporarily close all or part of the Easement Area for such period as she/he considers necessary.

Dispute Resolution

6.1 If a dispute arises between the Transferor and Transferee concerning the rights created by this transfer the parties are to enter into negotiations in good faith to resolve it.

6.2 If the dispute is not resolved within 14 days of written notice by one party to the other it is to be referred to mediation.

6.3 If the dispute is not resolved within 21 days or such other period as agreed to in writing between the parties after the appointment of the mediator, the parties must submit to the arbitration of an independent arbitrator appointed jointly by the parties or, if one cannot be agreed within 14 days, to an independent arbitrator appointed by the President for the time being of the District Law Society in which the Servient Land is situated.

6.4 The arbitration is to be determined in accordance with the Arbitration Act 1996 and its amendments or any enactment passed in substitution.

Notice

7.1 A notice to be given under this transfer by one party to the other is to be in writing and must:

- (a) be hand delivered to the receiving party; or
- (b) be sent by ordinary post to the receiving party; or
- (c) be sent by facsimile to the receiving party.

7.2 If clause 7.1(b) applies the notice will be deemed to be received by the receiving party on such date on which the ordinary post would be delivered.

7.3 If clause 7.1(c) applies the notice will be deemed to have been received on the day on which it is dispatched or, if dispatched after 5.00pm, on the next day after the date of dispatch.

Annexure Schedule

Transfer Instrument Dated Page of Pages

Special Easement Terms

- 8.1 The standard easement terms contained above must be read subject to any special easement terms set out below.
 - 8.2 The words "or on or accompanied by horses, or by non-motorised vehicle powered by a person or persons" are deleted from clause 2.1.
 - 8.3 The Transferee must take reasonable and proper care not to damage any property of the Transferor and must properly repair any such damage.
 - 8.4 The Transferee has the right:
 - 8.4.1 To mark the Easement Area as appropriate.
 - 8.4.2 To erect and maintain stiles.
 - 8.4.3 To erect and maintain signs informing the public:
 - (a) of the location of land managed by the Crown and available for public access and recreation; and
 - (b) of their rights and responsibilities in relation to the Easement Area
- PROVIDED THAT where the Easement Area is marked for the public(whether by signs under this clause or otherwise) the Transferee will ensure that signs are erected(whether pursuant to this clause or otherwise) that reasonably inform the public of the restrictions that apply to them in connection with the easement.
- 8.5 To use whatever reasonable means of access she thinks fit over the Easement Area to carry out the works in clause 8.4.1 to 8.4.3.
 - 8.6 Guns and dogs are not to be brought on to the Land by the Transferee.
 - 8.7 The Transferee shall pay the full cost of any formation and maintenance of the Easement Area.

Annexure Schedule

Transfer Instrument	Dated	Page	of	Pages
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Continuation of "Attestation"

Signed for and on behalf of)
 Her Majesty the Queen by)
 Jeffrey Edward Connell)
 under a written delegation in the)
 presence of:)

Witness (Signature)

Name _____

Address _____

Occupation _____

Appendix 3: Covenant

DATED _____

Between

COMMISSIONER OF CROWN LANDS
("the Owner")

and

MINISTER OF CONSERVATION
("the Minister")

COVENANT UNDER CONSERVATION ACT 1987
FOR CROWN PASTORAL LAND ACT 1998 PURPOSES



Department of Conservation
Te Papa Atawhai

THIS DEED of COVENANT is made the day of

BETWEEN COMMISSIONER OF CROWN LANDS acting pursuant to section 80 of the Crown Pastoral Land Act 1998

AND MINISTER OF CONSERVATION

BACKGROUND

- A. The Commissioner of Crown Lands is deemed to be the owner of the Land under section 80(5) of the Crown Pastoral Land Act 1998.
- B. The Land contains Conservation Values which are worthy of protection
- C. The parties agree that there should be a Covenant granted over the Land for Conservation Purposes in order to protect the Conservation Values.
- D. An approved plan designating the Land as land over which a Covenant under section 27 of the Conservation Act 1987 is to be created has been registered under section 64 of the Crown Pastoral Land Act 1998.
- E. The Commissioner of Crown Lands has agreed to grant the Minister a Covenant over the Land for Conservation purposes.

OPERATIVE PARTS

In accordance with section 27 of the Conservation Act 1987, and with the intent that the Covenant run with the Land and bind all subsequent owners of the Land, the Commissioner of Crown Lands and Minister agree as follows.

1. INTERPRETATION

1.1 In this Covenant unless the context otherwise requires:

"Act" means the Conservation Act 1987.

"Conservation Purposes" means the preservation and protection of the Land's natural and historic resources including Conservation Values for the purpose of maintaining their intrinsic values, providing for their appreciation and recreational enjoyment by the public, and safeguarding the options of future generations.

"Conservation Values" means the Conservation Values specified in Schedule 1.

"Covenant" means this Deed of Covenant made under section 27 of the Act.

"Director-General" means the Director-General of Conservation.

"Fence" includes a gate.

- "Fire Authority" means a Fire Authority as defined in the Forest and Rural Fires Act 1977.
- "Land" means the land described in Schedule 1.
- "Mineral" means any mineral that is not a Crown owned mineral under section 2 of the Crown Minerals Act 1991.
- "Minister" means the Minister of Conservation.
- "Natural Water" includes water contained in streams, the banks of which have, from time to time, been realigned.
- "Owner" means the person or persons who from time to time is or are registered as the proprietor(s) of the Land. Except for purposes of clauses 3, 4, 8, 9.5, 10, 11 and 13, it also includes the Commissioner of Crown Lands.
- "Working Days" means the period between any one midnight and the next excluding Saturdays, Sundays, and statutory holidays in the place where the Land is situated.

1.2 For avoidance of doubt:

- 1.2.1 the reference to any statute in this Covenant extends to and includes any amendment to or substitution of that statute.
- 1.2.2 clause and other headings are for ease of reference only and are not to be treated as forming any part of the context or to affect the interpretation of this Covenant.
- 1.2.3 words importing the singular number include the plural and vice versa.
- 1.2.4 expressions defined in clause 1.1 bear the defined meaning in the whole of this Covenant including the Background. Where the parties disagree over the interpretation of anything contained in this Covenant, and in determining the issue, the parties must have regard to the matters contained in the Background.
- 1.2.5 any obligation not to do anything must be treated to include an obligation not to suffer, permit or cause the thing to be done.
- 1.2.6 words importing one gender include the other gender.
- 1.2.7 the agreements contained in this Covenant bind and benefit the parties and their administrators and executors, successors and assigns in perpetuity.
- 1.2.8 where clauses in this Covenant require further agreement between the parties such agreement must not be unreasonably withheld.

2. OBJECTIVES OF THE COVENANT

2.1 The Land must be managed:

- 2.1.1 for Conservation purposes.

2.1.2 to provide, subject to this Covenant, freedom of access to the public for the appreciation and recreational enjoyment of the Land.

3. THE OWNER'S OBLIGATIONS

3.1 Unless agreed in writing by the parties the Owner must not carry out on or in relation to the Land:

3.1.1 grazing of the Land by livestock;

3.1.2 subject to clauses 3.2.1 and 3.2.3, felling, removal or damage of any tree, shrub or other plant;

3.1.3 the planting of any species of tree, shrub or other plant;

3.1.4 the erection of any Fence, building, structure or other improvement for any purpose;

3.1.5 any burning, chemical spraying, top dressing or sowing of seed;

3.1.6 any cultivation, earth works or other soil disturbances;

3.1.7 any archaeological or other scientific research involving disturbance of the soil;

3.1.8 the damming, diverting or taking of Natural Water;

3.1.9 any action which will cause deterioration in the natural flow, supply, quantity, or quality of the water of any stream, river, lake, pond, marsh, or any other water resource affecting the Land;

3.1.10 any other activity which might have an adverse effect on the Conservation purposes.

3.1.11 any prospecting or mining for Minerals, coal or other deposit or moving or removal of rock of any kind on or under the Land;

3.1.12 the erection of utility transmission lines across the Land.

3.2 The Owner must:

3.2.1 eradicate or control all weeds and pests on the Land to the extent required by any statute; and, in particular, comply with the provisions of, and any notices given under, the Biosecurity Act 1993;

3.2.2 if it is safe to do so, assist the Fire Authority to extinguish any wildfire upon or threatening the Land;

3.2.3 keep the Land free from exotic tree species;

3.2.4 keep the Land free from rubbish or other unsightly or offensive material arising from the Owner's use of the Land;

3.2.5 subject to consultation between the Owner and the Minister and observance of any reasonable conditions imposed by the Owner, grant to the Minister or authorised agent of the Minister or any employee of the Director-General, a right of access on to the Land, with or without motor vehicles, machinery, and implements of any kind, to examine and record the condition of the Land, or to carry out protection or maintenance work on the Land or to ascertain whether the provisions of this Covenant are being observed;



3.2.6 keep all Fences on the boundary of the Land in good order and condition and, notwithstanding clause 3.1.4, rebuild and replace all such Fences when reasonably required except as provided in clause 5.2.

4. PUBLIC ACCESS

4.1 The Owner must, subject to this Covenant, permit the public to enter upon the Land.

5. THE MINISTER'S OBLIGATIONS

5.1 The Minister must have regard to the objectives specified in clause 2.1 when considering any requests for approval under this Covenant.

5.2 The Minister must repair and replace to its former condition any Fence or other improvement on the Land or on its boundary which may have been damaged in the course of the Minister or any member of the public exercising any of the rights conferred by this Covenant.

6. IMPLEMENTATION OF OBJECTIVES

6.1 The Minister may:

6.1.1 provide to the Owner technical advice or assistance as may be necessary or desirable to assist in the objectives specified in clause 2.1;

6.1.2 prepare, in consultation with the Owner, a joint plan for the management of the Land to implement the objectives specified in clause 2.1.

7. DURATION OF COVENANT

7.1 This Covenant binds the Minister and Owner in perpetuity to the rights and obligations contained in it.

8. OBLIGATIONS ON SALE OF LAND

8.1 If the Owner sells, leases, or parts with possession of the Land, the Owner must ensure that the Owner obtains the agreement of the purchaser, lessee, or assignee to comply with the terms of this Covenant, including any agreement by the purchaser, lessee, or assignee to ensure that on any subsequent sale, lease, or assignment, any subsequent purchaser, lessee, or assignee must also comply with the terms of this Covenant including this clause.

8.2 If for any reason this Covenant remains unregistered and the Owner fails to obtain the agreement of a purchaser, lessee, or assignee to comply with the terms of this Covenant, the Owner will continue to be liable in damages to the Minister for any breach of the Covenant committed after the Owner has parted with all interest in the Land in respect of which a breach occurs.

9. MISCELLANEOUS MATTERS

9.1 **Rights**

9.1.1 The rights granted by this Covenant are expressly declared to be in the nature of a covenant.

9.2 **Trespass Act:**

- 9.2.1 Except as provided in this Covenant, the Covenant does not diminish or affect the rights of the Owner to exercise the Owner's rights under the Trespass Act 1980 or any other statute or generally at law or otherwise;
- 9.2.2 For avoidance of doubt these rights may be exercised by the Owner if the Owner reasonably considers that any person has breached the rights and/or restrictions of access conferred by this Covenant.

9.3 **Titles**

- 9.3.1 This Covenant must be signed by both parties and registered against the Certificate of Title to the Land.

9.4 **Acceptance of Covenant**

- 9.4.1 The parties agree to be bound by the provisions of the Covenant including during the period prior to the Covenant's registration.

9.5 **Fire**

- 9.5.1 The Owner must notify, as soon as practicable, the appropriate Fire Authority and the Minister in the event of wild fire threatening the Land.
- 9.5.2 If the Minister is not the appropriate Fire Authority for the Land, the Minister will render assistance to the Fire Authority in suppressing the fire if:
 - 9.5.2.1 requested to do so; or
 - 9.5.2.2 if there is in place between the Minister and the Fire Authority a formalised fire agreement under section 14 of the Forest and Rural Fires Act 1977.

10. **NOTICES**

- 10.1 Any notice to be given under this Covenant by one party to the other is to be in writing and made by personal delivery, by pre-paid post, or by facsimile addressed to the receiving party at the address or facsimile number set out in Schedule 1.
- 10.2 A notice given in accordance with clause 10.1 will be deemed to have been received:
 - (a) in the case of personal delivery, on the date of delivery;
 - (b) in the case of pre-paid post, on the third Working Day after posting;
 - (c) in the case of facsimile, on the day on which it is dispatched or, if dispatched after 5.00pm, on the next day after the date of dispatch.
- 10.3 The Owner must notify the Minister of any change of ownership or control or all or any part of the Land and must supply the Minister with the name and address of the new owner or person in control.

11. **DEFAULT**

- 11.1 Where either the Minister or the Owner breaches any of the terms and conditions contained in this Covenant the other party:

11.1.1 may take such action as may be necessary to remedy the breach or prevent any further damage occurring as a result of the breach; and

11.1.2 will also be entitled to recover from the party responsible for the breach as a debt due all reasonable costs (including solicitor/client costs) incurred by the other party as a result of remedying the breach or preventing the damage.

11.2 Should either the Minister or the Owner become of the reasonable view that the other party (the defaulting party) has defaulted in performance of or observance of its obligations under this Covenant then that party (notifying party) may, by written notice:

11.2.1 advise the defaulting party of the default;

11.2.2 state the action reasonably required of the defaulting party to perform or observe in accordance with this Covenant; and

11.2.3 state a reasonable period within which the defaulting party must take action to remedy the default.

12. DISPUTE RESOLUTION PROCESSES

12.1 If any dispute arises between the Minister and the Owner in connection with this Covenant, the parties must, without prejudice to any other rights they may have under this Covenant, attempt to resolve the dispute by negotiation or other informal dispute resolution technique agreed between the parties.

12.2 Mediation

12.2.1 if the dispute is not capable of resolution by agreement within 14 days of written notice by one party to the other (or such further period as the parties may agree to in writing) either party may refer the dispute to the Disputes Tribunal, where relevant, or to mediation with a mediator agreed between the parties;

12.2.2 If the parties do not agree on a mediator, the President of the District Law Society in the region in which the Land is located is to appoint the mediator.

12.3 Failure of Mediation

12.3.1 In the event that the dispute is not resolved by mediation within 2 months of the date of referral to mediation the parties agree that the provisions in the Arbitration Act 1996 will apply;

12.3.2 Notwithstanding anything to the contrary in the Arbitration Act 1996, if the parties do not agree on the person to be appointed as arbitrator, the appointment is to be made by the President of the District Law Society in the region in which the Land is located.

12.3.3 The parties further agree that the results of arbitration are to be binding upon the parties.

13. JOINT OBLIGATIONS

13.1 The Owner or the Minister may, by mutual agreement, carry out any work or activity or improvements or take any action either jointly or individually to better achieve the Conservation Purposes on the Land.

14. SPECIAL CONDITIONS

14.1 Special conditions relating to this Covenant are set out in Schedule 2.

14.2 The standard conditions contained in this Document must be read subject to any special conditions.

Executed as a Deed

Signed by _____ acting under a)
delegation from the Commissioner of Crown Lands)
in the presence of : _____)

Witness: _____

Address : _____

Occupation: _____

Signed by Ian Robert Hugh Whitwell acting under a)
delegation from the Minister of Conservation)
in the presence of : _____)

Witness: _____

Address : _____

Occupation: _____

SCHEDULE 1

1. Description of Land

2. Address for Service

The address for service (including facsimile number) of the Minister is:

C/- PO Box 5244 fax (03) 4778 626
DUNEDIN

The address for service (including facsimile number) of the Owner is:

Glen Nevis
PO Box 16
Kingston
SOUTHLAND

3. Conservation Values

high altitude tussocklands and cushionfields



SCHEDULE 2

Special Conditions

- 1 After clause 2.1 the following clauses are added:
 - 2.2 Subject to the management of the Land in a manner that is ecologically sustainable, the parties also have as an objective the continued economic use of the Land.
 - 2.3 In order to promote the objectives of the parties:
 - (i) The parties wish to each participate in a monitoring process;
 - (ii) The parties have agreed upon some specific constraints to the use of the Land.
 - 2.4 The nature of the parties objectives, and the possibility of an evolution of the state of knowledge about the Land and its ecology, are such that the parties recognise that the provisions of this covenant must be able to be altered if the need arises.
 - 2.5 The parties wish to foster a spirit of partnership in the stewardship of the Land by means of participation and co-operation, and the provisions of this covenant are aimed at a relationship that will, on an enduring basis, promote the objectives.
- 2 Clause 3.1.1 is deleted and replaced with the following:
 - 3.1.1 The Owner shall only graze ewes belonging to the Owner and shall comply with the grazing restrictions set out in schedule III.
- 3 Clause 3.1.5 is deleted and replaced with the following:
 - 3.1.5 (a) any burning, chemical spraying, or sowing of seed other than as provided in condition 7.1 below.
 - (b) any topdressing other than to the extent traditionally carried out as provided for in schedule III and as provided in special condition 7.1 below.
- 4 Clause 3.1.8 is deleted and replaced with the following:
 - 3.1.8 the damming, diverting or taking of natural water other than as provided in special condition 7.1 below.
- 5 Clause 3.1.10 is deleted.
- 6 Clause 3.2.6 is deleted.
- 7.1 The Owner shall not be precluded from:
 - i repairing any existing fence, building, structure or other improvements on the Land, or erecting any replacement fence, building, structure or other improvements on the land in place of any existing facility;
 - ii applying topdressing to, and sowing seed on that part of the Land comprising a 100 metre belt above the existing snow-line fence;

- iii taking any water from those parts of the Land which do not comprise the headwater creeks which form part of the catchment of the Wakatipu Tributary Conservation Area for the purposes of either watering stock, or utilising the water for mineral water (either privately, or for commercial exploitation);
- iv the maintenance of the existing track above the snowline fence, and the extension of the same along that fence for the purpose of replacing that fence.

7.2 The Owner shall ensure that full and proper precautions are taken to safeguard the Land against fire and shall take all reasonable steps to control any fires that may be burning on the Land.

7.3 Within the constraints of the other provisions of this deed the parties agree and acknowledge that the Land will be managed with objectives consistent with the objectives of any adjoining land owned by the Crown for conservation purposes.

8 Clauses 4.1 is deleted and replaced with the following:

4.1 During the period from 1 April to 31 December in any year, and upon request at any other times when the Land is not stocked, the Owner will permit members of the public access (other than by aircraft) over the Land for the purposes of private recreational activities of a non-commercial nature such as cross-country skiing, provided that nothing in this clause shall grant any right of access over any adjoining land. Nothing in this clause will prevent the Owner from granting more generous access if he so wishes.

4.2 Notwithstanding the foregoing, no member of the public shall be allowed to enter onto the Land for the purposes of hunting or with any animal or vehicle.

4.3 Nothing in this clause shall prevent the Owner from giving further access to the public by consent.

9 Clause 3.2.5 is deleted and replaced with the following:

3.2.5 The Owner grants to the Minister and any officer or duly authorised agent of the Minister a right of access onto the Land with or without vehicles motor vehicles machinery and implements of any kind for the purposes of examining and recording the condition of the Land or for carrying out protection or maintenance work on the Land consistent with the objectives set out in this deed or to ascertain whether the provisions of this Covenant are being observed: HOWEVER in exercising this right the Minister and officers or agents of the Minister will consult with the Owner in advance and have regard to all reasonable requests and requirements of the Owner.

10 Clause 8.1 is deleted.

11.1 The Owner shall, at no expense to the Minister, ensure that stock is adequately contained within the Land.

11.2 The Minister shall not be called upon at any time to contribute to the costs of any boundary fencing between the Land and any adjoining land of the Owner, if the purpose of the fencing is to assist the Owner to comply with special condition 11.1.

12 Clause 5.1 is deleted and replaced with the following:

5.1 The Minister must have regard to the objectives specified in clauses 2.1 and 2.2 when considering any requests for approval under this Covenant.

13 Clause 13 is deleted.

14.1 The Owner shall not, unless authorised in writing by the Minister, or otherwise authorised by way of Special Conditions in Schedule III:

- 14.1.1 interfere with, remove, damage, or endanger the natural features, animals, plants, or historic resources on the Land; or
- 14.1.2 remove any mineral including gravel or rock; or
- 14.1.3 bring any plants or animals onto the Land; or
- 14.1.4 deposit debris, rubbish, or other dangerous or unsightly matter, or
- 14.1.5 disturb or allow stock to disturb any stream or watercourse on the Land, to any greater extent or intensity than that current at the date of this deed.

14.2 The Owner shall ensure that his employees and invitees do not carry out any acts prohibited under this clause.

15 Clause 3.2 .3 is deleted and replaced with the following:

3.2.3 The Owner will so far as is practicable keep the land free from exotic tree species.

16 SAFETY

16.1 The Owner shall notify the Minister of any natural events or activities on the Land or in the surrounding area that may endanger the public or the environment.

17 TEMPORARY SUSPENSION

17.1 If in the reasonable opinion of the Minister any activities on the land of the Owner, his clients or invitees are having or may have an adverse effect on the environment which was not reasonably foreseeable at the date this Covenant was granted and the Minister is of the opinion that the effect can reasonably be avoided, remedied, or mitigated, then the Minister may, after offering the Owner reasonable opportunity for consultation, require that the Owner (at the Owner's option) either take some action specified by the Minister to avoid, remedy or mitigate the effect (which may, without limitation, include a reduction in the scale or extent of the activity) or to cease and desist from the activity altogether until the Owner has taken the specified action to avoid, remedy or mitigate the adverse impact to the satisfaction of the Minister.

17.2 The Minister shall not be liable to the Owner for any loss sustained by the Owner by reason of suspension of any activity under this clause.

18 SURVEY AND LEGAL COSTS

The Commissioner of Crown Lands will meet all survey and legal costs required to complete the registration of this deed.


19 WORKS

The Owner and the Minister may, by mutual agreement, carry out any works or improvements or take any action either jointly or individually to better preserve and protect the natural and historic resources on the Land, provided that the Owner shall not be required or expected to contribute to the costs of any such works or improvements or action, and provided also that this clause shall not prevent the Owner from carrying out any works which are not in contravention of this Covenant.

20 CONSENT OF MINISTER

In any case under this deed where the consent of the Minister is required for any activity or action, such consent shall not be unreasonably withheld, but may be

withheld on the grounds that the objectives of this deed would, in the opinion of the Minister, be compromised.



SCHEDULE III

GRAZING RESTRICTIONS

1 The Owner and the Minister shall comply with the following ecological monitoring programme.

- (a) The Owner shall manage the vegetation on the Land to maintain and enhance the existing cover of native species and to reduce the risk of invasion by exotic plant species. A detailed description of the type and condition of the vegetation on the Land at the commencement of this Covenant is attached.
- (b) To achieve the goal in (a) grazing levels and management will be adjusted in accordance with Clause 2 below should that be necessary following collation of vegetation information from this programme and from field observations of the Minister and the Owner.
- (c) The ecological units to be managed will include:
 - (i) Narrow-leaved snow tussockland and associated shrubland on western slopes of the Hector Mountains above the snowline fence up to approximately 1500 m.
 - (ii) Slim snow tussockland/narrow-leaved snow tussockland and associated cushionfield lying above unit (i) to the crest of the Hector Mountains.

The monitoring programme will include:

Ten to 15 variable length transects on each of the two ecological units. Sampling will consist of estimated tall tussock and native shrub canopy cover as measured by canopy intercepts along an outstretched tape. In addition, Scott Height Frequency estimates of structure and cover for tall tussocks and native shrubs, will be made.

Data gathered will consist of:

- Estimated tall tussock and native shrub canopy cover
- Height frequency data for tall tussocks (exclusive of flowering parts) and native shrubs.

Measurement data shall be taken in the period November/December prior to the commencement of sheep grazing, and on each occasion measurements are taken they shall be taken at approximately the same time of the year. Transects will be established in the first year of the Covenant and re-measured every sixth year. The Minister shall give the owner an opportunity to be present while measuring takes place.

Note: Not included in the ecological units scheduled for monitoring are areas supporting less than 20 % slim snow tussock or narrow-leaved snow tussock cover or more than 20 % shrub cover.

- (d) A grazing rate of no greater than 375 stock units/annum shall be adhered to, provided that the results from the monitoring indicate, in the opinion of the Minister, that the vegetation is not being adversely affected by this level of grazing. Grazing is to be confined to the period 1 January to 31 March in any year. Not more than 1500 sheep are to graze the Land for a twelve-week period. Vegetation monitoring results will be compared to previous vegetation monitoring data in association with grazing records to determine trends. Results of the ecological monitoring programme may be used by the Minister to adjust the grazing level.

To assist in future management of the Land it is agreed that the following trends in vegetation constitute adverse effects and will result in the following reductions in stocking during the anticipated period of adverse effect

- (a) If the combined canopy cover of tall tussock and native shrubs of all transects on either one of the ecological units decreases by more than 5 percentage points or for height frequency by more than 5 percentage points, the Minister may reduce the maximum stocking rate by 10%.
- (b) If the combined canopy cover of tall tussock and native shrubs or height frequency of all transects on either one of the ecological units decreases by more than 10 percentage points, the Minister may reduce the current block limit to half its present level.
- (c) If the combined canopy cover of tall tussock and native shrubs or height frequency of all transects on either one of the ecological units decreases by more than 15 percentage points, the Minister may require this unit to be destocked.

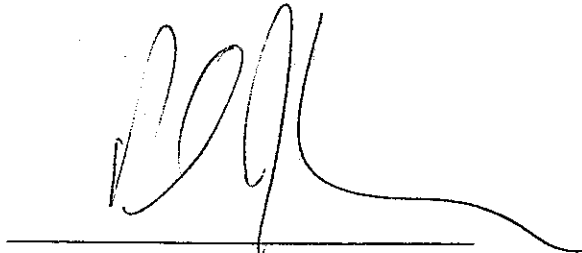
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Execution Section

This Substantive Proposal (including the schedules and appendices) is signed by the Commissioner and the Holder as a binding agreement.

SIGNED by the
**Commissioner of Crown
Lands** *by Paul Jackson*
pursuant to delegation

in the presence of:



MATHEW CLARK
Witness

RELATIONSHIP MANAGER
Occupation

52 BLACKETT STREET RANGIORA
Address

In signing this Substantive Proposal (including the schedules and appendices), the Holder:

1. accepts and agrees that:
 - (a) the Holder accepts this Substantive Proposal under section 60 of the Act and that, subject to subsections (3) and (4) of section 60 of the Act, the Holder's acceptance of this Substantive Proposal is irrevocable, and has effect as an irrevocable authority to and obligation on the Commissioner to take the appropriate actions required by the Act;
 - (b) the Holder is bound by the provisions of this Substantive Proposal;
 - (c) the Holder is also bound by the provisions of the Notice and must pay the Holder's Payment and all other money payable by the Holder in accordance with the provisions of the Notice and this Substantive Proposal; and
 - (d) when the Final Plan is registered under section 64 of the Act, the Notice has effect as a binding contract between the Crown and the Holder according to its tenor under section 46(4) of the Act; and



2. acknowledges that:

- (a) the Holder has obtained the written consent of the Mortgagee, Rural Banking and Finance Corporation of New Zealand Limited and has also obtained the written consent of any other person having an interest in the Lease Land, to the Holder's acceptance of this Substantive Proposal; and
- (b) the relevant consent is or consents are endorsed on or attached to the completed Execution Copy of this Substantive Proposal.

SIGNED by Lachlan James Taylor

in the presence of:

J. A. Chalmers
Witness

Farmer
Occupation

B.P.O. Box 12 GARSTON
Address

J. J. Taylor

SIGNED by Fiona Jillian Taylor

in the presence of:

J. A. Chalmers
Witness

Farmer
Occupation

P.O. Box 12 GARSTON
Address

F. J. Taylor

8

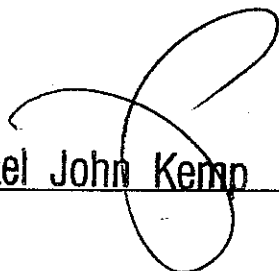
Consents

Rural Banking and Finance Corporation of New Zealand Limited as Mortgagee under Mortgage 786047.5 hereby:

- (a) consents to the Holder's acceptance of this Substantive Proposal dated 4 December 2002 pursuant to section 60 of the Crown Pastoral Land Act 1998 and agrees and consents to the registration of the Easement and the Covenant prior to the registration of any new mortgage to be granted in its favour over the Schedule Two Land as contemplated by clause 5.16; and
- (b) agrees to sign and execute all deeds, agreements, schedules and other documents and do all acts and things as may be reasonably required by the Holder or the Commissioner to register a discharge of the Mortgage and any new mortgage over the Schedule Two Land.

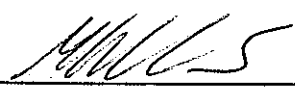
Dated:

SIGNED by)
in the presence of:)



 Michael John Kemp

Witness Signature:



Witness Name:
Occupation:
Address:

Mara-Claire Costello Williams
Bank Officer
Auckland





The National Bank
of New Zealand Limited

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I, Michael John Kemp, Manager Lending Services of Auckland in New Zealand **HEREBY CERTIFY:**

1. **THAT** by Deed dated 28 June 1996 deposited in the Land Registry Offices situated at:

Auckland	as No	D.016180	Hokitika	as No	105147
Blenheim	as No	186002	Invercargill	as No	242542.1
Christchurch	as No	A.256503.1	Napier	as No	644654.1
Dunedin	as No	911369	Nelson	as No	359781
Gisborne	as No	G.210991	New Plymouth	as No	433509
Hamilton	as No	B.355185	Wellington	as No	B.530013

The National Bank of New Zealand Limited (the "Bank") appointed me its Attorney with the powers and authorities specified in that Deed.

2. **THAT** at the date of this Certificate, I am the Manager Lending Administration, Auckland Lending Services Centre of the Bank.
3. **THAT** at the date of this certificate, I have not received any notice or information of the revocation of that appointment by the winding-up or dissolution of the Bank or otherwise.

DATED at Auckland this 17th day of January 2003

Consent

Dycom Corporation Limited as a conditional purchaser hereby consents to the Holder's acceptance of this Substantive Proposal dated 16 December 2002 pursuant to section 60 of the Crown Pastoral Land Act 1998.

Dated: 16 Dec . Jan 24, 2003

Signed _____
In the presence of: _____

Witness Signature: Goh King Yan

Witness Name: GOH KING YAN

Occupation: ENGINEER


Address: #18-02A, SUNTEC Tower 1, SINGAPORE

Consent

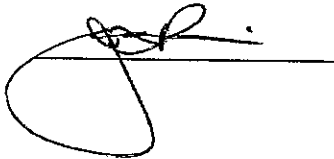
Meath Nominees Limited as a conditional purchaser hereby consents to the Holder's acceptance of this Substantive Proposal dated 16 December 2002 pursuant to section 60 of the Crown Pastoral Land Act 1998.

Dated:

Signed
In the presence of:

 DIRECTOR.

Witness Signature:

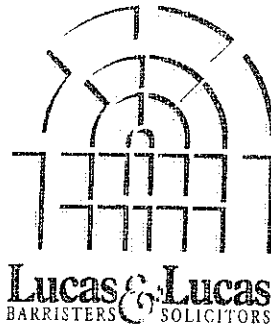


Witness Name:

Occupation:

Jenny Pain
Legal Executive to
Evans Henderson Woodbridge
Solicitors, Marton

Address:



28 January 2003

To Commissioner of Crown Lands
Land Information New Zealand
Lambton House
160 Lambton Quay
Private Box 5501
Wellington

TENURE REVIEW: GLEN NEVIS

Introduction

We are acting as the solicitors for Lachlan James Taylor and Fiona Jillian Taylor (the **Holder**) in respect of the tenure review of the Glen Nevis pastoral lease (**Review**) being conducted by the Commissioner of Crown Lands (the **Commissioner**) under the Crown Pastoral Land Act 1998. You have asked us to provide the certifications set out in this letter as part of the settlement requirements in respect of the Review.

The certifications contained in this letter relate solely to, and must be construed in accordance with, New Zealand law in force on the day and at the time of delivery of this letter.

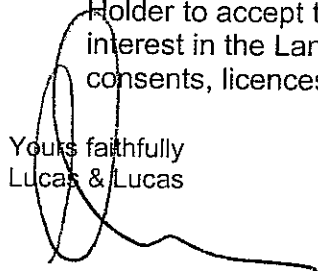
We have reviewed the Substantive Proposal dated 16 December 2002 (the **Proposal**) made between the Commissioner and the Holder and such other documents as we considered necessary and appropriate for us to provide the certifications.

Certifications

We certify as follows:

1. The consent of each person that has an interest (registered or unregistered) in the Lease Land (as that term is defined in the Proposal), to the Holder's acceptance of the Proposal has been obtained and included in the copy of the Proposal, signed by the Holder, that has been provided to the Commissioner.
2. All necessary consents, licences, approvals and authorisations required to enable the Holder to accept the Proposal, perform its obligations under it and to acquire the freehold interest in the Land (as defined in the Proposal) have been obtained. Evidence of the consents, licences, approvals and authorisations are attached to this letter.

Yours faithfully
Lucas & Lucas


Chris Lucas
chris@lucas.co.nz