TE ĀTIAWA O TE WAKA-A-MĀUI

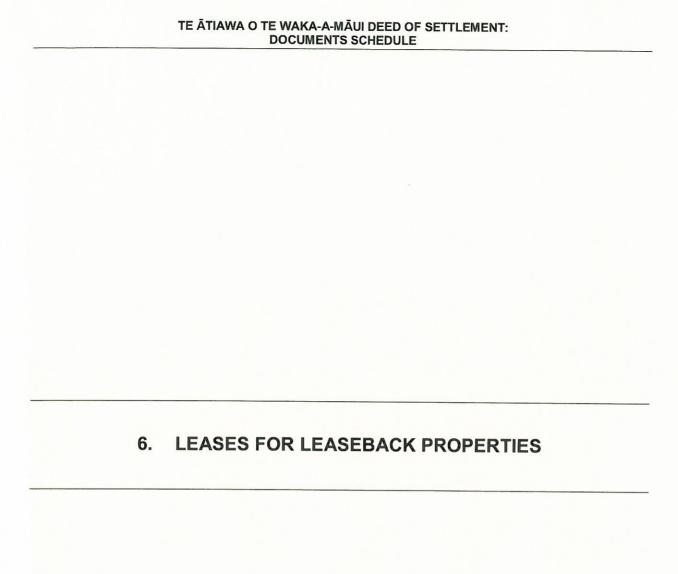
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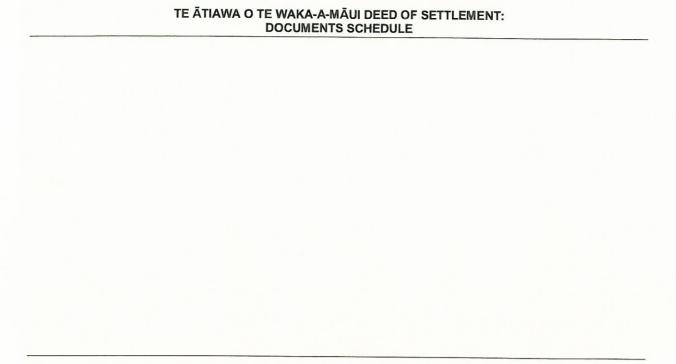
TE ĀTIAWA O TE WAKA-A-MĀUI TRUST

and

THE CROWN

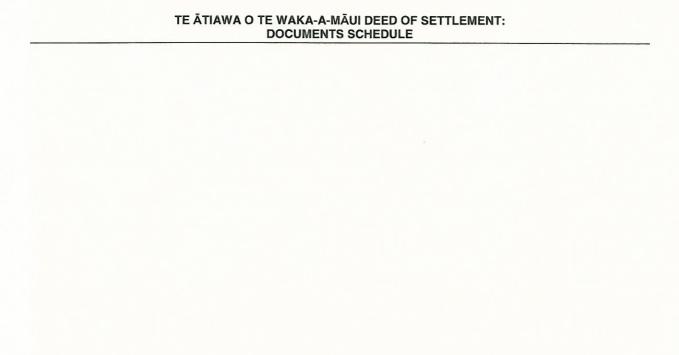
DEED OF SETTLEMENT SCHEDULE: DOCUMENTS





LEASE FOR GOLDEN BAY HIGH SCHOOL

6.1



LEASE FOR GOLDEN BAY HIGH SCHOOL

6.1

6.1: LEASE FOR GOLDEN BAY HIGH SCHOOL

WITHOUT PREJUDICE and SUBJECT TO APPROVAL BY MINISTER Draft as at 29 September 2011

MINISTRY OF EDUCATION TREATY SETTLEMENT LEASE

MEMORANDUM OF LEASE dated []

LESSOR [THE TRUSTEES OF TE ATIAWA O TE WAKA-A-MAUI TRUST and NGATI TAMA KI TE WAIPOUNAMU TRUST]

LESSEE HER MAJESTY THE QUEEN acting by and through the Secretary for Education

- A The purpose of this Lease is to give effect to the signed Deeds of Settlement between Te Ātiawa o Te Waka-a-Māui, Te Ātiawa o Te Waka-a-Māui Trust and the Crown and Ngati Tama ki Te Tau Ihu, Ngati Tama ki Te Waipounamu Trust and the Crown, under which the parties agreed to sell the Land to the trustees of the Te Ātiawa o Te Waka-a-Māui Trust and the trustees of the Ngati Tama ki Te Waipounamu Trust as tenants in common, each holding a one-half share, and lease it back to the Crown.
- B The Lessor owns the Land described in Item 1 of Schedule A.
- C The Lessor has agreed to lease the Land to the Lessee on the terms and conditions in this Lease.
- D The Lessor leases to the Lessee the Land from the Start Date, at the Annual Rent, for the Term, with the Rights of Renewal and for the Permitted Use all as described in Schedule A.
- E The Lessee accepts this Lease of the Land to be held by the Lessee as tenant and subject to the conditions, restrictions and covenants as set out in Schedules A and B.

[SIGNED on behalf of the Lessor by]

[SIGNED on behalf of the Lessee by]

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SCHEDULE A

ITEM 1 THE LAND

Part Lot 4 Section G Takaka District comprising 0.1720 hectares, more or less, as described in CFR NL 157/83 and Part Lot 4 Section G Takaka District comprising 0.7479 hectares, more or less, as described in Proclamation 2109, but excluding Lessee's Improvements.

ITEM 2 START DATE

[Insert start date].

ITEM 3 ANNUAL RENT

\$[] plus GST per annum payable monthly in advance on the first day of each month with a first payment due on the [Date] day of [Month & Year].

ITEM 4 TERM OF LEASE

21 Years.

ITEM 5 LESSEE OUTGOINGS

- Rates and levies payable to any local or territorial authority, excluding any taxes levied against the Lessor in respect of its interest in the Land.
- 5.2 All charges relating to the maintenance of any Lessee Improvements (whether of a structural nature or not).
- 5.3 The cost of ground maintenance, including the maintenance of playing fields, gardens and planted and paved areas.
- **5.4** Maintenance of car parking areas.
- 5.5 All costs associated with the maintenance or replacement of any fencing on the Land.

ITEM 6 PERMITTED USE

The Permitted Use referred to in clause 9.

ITEM 7 RIGHT OF RENEWAL

Perpetual rights of renewal of 21 years each from [Date], and each 21st yearly anniversary after that date.

ITEM 8 RENT REVIEW DATES

[Date] and 7 yearly after that Date.

ITEM 9 LESSEE'S IMPROVEMENTS

As defined in clause 1.9 and including the following existing improvements: [List all existing buildings and improvements on the Land together with all playing

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fields and sub soil works (including stormwater and sewerage drains) built or installed by the Lessee or any agent, contractor or sublessee or licensee of the Lessee on the Land].

ITEM 10 CLAUSE 16.5 NOTICE

To:

[Post-Settlement Governance Entity] ("the Lessor")

And to:

The Secretary, Ministry of Education, National Office, PO Box

1666, WELLINGTON 6011 ("the Lessee")

From:

[Name of Mortgagee/Chargeholder] ("the Lender")

The Lender acknowledges that in consideration of the Lessee accepting a lease from the Lessor of all the Land described in the Schedule to the Lease attached to this Notice which the Lender acknowledges will be for its benefit:

- (i) It has notice of the provisions of clause 16.5 of the Lease; and
- (ii) It agrees that any Lessee's Improvements (as defined in the Lease) placed on the Land by the Lessee at any time before or during the Lease shall remain the Lessee's property at all times; and
- (iii) It will not claim any interest in any Lessee's Improvements under the security of its loan during the relevant period no matter how any Lessee's Improvement may be fixed to the Land and regardless of any rule of law or equity to the contrary or any provisions of its security to the contrary; and
- (iv) It agrees that this acknowledgement is irrevocable.

	SCHEDULE	
[]
[F	orm of execution by I	Lender]
	•	•
	[Date]	

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ITEM 11 CLAUSE 16.6 NOTICE

To:

[Post-Settlement Governance Entity] ("the Lessor")

And to:

The Secretary, Ministry of Education, National Office, PO Box

1666, WELLINGTON 6011 ("the Lessee")

From

[Name of Mortgagee/Chargeholder] ("the Lender")

The Lender acknowledges that before it advanced monies to the Lessor under a security ("the Security") given by the Lessor over the Land described in the Schedule to the Lease attached to this Notice) it had notice of and agreed to be bound by the provisions of clause 16.6 of the Lease and that in particular it agrees that despite any provision of the Security to the contrary and regardless of how any Lessee's Improvement is fixed to the Land it:

- (i) will not claim any security interest in any Lessee's Improvement (as defined in the Lease) at any time; and
- (ii) acknowledges that any Lessee's Improvements remain the Lessee's property at all times.

SCHI	EDULE
L	J
[Form of execu-	tion by Lenderl

6.1: LEASE FOR GOLDEN BAY HIGH SCHOOL

SCHEDULE B

1 Definitions

- 1.1 The term "Lessor" includes and binds:
 - (a) the persons executing this Lease as Lessor; and
 - (b) any Lessor for the time being under the Lease; and
 - (c) all the respective executors, administrators, successors, assignees and successors in the title of each Lessor and if more than one jointly and severally.
- 1.2 The term "Lessee" includes and binds:
 - (a) the person executing this Lease as Lessee; and
 - (b) all the Lessees for the time being under the Lease; and
 - (c) all the respective executors, administrators, successors, assignees and successors in the title of each Lessor and if more than one jointly and severally.
- 1.3 "Business Day" means a day that is not:
 - (a) a Saturday or Sunday; or
 - (b) Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's Birthday, and Labour Day; or
 - (c) a day in the period commencing with 25 December in any year and ending with the close of 15 January in the following year; or
 - (d) the days observed as the anniversaries of the provinces of Nelson and Wellington.
- 1.4 "Crown" has the meaning given in section 2(1) of the Public Finance Act 1989.
- 1.5 "Crown Body" means:
 - (a) a Crown entity (as defined by section 7(1) of the Crown Entities Act 2004); and
 - (b) a State enterprise (as defined in section 2 of the State-Owned Enterprises Act 1986); and
 - (c) the New Zealand Railways Corporation; and
 - (d) a company or body that is wholly owned or controlled by one or more of the following:
 - (i) the Crown;
 - (ii) a Crown entity;
 - (iii) a State enterprise;

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- (iv) the New Zealand Railways Corporation; and
- (e) a subsidiary of, or related company to, a company or body referred to in clause 1.5(d).
- 1.6 "Department" has the meaning given in section 2 of the Public Finance Act 1989.
- 1.7 **"Education Purposes"** means any or all lawful activities necessary for, or reasonably related to, the provision of education.
- 1.8 "Legislation" means any applicable statute (including regulations, orders, rules or notices made under that statute and all amendments to or replacements of that statute), and all bylaws, codes, standards, requisitions or notices made or issued by any lawful authority.
- 1.9 "Lessee's Improvements" means all improvements on the Land of any kind including buildings, sealed yards, paths, lawns, gardens, fences, playing fields, subsoil works (including stormwater and sewerage drains) and other property of any kind built or placed on the Land by the Lessee or any agent or sub-lessee or licensee of the Lessee whether before or after the Start Date of this Lease and includes those listed in Item 9 of Schedule A.
- 1.10 "Lessee's property" includes property owned wholly or partly by a sublessee or licensee of the Lessee.
- 1.11 "Maintenance" includes repair.
- 1.12 "Public Work" has the meaning given in section 2 of the Public Works Act 1981.
- 1.13 "Sublet" and "Sublease" include the granting of a licence to occupy the Land or part of it.

2 Payment of Annual Rent

- 2.1 The Lessee will pay the Annual Rent as set out in Item 3 of Schedule A.
- 2.2 The initial Annual Rent payable at the Start Date will be set at 6.25% of the Transfer Value of the Land as defined in clause 2.3.
- 2.3 The Transfer Value of the Land is equivalent to the market value of the Land exclusive of improvements less 20%.

3 Rent Review

When a party initiates the rent review process as set out in clause 3.5:

- 3.1 At each rent review the Annual Rent will be calculated at 6.25% of the value calculated at the midpoint between the Current Market Value of the Land as a School Site set out in clause 3.2 and the Nominal Value as set out in clause 3.4.
- 3.2 The Current Market Value of the Land as a School Site referred to in clause 3.1 above is equivalent to the market value of the Land exclusive of improvements based on highest and best use less 20%.

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- 3.3 The highest and best use referred to in clause 3.2 is to be based on the zoning for the Land in force at the beginning of that Term.
- 3.4 The Nominal value is:
 - (a) for the first Rent Review Date: a value based on 4% growth per annum of the Transfer Value of the Land
 - (b) for subsequent Rent Review Dates: a value based on 4% growth per annum of the reset value fixed under clause 3.1 above.
- 3.5 The rent review process will be as follows:
 - (a) At any time during the period which starts three months before any Rent Review Date and ends one year after any Rent Review Date (time being of the essence) either party may give written notice to the other specifying a new Annual Rent, calculated in accordance with clause 3.1, which the notifying party considers should be charged from that Rent Review Date ("Rent Review Notice"). The Rent Review Notice must be supported by a registered valuer's certificate.
 - (b) If the notified party accepts the notifying party's assessment in writing the Annual Rent will be the rent specified in the Rent Review Notice which will be payable in accordance with step (I) below.
 - (c) If the notified party does not agree with the notifying party's assessment it has 30 Business Days after it receives the Rent Review Notice to issue a notice disputing the proposed new rent ("the Dispute Notice"), in which case the steps set out in (d) to (k) below must be followed. The Dispute Notice must be supported by a registered valuer's certificate.
 - (d) Until the new rent has been determined or agreed, the Lessee will continue to pay the Annual Rent at the existing amount which had been payable up to the Rent Review Date.
 - (e) The parties must try to agree on a new Annual Rent.
 - (f) If a new Annual Rent has not been agreed within 20 Business Days of the receipt of the Dispute Notice then the new Annual Rent may be determined either:
 - (i) by one party giving written notice to the other requiring the new Annual Rent to be determined by arbitration in accordance with clause 31; or
 - (ii) if the parties agree, by registered valuers acting as experts and not as arbitrators as set out in steps (g) to (k) below.
 - (g) Within 10 Business Days of the agreement referred to in subclause (f)(ii) each party will appoint a valuer and give written notice of the appointment to the other party. If the party receiving a notice fails to appoint a valuer within the 10 Business Day period then the valuer appointed by the other party will determine the new Annual Rent and that determination will be binding on both parties.
 - (h) Within 10 Business Days of their appointments the two valuers must appoint an umpire who must be a registered valuer. If the valuers cannot agree on an

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umpire they must ask the president of the Property Institute of New Zealand Incorporated (or equivalent) to appoint an umpire.

- (i) Once the umpire has been appointed the valuers must try to determine the new Annual Rent by agreement. If they fail to agree within 40 Business Days (time being of the essence) the Annual Rent will be determined by the umpire.
- (j) Each party will have the opportunity to make written or verbal representations to the umpire within the period, and on the conditions, set by the umpire.
- (k) When the rent has been determined or agreed, the umpire or valuers must give written notice of it to the parties. The parties will each pay their own valuer's costs and will share the umpire's costs equally between them.
- (I) Once the new rent has been agreed or determined it will be the Annual Rent from the Rent Review Date or the date of the notifying party's notice if that notice is given later than 60 Business Days after the Rent Review Date. Any shortfall in, or overpayment of, Annual Rent from the Rent Review Date until the date of agreement or determination of that rent shall be paid by the Lessee or, as the case may be, repaid by the Lessor within 10 Business Days of that agreement or determination.
- (m) The rent review provisions may be varied by the parties by agreement and must be recorded in a variation of this Lease.

4 Payment of Lessee Outgoings

During the Term of this Lease the Lessee must pay the Lessee Outgoings specified in Item 5 of Schedule A directly to the relevant person.

5 Valuation Roll

Where this Lease is registered under section 115 of the Land Transfer Act 1952 the Lessee will be entered in the rating information database and the district valuation roll as the ratepayer for the Land and will be responsible for payment of any rates.

6 Utility Charges

- 6.1 The Lessee must promptly pay to the relevant authority or supplier all utility charges including water, sewerage, drainage, electricity, gas, telephone and rubbish collection which are separately metered or charged in respect of the Land.
- 6.2 If any utility or service is not separately charged in respect of the Land then the Lessee will pay a fair and reasonable proportion of the charges.
- 6.3 If required to do so by the Lessor or any territorial or local authority the Lessee must at its own expense install any meter necessary to assess the charges for any utility or other service supplied to the Land.

7 Goods and Services Tax

The Lessee will pay the Lessor on demand the goods and services tax (GST) payable by the Lessor in respect of the Annual Rent and other payments payable by the Lessee under this Lease.

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8 Interest

If the Lessee fails to pay within 10 Business Days any amount payable to the Lessor under this Lease (including rent) the Lessor may, without prejudice to the Lessor's other rights and remedies, charge the Lessee interest at the maximum rate of interest from time to time payable by the Lessor to its principal banker for an overdraft facility plus a margin of 4% per annum accruing on a daily basis from the due date for payment until the Lessee has paid the overdue amount. The Lessor is entitled to recover this interest as if it were rent in arrears.

9 Permitted Use of Land

- 9.1 The Land may be used for:
 - (a) Education Purposes; and/or
 - (b) any other Public Work, including any lawful secondary or incidental use, PROVIDED THAT any such Public Work or use is:
 - (i) required for wider social and health initiatives that complement the school; and
 - (j) compatible with the core use of the Land as a school site.

10 Designation

The Lessor consents to the Lessee requiring a designation or designations under the Resource Management Act 1991 for the purposes of the Permitted Use and maintaining that designation or those designations for the Term of this Lease. The Lessor may specify in writing no less than three (3) months prior to the expiry of the Lease that a change of any permitted activity under the relevant Regional and District Plans or use permitted under any resource consent held in respect of the Land is required, and the Lessee shall be obliged to obtain any such change.

11 Compliance with Law

The Lessee must at its own cost comply with the provisions of all relevant Legislation.

12 Hazards

- 12.1 The Lessee must take all reasonable steps to minimise or remedy any hazard arising from the Lessee's use of the Land and ensure that any hazardous goods are stored or used by the Lessee or its agents on the Land in accordance with all relevant Legislation.
- 12. 2 Subject to clause 13.1, in the event the state of the Land is altered by any natural event including flood, earthquake, slip or erosion the Lessor agrees at its own cost to promptly address any hazards for the protection of occupants of the site and to remediate any hazards as soon as possible. The Lessee must notify the Lessor of any such event without delay.

13 Damage or Destruction

13.1 If as the result of a natural event the Land is destroyed, altered or damaged so significantly that it is no longer suitable for the Permitted Use, then the Term will

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immediately terminate, provided that any termination under this clause will be without prejudice to the rights of either party against the other.

13.2 If the Land is damaged or altered but not so significantly that it is no longer suitable for the Permitted Use, the parties may renegotiate in good faith the Annual Rent payable under this Lease and may agree to suspend the parties' obligations under this Lease for an agreed period.

14 Contamination

- 14.1 When this Lease ends the Lessee agrees to remedy any Contamination caused by the use of the Land by the Lessee or its agents during the Term of the Lease by restoring the Land to a standard reasonably fit for human habitation.
- 14.2 Under no circumstances will the Lessee be liable for any Contamination on or about the Land which is caused by the acts or omissions of any other party, including the owner or occupier of any adjoining land.
- 14.3 In this clause "Contamination" means any change to the physical, biological, or chemical condition of the Land by a Contaminant and "Contaminant" has the meaning set out in section 2 of the Resource Management Act 1991.

15 Easements

- 15.1 The Lessee may without the Lessor's consent conclude (on terms no more favourable than this Lease) all easements or other rights and interests over or for the benefit of the Land which are necessary for, or incidental to, either the Permitted Use or to any permitted alterations or additions to the Lessee's Improvements and the Lessor agrees that it will execute any documentation reasonably required to give legal effect to those rights. Any reasonable costs incurred by or on behalf of the Lessor in attending to the matters provided for in this clause 15.1 shall be met by the Lessee.
- 15.2 The Lessee must take all steps necessary to remove at the Lessor's request at the end of the Lease any easement or other burden on the title which may have been granted after the Start Date of the Lease.
- 15.3 The Lessor must not cancel, surrender or modify any easements or other similar rights or interests (whether registered or not) which are for the benefit of or appurtenant to the Land without the prior written consent of the Lessee.
- 15.4 When the Lease ends the Lessee must transfer to the Lessor for nil consideration any consent, permit, use right or any other right to take water from the Land (whether such water is located on the surface of the Land or underneath it).

16 Lessee's Improvements

- 16.1 The parties acknowledge that despite any rule of law or equity to the contrary, the intention of the parties as recorded in the Deed of Settlement is that ownership of improvements whether or not fixed to the Land will remain unaffected by the sale of the Land, so that throughout the Term of this Lease all Lessee's Improvements will remain the Lessee's property.
- 16.2 The Lessee or its agent or sub-lessee or licensee may build or alter Lessee's Improvements without the Lessor's consent where necessary for, or incidental to, the Permitted Use. For the avoidance of doubt, this clause extends to Lessee's

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Improvements owned (wholly or partly) or occupied by third parties provided that all necessary consents are obtained.

- 16.3 The Lessee acknowledges that the Lessor has no maintenance obligations for any Lessee's Improvements.
- 16.4 If any Lessee's Improvements are destroyed or damaged, the Lessee may decide whether or not to reinstate without consulting the Lessor and any insurance proceeds will be the Lessee's property.
- 16.5 If the Land is subject to any mortgage or other charge at the Start Date, the Lessor will give the Lessee written acknowledgment of all existing mortgagees or chargeholders in the form prescribed in Schedule A Item 10 and executed by the mortgagees or chargeholders. The Lessor acknowledges that the Lessee is not required to execute this Lease until the provisions of this subclause have been fully satisfied.
- 16.6 If the Lessor proposes to grant any mortgage or charge after the Start Date it must first have required any proposed mortgagee or chargeholder to execute the written acknowledgment prescribed in Schedule A Item 11. The Lessor agrees not to grant any mortgage or charge until the provisions of this clause have been satisfied and to deliver executed originals of those acknowledgments to the Lessee within three Business Days from the date of their receipt by the Lessor.
- 16.7 The Lessee may demolish or remove any Lessee's Improvements at any time during the Lease Term without the consent of the Lessor provided that the Lessee reinstates the Land to a tidy and safe condition which is free from Contamination in accordance with clause 14.
- 16.8 When this Lease ends the Lessee may remove any Lessee's Improvements from the Land without the Lessor's consent.
- 16.9 The Lessee agrees that it has no claim of any kind against the Lessor in respect of any Lessee's Improvements or other Lessee's property left on the Land after this Lease ends and that any such Lessee's property shall at that point be deemed to have become the property of the Lessor.

17 Rubbish Removal

The Lessee agrees to remove at its own cost all rubbish from the Land and to keep any rubbish bins tidy.

18 Signs

The Lessee may display any signs which relate to the Permitted Use without the Lessor's consent. The Lessee must remove all signs at the end of the Lease.

19 Insurance

- 19.1 The Lessee is responsible for insuring or self insuring any Lessee's Improvements on the Land.
- 19.2 The Lessee must ensure that any third party which is not a Crown Body permitted to occupy part of the Land has adequate insurance at its own cost against all public liability.

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20 Fencing

- 20.1 The Lessee acknowledges that the Lessor is not obliged to build or maintain, or contribute towards the cost of, any boundary fence between the Land and any adjoining land.
- 20.2 If the Lessee considers it reasonably necessary for the purposes of the Permitted Use it may at its own cost fence the boundaries of the Land.

21 Quiet Enjoyment

- 21.1 If the Lessee pays the Annual Rent and complies with all its obligations under this Lease, it may quietly enjoy the Land during the Lease Term without any interruption by the Lessor or any person claiming by, through or under the Lessor.
- 21.2 The Lessor may not build on the Land or put any improvements on the Land without the prior written consent of the Lessee.

22 Assignment

- Provided that the Land continues to be used for Education Purposes, the Lessee has the right to assign its interest under the Lease without the Lessor's consent to:
 - (a) any Department or Crown Body; or
 - (b) any other party provided that the assignment complies with the Education Act 1989 and the Public Works Act 1981 (if applicable).
- 22.2 If the Lessee wishes to assign the Lease to any party for any Permitted Use which is not an Education Purpose it must first seek the Lessor's consent (which will not be unreasonably withheld).
- 22.3 Without limiting clause 22.1, the Lessor agrees that the Lessee has the right to nominate any Department to exercise for Education Purposes the rights and obligations in respect of the Lessee's interest under this Lease and that this will not be an assignment for the purposes of clause 22 or a subletting for the purposes of clause 23.
- 22.4 If the Lessee proposes to enter into any assignment in which the Land will no longer be used for Education Purposes, the Lessor may, as a precondition to the grant of its consent, require the assignee to renegotiate in good faith the provisions of this Lease.

23 Subletting

- Provided that the Land continues to be used for the Permitted Use, the Lessee has the right to sublet its interest under the Lease without the Lessor's consent to:
 - (a) any Department or Crown Body; or
 - (b) any other party provided that the assignment complies with the Education Act 1989 and the Public Works Act 1981 (if applicable).
- 23.2 If the Lessee wishes to sublet the Lease to any party which is not a Permitted Use it must first seek the Lessor's consent (which will not be unreasonably withheld).

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24 Occupancy by School Board of Trustees

- 24.1 The Lessee has the absolute right to sublet to or otherwise permit a school board of trustees to occupy the Land on terms and conditions set by the Lessee from time to time in accordance with the Education Act 1989 and otherwise consistent with this Lease.
- 24.2 The Lessor agrees that the covenant for quiet enjoyment contained in clause 21 extends to any board of trustees occupying the Land.
- 24. 3 A board of trustees occupying the Land has the right to sublet or license any part of the Land or the Lessee's Improvements to any third party in accordance with the Education Act 1989 and any licence or lease to any third party existing at the Start Date of this Lease will continue in effect until that licence or lease ends.

25 Lessee Break Option

- 25.1 Subject to clause 25.2, the Lessee may at any time end this Lease by giving not less than 6 months notice in writing to the Lessor. At the end of the notice period the Lease will end and the Lessee will pay a further 12 months rent to the Lessor, who agrees to accept that sum in full and final satisfaction of all claims, loss and damage which the Lessor could otherwise claim because the Lease has ended early, but without prejudice to any right or remedy available to the Lessor as a consequence of any breach of this Lease by the Lessee which occurred before the Lease ended.
- 25.2 For the initial term only, if the leases for more than 25% of the school sites or more than one school site, whichever is the greater, held or previously held with each Lessor, have been ended by the Lessee at the date of the notice in writing in clause 25.1, then the Lessee will pay a further 24 months rent to the relevant Lessor in addition to the 12 months specified in clause 25.1.

26 Breach

Despite anything else in this Lease, the Lessor agrees that, if the Lessee breaches any terms or conditions of this Lease, the Lessor must not in any circumstances cancel this Lease or re-enter into possession but may seek such other remedies which are lawfully available to it.

27 Notice of Breach

- 27.1 Despite anything expressed or implied in this Lease, the Lessor will not exercise its rights under clause 26 unless the Lessor has first given the Lessee written notice of the breach on which the Lessor relies and given the Lessee an opportunity to remedy the breach as provided below:
 - (a) by paying the Lessor all money necessary to remedy the breach within 20 Business Days of the notice; or
 - (b) by undertaking in writing to the Lessor within 20 Business Days of the notice to remedy the breach and then remedying it within a reasonable time; or
 - (c) by paying to the Lessor within 60 Business Days of the notice compensation to the reasonable satisfaction of the Lessor in respect of the breach having regard to the nature and extent of the breach.

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27.2 If the Lessee remedies the breach in one of the ways set out above the Lessor will not be entitled to rely on the breach set out in the notice to the Lessee and this Lease will continue as if no such breach had occurred.

28 Renewal

- 28.1 If the Lessee has performed its obligations under this Lease the Lessor agrees that the Lease will automatically be renewed in perpetuity every 21 years beginning with the 21st anniversary of the Start Date for a further 21 year period unless the Lessee gives written notice to the Lessor at least six months before the expiry of the current Lease Term that it does not wish the Lease to be renewed.
- 28.2 The renewed lease will be on the terms and conditions expressed or implied in this Lease, including this right of renewal, provided that either party may initiate the rent review process in accordance with clause 3.

29 Right of First Refusal for Lessor's Interest

- 29.1 If at any time during the Lease Term the Lessor wishes to sell or transfer its interest in the Land the Lessor must within a reasonable time give written notice (Lessor's Notice) to the Lessee setting out the terms on which the Lessor wishes to sell the Land and offering to sell it to the Lessee on those terms.
- 29.2 The Lessee has 60 Business Days after and excluding the date of receipt of the Lessor's Notice (time being of the essence) in which to exercise the Lessee's right to purchase the Land, by serving written notice on the Lessor (Lessee's Notice) accepting the offer contained in the Lessor's Notice.
- 29.3 If the Lessee does not serve the Lessee's Notice on the Lessor in accordance with clause 29.2 the Lessor may sell or transfer the Lessor's interest in the Land to any person on no more favourable terms than those previously offered to the Lessee.
- 29.4 If the Lessor wishes to offer more favourable terms for selling or transferring the Lessor's interest in the Land than the terms contained in the Lessor's Notice, the Lessor must first re-offer its interest in the Land to the Lessee on those terms by written notice to the Lessee and clauses 29.1–29.4 (inclusive) will apply and if the re-offer is made within six months of the Lessor's Notice the 60 Business Days period must be reduced to 30 Business Days.
- 29.5 The Lessor may dispose of the Lessor's interest in the Land:
 - (a) to a wholly owned subsidiary of the Lessor;
 - (b) to a successor in title to the Lessor following its restructure, reorganisation or dissolution; or
 - (c) from one joint lessor to the other joint lessor,

and in any case the consent of the Lessee is not required and the Lessee's right to purchase the land under clause 29 will not apply.

6.1: LEASE FOR GOLDEN BAY HIGH SCHOOL

30 Entire Agreement

This Lease sets out the entire agreement between the parties in relation to the Land and any variation to the Lease must be recorded in writing and executed in the same way as this Lease.

31 Disputes

The parties will try to resolve all disputes by negotiations in good faith. If negotiations are not successful, the parties will refer the dispute to the arbitration of two arbitrators (one to be appointed by each party) and an umpire (to be appointed by the arbitrators before arbitration) in accordance with the Arbitration Act 1996.

32 Service of Notices

32.1 Notices given under this Lease by the Lessor must be served on the Lessee by hand delivery or by registered mail addressed to:

The Secretary for Education Ministry of Education PO Box 1666 WELLINGTON 6011

32.2 Notices given under this Lease by the Lessee must be served on the Lessor by hand delivery or by registered mail addressed to:

Te Ātiawa o Te Waka-a-Māui Trust Ngati Tama ki Te Waipounamu Trust c/- WHK Limited PO Box 10 NELSON 7040

32.3 Hand delivered notices will be deemed to be served at the time of delivery. Notices sent by registered mail will be deemed to be served two Business Days after posting.

33 Registration of Lease

The parties agree that the Lessee may at its expense register this Lease under the Land Transfer Act 1952. The Lessor agrees to make title available for that purpose and consents to the Lessee caveating title to protect its interest in the Lease before registration.

34 Costs

The parties will pay their own costs relating to the negotiation, preparation and execution of this Lease and any renewal, variation or surrender of the Lease.

6.1: LEASE FOR GOLDEN BAY HIGH SCHOOL

LESSOR:

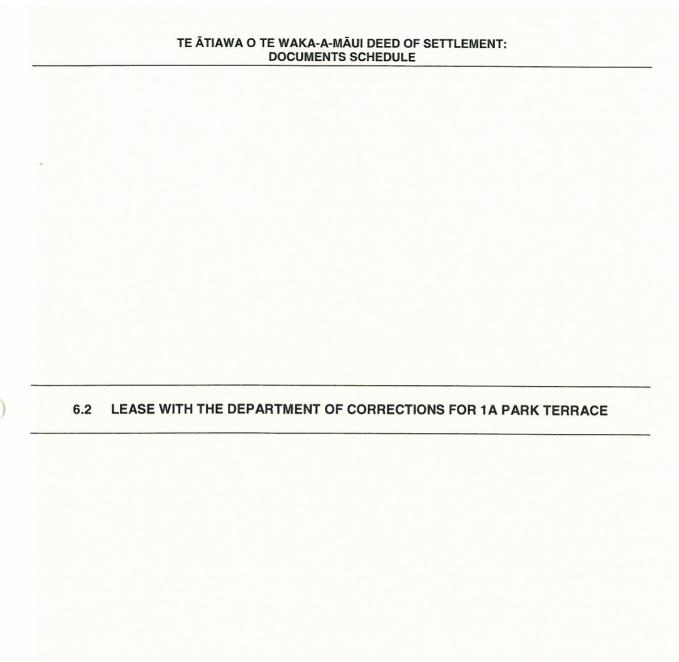
[THE TRUSTEES OF THE TE ATIAWA O TE WAKA-A-MAUI TRUST and NGATI TAMA KI TE WAIPOUNAMU TRUST]

LESSEE:

HER MAJESTY THE QUEEN acting by and through the Secretary for Education

MEMORANDUM OF LEASE

THE SECRETARY FOR EDUCATION
MINISTRY OF EDUCATION
NATIONAL OFFICE
WELLINGTON



6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

DEED OF LEASE

DATED

20

PARTIES

- 1. [THE TRUSTEES OF NGĀTI RARUA SETTLEMENT TRUST AND TE ĀTIAWA O TE WAKA-A-MĀUI TRUST] (Lessor)
- 2. **HER MAJESTY THE QUEEN** acting by and through the Department of Corrections (Lessee)

BACKGROUND

- A. The Lessor is the owner of the Premises.
- B. The Lessor has agreed to lease the Premises to the Lessee and the Lessee has agreed to take the Premises on lease.

THIS DEED RECORDS THAT:

- 1. DEFINITIONS AND INTERPRETATION
- 1.1 **Definitions**: In this lease, unless the context indicates otherwise:

Annual Rent means the annual rent set out in the First Schedule subject to changes resulting from the Lessor's exercise of any right to review the annual rent;

Authority means and includes every governmental, local, territorial and statutory authority having jurisdiction or authority over the Premises or their use;

Building means the building and other improvements described in the First Schedule and includes:

- (a) Any Part: any part of the building and improvements;
- (b) **Fixtures and Fittings**: all plant, machinery, equipment, fixtures and fittings of the Lessor from time to time on, in or forming part of the building or improvements; and
- (c) **Alterations**: any extensions, alterations or repairs to the building or improvements;

Government Agency includes any department or instrument of the Executive Government of New Zealand and includes:

- (a) a body corporate or corporation sole (whether called a corporation, commission, council, board, authority or by any other name) that has been established or constituted by a public Act of Parliament and that is named in that Act;
- (b) a body corporate or organisation that is controlled or wholly owned by the Crown or by any such Department, institution, instrument, body corporate, corporation sole or organisation; and
- (c) a Crown entity within the meaning of the Crown Entities Act 2004.

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

GST means tax levied under the Goods and Services Tax Act 1985 and includes any tax levied in substitution for that tax;

Insured Risks means loss, damage or destruction resulting from fire, flood, explosion, lightning, storm, earthquake and volcanic activity and any other risks which the Lessor reasonably requires to be insured against (or has covenanted with the Lessee to be insured against);

Land means the land described in the First Schedule;

Lessee means Her Majesty the Queen in any capacity and includes:

- (a) Permitted Assigns: the Lessee's permitted assigns;
- (b) **Agents**: the Lessee's agents, employees, contractors and invitees;
- (c) **Persons Under Control**: any person in the Premises under the Lessee's control or direction; and
- (d) Successors: the Lessee's successors:

Lessee's Improvements means the Lessee's property situated in or on the Premises and includes the Lessee's non-structural internal partitions, built-in furniture, blinds, curtains, shelving, signs, security devices and all equipment and plant owned by the Lessee and includes the Lessee's Improvements listed in the Third Schedule;

Lessor means [] and includes:

- (a) Assigns: the Lessor's assigns;
- (b) Agents: the Lessor's employees, contractors and agents; and
- (c) Successors: the Lessor's successors:

Lessor's Fixtures means the Lessor's fixtures, fittings, plant and equipment and includes the Lessor's Fixtures set out in the Second Schedule;

Month means a calendar month;

Outgoings means the Lessor's costs, expenses and charges properly or reasonably assessed or assessable in relation to:

- (a) **Building**: the Building;
- (b) Control of Building: the control, management and maintenance of the Building; and
- (c) Use of Building: the use or occupation of the Building;

but excludes costs, expenses or charges which are the direct and exclusive responsibility of the Lessor or the Lessee or any other occupier of the Building, and Outgoing means any one of those costs, expenses or charges;

Premises means the Building and the Land and includes the Lessor's Fixtures but excludes the Lessee's Improvements;

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

Service Centre means a facility to provide the administrative offices for the community probation service managed by the Lessee (or any similar service operated in addition to, or substitution for a community probation service), which may include a Community Work Centre established under section 30 of the Corrections Act 2004:

Service Manager means the Lessee's agent responsible for the management of the Service Centre;

Services means fire detection or protection systems, security systems, air conditioning systems, lifts, water, gas, electrical, plumbing and drainage installations and systems, traffic control systems for carparking areas and any other systems and services in, on or serving the Premises;

Structural Repairs means repairs, maintenance or renovations to the foundations, floors, columns, beams, trusses, roof and exterior wall claddings, gutters, downpipes and drains of the Building;

Term means the term of this lease and includes the Initial Term and (if this lease is renewed) the Renewal Term and (if this lease is further renewed) any further Renewal Term(s);

Utilities means all utility and other services connected and/or supplied to the Premises, including water, sewage, drainage, electricity, gas, telephone, telecommunications, cleaning, toiletries and rubbish collection; and

Working Day has the meaning given to it in the Property Law Act 2007.

- 1.2 Interpretation: In this lease, unless the context indicates otherwise:
 - 1.2.1 Building Act Terms: the terms Building Work, Compliance Schedule, Code Compliance Certificate, Specified Systems and Warrant of Fitness have the meanings given to those terms in the Building Act 2004;
 - 1.2.2 **Defined Expressions**: expressions defined in the main body of this lease have the defined meaning throughout this lease, including the background and schedules;
 - 1.2.3 First Schedule Terms: the terms Commencement Date, Default Interest Rate, Final Expiry Date, Lessee's Percentage, Permitted Use, Rent Payment Date(s), Rent Review Date(s), Initial Term and Termination Date, together with the other terms specified in the First Schedule, will be interpreted by reference to the First Schedule;
 - 1.2.4 **Headings**: clause and other headings are for ease of reference only and will not affect this lease's interpretation;
 - 1.2.5 **Joint and Several Obligations**: where two or more persons are bound by a provision in this lease, that provision will bind those persons jointly and each of them severally;
 - 1.2.6 **Parties**: references to any **party** are references to parties to this lease and include that party's executors, administrators, successors and permitted assigns;

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

- 1.2.7 **Persons**: references to a **person** include an individual, company, corporation, partnership, firm, joint venture, association, trust, unincorporated body of persons, governmental or other regulatory body, authority or entity, in each case whether or not having separate legal identity;
- 1.2.8 Plural and Singular: references to the singular include the plural and vice versa;
- 1.2.9 Clauses/Schedules/Attachments: references to clauses, schedules and attachments are to clauses in, and the schedules and attachments to, this lease. Each such schedule and attachment forms part of this lease;
- 1.2.10 **Statutory Provisions**: references to any statutory provision are to statutory provisions in force in New Zealand and include any statutory provision which amends or replaces it, and any by-law, regulation, order, statutory instrument, determination or subordinate legislation made under it;
- 1.2.11 **Negative Obligations**: any obligation not to do anything includes an obligation not to suffer, permit or cause that thing to be done;
- 1.2.12 **Inclusive Expressions**: the term **includes** or **including** (or any similar expression) is deemed to be followed by the words **without limitation**; and
- 1.2.13 **Documents**: references to any document (however described) are references to that document as modified, novated, supplemented, varied or replaced from time to time and in any form, whether on paper or in an electronic form.

2. GRANT OF LEASE

- 2.1 Lease of Premises: The Lessor leases the Premises to the Lessee and the Lessee takes the Premises on lease for the Initial Term beginning on the Commencement Date and ending on the Termination Date at the Annual Rent as specified in the First Schedule.
- 2.2 **Ancillary Rights**: The Lessor grants to the Lessee the rights to use the Lessor's Fixtures.

3. RIGHT OF RENEWAL

3.1 Preconditions: If:

- 3.1.1 **Written Notice**: at least three months before the Termination Date, the Lessee gives the Lessor written notice of the Lessee's wish to renew this lease; and
- 3.1.2 **Compliance by Lessee**: the Lessee has complied with all of the Lessee's obligations under this lease;

then the Lessor will renew this lease at the Lessee's cost for the Renewal Term beginning on the day following the Termination Date.

- 3.2 **Rent on Renewal**: Subject to clause 3.4, the Annual Rent payable from the beginning of each Renewal Term will be:
 - 3.2.1 **Current Market Rent**: the current market rent of the Premises at the beginning of the relevant Renewal Term; and

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

- 3.2.2 **Determined as if Rent Review**: determined using the terms of this lease relating to rent reviews as if the commencement date of the relevant Renewal Term were a Rent Review Date.
- 3.3 **Terms of Renewed Lease**: The renewed lease will be on the same terms as this lease but will exclude this present term for renewal unless further Renewal Term(s) are specified in the First Schedule. If so, the renewed lease will contain rights to renew for those further Renewal Term(s) to the same effect as clauses 3.1 to 4.1 (inclusive). The Term must never expire later than the Final Expiry Date.
- 3.4 **Reviews of Rent**: The Annual Rent payable during each Renewal Term will be subject to review on the Rent Review Date(s).

4. HOLDING OVER

4.1 **Holding Over**: If, other than under a grant of a further lease, the Lessor permits the Lessee to remain in occupation of the Premises after the expiry or earlier termination of the Term, the occupation will be a periodic tenancy only, determinable by 20 Working Days notice by either the Lessor or the Lessee to the other of them, at the rent then payable and otherwise on the same terms and conditions (as far as applicable to a periodic tenancy) as are contained in this lease.

5. RENT

- 5.1 The Lessee must pay:
 - 5.1.1 **Annual Rent**: the Annual Rent by equal monthly payments in advance on the Rent Payment Dates;
 - 5.1.2 **Monthly Payments**: the first monthly payment of the Annual Rent on the Commencement Date;
 - 5.1.3 **No Deductions or Set-Off**: all rent and other money payable by the Lessee under this lease to the Lessor without any deduction or set-off; and
 - 5.1.4 **Method**: all payments of rent by direct bank payment or as the Lessor may direct.

6. RENT REVIEW

- 6.1 **Process**: The Annual Rent is subject to review on the Rent Review Dates using the process set out in clauses 6.2 to 6.9 (inclusive).
- 6.2 **Lessor's Notice**: The Lessor may in the period of three months before each Rent Review Date give written notice to the Lessee (Lessor's Notice) setting out the Lessor's assessment of the current market rent of the Premises on that particular Rent Review Date.
- 6.3 **Lessee's Notice**: The Lessee may within 20 Working Days of receiving the Lessor's Notice (time being of the essence) by written notice to the Lessor (Lessee's Notice) dispute the current market rent set out in the Lessor's Notice. The Lessee's Notice must state the Lessee's assessment of the current market rent of the Premises on that particular Rent Review Date. If the Lessee does not give a Lessee's Notice, the Lessee will be taken to have accepted the current market rent set out in the Lessor's Notice.

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

- 6.4 **Resolution of Disputes**: If the Lessee gives a Lessee's Notice, the Lessor and the Lessee must enter into negotiations to resolve the dispute. If the Lessor and the Lessee do not reach agreement within 20 Working Days after the date of service of the Lessee's Notice, then the following terms will apply:
 - 6.4.1 **Appointment of Valuer**: the Lessor and the Lessee must within 10 Working Days after the expiry of the 10 Working Day negotiation period each appoint a registered valuer who is an associate member of The Property Institute of New Zealand Inc.;
 - 6.4.2 **Joint Determination**: the valuers appointed under clause 6.4(a) will jointly determine the current market rent of the Premises;
 - 6.4.3 **Sole Determination**: if either party fails to appoint a valuer under clause 6.4(a), the valuer appointed by the other party will determine the current market rent alone;
 - 6.4.4 **Appointment of Umpire**: before determining the rent, the valuers must jointly appoint an umpire and obtain the umpire's written acceptance of appointment;
 - 6.4.5 **Umpire Not Appointed**: if within 10 Working Days of the date of their appointment the valuers:
 - (a) fail to appoint an umpire; or
 - (b) cannot agree on an umpire;

then either party may ask the president of The Property Institute of New Zealand Inc. to appoint an umpire and obtain the umpire's written acceptance of appointment;

- 6.4.6 **Determination by Valuers**: the appointed valuers (or the sole valuer, if clause 6.4(c) applies) will:
 - jointly determine the current market rent of the Premises on that particular Rent Review Date within 20 Working Days of the date of their appointment; and
 - (b) act as experts and not as arbitrators;
- 6.4.7 **Determination by Umpire**: if the valuers cannot agree on the current market rent of the Premises within 20 Working Days of their appointment or within any extended time agreed by the parties, then the umpire will determine the current market rent;
- 6.4.8 **Directions to Valuers or Umpire**: in determining the current market rent the valuers or the umpire must:
 - (a) have regard to current market rents payable at the relevant Rent Review Date in respect of comparable premises of similar quality and location to the Premises;
 - (b) have regard to the terms of this lease;

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

- (c) determine the current market rent of the Premises at the relevant Rent Review Date as if the Term began on that date;
- (d) consider any uses for which the Premises may be lawfully used and disregard any restrictions on use imposed by this lease;
- (e) disregard the value of the Lessee's Improvements, that part of the Term which has expired and any restriction on the Lessee's right to assign or transfer this lease or sublease the Premises; and
- (f) disregard any defect in the Premises resulting from the Lessee's breach of any of the terms of this lease; and
- 6.4.9 **Costs of Determination**: all costs of the determination of the current market rent of the Premises by the valuers or the umpire will be borne as follows:
 - (a) if the current market rent as determined is either equal to or greater than the rent specified in the Lessor's Notice, by the Lessee;
 - (b) if the current market rent as determined is either equal to or less than the rent specified in the Lessee's Notice, by the Lessor;
 - (c) if the valuers or the umpire determine that one of the parties should bear all of the costs, or a proportion of the costs greater than one half, due to that party's impropriety, lack of cooperation or unreasonable conduct, then the parties must pay the costs in the proportions so specified; or
 - (d) in all other cases, by the Lessor and the Lessee equally.
- 6.5 **Rent Pending Review**: From the relevant Rent Review Date until the date of determination of the current market rent, the Lessee must pay the rent payable by the Lessee immediately before the relevant Rent Review Date.
- 6.6 **Lessor's Notice Late**: If the Lessor fails to serve the Lessor's Notice on the Lessee before any Rent Review Date, the Lessor will not forfeit the right to review the Annual Rent. If the Lessor serves the Lessor's Notice later than the relevant Rent Review Date, that notice whenever given will have the same force as if it were served before that Rent Review Date. In that case, the reviewed Annual Rent will be payable from the date of service of the Lessor's Notice.
- 6.7 **Deed of Variation**: The parties will sign a deed of variation prepared by the Lessor's solicitor(s) recording the reviewed Annual Rent.
- 6.8 **Moratorium on Rent**: If a statute, regulation, order or other lawful requirement imposing a rent moratorium or freeze has the effect of:
 - 6.8.1 **Delaying Review**: delaying any periodic review of the Annual Rent under this lease; or
 - 6.8.2 **Delaying Increase**: delaying the start of the payment of an increased Annual Rent which would be payable after a review of the Annual Rent;

the Lessor may elect to carry out the review by postponing the relevant Rent Review Date to a day on or after which the rent moratorium or freeze ceases to apply to this

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

lease. The new Annual Rent will be established at and payable from that postponed Rent Review Date. The postponement of a Rent Review Date under this clause will not prevent a review of the Annual Rent taking place on the next Rent Review Date or otherwise postpone that next Rent Review Date.

- 6.9 Excess and Shortfall: If the new Annual Rent (after a review under this section):
 - 6.9.1 **Shortfall**: is more than the rent actually paid by the Lessee from the relevant Rent Review Date to the date of determination of the new Annual Rent, the Lessee must immediately pay the arrears of rent to the Lessor; and
 - 6.9.2 **Excess**: is less than the rent actually paid by the Lessee from the relevant Rent Review Date to the date of determination of the new Annual Rent, the Lessor must immediately refund the overpayment to the Lessee.

7. GST

- 7.1 **Payment**: The Lessee must pay to the Lessor all GST payable on the Annual Rent and other money payable by the Lessee under this lease. The Lessee must pay GST:
 - 7.1.1 **Annual Rent**: on the Annual Rent on each occasion when any rent falls due for payment; and
 - 7.1.2 Other Money: on any other money payable by the Lessee on demand.

7.2 **Default**: If:

- 7.2.1 **Lessee Fails to Pay**: the Lessee fails to pay the Annual Rent or other money payable under this lease (including GST); and
- 7.2.2 **Lessor Liable to Penalty**: the Lessor becomes liable to pay additional GST or penalty tax;

then the Lessee must pay the additional tax or penalty tax on demand.

8. OUTGOINGS

8.1 **Outgoings**: This lease is a gross lease. Except as provided in clause 9, the Lessee is not liable to pay Outgoings.

9. UTILITY CHARGES

- 9.1 **Utility Charges**: The Lessee must promptly pay to the relevant Authority or supplier all charges for Utilities which are separately metered or charged to the Premises.
- 9.2 **Apportionment**: The Lessee must pay to the Lessor on demand a fair and reasonable proportion of the charge for any Utility which is not separately charged to the Premises.

10. COSTS

10.1 **Parties to Pay Own Costs**: The parties will pay their own costs of and incidental to the negotiation, preparation and execution of this lease.

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

- 10.2 Lessee to Pay Costs: The Lessee must pay to the Lessor on demand:
 - 10.2.1 **Legal Costs**: the Lessor's reasonable legal costs for the preparation and execution of any renewal, extension or variation of this lease (including any variation recording a rent review);
 - 10.2.2 **Costs For Consents**: the Lessor's reasonable costs incurred in considering any request by the Lessee for the Lessor's consent to any matter contemplated by this lease; and
 - 10.2.3 **Default Costs**: all costs, charges and expenses for which the Lessor becomes liable as a result of the Lessee's breach of any of this lease's terms.
- 10.3 **Lessor's Obligation**: The Lessor must pay all costs, expenses and charges relating to the Premises which are not the Lessee's responsibility under this lease.

11. INSURANCE

- 11.1 Lessor to Insure Building: The Lessor must at all times during the Term keep and maintain the Building insured in the names of the Lessor and the Lessee for their respective rights and interests to its full replacement value against the Insured Risks and such cover must extend to:
 - 11.1.1 Loss of Rent: a 12 month indemnity in respect of consequential loss of rent;
 - 11.1.2 **Lessor's Fixtures**: loss, damage or destruction of any of the Lessor's Fixtures; and
 - 11.1.3 Public Liability: public liability.
- 11.2 **Public Liability Insurance**: The Lessee must keep a public liability insurance policy applicable to the Premises and the Permitted Use carried on in the Premises current throughout the Term. This policy must provide cover for:
 - 11.2.1 **Set Amount**: the amount set out in the First Schedule (being the amount which may be paid out arising from any single accident or event); and
 - 11.2.2 **Escalation**: any reasonable escalation in the policy limit, required by either party, subject to one month's notice, and mutual agreement.
- 11.3 **Particulars of Insurance Policies**: The insurance policies effected by the Lessee under clause 11.2 must:
 - 11.3.1 **Recognition of Interest Insured**: recognise the Lessor and the Lessee for their respective rights and interests; and
 - 11.3.2 **Approved Insurer Rating**: be with an insurer carrying a rating of no less than A- Standard & Poors/B+ A M Best.
- 11.4 **Evidence of Insurance**: Each party must, if required, produce to a certificate of insurance as evidence that the insurances required in clauses 11.1 and 11.2 have been, and continue to be, in effect.

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

12. MAINTENANCE

- 12.1 Maintenance of Premises: Subject to clause 12.2, the Lessee must:
 - 12.1.1 **Keep in Same Repair**: maintain the interior of the Premises in the same state of repair as on the Commencement Date having regard to the condition at the Commencement Date; and
 - 12.1.2 **On Termination**: at the expiry of the Term or on the earlier termination of this lease hand back the interior of the Premises to the Lessor in the same state of repair as on the Commencement Date.
- 12.2 Limitations on Lessee's Maintenance Obligations: The Lessee's obligations under clause 12.1 do not:
 - 12.2.1 Fair Wear and Tear: extend to deterioration arising from fair wear and tear;
 - 12.2.2 **Damage Caused by Fire etc**: extend to situations where the Premises are damaged by fire, flood, explosion, lightning, storm, earthquake, volcanic activity or to any risk against which the Lessor is (or has covenanted with the Lessee to be) insured, unless:
 - the damage was intentionally caused by the Lessee or by those for whom the Lessee is responsible;
 - (ii) the damage was the result of an act or omission by the Lessee or those for whom the Lessee is responsible and that act or omission:
 - (A) occurred on or about the Premises or on or about the land on which the Premises are situated; and
 - (B) constitutes an indictable offence within the meaning of the Summary Offences Proceedings Act 1957;

then the Lessee is liable for the cost of making good that damage; or

- (iii) any insurance moneys otherwise payable are rendered irrecoverable because of an act or omission of the Lessee or those for whom the Lessee is responsible; or
- 12.2.3 **Structural Repairs**: apply to Structural Repairs.
- 12.3 Further Maintenance/Repair Obligations: The Lessee must at the Lessee's expense:
 - 12.3.1 **Services**: keep the Services in good repair and condition having regard to their condition at the Commencement Date;
 - 12.3.2 **Keep Premises Clean**: keep the Premises clean, tidy and free of rubbish;
 - 12.3.3 **Removal of Rubbish**: regularly remove all rubbish and waste from the Premises and keep all rubbish bins and waste disposal facilities in tidy condition;
 - 12.3.4 **Trade Waste**: remove all trade waste from the Premises in compliance with all Authorities' requirements;

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- 12.3.5 Broken Glass: replace all broken glass in the Premises;
- 12.3.6 **Light Bulbs**: replace all damaged or defective light bulbs and tubes in the Premises; and
- 12.3.7 **Pests**: prevent and exterminate any pest infestation in the Premises.
- 12.4 Lessor's Maintenance: The Lessor must at the Lessor's cost carry out:
 - 12.4.1 Structural Repairs: any Structural Repairs; and
 - 12.4.2 **Other Repairs**: any other repairs and maintenance which are required to keep and maintain the Building in good order and repair and suitable for the Lessee's use for the Permitted Use;

within a reasonable time of the need for those repairs and maintenance having been brought to the Lessor's notice either by the Lessee or any other person. The Lessor is not liable for any:

- 12.4.3 **Lessee's Maintenance**: repairs or maintenance for which the Lessee is responsible under this lease;
- 12.4.4 **Lessee's Default**: repairs or maintenance which are necessary as a result of the Lessee's act, default or negligence; or
- 12.4.5 **Lessee's Property**: damage to or destruction of any property in the Premises unless the damage or destruction results from the Lessor's failure to carry out repairs or maintenance within a reasonable time.
- 12.5 **Notification of Defects**: The Lessee must promptly notify the Lessor of any damage to or defect in the Premises of which the Lessee becomes aware.

13. USE OF PREMISES

- 13.1 **Permitted Use**: Subject to clause 13.2, the Lessee must only use the Premises for the Permitted Use.
- 13.2 **Change of Permitted Use**: The Lessee may use the Premises for a use or activity other than the Permitted Use but only with the Lessor's prior written consent. The Lessor must not withhold or delay the Lessor's consent for any proposed use:
 - 13.2.1 Suitable: for which the Premises are reasonably suitable; and
 - 13.2.2 **Authorities**: which complies with all Authorities' requirements.
- 13.3 Restrictions on Use: The Lessee must:
 - 13.3.1 **Noxious Activities and Nuisances**: not carry on any noxious, noisy or offensive business or activity in or about the Premises or do anything which is or may become a nuisance or annoyance to the Lessor, but the carrying on of the Permitted Use by the Lessee in a reasonable manner will not of itself be a breach of this clause;

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

- 13.3.2 Resource Management Act: not do anything which is or may become a breach of any duty imposed on any person by the Resource Management Act 1991;
- 13.3.3 **Health and Safety in Employment Act**: not do anything which is or may become a breach of any duty imposed on any person by the Health and Safety in Employment Act 1992;
- 13.3.4 **Insurance**: not do anything which may result in any insurance relating to the Premises being refused or cancelled or the premium for that insurance being increased, unless the Lessee has first obtained any necessary extensions of cover from the insurer and has paid any additional premiums required by the insurer;
- 13.3.5 **Heavy Goods**: not bring on or keep in the Premises anything of a weight that will impose on the Premises a stress or strain greater than that for which the Premises were constructed; and
- 13.3.6 Acts, By-laws etc: comply with all acts, by-laws, regulations, rules and requisitions relating to the Premises and the Lessee's use of the Premises, but the Lessee is not liable to carry out any Structural Repairs required under any act, by-law, regulation or requisition unless resulting from the Lessee's use of the Premises or the number or sex of persons allowed in the Premises by the Lessee.
- 13.4 **Cessation**: For the avoidance of doubt, the parties agree that any cessation or suspension of the use of the Premises for any period of time is not a breach of clause 13.1.

14. DESIGNATION

- 14.1 **Designation**: The Lessor consents to the Lessee maintaining a designation under the Resource Management Act 1991 for the construction, operation and maintenance of the Permitted Uses and for any use consented to under clause 13.2 for the Term of this Lease, and further consents to the inclusion of any new or further designation for such purposes in any operative or proposed District Plan.
- 14.2 No Right to Object: The Lessor agrees that it will not:
 - 14.2.1 Complain or object to, or cause others to complain or object to, or publicly comment on, any variation, change or modification to existing or future lawful uses of the Land and any designations or consents either in place at the Commencement Date or lawfully granted to the Lessee at a later date, provided the variations, changes or modifications are related to, or ancillary to, the Permitted Uses or any use consented to under clause 13.2; or
 - 14.2.2 Directly or indirectly lobby any Authority or other interested party, or directly or indirectly fund any objections, in relation to any variation, change or modification to existing or lawful future uses, designations or consents either in place at the Commencement Date or lawfully granted to the Lessee at a later date;
- 14.3 **No Right to Object to Permitted Uses**: The Lessor agrees that it will not complain or object to, or directly or indirectly fund any objection relating to, or otherwise publicly comment about, any activities on the Land in accordance with the Permitted Use or any use consented to under clause 13.2.

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

15. ALTERATIONS AND ADDITIONS

- 15.1 **Approvals**: Subject to the terms of this section, the Lessee must not make any alterations or additions to, or carry out any Building Work on, the Premises without first producing plans and specifications for the proposed work to the Lessor and:
 - 15.1.1 Lessor's Consent: obtaining the Lessor's prior written consent; and
 - 15.1.2 **Building Consent**: obtaining and providing the Lessor with a copy of all Building Consents required to enable the relevant Building Work to be carried out lawfully.

15.2 Building Act: The Lessee must:

- 15.2.1 **Building Consent**: carry out all Building Work in conformity with the Building Consents produced to the Lessor under clause 15.1(b); and
- 15.2.2 **Compliance Certificate**: obtain a Code Compliance Certificate on completion of any Building Work.

16. SIGNS

- 16.1 **Signage Permitted**: The Lessee may affix or paint any sign, nameplate, notice or advertising device on or to the Premises with the Lessor's prior written consent (not to be unreasonably withheld) provided that such signage is in compliance with all relevant Authorities' requirements. To avoid doubt, the parties agree that any signage owned by the Lessee and affixed to the Premises on the Commencement Date, is deemed to be authorised under this clause.
- 16.2 Removal: At or before the expiry or earlier termination of the Term, the Lessee must:
 - 16.2.1 **Remove Signs etc**: remove all signs, nameplates, notices and advertising devices affixed to or painted on the Premises; and
 - 16.2.2 **Restore Premises**: restore all affected parts of the Premises to the Lessor's reasonable requirements.

17. ASSIGNMENT AND SUBLEASING

- 17.1 **Control of Assignment and Subleasing**: Subject to the terms of this section and in particular clauses 17.5 and 17.6, the Lessee may not:
 - 17.1.1 Assign: assign any interest in this lease; or
 - 17.1.2 **Sublease**: sublease, part with possession or share occupation of the whole or any part of the Premises.
- 17.2 **Lessor's Consent**: The Lessee may with the Lessor's prior written consent:
 - 17.2.1 Assign: assign the Lessee's entire interest in this lease; or
 - 17.2.2 **Sublease**: sublease the whole or any part of the Premises.

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

- 17.3 **Conditions**: Without limiting the grounds on which the Lessor may withhold consent under clause 17.2, the Lessor may, as a condition of any consent, require prior compliance with any one or more of the following conditions:
 - 17.3.1 **Standing of Assignee**: the Lessee must show to the Lessor's reasonable satisfaction that the proposed assignee or sublessee is responsible and, in the case of an assignment, financially sound;
 - 17.3.2 **Performance by Lessee**: the Lessee must have performed all of the Lessee's obligations under this lease up to the date of the proposed assignment or grant of the sublease;
 - 17.3.3 **Deed of Covenant**: in the case of an assignment, the assignee must execute a deed of covenant with the Lessor, agreeing to perform the Lessee's obligations under this lease, but without releasing the assignor or any other person from liability under this lease; or
 - 17.3.4 **Assignment to a Company**: in the case of an assignment to a company, the shares in which are not listed on the New Zealand Stock Exchange, the Lessor may require the directors and shareholders of the assignee to guarantee the assignee's obligations under the deed of covenant executed by the assignee.
- 17.4 **Costs**: The Lessee must pay the Lessor's reasonable costs for any consent or application for consent under this section (including the Lessor's legal costs) and the costs of investigating the suitability of the proposed assignee or sublessee.
- 17.5 **Transfer of Service Centre**: If, by any statutory provision or regulation enacted during the Term of this Lease, the Lessee is obliged, or otherwise agrees, to transfer or assign management of the Service Centre or any aspect of such management to a third party, the provisions of clause 17.1 to 17.3 will not apply to such a transfer or assignment and the Lessee will be entitled to transfer or assign its interest as Lessee under this Lease or any aspect of management of the Service Centre to such a third party without further reference to the Lessor, who will be deemed to have approved such a transfer or assignment, and will immediately sign any document necessary to give effect to such a transfer or assignment, if so requested by the Lessee.
- 17.6 **Transfer to a Government Agency**: If the Lessee proposes to transfer, assign or sublet its interest as Lessee under this Lease to any Government Agency, it must provide the Lessor with not less than 10 Working Days notice in writing of the proposed transfer, assignment or sublease. The Lessee may then transfer, assign or sublet its interest as Lessee under this Lease to any Government Agency without further reference to the Lessor, who will be deemed to have approved such a transfer, assignment or sublease, and will immediately sign any document necessary to give effect to such a transfer, assignment or sublease, if so requested by the Lessee.

18. LESSOR'S RIGHTS OF ENTRY

- 18.1 **Entry to Premises by Lessor**: Subject to clauses 18.3 to 18.8, the Lessor may enter the Premises with all necessary materials and equipment to:
 - 18.1.1 **Inspect Premises**: on no more than two occasions in each calendar year, inspect the condition and state of repair of the Premises;
 - 18.1.2 **Carry out Repairs**: carry out repairs or other works which are not the Lessee's responsibility under this lease;

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

- 18.1.3 **Compliance with Statutes etc**: carry out any works to comply with any statutes, regulations, by-laws, ordinances, orders, proclamations, requirements of or notices by any Authority or the requirements or recommendations of the Building's insurer except where those works are the Lessee's responsibility; or
- 18.1.4 **Lessee's Default**: carry out any work which is the Lessee's responsibility and which the Lessee has failed to carry out.

subject to compliance with the conditions of entry set out in this section 18.

- 18.2 **Access for Re-Letting**: Subject to clauses 18.3 to 18.8 (inclusive), the Lessee will, at all reasonable times, permit the Lessor, its duly authorised agents, prospective tenants of the Premises and other persons with written authority from the Lessor, to view the premises for the purposes of re-letting, during the period of three (3) months immediately preceding the expiration of the Term.
- 18.3 Conditions of Entry: Entry under clauses 18.1 and 18.2 is subject to:
 - 18.3.1 the Lessor providing the Lessee with at least 24 hours prior notice, in writing (except in the case of emergency, in which case immediate access will be provided); and
 - 18.3.2 compliance with the Lessee's safety and access protocols including direct supervision at all times by an authorised representative of the Lessee;
 - 18.3.3 entry being limited to two persons named in the notice under clause 18.3(a), authorised by the Lessee and approved in writing by the Lessee, in advance of entry.
- 18.4 Lessor's Acknowledgement: The Lessor acknowledges that the Premises is used as a Service Centre and that the Service Manager will have the discretion to impose such reasonable conditions on the Lessor's ability to enter the Premises under this section 18, as the Service Manager thinks necessary or appropriate to the operational requirements of the Service Centre and to maintain the privacy of clients of the Service Centre.
- 18.5 Lessor's Representations: The Lessor may make representations to the Service Manager regarding the times of entry to the Premises under this section 18, but the Lessor acknowledges that the Service Manager may at his/her discretion upon the giving of either oral or written notice, vary any consent to entry given under this Lease if the Service Manager deems this necessary or appropriate to the operational requirements of the Service Centre and to maintain the privacy of clients of the Service Centre.
- 18.6 **Compliance with Statutes**: When exercising any of the rights under this section, the Lessor will at all times comply with all statutes, ordinances bylaws, or other enactments affecting or relating to the Premises including (but not limited to) the Corrections Act 2004 and the Corrections Regulations 2005, and with all instructions which may be given by the Service Manager or any Authority, and will keep the Lessee indemnified in respect of any non-compliance by the Lessor.
- 18.7 **Powers**: The Lessor acknowledges that in the event that the Service Centre ceases to have a Service Manager, the Service Manager's powers under this Lease may be exercised by any agent, employee or servant of the Lessee to whom a written authorisation in this regard is made or by an assignee under clause 17.

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

18.8 **Minimise Disturbance to Lessee**: The Lessor will take reasonable steps to minimise any disturbance to the Lessee when exercising the entry rights granted under clauses 18.1 and 18.2.

19. QUIET ENJOYMENT

19.1 If the Lessee pays the Annual Rent and performs the Lessee's obligations in this lease, the Lessee will be entitled to quiet enjoyment of the Premises without interruption by the Lessor or any person claiming under the Lessor.

20. DESTRUCTION AND REINSTATEMENT

- 20.1 Total Destruction: If the Premises are:
 - 20.1.1 **Destroyed**: destroyed; or
 - 20.1.2 **Damaged**: so damaged as to be substantially untenantable or unfit for the conduct of the Permitted Use or to require, in the Lessor's reasonable opinion, demolition of the Building;

then this lease will terminate with effect from the date of that damage or destruction.

- 20.2 **Partial Destruction**: If the Premises are damaged but not so as to give rise to termination of this lease under clause 20.1, the Lessor will with all reasonable speed reinstate the Premises using materials, building techniques and designs which the Lessor chooses. The reinstated Premises must be reasonably adequate to enable the Lessee to carry out the Permitted Use.
- 20.3 **If Reinstatement Prevented**: The Lessor is not required to reinstate under clause 20.2 if:
 - 20.3.1 **Insurance Proceeds Unavailable**: there are insufficient insurance proceeds available to the Lessor;
 - 20.3.2 **Mortgagee**: any mortgagee of the land on which the Building is erected requires the insurance proceeds to be applied otherwise than to reinstatement of the Premises; or
 - 20.3.3 **Consents and Approvals**: any necessary Building Consent, resource consent or other approval is not available from any Authority;

in which case this lease will terminate with effect from the date of the damage.

- 20.4 **Reduction of Rent**: If clause 20.2 applies, a fair proportion of the Annual Rent and Outgoings will cease to be payable with effect from the date of the damage until the completion of the reinstatement. In calculating the amount of the rent reduction, the parties will take into account:
 - 20.4.1 Nature and Extent of Damage: the nature and extent of the damage; and
 - 20.4.2 **Reduction in Benefit**: the reduction in the benefit of the use and occupation of the Premises caused to the Lessee; and
 - 20.4.3 **Loss of Rent Insurance**: any payment made to the Lessor under a policy for consequential Loss of Rent Insurance.

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

20.5 Failure to Reinstate: If:

- 20.5.1 Reinstatement Not Prevented: clause 20.3 does not apply;
- 20.5.2 **Lessee Requires Reinstatement**: the Lessee gives the Lessor written notice requiring the reinstatement work to be done; and
- 20.5.3 **Reinstatement Not Done**: the Lessor fails to carry out the Lessor's obligations under clause 20.2 within a reasonable time after receiving the Lessee's notice;

then the Lessee may terminate this lease by giving a further written notice to the Lessor.

20.6 **Earlier Breaches**: Termination of this lease under this section will not prejudice either party's rights relating to any earlier breach of this lease.

21. RE-ENTRY

21.1 No Right of Re-Entry: Notwithstanding section 218 and clause 12 of Schedule 3 of the Property Law Act 2007, and pursuant to section 217 of that Act, and due to the nature of the Permitted Uses and the need to ensure the ongoing operational integrity of the Service Centre, the Lessor agrees that it may not cancel the lease because of the breach of any covenant or condition by the Lessee (including a covenant or condition to pay rent).

22. LESSEE'S RIGHT OF EARLY TERMINATION

- 22.1 **Lessee's Ability to Terminate**: The Lessee may, in its sole discretion and without giving any reasons, terminate this Lease by providing no less than twenty-four months notice in writing at any time to the Lessor.
- 22.2 **Right to Terminate Without Prejudice to Rights Accrued**: This Lease and the parties' respective rights and obligations under this Lease will cease from the effective date of termination, but without prejudice to any rights which have accrued up to the date of termination.

23. RIGHT OF FIRST REFUSAL FOR LESSOR'S INTEREST

- 23.1 **Sale of Premises**: If at any time before the expiry or earlier termination of the Term, the Lessor:
 - 23.1.1 decides to sell or transfer the Lessor's interest in the Land; or
 - 23.1.2 receives an offer to purchase the Lessor's interest in the Land and wishes to accept that offer;

the Lessor must, as soon as practicable, give written notice (**Lessor's Notice**) to the Lessee setting out the terms on which the Lessor wishes to sell the Land, or the terms of the offer received (as the case may be). In the case of the Lessor's desire to sell, the offer must comprise the agreement for sale and purchase in the then most recent form approved by the Real Estate Institute of New Zealand and by the Auckland District Law Society, modified as set out in clause 23.8.

23.2 **Exercise of Option**: The Lessee will have 40 Working Days after and excluding the date of receipt of the Lessor's Notice (time being of the essence) in which to exercise the

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

Lessee's right to purchase the Land, by serving written notice on the Lessor (Lessee's Notice) accepting the offer contained in the Lessor's Notice.

- 23.3 **Lapse of Option**: If the Lessee does not serve the Lessee's Notice on the Lessor in accordance with clause 23.2, then the Lessor may sell or transfer the Lessor's interest in the Land to any other person on no more favourable terms than those previously offered to the Lessee.
- 23.4 **Re-offer on Better Terms**: If the Lessor wishes, or agrees, to offer more favourable terms for selling or transfer of the Lessor's interest in the Land than the terms contained in the Lessor's Notice, the Lessor must first re-offer its interest in the Land to the Lessee on those terms, by written notice to the Lessee (Lessor's Second Notice). This offer must comprise the agreement for sale and purchase in the then most recent form approved by the Real Estate Institute of New Zealand and by the Auckland District Law Society, modified as set out in clause 23.8.
- 23.5 Acceptance of Second Offer: The Lessee will only have 20 Working Days after and excluding the date of receipt of the Lessor's Second Notice (time being of the essence) in which to exercise the Lessee's right to purchase the Lessor's interest in the Land on those more favourable terms, by serving written notice on the Lessor (Lessee's Second Notice) accepting the offer contained in the Lessor's Second Notice.
- 23.6 Lapse of Second Option: If the Lessee does not serve the Lessee's Second Notice on the Lessor in accordance with clause 23.5, then the Lessor may sell the Lessor's interest in the Land to any other person (including the party who originally made the offer under clause 23.1(b), if applicable) on any terms the Lessor thinks fit.
- 23.7 Formation of Contract: On the Lessee serving a valid Lessee's Notice or Lessee's Second Notice (as the case may be), the parties will be taken to have entered into a contract for the sale and purchase of the Lessor's interest in the Land on the terms contained in the Lessor's Notice or the Lessor's Second Notice (as the case may be) (Contract).
- 23.8 Terms of Contract: The terms of the Contract will be modified as follows:
 - 23.8.1 **Title**: the Lessee will be deemed to have accepted the title to the Lessor's interest in the Land;
 - 23.8.2 **No Requisition**: the provisions of the Contract under which the Lessee has the right to requisition or object to the title to the Lessor's interest in the Land will not apply; and
 - 23.8.3 **Completion**: the Lessee will not be required to complete the purchase earlier than 20 Working Days from the date of service of the Lessee's Notice or Lessee's Second Notice (as the case may be).

24. NO WAIVER

- 24.1 The Lessor's waiver or failure to act in response to the Lessee's breach of any of the Lessee's obligations in this lease will not operate as a waiver of:
 - 24.1.1 Waiver of Breach: the same breach on any later occasion; or
 - 24.1.2 Waiver of Obligations: any other obligations in this lease.

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

25. DIFFERENCES AND DISPUTES

- 25.1 **Disputes**: If a dispute or difference arises between the Lessor and the Lessee, the dispute must be resolved in accordance with the provisions of this clause.
- 25.2 Resolution of Disputes: Nothing in this clause prevents:
 - 25.2.1 a party seeking urgent injunctive or declaratory relief from a court in connection with a dispute without first having attempted to negotiate or settle the dispute in accordance with this clause; or
 - 25.2.2 the parties meeting at any time to seek to resolve a dispute.
- 25.3 **Notice of Dispute**: If the Lessor or the Lessee becomes aware of a dispute between the Lessor and the Lessee, that party must notify the other party of the existence and nature of the dispute by serving on the other party a notice setting out detailed particulars of the dispute ("Notice of Dispute").
- 25.4 **Request for Further Information**: A party who receives a Notice of Dispute under clause 25.3 may, within 5 Working Days after such receipt, on reasonable grounds, require the party who served the Notice of Dispute to provide further or more detailed information relating to the dispute.
- 25.5 **Negotiation**: Upon receipt of a Notice of Dispute and, if applicable, the provision of further or more detailed information in relation to the dispute, the parties must negotiate to resolve the dispute as follows:
 - 25.5.1 **Meeting of Representatives**: one or more representatives of each party will meet, within 10 Working Days of the receipt of the Notice of Dispute or the further information, if any (whichever is later) to discuss and attempt to resolve the dispute; and
 - 25.5.2 **Meeting of Chief Executives**: if those representatives do not resolve the dispute within 5 Working Days of their first meeting, then within 10 Working Days of that first meeting, the Chief Executives or Chairpersons of the parties must meet to discuss and attempt to resolve the dispute.
- 25.6 **Appointment of a Mediator**: If a dispute is not resolved within 10 Working Days of the meeting of the Chief Executives or Chairpersons of the parties under clause 25.5(b), then the dispute must be referred to a mediator. The parties must agree upon the selection and appointment of a mediator who will act in respect of the dispute.
- 25.7 **Failure to Appoint Mediator**: If no agreement is reached on the selection and appointment of a mediator within 15 Working Days of the meeting of the Chief Executives or Chairpersons under clause 25.5(b), then either party may request the president of the Arbitrators and Mediators Institute of New Zealand Incorporated to appoint a mediator.
- 25.8 **Initial Mediation Meeting**: The parties must as soon as practicable after notification of the dispute to the mediator, meet in the presence of the mediator to:
 - 25.8.1 identify the subject matter of the dispute;
 - 25.8.2 identify the provisions of this Lease relevant to the dispute;

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

- 25.8.3 discuss each other's position in relation to the dispute;
- 25.8.4 listen to any comments made by the mediator; and,
- 25.8.5 attempt to resolve the dispute by mutual agreement.
- 25.9 **Mediation**: The mediation will be conducted by the mediator at a time, place and in a manner agreed between the parties or otherwise determined by the mediator.
- 25.10 **Role of Mediator**: The parties agree that the mediator will act as an aid to assist them to resolve the dispute and not as an arbitrator or decider of any matter.
- 25.11 **Costs of Mediation**: The parties will share equally the costs of the mediation unless otherwise agreed by the parties.
- 25.12 **Arbitration**: If the dispute is not resolved by mediation within a further 20 Working Days after the appointment of a mediator, either party may then require the dispute to be referred to arbitration. If this clause is invoked:
 - 25.12.1 the dispute will be referred to arbitration by a sole arbitrator in accordance with the Arbitration Act 1996;
 - 25.12.2 the arbitration will take place in New Zealand; and
 - 25.12.3 the award in the arbitration will be final and binding on the parties.
- 25.13 Time Limits: The parties may agree to extend any of the time limits in this clause.
- 25.14**Appointment of Arbitrator**: If the parties are unable to agree on the arbitrator, an arbitrator will be appointed, upon the request of any party, by the President of the Arbitrators and Mediators Institute of New Zealand Incorporated. That appointment will be binding on all parties to the arbitration with no right of appeal. The provisions of Article 11 of the First Schedule of the Arbitration Act 1996 are to be read subject to this clause and varied accordingly.
- 25.15 Rent Review Excluded: This clause does not apply to any rent review under clause 11.

26. NOTICES

- 26.1 **Service of Notices**: Any notice or document required or authorised to be given or served under this lease must be given or served:
 - 26.1.1 Sections 245 or 246 Property Law Act: in the case of a notice under sections 245 or 246 of the Property Law Act 2007, in the manner prescribed by section 353 of that Act; and
 - 26.1.2 **Other Cases**: in all other cases, unless otherwise required by sections 352 to 361 of the Property Law Act 2007:
 - (a) in the manner authorised by sections 354 to 361 of the Property Law Act 2007; or
 - (b) by personal delivery, or by posting by registered mail or ordinary mail, or by facsimile, or by email.

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

- 26.2 **Time of Service**: In respect of the means of service specified in clause 26.1(b)(ii) any notice or other document will be treated as given or served and received by the other party:
 - 26.2.1 **Personal Delivery**: when received by the addressee;
 - 26.2.2 **Post**: three Working Days after being posted to the addressee's last known address in New Zealand;
 - 26.2.3 **Facsimile**: on completion of an error free transmission, when sent by facsimile; or
 - 26.2.4 **Email**: when acknowledged by the addressee by return email or otherwise in writing.
- 26.3 **Signature of Notices**: Any notice or document to be given or served under this lease must be in writing and may be signed by:
 - 26.3.1 Party: the party giving or serving the notice;
 - 26.3.2 Attorney: any attorney for the party serving or giving the notice; or
 - 26.3.3 **Authorised Person**: the solicitor or any director, officer, employee or other agent who has authority to give or serve the notice.

27. PROPERTY LAW ACT

27.1 The covenants and powers contained in clauses 4, 5, 6, 9, 10, 11 and 12 of Part 2 and clause 13 of Part 3 of Schedule 3 of the Property Law Act 2007 will not be implied in this lease and are expressly negated.

28. LEASE NOT REGISTRABLE

28.1 The Lessor does not warrant that this lease is in registrable form. The Lessee must not require registration of this lease against the title to the Premises.

29. LESSOR'S CONSENT

- 29.1 **Consent Required on Each Occasion**: The Lessor's consent under this lease is required for each occasion even if the Lessor has given a consent for the same or a similar purpose on an earlier occasion.
- 29.2 **Consent not to be Unreasonably Withheld**: If this lease states that the Lessor's consent is required for anything done or proposed to be done, then unless otherwise stated, in each case, the Lessor:
 - 29.2.1 must not unreasonably withhold consent; and
 - 29.2.2 must, within a reasonable time of the Lessor's consent being requested:
 - (b) grant that consent: or
 - (c) notify the Lessee in writing that the consent is withheld.

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

30. GENERAL

- 30.1 **Further Assurances**: Each party will do all things and execute all documents reasonably required to give effect to the provisions and intent of this lease.
- 30.2 **Governing Law and Jurisdiction**: This lease is governed by the laws of New Zealand. The parties submit to the exclusive jurisdiction of the New Zealand courts in respect of all matters relating to this lease.

EXECUTED AND DELIVERED AS A DEED

SIGNED for and on behalf of)		
as Lessor in the presence of:)	[insert capacity	of signatory]
Signature of witness	_	[insert capacity	of signatory]
Witness Name			
Occupation	-		
Address	_		
NB: If signing for and on behalf of a company and two directs authorised signatory, the signature(s) must be witness be	ors sigr y an ind	, no witness is necessary. If signed by a sing lependent adult.	le director and/or
SIGNED by HER MAJESTY THE QUEEN acting by and through the Chief Executive of the Department of Corrections as Lessee in the presence of:))		
		R Smith	
Signature of witness			
Witness Name			
Occupation			
Address	-		

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

FIRST SCHEDULE

REFERENCE SCHEDULE

Lessor: [The Trustees of Ngāti Rarua Settlement Trust / trustees of

the Te Ātiawa o Te Waka-a-Māui Trust]

Lessor's Address: [to insert]

Lessee: Her Majesty the Queen acting by or through the

Department of Corrections

Lessee's Address: Department of Corrections

Mayfair House 44-52 The Terrace Private Box 1206

Wellington

Description of Building: [to insert]

Description of Land: Lot 1 Deposited Plan 308153, being all the land comprised

and described in Computer Freehold Register 31643.

Initial Term: 12 years

Commencement Date: [to insert]

Termination Date: [to insert]

[12 years after the Commencement Date]

Renewal Terms: 3 terms of 3 years each

Final Expiry Date [to insert]

[21 years after Commencement Date]

Annual Rent: \$[to insert] plus GST

Monthly Rent Instalment: \$[to insert] plus GST

Rent Payment Dates: [to insert]

Rent Review Date(s): every third anniversary of the Commencement Date

Permitted Use: (a) a Service Centre carrying out the office and

administrative functions of a community probation service which may also include the operation of a Community Work Centre established under section 30

of the Corrections Act 2004; and

(b) provision for a secondary use for government works including works under the Public Works Act 1981 if part of the premises is not required for the purposes

of a Service Centre.

Public Liability Insurance: \$5,000,000.00

6.2: LEASE WITH THE DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

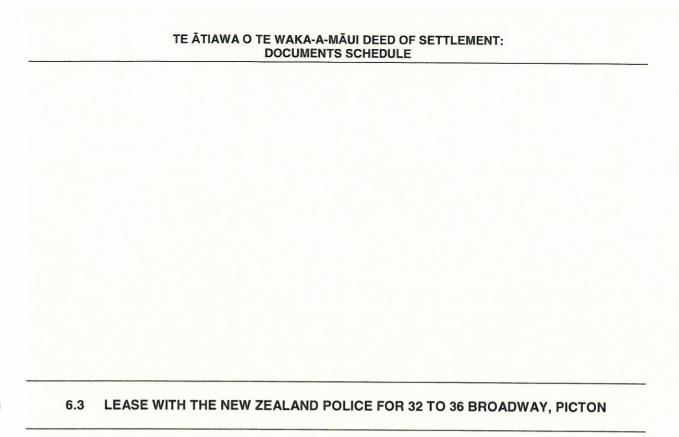
SECOND SCHEDULE

LESSOR'S FIXTURES

List

6.2: LEASE WITH DEPARTMENT OF CORRECTIONS FOR 1A PARK TERRACE

THIRD SCHEDULE LESSEE'S IMPROVEMENTS



6.3: LEASE WITH THE NEW ZEALAND POLICE FOR 32 TO 36 BROADWAY, PICTON

MEMORANDUM OF LEASE

PARTIES

- (1) [THE TRUSTEES OF TE ĀTIAWA O TE WAKA-A-MAUI TRUST] (Lessor)
- (2) **HER MAJESTY THE QUEEN** acting by and through the **Commissioner of Police** (Lessee)

THE LESSOR DOES HEREBY LEASE TO THE LESSEE and THE LESSEE DOES TAKE ON LEASE the Land for the term and at the rental set out in the Reference Schedule and subject to the covenants, conditions, agreements and restrictions set out in this Lease which comprises the Schedule of Terms, the Reference Schedule and the Schedule of Land.

•			
IN WITNESS WHEREOF these presents have been executed this [2]day of []
SIGNED by the Trustees of the TE ĀTIAWA O TE WAKA-A-MAUI TRUST as Lessor in the presence of:)) Signature of Trustee		
Signature of Witness	-		
	Signature of Trustee		
Witness Name			
Occupation			
Address			

SIGNED for and on behalf of HER MAJESTY THE QUEEN acting by and through the COMMISSIONER OF POLICE as Lessee in the presence of: Signature of Witness Witness Name Occupation

Address

6.3: LEASE WITH THE NEW ZEALAND POLICE FOR 32 TO 36 BROADWAY, PICTON

REFERENCE SCHEDULE

ITEM 1: LESSOR PARTICUARS

Name:

The Trustees of Te Ātiawa o Te Waka-a-

Maui Trust

Address:

72 Trafalgar Street

Nelson 7010

c/- P.O. Box 10, Nelson, 7010

Phone:

03 548 2139

Fax:

Fax: 03 548 4901

Contact:

John Murray

ITEM 2: LESSOR PARTICUARS

Name:

Her Majesty the Queen, acting by and

through the Commissioner of Police

Address:

New Zealand Police

National Property Office

PO Box 3017 Wellington

Phone:

04 474 9473

Fax:

04 498 7415

Contact:

National Property Manager

ITEM 3: LAND

The Picton Police Station, located at 32-36 Broadway, Picton, legally described as all that parcel of land containing 0.1782 hectares, more or less, being Lots 1 and 3 on Deposited Plan 8811, as comprised and described in computer freehold registers MB5B/276

and MB5B/278 (Marlborough Land District).

ITEM 4: TERM

Ten (10) years.

ITEM 5: FURTHER TERMS

Perpetual right to renew every ten (10) years.

ITEM 6: RENEWAL DATES

Each tenth (10) year anniversary from the date of

commencement.

ITEM 7: ANNUAL RENT

\$18,125 plus GST.

ITEM 8:

DATE OF COMMENCEMENT

The date of Settlement.

ITEM 9: REVIEW DATES

Every five (5) years from commencement date.

ITEM 10: PERMITTED USE:

For Police purposes and any permitted activity under the relevant Regional and District Plans or use permitted under any resource consent held in respect

of the Land.

6.3: LEASE WITH THE NEW ZEALAND POLICE FOR 32 TO 36 BROADWAY, PICTON

THE SCHEDULE OF TERMS

1. INTERPRETATION

- 1.1 For the purpose of the interpretation or construction of this Lease unless the context provides otherwise:
 - 1.1.1 Words importing any gender shall include all other genders.
 - 1.1.2 Words importing the singular shall include the plural and vice versa.
 - 1.1.3 Payments shall be made in the lawful currency of New Zealand.
 - 1.1.4 Headings are for ease of reference only and do not in any way limit or govern the construction of the terms of this Lease.
 - 1.1.5 References to schedules are references to schedules in this Lease and clauses are references to clauses in this Schedule of Terms and references to parties are references to the parties to this Lease and their respective successors and assigns (if permitted in the case of the Lessee under Clause 13) unless expressly stated otherwise.
 - 1.1.6 Any reference in this Lease to any statute is deemed to include all amendments, revisions, substitutions or consolidations made from time to that statute.
 - 1.1.7 A "person" shall include any individual person, a corporation, a company or other body corporate, an unincorporated body of persons, a public body, firm, partnership, joint venture, association, organisation, trust or a Crown entity as defined in Section 7(1) of the Crown Entities Act 2004 or a State Owned Enterprise in each case whether or not having separate legal personality.
 - 1.1.8 "writing" shall include words visibly represented or reproduced.
 - 1.1.9 No consent or waiver, express or implied, by the Lessor to or of any breach of any covenant, condition, or duty of the Lessee will be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty. No waiver of any breach of the Lessee will be implied from the Lessor's failure to exercise the Lessor's rights or any of them in respect of that breach.
 - 1.1.10 Nothing contained in this Lease shall be deemed or construed or constitute any party, a partner, agent or representative of the other party or be deemed to create any trust, commercial partnership or joint venture.
 - 1.1.11 The invalidity of any part or provision of this Lease shall not affect the enforceability of any other part or provision thereof.
 - 1.1.12 The parties acknowledge and agree that certain covenants set out in this Lease (in particular provisions relating to the treatment of Improvements on termination or sooner determination of this Lease) shall continue beyond determination of this Lease for the benefit of the parties notwithstanding such determination.
 - 1.1.13 This Lease shall be construed and take effect in accordance with the laws of New Zealand.

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- 1.1.14 Any provision in this Lease to be performed by two or more persons shall bind those persons jointly and severally.
- 1.1.15 Any reference in this Lease to "month" or "monthly" shall mean respectively calendar month and calendar monthly.
- 1.1.16 "Authority" means any Government authority whether national or territorial or any other Government or statutory authority appointed or established by statute in New Zealand having jurisdiction over or in respect of the Land and any Improvements.
- 1.1.17 "Business days" means any day other than a Saturday or Sunday or statutory or anniversary holiday.
- 1.1.18 "Date of Commencement" means the date specified in Item 5 of the Reference Schedule.
- 1.1.19 "Improvements" means all Improvements excluding Lessor's Improvements whether constructed or installed on the Land before or at any time during the term of this Lease (including any renewal or variation extending the term of this Lease), including any building, structure or other improvements on or fixed to the land and any concrete paving, tiles, carpark sealing, mechanical services, plant, machinery, equipment, signage, fixtures and fittings.
- 1.1.20 "**The Land**" means that land described in Item 3 to the Reference Schedule of Land excluding the Improvements.
- 1.1.21 The expression "Lessor" and "Lessee" includes their respective successors and assigns (if permitted in the case of the Lessee under Clause 13) and where the context permits the Lessee includes the Lessee's sublessees and other lawful occupiers of the Land and the Lessee's contractors, agents and invitees (which persons shall be those deemed to be persons under the control of the Lessee).
- 1.1.22 "Lessor's Improvements" means work done or material used on or for the benefit of the Land (whether before or during the term of this Lease including any renewal or variation extending the term of this Lease) in:
 - (a) the draining, excavation, filling, or reclamation of the Land, or the making of retaining walls or other works appurtenant to that draining, excavation, filling or reclamation; or
 - (b) the grading or leveling of the Land or the removal of rocks, stone, sand, or soil therefrom; or
 - (c) the removal or destruction of vegetation, or the effecting of any change in the nature or character of the vegetation; or
 - (d) the alteration of soil fertility or of the structure of the soil; or
 - (e) the arresting or elimination of erosion or flooding.
- 1.1.23 "Reference Schedule" means the schedule preceding this Schedule of Terms described as such and forming part of this Lease.

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- 1.1.24 "Regional Plan" and "District Plan" shall have ascribed to them the definitions set out in section 2 of the Resource Management Act 1991 and "Regional and District Plans" shall be construed accordingly and shall extend to include any successor or replacement planning regime imposed by the relevant Authority having jurisdiction in respect thereof.
- 1.1.25 "Schedule of Land" means the schedule described as such and forming part of this Lease.
- 1.1.26 "Schedule of Terms" means this schedule described as such and forming part of this Lease.

2. TERM

2.1 The term of this Lease shall commence on the Date of Commencement and shall be for the period specified in Item 4 of the Reference Schedule.

3. RIGHT OF RENEWAL OF LEASE

- 3.1 If the Lessee has not been in any material breach of this Lease and has given to the Lessor written notice to renew this Lease at least three (3) calendar months before the end of each term then the Lessee shall have the right to obtain in accordance with the provisions of this lease a renewed lease of the Land for the term of years specified in Item 5 of the Reference Schedule computed from the relevant date specified in Item 6 of the Reference Schedule and subject to the same covenants and provisions expressed and implied in this Lease.
- 3.2 If the Lessee fails within the time aforesaid to give any notice under Clause 3.1 as to whether it desires a renewed lease and the Lessor at any time after such expired time has given one month's written notice to the Lessee advising the Lessee that it has one further month from the date of such letter to exercise its right of renewal, and the Lessee still fails to advise the Lessor of its desire to renew, then the Lessee shall be deemed to have given notice that a renewed lease is not required. If the Lessee gives notice in writing that it does not desire a renewed lease or there is a deemed notice that a renewal is not required then its right for a renewed lease shall cease on expiry of the one month notice period aforesaid or on the date at which notice is received by the Lessor (as the case may be).
- 3.3 Any notice by the Lessee under clause 3.1 or clause 3.2 of its desire to accept a renewed lease shall be deemed to constitute a contract between the Lessor and the Lessee for the granting and acceptance of a renewed lease at the rent to be determined under Clause 5 for the term and subject to the covenants and provisions referred to in Clause 3.1.
- 3.4 The term of any renewed lease shall run from the day immediately after the expiry of the prior lease, and the rent thereunder shall accrue from that date instead of the rent reserved in the prior lease, notwithstanding the fact that the renewed lease may not be executed until after that date. Clause 5.11 shall otherwise apply.
- 3.5 The Lessor shall prepare each memorandum of renewal of this Lease and the Lessee will forthwith enter into and execute such memorandum of renewal of lease.

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4. RENT

- 4.1 The Lessee shall pay the annual rent specified in Item 7 of the Reference Schedule from the Date of Commencement until the rent is varied under Clause 5 at which time the Lessee will pay rent at the varied rate.
- 4.2 Rent shall be paid on the first day of each month by equal monthly payments in advance with broken period payments due on a proportionate basis for any broken period at the Date of Commencement and on expiry of the Lease term.
- 4.3 All rent shall be paid without any deduction or set-off whatsoever by direct automatic bank payment to the Lessor or as the Lessor may otherwise direct.

5. RENT REIVEW PROVISIONS

- In this clause "**Initiating Party**" means the party that gives the Notice defined in Clause 5.2 and "Recipient" means the party that receives that Notice.
- 5.2 The annual rent may be reviewed by the Lessor or by the Lessee on the dates specified in Item 9 of the Reference Schedule. At any time not earlier than three (3) months prior to the relevant date specified in Item 9 of the Reference Schedule (each of such dates being called the "review date") either party may give notice in writing to the other ("the Notice") of that party's assessment of the annual rent of the Land to apply from that particular review date.
- 5.3 The annual rent of the Land shall be assessed on the basis of current market rental of the Land as determined as at the review date. In determining the annual rent of the Land the valuers and any umpire shall, in addition to other relevant factors:

5.3.1 Disregard:

- (a) any deleterious condition of the Land if such condition results from any breach of this lease by the Lessee;
- (b) the value of any goodwill attributable to the Lessee's business; and
- (c) all Improvements made to the Land.

5.3.2 Have regard to:

- (a) the Lessor's Improvements;
- (b) the permitted use under this Lease; and
- (c) Regional and District Plans.
- In the event that the Recipient does not agree with the Initiating Party's assessment of the annual rent of the Land to apply from the particular review date, the Recipient shall notify the Initiating Party in writing ("the Counter Notice") within twenty-one (21) days (in which respect time shall be of the essence) that the Recipient requires such rent to be determined in accordance with Clause 5.7 and the Recipient shall set out in the Counter Notice the amount which the Recipient considers to be the annual rent as at the particular review date.

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- 5.5 Unless such notice is given by the Recipient within twenty-one (21) days, then the amount stated in the Notice shall become the annual rent of the Land reserved by this Lease as and from the particular review date in substitution of the previous amount payable.
- 5.6 Neither party shall by reason of its failure to give the Notice prior to any review date forfeit its right to have the annual rent reviewed as from that particular review date and the reviewed annual rent which should have been paid from that particular review date shall date back to and be payable from that particular review date and any payment of or receipt for the payment of ground rent due on or after a particular review date shall not prejudice either party's right to demand repayment or payment thereafter of any additional annual rent overpaid or payable pursuant to the provisions of Clause 5.11.2.
- 5.7 Where the Counter Notice is given, the Lessor and Lessee shall enter into negotiations to resolve the dispute. Should agreement not be reached within fourteen (14) days (or such longer period as the Lessor and Lessee shall agree upon in writing) after the date on which the Recipient gives the Counter Notice then:
 - 5.7.1 The Lessor and Lessee shall, within twenty-one (21) days after the date on which the Recipient gives the Counter Notice, each appoint a valuer to jointly determine the ground rent of the Land. A valuer nominated by either party pursuant to this Clause shall be a full registered member of the New Zealand Institute of Valuers and shall be competent to practice as a valuer of ground leases and shall have at least five (5) years experience in valuing ground leases within the district in which the Land is situated and be active in the market at the time of his or her appointment.
 - 5.7.2 If either the Lessor or the Lessee fails to appoint a valuer within twenty-one (21) days as aforesaid, then the determination of the annual rent shall be made by the sole valuer as nominated by either the Lessor or Lessee as the case may be, within one (1) month of the expiry of the twenty-one (21) days as aforesaid and his or her determination shall be final and binding on both parties as if his or her appointment had been by consent.
 - 5.7.3 Before proceeding with their determination, the said valuers shall agree upon and appoint an umpire (also qualified in the manner referred to in Clause 5.7.1) and obtain the umpire's acceptance in writing of his or her appointment and who, as a condition of his or her acceptance, undertakes to hand down his or her determination of the annual rent within one month of being instructed to proceed or such other time period as the Lessor and Lessee may agree, whichever is the latest.
 - 5.7.4 If the said valuers within fourteen (14) days of the date of their appointment either fail to appoint an umpire or are unable to agree upon an umpire, then either the Lessor or the Lessee may request the President, for the time being, of the New Zealand Institute of Valuers or any successor to such Institute to appoint an umpire (also qualified in the manner aforesaid) and obtain the umpire's acceptance in writing of his or her appointment and who as a condition of his or her acceptance undertakes to hand down his or her determination of the annual rent in the same manner as if he or she had been appointed pursuant to Clause 5.7.1.
 - 5.7.5 Subject to Clauses 5.7.2, 5.7.3 and 5.7.4 the valuers so nominated shall within one (1) month of the date of appointment jointly determine the annual rent as at that particular review date. In the event that either valuer fails to provide to the

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other valuer his or her written assessment of the annual rent within one month of the date of appointment, then the annual rent shall be determined by the other valuer and his or her determination shall be final and binding on both parties.

- 5.7.6 If the said valuers are unable to agree upon a determination within one month of their appointment or within such extended time as the Lessor and Lessee may agree, then the annual rent shall be determined by the umpire whose determination shall be final and binding on the parties. The umpire shall without limiting his or her enquiries and conduct of any hearing:
 - (a) allow representation of each party and cross-examination of evidence and any re-examination of evidence at the hearing;
 - (b) have due regard to any evidence submitted by the valuers as to their assessment of the annual rent;
 - (c) take into account any expert witness evidence considered relevant to the hearing;
 - (d) have regard to the legal rules of evidence and the interests of natural justice in the conduct of any hearing as between the parties; and
 - (e) give in his or her determination the reasons therefore in writing.
- 5.8 The costs incurred in the determination pursuant to Clause 5.7 of the annual rent shall be borne by the parties in the following manner:
 - (a) subject to Clause 5.7.8(b) each party shall be responsible for the cost of its own appointed valuer;
 - (b) where the determination is made by a single valuer pursuant to Clause 5.7.2 the cost of his or her determination shall be apportioned equally as between the Lessor and Lessee;
 - the parties shall share equally the costs of the umpire unless any party has acted capriciously or unreasonably in any of the proceedings pursuant to the provisions of this Clause 5.7 in which case the umpire may determine the manner in which such costs shall be apportioned between the parties **PROVIDED THAT** in all cases if the annual rent to apply from the review date is:
 - (i) equal to or exceeding the annual rent nominated in the notice given by the Lessor (whether the Notice or the Counter Notice) then all costs of the valuers and the umpire (where applicable) shall be borne by the Lessee alone, or
 - equal to or less than the annual rent nominated in the notice given by the Lessee (whether the Notice or the Counter Notice) then all costs of valuers and the umpire (where applicable) will be borne by the Lessor alone;
 - (iii) other than the foregoing then all costs of valuers and the umpire (where applicable) will be borne equally by the Lessor and the Lessee.

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- 5.8 The valuers or umpire shall be deemed to be acting as experts and not as arbitrators.
- 5.9 Any variation in the annual rent resulting from such determination shall take effect on and from that particular review date.
- 5.10 Where a review pursuant to this Clause 5 of the annual rent reserved by this Lease is completed after the review date, then:
 - 5.10.1 Pending completion of the review, annual rent shall be paid at the rate prevailing immediately prior to the relevant review date;
 - 5.10.2 On completion of the review, any increased annual rent payable as from the review date shall be paid by the Lessee to the Lessor no later than the date on which the next installment of annual rent is payable hereunder:
 - 5.10.3 On completion of the review, any overpayment of annual rent paid as from the review date shall be held by the Lessor to the Lessee's credit on account of annual rent next falling due for payment unless the Lessee requests the Lessor in writing to refund such payment in which case the Lessor will comply with that request.
- 5.11 If any moratorium or other law Act or regulation that applies to this Lease has the effect of postponing any periodic review of annual rent as at the review date then if and whenever such moratorium is lifted or the law, Act or regulation is repealed or amended so as to permit the annual rent to be reviewed then the review that has been postponed shall take place as at the date that such moratorium is lifted or such law, Act or regulation is repealed or amended to the intent that the rent review shall establish the annual rent as at such date and not as at the postponed review date but any subsequent rent review shall take place on the next following review date fixed in accordance with Clause 5.
- 5.12 Immediately upon the parties agreeing to pay a revised annual rent or on determination under Clause 5.7 the Lessee shall enter into an appropriate registrable Memorandum of Variation of Lease recording such revised annual rent prepared by the Lessor.

6. CHARGES

- 6.1 The Lessee will pay all charges incurred by the Lessee for electricity, gas, water or power or other services in respect of the Land and Improvements including all connection, disconnection, or other fees payable by the Lessee or the Lessor to other authorities in respect of such services.
- 6.2 The Lessor will pay for all costs of service, installation, maintenance and connection to the nearest approved local authority connection points.

7. PAYMENT OF RATES AND IMPOSITIONS

7.1 The Lessee will pay all rates, taxes (including without limitation land or improvements tax but excluding any income tax or capital gains tax or such similar tax which is personal to the Lessor which is imposed as a result of any sale or other disposal of the Land or because of income gained by the Lessor from the Land), charges, assessments, impositions and outgoings whatsoever which now are or which during the term or any renewed lease shall be taxed, rated, charged, assessed or imposed on the Land, any Improvements or on the Lessor or Lessee in respect thereof by any Authority.

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8. GOODS AND SERVICES TAX

8.1 The Lessee shall pay to the Lessor upon demand any taxes paid or payable by the Lessor or accountable by the Lessor pursuant to the provisions of the Goods and Services Tax Act 1985 or any similar tax levied in substitution therefore including all amendments and any enactments in substitution therefore or in addition thereto or otherwise in respect of any payments made by the Lessee under this Lease (including the payment of annual rent) or paid by the Lessor on behalf of the Lessee's obligation to make such payment under this Lease.

9. INTEREST ON OVERDUE RENT OR OTHER MONEYS

9.1 Without prejudice to other rights powers and remedies of the Lessor, if any annual rent, goods and services tax or other payment or amount owing by the Lessee to the Lessor whatsoever pursuant to this Lease shall be in arrears and unpaid for fifteen (15) business days after the due day for payment thereof (whether any formal or legal demand therefor shall have been made or not) such unpaid moneys shall bear interest on a daily basis compounded on monthly rests computed from such due date until the date of payment in full of such moneys at a rate being 1% above the average 90 day bank bill buy rate (described as the BID rate) at 10.45 am on the date the payment was due as shown on page BKBM (or its successor page) on the Reuters screen or at a rate based on any successor screen or if there is none at a rate equal to the bank overdraft rate of the Lessor's bank at the time of any default and the said interest shall be recoverable in the same manner as rent in arrears.

10. USE OF THE LAND AND IMPROVEMENTS

- 10.1 The Lessee shall be permitted the right to carry on the business specified in Item 10 of the Reference Schedule.
- 10.2 Should any of the uses of the Land and any Improvements be permissible only with the consent or licence of any Authority under or in pursuance of statute or any Regional and District Plans or regulation or other enactment or order of Court the Lessee shall obtain such consent or licence at the sole cost and expense of the Lessee including but not limited to any costs of financial contributions required and the Lessee shall at all times comply with any conditions of such consent, order or authority obtained.
- 10.3 Where the Lessee is lawfully obliged to obtain any licence, resource consent (including any land use consent or discharge permit) or other consents from any Authority such as required under section 348 of the Local Government Act 1974, the Lessor agrees that it and any officer, or employee or agent of the Lessor shall not raise any objection or requisition relating thereto as landowner of the Land where the Lessee is using the Land for any permitted use under this Lease and is not in any material breach or likely to be in any material breach at any time in the future of any terms and conditions of this Lease.
- 10.4 Despite any other provision in this Lease, if at any time during the term of this Lease, the Land cannot be, or can no longer be lawfully used for Police purposes, the Lessee may terminate this Lease on giving reasonable notice to the Lessor.

11. NO FENCING

11.1 The Lessor shall be under no liability whatsoever whether under the Fencing Act 1978 or otherwise to contribute towards the cost of erection or repair of any boundary fences between the Land and any land owned or occupied by the Lessor but nothing herein

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contained shall be deemed to limit any liability imposed by statute upon any present or future lessee of the Lessor of any adjoining land.

12. STATUTORY REQUIREMENTS

- 12.1 The Lessee must comply with all statutes, Regional and District Plans, bylaws and regulations which relate to the Land and Improvements or which relate to the Lessee's use of the Land and Improvements and with all conditions or requirements which may be given or required by any person having any lawful authority and will in particular but without limitation:
 - 12.1.1 ensure that a warrant of fitness is obtained each year in respect of any Improvements if required under the Building Act 2004;
 - 12.1.2 comply with and observe at all times the terms and conditions of all resource consents held in respect of the use of the Land and the requirements imposed and otherwise arising under the Resource Management Act 1991; and
 - 12.1.3 ensure that proper and adequate health and safety procedures are adopted in accordance with the Health and Safety in Employment Act 1992.
- 12.2 The Lessee shall not, during the term of this Lease:
 - 12.2.1 make or enter into or endeavour to make or enter into any composition, assignment or other arrangement with or for the benefit of the Lessee's creditors;
 - 12.2.2 suffer insolvency, bankruptcy or liquidation; or
 - 12.2.3 suffer distress or allow execution to issue against the Lessee's property, goods or effects under any judgment against the Lessee in any Court in a sum in excess of twenty five thousand dollars (\$25,000.00) provided however that this subclause 12.2.3 shall have no application or effect whilst Her Majesty the Queen Acting By and Through the Commissioner of Police is the Lessee hereunder.

13. ASSIGNMENT OR SUBLETTING

- 13.1 The Lessee will not without the previous consent in writing of the Lessor assign or transfer or sublease this Lease. Such consent shall not be unreasonably or arbitrarily withheld or delayed without some good cause assigned having regard to the solvency or respectability of the proposed assignee or transferee or sublessee. Notwithstanding this Clause where the Crown (as that term is defined in section 2 of the Public Finance Act 1989) remains as the Lessee under this Lease and in occupation from the Lessor the consent of the Lessor shall not be required when another Crown entity assumes occupation of all or any part of the Land except that on each occasion that a different Crown entity (as defined in section 7(1) of the Crown Entities Act 2004) or other Crown body or state owned enterprise assumes the role and obligations of the Lessee under this Lease the Lessee shall notify the Lessor in writing of that change.
- 13.2 In the case of an assignment where the proposed assignee or transferee is a company not listed by the New Zealand Stock Exchange or a person under Clause 13.5 the Lessor may require the directors and/or the controlling shareholders of such company to enter into a deed guaranteeing the performance by that company of the terms of this Lease such guarantee to be in a form reasonably acceptable to the Lessor.

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- 13.3 Clause 13 applies to any assignment or subletting of the interest of the Lessee by any assignee of a bankrupt Lessee or any liquidator or receiver of a Lessee that is a company.
- 13.4 For the purposes of Clause 13.1 any proposed change in the shareholding of the Lessee or any amalgamation under Section 219 of the Companies Act 1993 altering the effective control of the Lessee shall be a deemed assignment of this Lease and will require the consent of the Lessor unless such deemed assignment involves a change of effective control to any of the entities mentioned in Clause 13.5.
- 13.5 For the purposes of Clause 13.1 any proposed change in the effective control of any Lessee that is a Crown entity as that term is defined in section 7(1) of the Crown Entities Act 2004 or a State Owned Enterprise shall be a proposed assignment of this Lease. The Lessor in deciding whether or not to grant consent shall only be entitled to consider the effect of the alteration of the effective control in the ability of the Lessee to continue to meet its obligations under the Lease including contingent liabilities. For the purposes of this Clause any change in the management structure of the Lessee shall not be construed as a change in the effective control of the Lessee.
- 13.6 Where any assignment or transfer of this Lease is consented to by the Lessor, the Lessor may require the execution by the assignee or transferee of a deed of covenant with the Lessor, in a form prepared by the Lessor at the Lessor's expense, that the assignee or transferee will be bound by and perform the covenants in this Lease to be observed and performed by the Lessee but the execution of such covenant shall not release the Lessee from the Lessee's obligations under this Lease.
- 13.7 Notwithstanding any Rule of Law or anything herein expressed or implied to the contrary where Her Majesty the Queen acting by and through the Commissioner of Police in New Zealand as Lessee assigns this Lease under the provisions of this Clause 13, all the liabilities of the Lessee expressed or implied under this Lease, whether contingent or otherwise for the payment of future rents or other moneys or the future observance or performance of any of the Covenants, conditions or agreements on the part of the Lessee shall cease and determine absolutely as from the date of the Assignment thereof, but without releasing the Lessee from liability for any antecedent breach thereof.

14. LESSEE'S ACKNOWLEDGEMENT OF RISK

14.1 The Lessee agrees to occupy and use the Land and any Improvements at the Lessee's risk and release to the full extent permitted by law the Lessor its employees and agents from all claims and demands of any kind and from all liability which in the absence of any negligence on its or their part may arise in respect of any accident damage or injury occurring to any person or property in or about the Land and any Improvements thereon except where the Lessor or any person under the control of the Lessor is at fault or negligent through their own acts or omissions.

15. QUIET ENJOYMENT/REPUDIATION

15.1 Provided the Lessee performs and observes the covenants provisos conditions and agreements contained in this Lease the Lessee shall peaceably hold and enjoy the Land and Improvements thereon without hindrance or interruption by the Lessor or by any person or persons claiming under the Lessor until the expiration or sooner determination of this Lease. For the avoidance of doubt, the phrase "person or persons claiming under the Lessor" does not include beneficiaries of any trust of which the Lessor is trustee.

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15.2 The Lessor is to compensate the Lessee and the Lessee shall be entitled to recover any damages for any loss or damage suffered by reason of any acts or omissions of the Lessor constituting a repudiation of the Lease or the Lessor's obligations under the Lease. Such entitlement shall subsist notwithstanding any cancellation or early termination of the Lease and shall be in addition to any other right or remedy which the Lessee may have.

16. REGISTRATION

- 16.1 The Lessor shall register this Lease under the provisions of the Land Transfer Act 1952.
- 16.2 The Lessee will be responsible for survey and other costs incurred in obtaining registration of this Lease.

17. IMPROVEMENTS DURING LEASE

- 17.1 Throughout the term of this Lease and on any renewal any Improvements installed or erected on the Land shall be deemed to remain in the ownership of the Lessee unless the Lessor and the Lessee otherwise agree in writing.
- 17.2 Throughout the term of this Lease and on any renewal the Lessee shall have the right to alter, construct and demolish any Improvements on the Land without the need to obtain the Lessor's consent providing all obligations required of the Lessee under this Lease relevant to Improvements on the Land are satisfied.

18. IMPROVEMENTS ON TERMINATION OF LEASE

- 18.1 No later than twelve (12) months prior to the expiry of any ten (10) year term of Lease the Lessee may give notice ("the Lessee's Transfer Notice") to the Lessor specifying any Improvements which the Lessee wishes to transfer to the Lessor following expiry of the Lease or renewal. The Lessee's Transfer Notice shall contain details of those Improvements, their current market value and the proposed terms of transfer of the Improvements.
- 18.2 The Lessor agrees to consult with the Lessee regarding the Improvements specified in the Lessee's Transfer Notice, and to consider any proposal to transfer such Improvements. Nevertheless, the Lessee acknowledges that nothing in this clause or in the Lessee's Transfer Notice shall oblige the Lessor to take a transfer of, or to pay any compensation or consideration for, such Improvements.
- 18.3 If no agreement is reached regarding the transfer of Improvements pursuant to this clause (before six months prior to the expiry of the Lease, or before the earlier termination of the Lease) the following provisions of this Clause 18 shall apply.
- 18.4 On termination of this Lease (whether by expiry of time or otherwise) except where the Lessee has exercised any rights of renewal, the Lessee will remove any Improvements specified in a written notice ("the Lessee's Removal Notice") given to the Lessor in accordance with Clause 18.5.
- 18.5 The Lessee will remove Improvements that are clearly identified in the Lessee's Removal Notice which must be given no later than three (3) months prior to the expiry of the term (time being of the essence) or one (1) month after any sooner termination.

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- 18.6 The Lessee must remove all Improvements specified in the Lessee's Removal Notice within six (6) months from the date of termination (time being of the essence) and must ensure within that time that all services to any Improvements are properly and lawfully disconnected, the Land under any Improvements is adequately filled with soil so that the surface of the Land is stable and restored to the Lessor's reasonable satisfaction and such Land is otherwise grassed and left in a neat and tidy condition.
- 18.7 If the Lessee fails to remove any Improvements specified in the Lessee's Removal Notice in accordance with Clause 18.6 then if the Lessor removes them within 12 months of the termination date, it shall recover all costs directly and indirectly incurred in their removal, from the Lessee.
- 18.8 Any Improvements remaining on the Land after the period referred to in Clause 18.6 shall become the property of the Lessor without any compensation or other payment whatsoever to the Lessee.
- 18.9 The Lessee must continue to pay rent and outgoings under this Lease and comply with all other obligations under this Lease until it has met its obligations under Clause 18.6.
- 18.10 Whenever resource consent is required to remove or demolish any Improvements the Lessee shall use all reasonable endeavours to obtain all necessary consents and shall continue to be obliged to pay rent and outgoings under this Lease until such time that the Lessor is satisfied on reasonable grounds that the Lessee has used all reasonable endeavours to obtain all necessary consents and produced to the Lessor evidence satisfactory to the Lessor to satisfy this requirement.
- 18.11 At the expiry of the lease if the Lessor has specified in writing no less than three (3) months prior to the final expiry date of the lease that a change of any permitted activity under the relevant Regional and District Plans or use permitted under any resource consent held in respect of the Land is required the Lessee shall be obliged to obtain any change.

19. DESTRUCTION AND REDEVELOPMENT

- 19.1 The Lessee shall be entitled to carry out repairs, demolition, relocation, additions, reinstatement or redevelopment to any Improvements on the Land in the event of total or partial destruction or in the event of the Lessee wishing to demolish, relocate, redevelop, replace or add to any Improvements on the Land provided the following conditions are or will be satisfied:
 - 19.1.1 any repair, demolition, relocation, addition, reinstatement or redevelopment shall fully comply with Regional and District Plans and all statutory and regulatory requirements in force at the time; and
 - 19.1.2 the Lessee is able to obtain all resource and building consents necessary to carry out any works programme; and
 - 19.1.3 upon satisfaction of such conditions the Lessee shall repair, demolish, relocate, reinstate, rebuild or add to (as the case may be) any Improvements or such part of Improvements requiring such work in accordance with the conditions set out above.
- 19.2 In the event that the Lessee is prevented or unable to reinstate or rebuild in the event of total or partial destruction it may forthwith terminate this Lease provided that the

6.3: LEASE WITH THE NEW ZEALAND POLICE FOR 32 TO 36 BROADWAY, PICTON

Lessee demolishes the Improvements and clears and restores the Land all in accordance with the requirements of Clause 18.6.

20. NOTICES

- 20.1 All notices must be in writing and must be served by one of the following means:
 - (a) in the case of a notice under sections 245 or 246 of the Property Law Act 2007 in the manner prescribed by section 353 of that Act; and
 - (b) in all other cases, unless otherwise required by sections 352 to 361 of the Property Law Act 2007:
 - (i) in the manner authorised by sections 354 to 361 of the Property Law Act 2007; or
 - (ii) by personal delivery, or by posting by registered or ordinary mail, or by facsimile transmission.
- 20.2 All notices to be given to the Lessor or to the Lessee hereunder shall be deemed sufficiently served:
 - (a) in the case of personal delivery, when received by the addressee at the address detailed in clause 20.3; and
 - (b) in the case of posting by registered mail, on the third working day following the date of posting to the addressee at the address detailed in clause 20.3; and
 - (c) in the case of facsimile transmission, on the working day following the date of sending to the addressee's facsimile number designated in clause 20.3 provided that the sender produces a confirmation notice that the facsimile has been sent on that day.

20.3 Details for Notices

Lessor

Te Ātiawa o Te Waka-a-Maui Trust

c/- 72 Trafalgar St, Nelson 7010 or P.O. Box 10, Nelson 7010

Fax: 03 548 4901

Contact Name: John Murray.

Lessee

Andrew Mac Arthur, Property Manager, National Property Office

New Zealand Police

PO Box 3017, Wellington 6140

Fax (04) 498 7415

6.3: LEASE WITH THE NEW ZEALAND POLICE FOR 32 TO 36 BROADWAY, PICTON

20.4 A notice shall be valid if given by the duly authorised representative of the party giving the notice. If a notice is not given by the Lessor, it is to be supported by satisfactorily written delegation from the Lessor confirming the appointment of the party giving the notice.

21. DEFAULT BY LESSEE

- 21.1 The Lessor may (in addition to the Lessor's right to apply to the Court for an order for possession) cancel this Lease by re-entering the land at the time or any time thereafter:
 - 21.1.1 If the rent shall be in arrear twenty (20) working days after any of the rent payment dates and the Lessee has failed to remedy that breach within ten (10) working days after service on the Lessee of a notice in accordance with section 245 of the Property Law Act 2007;
 - 21.1.2 In case of breach by the Lessee of any covenant or agreement on the Lessee's part herein expressed or implied (other than the covenant to pay rent) after the Lessee has failed to remedy that breach within the period specified in a notice served on the Lessee in accordance with Section 246 of the Property Law Act 2007; and
 - 21.1.3 the term shall terminate on such cancellation but without prejudice to the rights of either party against the other.

22. DISPUTE RESOLUTION

- 22.1 Any dispute or difference which may arise between the parties concerning the interpretation of this Lease or relating to any other matter arising under this Lease will be actively and in good faith negotiated by the parties with a view to a speedy resolution of such differences.
- 22.2 If the parties cannot resolve a dispute or difference within fifteen (15) business days of any dispute or difference arising then, unless otherwise expressly provided in this Lease, they will without prejudice to any other right, explore whether such dispute or difference can be resolved by agreement between them using informal dispute resolution techniques such as mediation. The rules governing any such technique if adopted will be agreed between the parties or as selected by the organisation known as "LEADR" (Lawyers Engaged in Alternative Dispute Resolution).
- 22.3 If the parties cannot agree on any dispute resolution technique within a further fifteen (15) business days of any dispute or difference being considered for referral by both parties to any informal dispute resolution technique under Clause 22.2 then the dispute or difference shall be settled by reference to arbitration. Except as otherwise expressly provided in this Lease the reference shall be to a single arbitrator if one can be agreed upon, or to two arbitrators (one to be appointed by each party) and their umpire (appointed by them prior to their arbitration), such arbitration to be carried out in accordance with the Arbitration Act 1996 or any successor Act.
- 22.4 The parties will co-operate to ensure the expeditious conduct of any arbitration. In particular, each party will comply with any reasonable time limits sought by the other for settling terms of reference, interlocutory matters and generally all steps preliminary and incidental to the hearing and determination of the proceedings.

6.3: LEASE WITH THE NEW ZEALAND POLICE FOR 32 TO 36 BROADWAY, PICTON

23. COSTS

- 23.1 The parties shall each pay their own solicitors' costs on preparing and finalising this Lease or any renewal or variation of this Lease.
- 23.2 The Lessee shall be responsible for payment of all registration fees including agency charges imposed and all government tax duty or imposts at any time payable on this Lease or any renewal or variation to this Lease.
- 23.3 The Lessee shall pay for all costs, charges and expenses for which the Lessor shall become liable in consequence of or in connection with any breach or default by the Lessee in the performance or observance of any of the terms, covenants and conditions of this Lease.

24. LESSOR'S RIGHTS TO INSPECT AND DISPLAY SIGNS

- 24.1 The Lessor will have the right to inspect the Land no more than twice each year during the term or any renewal of this Lease with valuers or other experts and consultants provided such inspections are carried out at times reasonably acceptable to the Lessee on reasonable notice to the Lessee and only when accompanied by a servant or agent of the Lessee. Any such inspections should be carried out in accordance with the Lessee's security and health and safety requirements and the Lessee shall have the right to change any suggested time to a mutually convenient time.
- 24.2 Notwithstanding anything else herein, the parties agree that the Lessee may require any person wishing to enter the Land for inspection purposes to first provide their details to the Lease for a security check. If the results of such check are not acceptable to the Lessee for any reason then such person may be refused entry to the Land.
- 24.3 If the Lessor desires to, or is required to, undertake any works on the Land, including any repair or maintenance works, that involves the use of contractors or other third parties, the Lessor must procure any contractor or other third party who will have access to the Land to undertake such works to:
 - (a) complete a security check on terms reasonably acceptable to the Lessee;
 - (b) provide the Lessee with a copy of the contractor's Health and Safety Plan which shall be subject to the Lessee's reasonable approval prior to any work commencing; and
 - (c) familiarise themselves with and commit to complying with the Lessee's own Health and Safety Plan in all material respects.
- 24.4 The Lessor will not provide or allow the provision of any information relating to the structure, or access to, the buildings on the Land in any way to any person without first obtaining the written permission of the Lessee.
- 24.5 The Lessee will during the period of three (3) months prior to the termination date of this Lease permit the Lessor to exhibit the Land to prospective lessees or purchasers and allow the Lessor to affix to the Land appropriate sale or reletting notices.

6.3: LEASE WITH THE NEW ZEALAND POLICE FOR 32 TO 36 BROADWAY, PICTON

25. DISPOSAL OF LESSOR'S INTEREST

- 25.1 Subject to the provisions of this clause the Lessor may at any time dispose of the Lessor's interest in the Land provided:
 - 25.1.1 any such disposal shall preserve to the Lessee all the Lessee's rights and remedies under this Lease; and
 - 25.1.2 that while Her Majesty the Queen is the Lessee and occupies the Land the following further provisions shall apply:
 - (a) the Lessor shall advise the Lessee in writing of the person or corporation to whom the Lessor intends to dispose of its interest in the Land (proposed Assignee);
 - (b) If the Lessee has any objection to the proposed Assignee because the Lessee reasonably apprehends in good faith that either:
 - (i) the proposed Assignee presents an actual or potential threat to the discharge by the Lessee of the Lessee's statutory obligations; or
 - (ii) the role or function of the Lessee will be prejudiced by the proposed Assignee becoming the Lessor;

then the Lessee shall within five (5) working days of receiving the Lessor's advice pursuant to clause 25.1 above, notify the Lessor in writing of its objection to the proposed Assignee and shall substantiate its reasonable apprehension to the reasonable satisfaction of the Lessor;

- 25.2 If the Lessor does not receive written notice from the Lessee pursuant to clause 25.1 above together with grounds to substantiate its reasonable apprehension within five (5) working days from the date of its advice to the Lessee, the Lessee shall be deemed to have accepted the proposed Assignee.
- 25.3 If the Lessee objects to the proposed Assignee in accordance with clause 25.1 above, then the Lessor shall not dispose of its interest to the proposed Assignee.
- 25.4 If the Lessor fails to advise the Lessee in writing of the disposal of its interest in the Land and the Lessee has objections to the proposed Assignee based on those reasons set out in clauses 25.1 above, then the Lessee shall be entitled at any time thereafter to terminate this Lease on seven (7) days written notice and the Lessee's obligations under this Lease shall cease from the expiration of such notice.

26. HOLDING OVER

26.1 If the Lessor permits the Lessee to remain in occupation of the Land after the expiration or sooner determination of this Lease, such occupation shall be a tenancy at will only terminable by twenty (20) working days written notice at the rent then payable per month for the Land and otherwise on the same covenants and agreements (so far as applicable to a tenancy at will) as herein expressed or implied.

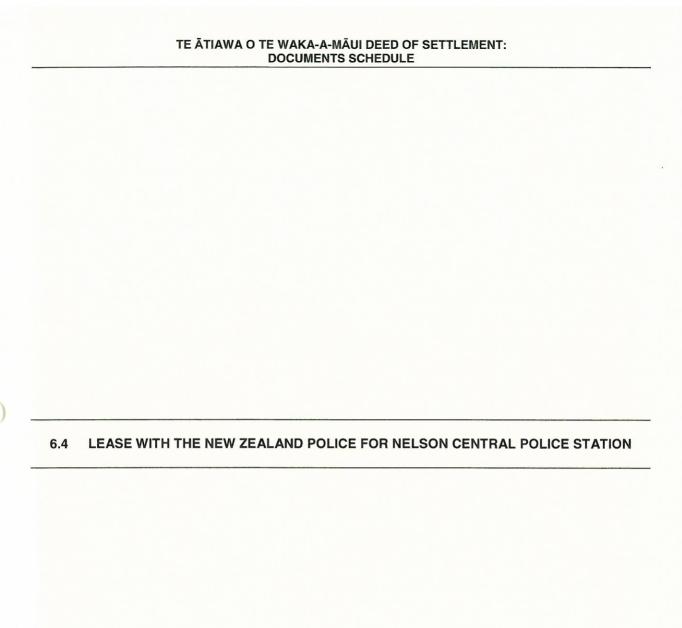
6.3: LEASE WITH THE NEW ZEALAND POLICE FOR 32 TO 36 BROADWAY, PICTON

27. EXCLUSION OF IMPLIED PROVISIONS

- 27.1 The following covenants, conditions and powers implied in leases of land pursuant to Schedule 3 of the Property Law Act 2007 are expressly excluded from application to this Lease:
 - 27.1.1 Clause 10 Premises unable to be used for particular purpose; and
 - 27.1.2 Clause 11 Power to inspect premises.

SCHEDULE OF LAND

The Picton Police station located at 32-36 Broadway, Picton, legally described as all that parcel of land containing 0.1782 hectares, more or less, being Lots 1 and 3 on Deposited Plan 8811and being all the land comprised and described in computer freehold registers NB 5B/276 and NB 5B278 (Marlborough Land District).



6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

MEMORANDUM OF LEASE

PARTIES

- (1) [THE TRUSTEES OF THE **TE ĀTIAWA O TE WAKA-A-MAUI TRUST**] (Lessor)
- (2) **HER MAJESTY THE QUEEN** acting by and through the **Commissioner of Police** (Lessee)

THE LESSOR DOES HEREBY LEASE TO THE LESSEE and THE LESSEE DOES TAKE ON LEASE the Land for the term and at the rental set out in the Reference Schedule and subject to the covenants, conditions, agreements and restrictions set out in this Lease which comprises the Schedule of Terms, the Reference Schedule and the Schedule of Land.

comprises the Schedule of Terms, the Referer	nce	Schedule and the Schedule of Land.	
IN WITNESS WHEREOF these presents have 2	en executed this []day of []	
(Being the date of settlement)			
SIGNED for and on behalf of [the trustees of the TE ĀTIAWA O TE WAKA-A-MAUI TRUST] as Lessor in the presence of:)		
Name of Director		Signature of Director	
Name of Director		Signature of Director	
SIGNED for and on behalf of HER MAJESTY THE QUEEN acting by and through the COMMISSIONER OF POLICE as Lessee in the presence of:)))		
Signature of Witness	-		
Witness Name			
Occupation			
Address	•		

6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

REFERENCE SCHEDULE

ITEM 1: LESSOR PARTICUARS

Name:

Te Ātiawa o Te Waka-a-Maui Trust

Address:

72 Trafalgar Street

Nelson 7010

c/- P.O. Box 10, Nelson, 7010

Phone:

03 548 2139

Fax:

Fax: 03 548 4901

Contact:

John Murray

ITEM 1: LESSOR PARTICUARS

Name:

Her Majesty the Queen, acting by and

through the Commissioner of Police

Address:

New Zealand Police

National Property Office

PO Box 3017 Wellington

Phone:

04 474 9473

Fax:

04 498 7415

Contact:

National Property Manager

ITEM 3: LAND

The Nelson Central Police Station, located at St. John Street, Nelson, legally described as following:

- (a) all that parcel of land containing 0.0855 hectares, more or less, being Parts Section 178 City of Nelson, as comprised and described in computer freehold register NL10B/663;
- (b) all that parcel of land containing 0.0053 hectares, more or less, being Part Section 178 City of Nelson, as comprised and described in computer freehold register NL94/185:
- (c) all that parcel of land containing 0.0353 hectares, more or less, being Part Section 180 City of Nelson, as comprised and described in computer freehold register NL9B/424:
- (d) all that parcel of land containing 0.0188 hectares, more or less, being Part Sections 178 and 180 City of Nelson, as comprised and described in computer freehold register NL9B/425;
- (e) all that parcel of land containing 0.0455 hectares, more or less, being Part Section 180 City of Nelson. All Transfer 53570;
- (f) all that parcel of land containing 0.0334 hectares, more or less, being Parts Section 180 City of Nelson. All Proclamation. 1180.
- (g) all that parcel of land containing 0.0961 hectares, more or less, being Part Section 180 City of Nelson, as comprised and described in computer freehold register NL25/289;

(all Nelson Land District)

6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

ITEM 4: TERM Ten (10) years.

ITEM 5: FURTHER TERMS Perpetual right to renew every ten (10) years.

ITEM 6: RENEWAL DATES Each tenth (10) year anniversary from the date of

commencement.

ITEM 7: ANNUAL RENT [] plus GST.

ITEM 8: The date of Settlement.

DATE OF COMMENCEMENT

ITEM 9: REVIEW DATES Every five (5) years from commencement date.

ITEM 10: PERMITTED USE: For Police purposes and any permitted activity under

the relevant Regional and District Plans or use permitted under any resource consent held in respect

of the Land.

THE SCHEDULE OF TERMS

1. INTERPRETATION

- 1.1 For the purpose of the interpretation or construction of this Lease unless the context provides otherwise:
 - 1.1.1 Words importing any gender shall include all other genders.
 - 1.1.2 Words importing the singular shall include the plural and vice versa.
 - 1.1.3 Payments shall be made in the lawful currency of New Zealand.
 - 1.1.4 Headings are for ease of reference only and do not in any way limit or govern the construction of the terms of this Lease.
 - 1.1.5 References to schedules are references to schedules in this Lease and clauses are references to clauses in this Schedule of Terms and references to parties are references to the parties to this Lease and their respective successors and assigns (if permitted in the case of the Lessee under Clause 13) unless expressly stated otherwise.
 - 1.1.6 Any reference in this Lease to any statute is deemed to include all amendments, revisions, substitutions or consolidations made from time to that statute.
 - 1.1.7 A "person" shall include any individual person, a corporation, a company or other body corporate, an unincorporated body of persons, a public body, firm, partnership, joint venture, association, organisation, trust or a Crown entity as defined in Section 7(1) of the Crown Entities Act 2004 or a State Owned Enterprise in each case whether or not having separate legal personality.
 - 1.1.8 "writing" shall include words visibly represented or reproduced.
 - 1.1.9 No consent or waiver, express or implied, by the Lessor to or of any breach of any covenant, condition, or duty of the Lessee will be construed as a consent or

6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

- waiver to or of any other breach of the same or any other covenant, condition or duty. No waiver of any breach of the Lessee will be implied from the Lessor's failure to exercise the Lessor's rights or any of them in respect of that breach.
- 1.1.10 Nothing contained in this Lease shall be deemed or construed or constitute any party, a partner, agent or representative of the other party or be deemed to create any trust, commercial partnership or joint venture.
- 1.1.11 The invalidity of any part or provision of this Lease shall not affect the enforceability of any other part or provision thereof.
- 1.1.12 The parties acknowledge and agree that certain covenants set out in this Lease (in particular provisions relating to the treatment of Improvements on termination or sooner determination of this Lease) shall continue beyond determination of this Lease for the benefit of the parties notwithstanding such determination.
- 1.1.13 This Lease shall be construed and take effect in accordance with the laws of New Zealand.
- 1.1.14 Any provision in this Lease to be performed by two or more persons shall bind those persons jointly and severally.
- 1.1.15 Any reference in this Lease to "month" or "monthly" shall mean respectively calendar month and calendar monthly.
- 1.1.16 "Authority" means any Government authority whether national or territorial or any other Government or statutory authority appointed or established by statute in New Zealand having jurisdiction over or in respect of the Land and any Improvements.
- 1.1.17 "Business days" means any day other than a Saturday or Sunday or statutory or anniversary holiday.
- 1.1.18 "Date of Commencement" means the date specified in Item 5 of the Reference Schedule.
- 1.1.19 "Improvements" means all Improvements excluding Lessor's Improvements whether constructed or installed on the Land before or at any time during the term of this Lease (including any renewal or variation extending the term of this Lease), including any building, structure or other improvements on or fixed to the land and any concrete paving, tiles, carpark sealing, mechanical services, plant, machinery, equipment, signage, fixtures and fittings.
- 1.1.20 "**The Land**" means that land described in Item 3 to the Reference Schedule of Land excluding the Improvements.
- 1.1.21 The expression "Lessor" and "Lessee" includes their respective successors and assigns (if permitted in the case of the Lessee under Clause 13) and where the context permits the Lessee includes the Lessee's sublessees and other lawful occupiers of the Land and the Lessee's contractors, agents and invitees (which persons shall be those deemed to be persons under the control of the Lessee).

6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

- 1.1.22 "Lessor's Improvements" means work done or material used on or for the benefit of the Land (whether before or during the term of this Lease including any renewal or variation extending the term of this Lease) in:
 - (a) the draining, excavation, filling, or reclamation of the Land, or the making of retaining walls or other works appurtenant to that draining, excavation, filling or reclamation; or
 - (b) the grading or leveling of the Land or the removal of rocks, stone, sand, or soil therefrom; or
 - (c) the removal or destruction of vegetation, or the effecting of any change in the nature or character of the vegetation; or
 - (d) the alteration of soil fertility or of the structure of the soil; or
 - (e) the arresting or elimination of erosion or flooding.
- 1.1.23 "Reference Schedule" means the schedule preceding this Schedule of Terms described as such and forming part of this Lease.
- 1.1.24 "Regional Plan" and "District Plan" shall have ascribed to them the definitions set out in section 2 of the Resource Management Act 1991 and "Regional and District Plans" shall be construed accordingly and shall extend to include any successor or replacement planning regime imposed by the relevant Authority having jurisdiction in respect thereof.
- 1.1.25 "Schedule of Land" means the schedule described as such and forming part of this Lease.
- 1.1.26 "Schedule of Terms" means this schedule described as such and forming part of this Lease.

2. TERM

2.1 The term of this Lease shall commence on the Date of Commencement and shall be for the period specified in Item 4 of the Reference Schedule.

3. RIGHT OF RENEWAL OF LEASE

- 3.1 If the Lessee has not been in any material breach of this Lease and has given to the Lessor written notice to renew this Lease at least three (3) calendar months before the end of each term then the Lessee shall have the right to obtain in accordance with the provisions of this lease a renewed lease of the Land for the term of years specified in Item 5 of the Reference Schedule computed from the relevant date specified in Item 6 of the Reference Schedule and subject to the same covenants and provisions expressed and implied in this Lease.
- 3.2 If the Lessee fails within the time aforesaid to give any notice under Clause 3.1 as to whether it desires a renewed lease and the Lessor at any time after such expired time has given one month's written notice to the Lessee advising the Lessee that it has one further month from the date of such letter to exercise its right of renewal, and the Lessee still fails to advise the Lessor of its desire to renew, then the Lessee shall be deemed to have given notice that a renewed lease is not required. If the Lessee gives notice in writing that it does not desire a renewed lease or there is a deemed notice

6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

that a renewal is not required then its right for a renewed lease shall cease on expiry of the one month notice period aforesaid or on the date at which notice is received by the Lessor (as the case may be).

- 3.3 Any notice by the Lessee under clause 3.1 or clause 3.2 of its desire to accept a renewed lease shall be deemed to constitute a contract between the Lessor and the Lessee for the granting and acceptance of a renewed lease at the rent to be determined under Clause 5 for the term and subject to the covenants and provisions referred to in Clause 3.1.
- 3.4 The term of any renewed lease shall run from the day immediately after the expiry of the prior lease, and the rent thereunder shall accrue from that date instead of the rent reserved in the prior lease, notwithstanding the fact that the renewed lease may not be executed until after that date. Clause 5.11 shall otherwise apply.
- 3.5 The Lessor shall prepare each memorandum of renewal of this Lease and the Lessee will forthwith enter into and execute such memorandum of renewal of lease.

4. RENT

- 4.1 The Lessee shall pay the annual rent specified in Item 7 of the Reference Schedule from the Date of Commencement until the rent is varied under Clause 5 at which time the Lessee will pay rent at the varied rate.
- 4.2 Rent shall be paid on the first day of each month by equal monthly payments in advance with broken period payments due on a proportionate basis for any broken period at the Date of Commencement and on expiry of the Lease term.
- 4.3 All rent shall be paid without any deduction or set-off whatsoever by direct automatic bank payment to the Lessor or as the Lessor may otherwise direct.

5. RENT REIVEW PROVISIONS

- In this clause "**Initiating Party**" means the party that gives the Notice defined in Clause 5.2 and "Recipient" means the party that receives that Notice.
- The annual rent may be reviewed by the Lessor or by the Lessee on the dates specified in Item 9 of the Reference Schedule. At any time not earlier than three (3) months prior to the relevant date specified in Item 9 of the Reference Schedule (each of such dates being called the "review date") either party may give notice in writing to the other ("the Notice") of that party's assessment of the annual rent of the Land to apply from that particular review date.
- 5.3 The annual rent of the Land shall be assessed on the basis of current market rental of the Land as determined as at the review date. In determining the annual rent of the Land the valuers and any umpire shall, in addition to other relevant factors:

5.3.1 Disregard:

- (a) any deleterious condition of the Land if such condition results from any breach of this lease by the Lessee;
- (b) the value of any goodwill attributable to the Lessee's business; and
- (c) all Improvements made to the Land.

6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

- 5.3.2 Have regard to:
 - (a) the Lessor's Improvements;
 - (b) the permitted use under this Lease; and
 - (c) Regional and District Plans.
- In the event that the Recipient does not agree with the Initiating Party's assessment of the annual rent of the Land to apply from the particular review date, the Recipient shall notify the Initiating Party in writing ("the Counter Notice") within twenty-one (21) days (in which respect time shall be of the essence) that the Recipient requires such rent to be determined in accordance with Clause 5.7 and the Recipient shall set out in the Counter Notice the amount which the Recipient considers to be the annual rent as at the particular review date.
- 5.5 Unless such notice is given by the Recipient within twenty-one (21) days, then the amount stated in the Notice shall become the annual rent of the Land reserved by this Lease as and from the particular review date in substitution of the previous amount payable.
- 5.6 Neither party shall by reason of its failure to give the Notice prior to any review date forfeit its right to have the annual rent reviewed as from that particular review date and the reviewed annual rent which should have been paid from that particular review date shall date back to and be payable from that particular review date and any payment of or receipt for the payment of ground rent due on or after a particular review date shall not prejudice either party's right to demand repayment or payment thereafter of any additional annual rent overpaid or payable pursuant to the provisions of Clause 5.11.2.
- 5.7 Where the Counter Notice is given, the Lessor and Lessee shall enter into negotiations to resolve the dispute. Should agreement not be reached within fourteen (14) days (or such longer period as the Lessor and Lessee shall agree upon in writing) after the date on which the Recipient gives the Counter Notice then:
 - 5.7.1 The Lessor and Lessee shall, within twenty-one (21) days after the date on which the Recipient gives the Counter Notice, each appoint a valuer to jointly determine the ground rent of the Land. A valuer nominated by either party pursuant to this Clause shall be a full registered member of the New Zealand Institute of Valuers and shall be competent to practice as a valuer of ground leases and shall have at least five (5) years experience in valuing ground leases within the district in which the Land is situated and be active in the market at the time of his or her appointment.
 - 5.7.2 If either the Lessor or the Lessee fails to appoint a valuer within twenty-one (21) days as aforesaid, then the determination of the annual rent shall be made by the sole valuer as nominated by either the Lessor or Lessee as the case may be, within one (1) month of the expiry of the twenty-one (21) days as aforesaid and his or her determination shall be final and binding on both parties as if his or her appointment had been by consent.
 - 5.7.3 Before proceeding with their determination, the said valuers shall agree upon and appoint an umpire (also qualified in the manner referred to in Clause 5.7.1) and obtain the umpire's acceptance in writing of his or her appointment and who, as a condition of his or her acceptance, undertakes to hand down his or her determination of the annual rent within one month of being instructed to

6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

proceed or such other time period as the Lessor and Lessee may agree, whichever is the latest.

- 5.7.4 If the said valuers within fourteen (14) days of the date of their appointment either fail to appoint an umpire or are unable to agree upon an umpire, then either the Lessor or the Lessee may request the President, for the time being, of the New Zealand Institute of Valuers or any successor to such Institute to appoint an umpire (also qualified in the manner aforesaid) and obtain the umpire's acceptance in writing of his or her appointment and who as a condition of his or her acceptance undertakes to hand down his or her determination of the annual rent in the same manner as if he or she had been appointed pursuant to Clause 5.7.1.
- 5.7.5 Subject to Clauses 5.7.2, 5.7.3 and 5.7.4 the valuers so nominated shall within one (1) month of the date of appointment jointly determine the annual rent as at that particular review date. In the event that either valuer fails to provide to the other valuer his or her written assessment of the annual rent within one month of the date of appointment, then the annual rent shall be determined by the other valuer and his or her determination shall be final and binding on both parties.
- 5.7.6 If the said valuers are unable to agree upon a determination within one month of their appointment or within such extended time as the Lessor and Lessee may agree, then the annual rent shall be determined by the umpire whose determination shall be final and binding on the parties. The umpire shall without limiting his or her enquiries and conduct of any hearing:
 - (a) allow representation of each party and cross-examination of evidence and any re-examination of evidence at the hearing;
 - (b) have due regard to any evidence submitted by the valuers as to their assessment of the annual rent;
 - (c) take into account any expert witness evidence considered relevant to the hearing;
 - (d) have regard to the legal rules of evidence and the interests of natural justice in the conduct of any hearing as between the parties; and
 - (e) give in his or her determination the reasons therefore in writing.
- 5.8 The costs incurred in the determination pursuant to Clause 5.7 of the annual rent shall be borne by the parties in the following manner:
 - (a) subject to Clause 5.7.8(b) each party shall be responsible for the cost of its own appointed valuer;
 - (b) where the determination is made by a single valuer pursuant to Clause 5.7.2 the cost of his or her determination shall be apportioned equally as between the Lessor and Lessee;
 - (c) the parties shall share equally the costs of the umpire unless any party has acted capriciously or unreasonably in any of the proceedings pursuant to the provisions of this Clause 5.7 in which case the umpire may determine the manner in which such costs shall be apportioned between the parties

6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

PROVIDED THAT in all cases if the annual rent to apply from the review date is:

- (i) equal to or exceeding the annual rent nominated in the notice given by the Lessor (whether the Notice or the Counter Notice) then all costs of the valuers and the umpire (where applicable) shall be borne by the Lessee alone, or
- equal to or less than the annual rent nominated in the notice given by the Lessee (whether the Notice or the Counter Notice) then all costs of valuers and the umpire (where applicable) will be borne by the Lessor alone;
- (iii) other than the foregoing then all costs of valuers and the umpire (where applicable) will be borne equally by the Lessor and the Lessee.
- 5.8 The valuers or umpire shall be deemed to be acting as experts and not as arbitrators.
- 5.9 Any variation in the annual rent resulting from such determination shall take effect on and from that particular review date.
- 5.10 Where a review pursuant to this Clause 5 of the annual rent reserved by this Lease is completed after the review date, then:
 - 5.10.1 Pending completion of the review, annual rent shall be paid at the rate prevailing immediately prior to the relevant review date;
 - 5.10.2 On completion of the review, any increased annual rent payable as from the review date shall be paid by the Lessee to the Lessor no later than the date on which the next installment of annual rent is payable hereunder;
 - 5.10.3 On completion of the review, any overpayment of annual rent paid as from the review date shall be held by the Lessor to the Lessee's credit on account of annual rent next falling due for payment unless the Lessee requests the Lessor in writing to refund such payment in which case the Lessor will comply with that request.
- 5.11 If any moratorium or other law Act or regulation that applies to this Lease has the effect of postponing any periodic review of annual rent as at the review date then if and whenever such moratorium is lifted or the law, Act or regulation is repealed or amended so as to permit the annual rent to be reviewed then the review that has been postponed shall take place as at the date that such moratorium is lifted or such law, Act or regulation is repealed or amended to the intent that the rent review shall establish the annual rent as at such date and not as at the postponed review date but any subsequent rent review shall take place on the next following review date fixed in accordance with Clause 5.
- 5.12 Immediately upon the parties agreeing to pay a revised annual rent or on determination under Clause 5.7 the Lessee shall enter into an appropriate registrable Memorandum of Variation of Lease recording such revised annual rent prepared by the Lessor.

6. CHARGES

6.1 The Lessee will pay all charges incurred by the Lessee for electricity, gas, water or power or other services in respect of the Land and Improvements including all

6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

connection, disconnection, or other fees payable by the Lessee or the Lessor to other authorities in respect of such services.

6.2 The Lessor will pay for all costs of service, installation, maintenance and connection to the nearest approved local authority connection points.

7. PAYMENT OF RATES AND IMPOSITIONS

7.1 The Lessee will pay all rates, taxes (including without limitation land or improvements tax but excluding any income tax or capital gains tax or such similar tax which is personal to the Lessor which is imposed as a result of any sale or other disposal of the Land or because of income gained by the Lessor from the Land), charges, assessments, impositions and outgoings whatsoever which now are or which during the term or any renewed lease shall be taxed, rated, charged, assessed or imposed on the Land, any Improvements or on the Lessor or Lessee in respect thereof by any Authority.

8. GOODS AND SERVICES TAX

8.1 The Lessee shall pay to the Lessor upon demand any taxes paid or payable by the Lessor or accountable by the Lessor pursuant to the provisions of the Goods and Services Tax Act 1985 or any similar tax levied in substitution therefore including all amendments and any enactments in substitution therefore or in addition thereto or otherwise in respect of any payments made by the Lessee under this Lease (including the payment of annual rent) or paid by the Lessor on behalf of the Lessee's obligation to make such payment under this Lease.

9. INTEREST ON OVERDUE RENT OR OTHER MONEYS

9.1 Without prejudice to other rights powers and remedies of the Lessor, if any annual rent, goods and services tax or other payment or amount owing by the Lessee to the Lessor whatsoever pursuant to this Lease shall be in arrears and unpaid for fifteen (15) business days after the due day for payment thereof (whether any formal or legal demand therefor shall have been made or not) such unpaid moneys shall bear interest on a daily basis compounded on monthly rests computed from such due date until the date of payment in full of such moneys at a rate being 1% above the average 90 day bank bill buy rate (described as the BID rate) at 10.45 am on the date the payment was due as shown on page BKBM (or its successor page) on the Reuters screen or at a rate based on any successor screen or if there is none at a rate equal to the bank overdraft rate of the Lessor's bank at the time of any default and the said interest shall be recoverable in the same manner as rent in arrears.

10. USE OF THE LAND AND IMPROVEMENTS

- 10.1 The Lessee shall be permitted the right to carry on the business specified in Item 10 of the Reference Schedule.
- 10.2 Should any of the uses of the Land and any Improvements be permissible only with the consent or licence of any Authority under or in pursuance of statute or any Regional and District Plans or regulation or other enactment or order of Court the Lessee shall obtain such consent or licence at the sole cost and expense of the Lessee including but not limited to any costs of financial contributions required and the Lessee shall at all times comply with any conditions of such consent, order or authority obtained.

6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

- 10.3 Where the Lessee is lawfully obliged to obtain any licence, resource consent (including any land use consent or discharge permit) or other consents from any Authority such as required under section 348 of the Local Government Act 1974, the Lessor agrees that it and any officer, or employee or agent of the Lessor shall not raise any objection or requisition relating thereto as landowner of the Land where the Lessee is using the Land for any permitted use under this Lease and is not in any material breach or likely to be in any material breach at any time in the future of any terms and conditions of this Lease.
- 10.4 Despite any other provision in this Lease, if at any time during the term of this Lease, the Land cannot be, or can no longer be lawfully used for Police purposes, the Lessee may terminate this Lease on giving reasonable notice to the Lessor.

11. NO FENCING

11.1 The Lessor shall be under no liability whatsoever whether under the Fencing Act 1978 or otherwise to contribute towards the cost of erection or repair of any boundary fences between the Land and any land owned or occupied by the Lessor but nothing herein contained shall be deemed to limit any liability imposed by statute upon any present or future lessee of the Lessor of any adjoining land.

12. STATUTORY REQUIREMENTS

- 12.1 The Lessee must comply with all statutes, Regional and District Plans, bylaws and regulations which relate to the Land and Improvements or which relate to the Lessee's use of the Land and Improvements and with all conditions or requirements which may be given or required by any person having any lawful authority and will in particular but without limitation:
 - 12.1.1 ensure that a warrant of fitness is obtained each year in respect of any Improvements if required under the Building Act 2004;
 - 12.1.2 comply with and observe at all times the terms and conditions of all resource consents held in respect of the use of the Land and the requirements imposed and otherwise arising under the Resource Management Act 1991; and
 - 12.1.3 ensure that proper and adequate health and safety procedures are adopted in accordance with the Health and Safety in Employment Act 1992.
- 12.2 The Lessee shall not, during the term of this Lease:
 - 12.2.1 make or enter into or endeavour to make or enter into any composition, assignment or other arrangement with or for the benefit of the Lessee's creditors;
 - 12.2.2 suffer insolvency, bankruptcy or liquidation; or
 - 12.2.3 suffer distress or allow execution to issue against the Lessee's property, goods or effects under any judgment against the Lessee in any Court in a sum in excess of twenty five thousand dollars (\$25,000.00) provided however that this subclause 12.2.3 shall have no application or effect whilst Her Majesty the Queen Acting By and Through the Commissioner of Police is the Lessee hereunder.

6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

13. ASSIGNMENT OR SUBLETTING

- 13.1 The Lessee will not without the previous consent in writing of the Lessor assign or transfer or sublease this Lease. Such consent shall not be unreasonably or arbitrarily withheld or delayed without some good cause assigned having regard to the solvency or respectability of the proposed assignee or transferee or sublessee. Notwithstanding this Clause where the Crown (as that term is defined in section 2 of the Public Finance Act 1989) remains as the Lessee under this Lease and in occupation from the Lessor the consent of the Lessor shall not be required when another Crown entity assumes occupation of all or any part of the Land except that on each occasion that a different Crown entity (as defined in section 7(1) of the Crown Entities Act 2004) or other Crown body or state owned enterprise assumes the role and obligations of the Lessee under this Lease the Lessee shall notify the Lessor in writing of that change.
- 13.2 In the case of an assignment where the proposed assignee or transferee is a company not listed by the New Zealand Stock Exchange or a person under Clause 13.5 the Lessor may require the directors and/or the controlling shareholders of such company to enter into a deed guaranteeing the performance by that company of the terms of this Lease such guarantee to be in a form reasonably acceptable to the Lessor.
- 13.3 Clause 13 applies to any assignment or subletting of the interest of the Lessee by any assignee of a bankrupt Lessee or any liquidator or receiver of a Lessee that is a company.
- 13.4 For the purposes of Clause 13.1 any proposed change in the shareholding of the Lessee or any amalgamation under Section 219 of the Companies Act 1993 altering the effective control of the Lessee shall be a deemed assignment of this Lease and will require the consent of the Lessor unless such deemed assignment involves a change of effective control to any of the entities mentioned in Clause 13.5.
- 13.5 For the purposes of Clause 13.1 any proposed change in the effective control of any Lessee that is a Crown entity as that term is defined in section 7(1) of the Crown Entities Act 2004 or a State Owned Enterprise shall be a proposed assignment of this Lease. The Lessor in deciding whether or not to grant consent shall only be entitled to consider the effect of the alteration of the effective control in the ability of the Lessee to continue to meet its obligations under the Lease including contingent liabilities. For the purposes of this Clause any change in the management structure of the Lessee shall not be construed as a change in the effective control of the Lessee.
- 13.6 Where any assignment or transfer of this Lease is consented to by the Lessor, the Lessor may require the execution by the assignee or transferee of a deed of covenant with the Lessor, in a form prepared by the Lessor at the Lessor's expense, that the assignee or transferee will be bound by and perform the covenants in this Lease to be observed and performed by the Lessee but the execution of such covenant shall not release the Lessee from the Lessee's obligations under this Lease.
- 13.7 Notwithstanding any Rule of Law or anything herein expressed or implied to the contrary where Her Majesty the Queen acting by and through the Commissioner of Police in New Zealand as Lessee assigns this Lease under the provisions of this Clause 13, all the liabilities of the Lessee expressed or implied under this Lease, whether contingent or otherwise for the payment of future rents or other moneys or the future observance or performance of any of the Covenants, conditions or agreements on the part of the Lessee shall cease and determine absolutely as from the date of the Assignment thereof, but without releasing the Lessee from liability for any antecedent breach thereof.

6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

14. LESSEE'S ACKNOWLEDGEMENT OF RISK

14.1 The Lessee agrees to occupy and use the Land and any Improvements at the Lessee's risk and release to the full extent permitted by law the Lessor its employees and agents from all claims and demands of any kind and from all liability which in the absence of any negligence on its or their part may arise in respect of any accident damage or injury occurring to any person or property in or about the Land and any Improvements thereon except where the Lessor or any person under the control of the Lessor is at fault or negligent through their own acts or omissions.

15. QUIET ENJOYMENT/REPUDIATION

- 15.1 Provided the Lessee performs and observes the covenants provisos conditions and agreements contained in this Lease the Lessee shall peaceably hold and enjoy the Land and Improvements thereon without hindrance or interruption by the Lessor or by any person or persons claiming under the Lessor until the expiration or sooner determination of this Lease. For the avoidance of doubt, the phrase "person or persons claiming under the Lessor" does not include beneficiaries of any trust of which the Lessor is trustee.
- 15.2 The Lessor is to compensate the Lessee and the Lessee shall be entitled to recover any damages for any loss or damage suffered by reason of any acts or omissions of the Lessor constituting a repudiation of the Lease or the Lessor's obligations under the Lease. Such entitlement shall subsist notwithstanding any cancellation or early termination of the Lease and shall be in addition to any other right or remedy which the Lessee may have.

16. REGISTRATION

- 16.1 The Lessor shall register this Lease under the provisions of the Land Transfer Act 1952.
- 16.2 The Lessee will be responsible for survey and other costs incurred in obtaining registration of this Lease.

17. IMPROVEMENTS DURING LEASE

- 17.1 Throughout the term of this Lease and on any renewal any Improvements installed or erected on the Land shall be deemed to remain in the ownership of the Lessee unless the Lessor and the Lessee otherwise agree in writing.
- 17.2 Throughout the term of this Lease and on any renewal the Lessee shall have the right to alter, construct and demolish any Improvements on the Land without the need to obtain the Lessor's consent providing all obligations required of the Lessee under this Lease relevant to Improvements on the Land are satisfied.

18. IMPROVEMENTS ON TERMINATION OF LEASE

18.1 No later than twelve (12) months prior to the expiry of any ten (10) year term of Lease the Lessee may give notice ("the Lessee's Transfer Notice") to the Lessor specifying any Improvements which the Lessee wishes to transfer to the Lessor following expiry of the Lease or renewal. The Lessee's Transfer Notice shall contain details of those Improvements, their current market value and the proposed terms of transfer of the Improvements.

6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

- 18.2 The Lessor agrees to consult with the Lessee regarding the Improvements specified in the Lessee's Transfer Notice, and to consider any proposal to transfer such Improvements. Nevertheless, the Lessee acknowledges that nothing in this clause or in the Lessee's Transfer Notice shall oblige the Lessor to take a transfer of, or to pay any compensation or consideration for, such Improvements.
- 18.3 If no agreement is reached regarding the transfer of Improvements pursuant to this clause (before six months prior to the expiry of the Lease, or before the earlier termination of the Lease) the following provisions of this Clause 18 shall apply.
- 18.4 On termination of this Lease (whether by expiry of time or otherwise) except where the Lessee has exercised any rights of renewal, the Lessee will remove any Improvements specified in a written notice ("the Lessee's Removal Notice") given to the Lessor in accordance with Clause 18.5.
- 18.5 The Lessee will remove Improvements that are clearly identified in the Lessee's Removal Notice which must be given no later than three (3) months prior to the expiry of the term (time being of the essence) or one (1) month after any sooner termination.
- 18.6 The Lessee must remove all Improvements specified in the Lessee's Removal Notice within six (6) months from the date of termination (time being of the essence) and must ensure within that time that all services to any Improvements are properly and lawfully disconnected, the Land under any Improvements is adequately filled with soil so that the surface of the Land is stable and restored to the Lessor's reasonable satisfaction and such Land is otherwise grassed and left in a neat and tidy condition.
- 18.7 If the Lessee fails to remove any Improvements specified in the Lessee's Removal Notice in accordance with Clause 18.6 then if the Lessor removes them within 12 months of the termination date, it shall recover all costs directly and indirectly incurred in their removal, from the Lessee.
- 18.8 Any Improvements remaining on the Land after the period referred to in Clause 18.6 shall become the property of the Lessor without any compensation or other payment whatsoever to the Lessee.
- 18.9 The Lessee must continue to pay rent and outgoings under this Lease and comply with all other obligations under this Lease until it has met its obligations under Clause 18.6.
- 18.10 Whenever resource consent is required to remove or demolish any Improvements the Lessee shall use all reasonable endeavours to obtain all necessary consents and shall continue to be obliged to pay rent and outgoings under this Lease until such time that the Lessor is satisfied on reasonable grounds that the Lessee has used all reasonable endeavours to obtain all necessary consents and produced to the Lessor evidence satisfactory to the Lessor to satisfy this requirement.
- 18.11 At the expiry of the lease if the Lessor has specified in writing no less than three (3) months prior to the final expiry date of the lease that a change of any permitted activity under the relevant Regional and District Plans or use permitted under any resource consent held in respect of the Land is required the Lessee shall be obliged to obtain any change.

19. DESTRUCTION AND REDEVELOPMENT

19.1 The Lessee shall be entitled to carry out repairs, demolition, relocation, additions, reinstatement or redevelopment to any Improvements on the Land in the event of total

6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

or partial destruction or in the event of the Lessee wishing to demolish, relocate, redevelop, replace or add to any Improvements on the Land provided the following conditions are or will be satisfied:

- 19.1.1 any repair, demolition, relocation, addition, reinstatement or redevelopment shall fully comply with Regional and District Plans and all statutory and regulatory requirements in force at the time; and
- 19.1.2 the Lessee is able to obtain all resource and building consents necessary to carry out any works programme; and
- 19.1.3 upon satisfaction of such conditions the Lessee shall repair, demolish, relocate, reinstate, rebuild or add to (as the case may be) any Improvements or such part of Improvements requiring such work in accordance with the conditions set out above.
- 19.2 In the event that the Lessee is prevented or unable to reinstate or rebuild in the event of total or partial destruction it may forthwith terminate this Lease provided that the Lessee demolishes the Improvements and clears and restores the Land all in accordance with the requirements of Clause 18.6.

20. NOTICES

- 20.1 All notices must be in writing and must be served by one of the following means:
 - (a) in the case of a notice under sections 245 or 246 of the Property Law Act 2007 in the manner prescribed by section 353 of that Act; and
 - (b) in all other cases, unless otherwise required by sections 352 to 361 of the Property Law Act 2007:
 - (i) in the manner authorised by sections 354 to 361 of the Property Law Act 2007; or
 - (ii) by personal delivery, or by posting by registered or ordinary mail, or by facsimile transmission.
- 20.2 All notices to be given to the Lessor or to the Lessee hereunder shall be deemed sufficiently served:
 - (a) in the case of personal delivery, when received by the addressee at the address detailed in clause 20.3; and
 - (b) in the case of posting by registered mail, on the third working day following the date of posting to the addressee at the address detailed in clause 20.3; and
 - (c) in the case of facsimile transmission, on the working day following the date of sending to the addressee's facsimile number designated in clause 20.3 provided that the sender produces a confirmation notice that the facsimile has been sent on that day.

6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

20.3 Details for Notices

Lessor

Te Ātiawa o Te Waka-a-Maui Trust

c/- 72 Trafalgar St, Nelson 7010 or P.O. Box 10, Nelson 7010

Fax: 03 548 4901

Contact Name: John Murray.

Lessee

Andrew Mac Arthur, Property Manager, National Property Office

New Zealand Police

PO Box 3017, Wellington 6140

Fax (04) 498 7415

A notice shall be valid if given by the duly authorised representative of the party giving the notice. If a notice is not given by the Lessor, it is to be supported by satisfactorily written delegation from the Lessor confirming the appointment of the party giving the notice.

21. DEFAULT BY LESSEE

- 21.1 The Lessor may (in addition to the Lessor's right to apply to the Court for an order for possession) cancel this Lease by re-entering the land at the time or any time thereafter:
 - 21.1.1 If the rent shall be in arrear twenty (20) working days after any of the rent payment dates and the Lessee has failed to remedy that breach within ten (10) working days after service on the Lessee of a notice in accordance with section 245 of the Property Law Act 2007;
 - 21.1.2 In case of breach by the Lessee of any covenant or agreement on the Lessee's part herein expressed or implied (other than the covenant to pay rent) after the Lessee has failed to remedy that breach within the period specified in a notice served on the Lessee in accordance with Section 246 of the Property Law Act 2007; and
 - 21.1.3 the term shall terminate on such cancellation but without prejudice to the rights of either party against the other.

22. DISPUTE RESOLUTION

22.1 Any dispute or difference which may arise between the parties concerning the interpretation of this Lease or relating to any other matter arising under this Lease will be actively and in good faith negotiated by the parties with a view to a speedy resolution of such differences.

6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

- 22.2 If the parties cannot resolve a dispute or difference within fifteen (15) business days of any dispute or difference arising then, unless otherwise expressly provided in this Lease, they will without prejudice to any other right, explore whether such dispute or difference can be resolved by agreement between them using informal dispute resolution techniques such as mediation. The rules governing any such technique if adopted will be agreed between the parties or as selected by the organisation known as "LEADR" (Lawyers Engaged in Alternative Dispute Resolution).
- 22.3 If the parties cannot agree on any dispute resolution technique within a further fifteen (15) business days of any dispute or difference being considered for referral by both parties to any informal dispute resolution technique under Clause 22.2 then the dispute or difference shall be settled by reference to arbitration. Except as otherwise expressly provided in this Lease the reference shall be to a single arbitrator if one can be agreed upon, or to two arbitrators (one to be appointed by each party) and their umpire (appointed by them prior to their arbitration), such arbitration to be carried out in accordance with the Arbitration Act 1996 or any successor Act.
- 22.4 The parties will co-operate to ensure the expeditious conduct of any arbitration. In particular, each party will comply with any reasonable time limits sought by the other for settling terms of reference, interlocutory matters and generally all steps preliminary and incidental to the hearing and determination of the proceedings.

23. COSTS

- 23.1 The parties shall each pay their own solicitors' costs on preparing and finalising this Lease or any renewal or variation of this Lease.
- 23.2 The Lessee shall be responsible for payment of all registration fees including agency charges imposed and all government tax duty or imposts at any time payable on this Lease or any renewal or variation to this Lease.
- 23.3 The Lessee shall pay for all costs, charges and expenses for which the Lessor shall become liable in consequence of or in connection with any breach or default by the Lessee in the performance or observance of any of the terms, covenants and conditions of this Lease.

24. LESSOR'S RIGHTS TO INSPECT AND DISPLAY SIGNS

- 24.1 The Lessor will have the right to inspect the Land no more than twice each year during the term or any renewal of this Lease with valuers or other experts and consultants provided such inspections are carried out at times reasonably acceptable to the Lessee on reasonable notice to the Lessee and only when accompanied by a servant or agent of the Lessee. Any such inspections should be carried out in accordance with the Lessee's security and health and safety requirements and the Lessee shall have the right to change any suggested time to a mutually convenient time.
- 24.2 Notwithstanding anything else herein, the parties agree that the Lessee may require any person wishing to enter the Land for inspection purposes to first provide their details to the Lease for a security check. If the results of such check are not acceptable to the Lessee for any reason then such person may be refused entry to the Land.
- 24.3 If the Lessor desires to, or is required to, undertake any works on the Land, including any repair or maintenance works, that involves the use of contractors or other third

6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

parties, the Lessor must procure any contractor or other third party who will have access to the Land to undertake such works to:

- (a) complete a security check on terms reasonably acceptable to the Lessee;
- (b) provide the Lessee with a copy of the contractor's Health and Safety Plan which shall be subject to the Lessee's reasonable approval prior to any work commencing; and
- (c) familiarise themselves with and commit to complying with the Lessee's own Health and Safety Plan in all material respects.
- 24.4 The Lessor will not provide or allow the provision of any information relating to the structure, or access to, the buildings on the Land in any way to any person without first obtaining the written permission of the Lessee.
- 24.5 The Lessee will during the period of three (3) months prior to the termination date of this Lease permit the Lessor to exhibit the Land to prospective lessees or purchasers and allow the Lessor to affix to the Land appropriate sale or reletting notices.

25. DISPOSAL OF LESSOR'S INTEREST

- 25.1 Subject to the provisions of this clause the Lessor may at any time dispose of the Lessor's interest in the Land provided:
 - 25.1.1 any such disposal shall preserve to the Lessee all the Lessee's rights and remedies under this Lease; and
 - 25.1.2 that while Her Majesty the Queen is the Lessee and occupies the Land the following further provisions shall apply:
 - (a) the Lessor shall advise the Lessee in writing of the person or corporation to whom the Lessor intends to dispose of its interest in the Land (proposed Assignee);
 - (b) If the Lessee has any objection to the proposed Assignee because the Lessee reasonably apprehends in good faith that either:
 - (i) the proposed Assignee presents an actual or potential threat to the discharge by the Lessee of the Lessee's statutory obligations; or
 - (ii) the role or function of the Lessee will be prejudiced by the proposed Assignee becoming the Lessor;

then the Lessee shall within five (5) working days of receiving the Lessor's advice pursuant to clause 25.1 above, notify the Lessor in writing of its objection to the proposed Assignee and shall substantiate its reasonable apprehension to the reasonable satisfaction of the Lessor;

25.2 If the Lessor does not receive written notice from the Lessee pursuant to clause 25.1 above together with grounds to substantiate its reasonable apprehension within five (5) working days from the date of its advice to the Lessee, the Lessee shall be deemed to have accepted the proposed Assignee.

6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

- 25.3 If the Lessee objects to the proposed Assignee in accordance with clause 25.1 above, then the Lessor shall not dispose of its interest to the proposed Assignee.
- 25.4 If the Lessor fails to advise the Lessee in writing of the disposal of its interest in the Land and the Lessee has objections to the proposed Assignee based on those reasons set out in clauses 25.1 above, then the Lessee shall be entitled at any time thereafter to terminate this Lease on seven (7) days written notice and the Lessee's obligations under this Lease shall cease from the expiration of such notice.

26. HOLDING OVER

26.1 If the Lessor permits the Lessee to remain in occupation of the Land after the expiration or sooner determination of this Lease, such occupation shall be a tenancy at will only terminable by twenty (20) working days written notice at the rent then payable per month for the Land and otherwise on the same covenants and agreements (so far as applicable to a tenancy at will) as herein expressed or implied.

27. EXCLUSION OF IMPLIED PROVISIONS

- 27.1 The following covenants, conditions and powers implied in leases of land pursuant to Schedule 3 of the Property Law Act 2007 are expressly excluded from application to this Lease:
 - 27.1.1 Clause 10 Premises unable to be used for particular purpose; and
 - 27.1.2 Clause 11 Power to inspect premises.

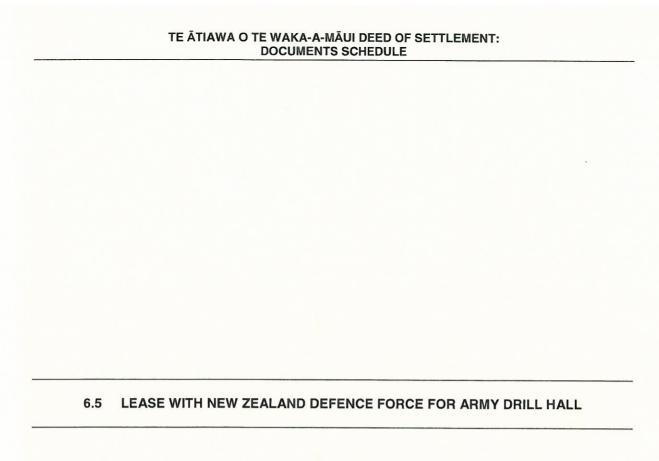
6.4 LEASE WITH THE NEW ZEALAND POLICE FOR NELSON CENTRAL POLICE STATION

SCHEDULE OF LAND

The Nelson Central Police station located at St John Street, Nelson, legally described as:

- (a) all that parcel of land containing 0.0855 hectares, more or less, being Parts Section 178 City of Nelson, as comprised and described in computer freehold register NL10B/663;
- (b) all that parcel of land containing 0.0053 hectares, more or less, being Part Section 178 City of Nelson, as comprised and described in computer freehold register NL94/185;
- (c) all that parcel of land containing 0.0353 hectares, more or less, being Part Section 180 City of Nelson, as comprised and described in computer freehold register NL9B/424;
- (d) all that parcel of land containing 0.0188 hectares, more or less, being Part Sections 178 and 180 City of Nelson, as comprised and described in computer freehold register NL9B/425;
- (e) all that parcel of land containing 0.0455 hectares, more or less, being Part Section 180 City of Nelson. All Transfer 53570;
- (f) all that parcel of land containing 0.0334 hectares, more or less, being Parts Section 180 City of Nelson. All Proclamation. 1180.
- (g) all that parcel of land containing 0.0961 hectares, more or less, being Part Section 180 City of Nelson, as comprised and described in computer freehold register NL25/289;

(all Nelson Land District)



6.5 LEASE WITH NEW ZEALAND DEFENCE FORCE FOR ARMY DRILL HALL

DEED OF LEASE

FIFTH EDITION 2008

DEED made the

day of

LANDLORD

Te Atiawa o Te Waka-a-Maui Limited

TENANT

Her Majesty the Queen in Right of Her Government in New Zealand acting by and through the Chief of Defence Force pursuant to section 25(5) of the Defence Act 1990

GUARANTOR

THE LANDLORD leases to the Tenant and the Tenant takes on lease the premises and the car parks (if any) described in the First Schedule together with the right to use:

- a) The Landlord's fixtures and fittings contained in the premises.
- b) The common areas of the property.

FOR the term from the commencement dates and at the annual rent (subject to review if applicable) as set out in the First Schedule.

THE LANDLORD AND THE TENANT covenant as set out in the Second Schedule.

THE GUARANTOR covenants with the Landlord as set out in the Third Schedule.

SIGNED by the Landlord Te Atiawa o Te Waka-a-Maui Limited	STEELENS TO STEEL
in the presence of:	Signature of Landlord
Witness Signature	Print Full Name
Witness Name	(for a company specify position: Director/Attorney/Authorised Signatory)
Witness Occupation	
	Signature of Landlord
Witness Address	
	Print Full Name (for a company specify position: Director/Attorney/Authorised Signatory)
* ,	

If appropriate, add:

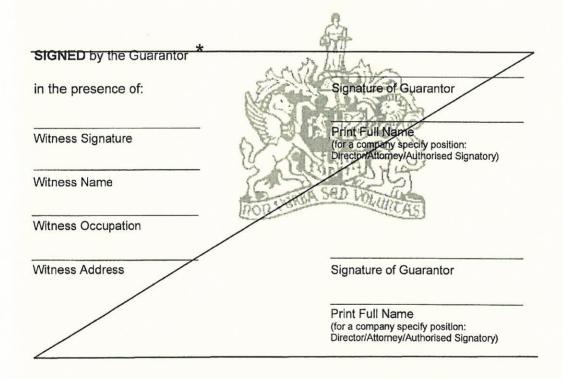
"by its director(s)" OR "by its duly appointed attorney"

Note: Signing by a company - please refer to the note on page 2

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in the presence of:	orce byPeter Andre Bollmann, Director of Housing and Property pursuant	Signature of Tenant
Witness Signature	to a delegated authority under section 30(2) of the	Print Full Name (for a company specify position: Director/Atterney/Authorised Signatory)
Witness Name	Defence Act 1990	Peter Andre Bollmann Director of Housing & Property
Witness Occupation		
Witness Address		Signature of Tenant
		Print Full Name



^{*} If appropriate, add:

"by its director(s)" OR "by its duly appointed attorney"

Note: Signing by a company – to ensure that this document binds the company as a deed, it must be signed in accordance with section 180 of the Companies Act 1993.

If two directors sign, no witnessing is necessary.

If only one director or a director and authorised signatory(ies) or attorney(ies) sign, signatures must be witnessed.

6.5 LEASE WITH NEW ZEALAND DEFENCE FORCE FOR ARMY DRILL HALL

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FIRST SCHEDULE

PREMISES: All that freehold parcel of land situated at [55 Hardy Street], Nelson, described as Lot 2 DP 566, Pt Lot 4 DP 1460, Sec 1130, Sec 1130A, Pt Sec 153, Pt Sec 669, Pt Sec 1208, City of Nelson

CAR PARKS:

TERM: 5 years

COMMENCEMENT DATE: [

RIGHTS OF RENEWAL: Nil RENEWAL DATES: N/A

FINAL EXPIRY DATE: 5 years after the commencement date

ANNUAL RENT:

Premises \$

1

plus GST

(Subject to review if applicable)

Car Parks \$

plus GST

TOTAL \$

plus GST

MONTHLY RENT:

\$

(a) Each renewal date

plus GST

RENT PAYMENT DATES:

The

day of each month commencing on the

day

of

20

RENT REVIEW DATES:

(Delete where appropriate: if neither option is deleted, then option (a) applies)

N/A OR

(b) (Insert dates):

The date which is 2 years and 6 months following the

Commencement Date

Nil %

PROPORTION OF OUTGOINGS: (clause 3)

DEFAULT INTEREST RATE: (clause 5.4)

100 % refer clause 3.1

% per annum

IMPROVEMENTS RENT PERCENTAGE: (clause 21.2)

BUSINESS USE: (clause 16.1) Any use permitted by the Defence Purposes Designation applicable to the premises and any use permitted under the district plan

LANDLORD'S INSURANCE: (clause 23.1)

(Delete or amend extent of cover as appropriate)

- (1) Cover for fire, flood, explosion, lightning, storm, earthquake, and volcanic activity; and
- (2) Cover for the following additional risks:

on the following basis:

(a) Full replacement and reinstatement (including loss damage or destruction of windows and other glass);

(Delete either (a) or (b): if neither option is deleted, then option (a) applies)

OR

(b) Indemnity to full insurable value (including loss damageor destruction of windows and other glass).

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OUTGOINGS

(clause 3)

- 1. Rates or levies payable to any local or territorial authority.
- 2. Charges for water gas electricity telephones and other utilities or services, including line charges.
- 3. Rubbish collection charges.
- 4. New Zealand Fire Service charges and the maintenance charges in respect of all fire detection and fire fighting equipment.
- 5. Any insurance excess (but not exceeding \$500) in respect of a claim and insurance premiums and related valuation fees (clause 23).
- 6. Service contract charges for air conditioning, lifts, other building services and security services.
- 7. Cleaning maintenance and repair charges including charges for repainting, decorative repairs and the maintenance and repair of building services to the extent that such charges do not comprise part of the cost of a service maintenance contract, but excluding charges for structural repairs to the building (minor repairs to the roof of the building shall not be a structural repair).
- 8. The provisioning of toilets and other shared facilities.
- 9. The cost of ground maintenance i.e. lawns, gardens and planted areas including plant hire and replacement, and the cost of repair of fences.
- 10. Yard and car parking area maintenance and repair charges but excluding charges for structural repairs to any car parking area of the building, and also excluding any resurfacing or resealing of any yard and
- 11. Body Corporate charges for insurance premiums and related valuation fees and management administration expenses.
- 12. Management expenses.
- 13. The costs incurred and payable by the Landlord in supplying to the territorial authority a building warrant of fitness and obtaining reports as required by sections 108 and 110 of the Building Act 2004.

6.5 LEASE WITH NEW ZEALAND DEFENCE FORCE FOR ARMY DRILL HALL

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SECOND SCHEDULE

TENANT'S PAYMENTS

Rent

THE Tenant shall pay the annual rent by equal monthly payments in advance (or as varied pursuant to any rent review) on the rent payment dates. The first monthly payment (together with rent calculated on a daily basis for any period from the commencement date of the term to the first rent payment date) shall be payable on the first rent payment date. All rent shall 1.1 be paid without any deductions or set-off by direct payment to the Landlord or as the Landlord may direct.

Rent Review

- THE annual rent payable as from each rent review date shall be determined as follows:
 - Either party may not earlier than 3 months prior to a rent review date and not later than the next rent review date give written notice to the other party specifying the annual rent proposed as the current market rent as at the relevant rent review date.
 - If the party receiving the notice ("the Recipient") gives written notice to the party giving the notice ("the Initiator") within 20 working days after service of the Initiator's notice disputing the annual rent proposed and specifying the annual rent proposed by the Recipient as the current market rent, then the new rent shall be determined in accordance with clause 2.2. Such notice must state the consequences of the Recipient not responding to it, as stated in clause 2.1(c).
 - If the Recipient falls to give such notice (time being of the essence) the Recipient shall be deemed to have accepted the annual rent specified in the Initiator's notice and the extension of time for commencing arbitration proceedings contained in the Arbitration Act 1996 shall not apply.
 - Notwithstanding any other prevision of this clause, the annual rent payable as from the relevant rent review date shall-not be loss than the annual rent payable as at the commencement date of the then current lease term.
 - The annual rent agreed, determined or imposed pursuant to this clause shall be the annual rent payable as from the (e) relevant rent review date, or the date of service of the initiator's notice if such notice is served later than 3 months after the relevant rent review date but subject to clause 2.3 and 2.4.
 - The rent review at the option of either party may be recorded in a Deed.

Rent Determinations

- IMMEDIATELY following service of the Recipient's notice on the Initiator, the parties shall endeavour to agree upon the current market rent, but if agreement is not reached within 10 working days then the new rent may be determined either:

 (a) By one party giving written notice to the other requiring the new rent to be determined by arbitration; or

 - If the parties so agree by registered valuers acting as experts and not as arbitrators as follows
 - Each party shall appoint a valuer and give written notice of the appointment to the other party within 10 working
 - days of the parties agreeing to so determine the new rent;

 If the party receiving a notice fails to appoint a valuer within the 10 working day period then the valuer appointed by the other party shall determine the new rent and such determination shall be binding on both parties;
 - The valuers appointed before commencing their determination shall appoint a third expert who need not be a
 - registered valuer;
 The valuers appointed by the parties shall determine the current market rent of the premises but if they fail to agree then the rent shall be determined by the third expert.
 - Each party shall be given the opportunity to make written or or at representations subject to such reasonable time and other limits as the valuers or the third expert may prescribe and they shall have regard to any such (5) (c) * representations but not be bound thereby.

When the new rent has been determined the person or persons determining the same shall give written notice thereof to the parties. The notice shall provide as to how the costs of the determination shall be borne and such provision shall be binding on the parties. * In assessing the current market rent of the premises, the rental assessment must exclude the value

Interim Rent

of any additions, improvements, fixtures and fittings paid for or owned by the Tenant.

- PENDING determination of the new rent, the Tenant shall from the relevant rent review date, or the date of service of the 2.3 Initiator's notice if such notice is served later than 3 months after the relevant rent review date, until the determination of the
 - If both parties supply a registered valuer's certificate substantiating the new rents proposed, the interim rent payable shall be half way between the new rents proposed by the parties; or
 - If only one party supplies a registered valuer's certificate, the interim rent payable shall be the rent substantiated by the certificate; or
 - If no registered valuer's certificates are supplied, the interim rent payable shall be the rent payable immediately prior to the relevant rent review date:

but in no circumstances shall the interim rent be less than the rent payable as at the commencement date of the then current

The interim rent payable shall be determined as at the relevant rent review date, or the date of service of the Initiator's notice if such notice is served later than 3 months after the relevant rent review date and, subject to clause 2.4, shall not be subject to adjustment.

2.4 UPON determination of the new rent, any overpayment shall be applied in payment of the next month's rent and any amount then remaining shall immediately be refunded to the Tenant. Any shortfall in payment shall immediately be payable by the Tenant.

6.5 LEASE WITH NEW ZEALAND DEFENCE FORCE FOR ARMY DRILL HALL

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Outgoings

- 3.1 THE Tenant shall pay the outgoings properly and reasonably incurred in respect of the property which are specified in the First Schedule. Where any outgoing is not separately assessed or levied in respect of the premises then the Tenant shall pay such proportion thereof as is specified in the First Schedule or if no proportion is specified then such fair proportion as shall be agreed or failing agreement determined by arbitration.
- 3.2 THE Landlord may vary the proportion of any outgoing payable to ensure that the tenant pays a fair proportion of the outgoing.
- 3.3 IF any outgoing is rendered necessary by another tenant of the property or that tenant's employees, contractors or invitees causing damage to the property or by another tenant failing to comply with that tenant's leasing obligations, then such outgoing shall not be payable by the Tenant.
- 3.4 THE outgoings shall be apportioned between the Landlord and the Tenant in respect of periods current at the commencement and termination of the term.
- 3.5 THE outgoings shall be payable on demand or if required by the Landlord by monthly instalments on each rent payment date of such reasonable amount as the Landlord shall determine calculated on an annual basis. Where any outgoing has not been taken into account in determining the monthly instalments it shall be payable on demand.
- 3.6 AFTER the 31st March in each year of the term or such other date in each year as the Landlord may specify, and after the end of the term, the Landlord shall supply to the Tenant reasonable details of the actual outgoings for the year or period then ended. Any over payment shall be credited or refunded to the Tenant and any deficiency shall be payable to the Landlord on demand.
- 3.7 THE Tenant's liability to pay outgoings during the term shall subsist notwithstanding the end or earlier termination of the term,
- 3.8 SUBJECT to clauses 8.1, 16.2 and 21.1 the Tenant shall be liable to pay only those outgoings specified in the First Schedule.
- 3.9 ANY profit derived by the Landlord and if a company by its shareholders either directly or indirectly from the management of the property shall not comprise part of the management expenses payable as an outgoing.

Goods and Services Tax

- 4.1 THE Tenant shall pay to the Landlord or as the Landlord shall direct the Goods and Services Tax payable by the Landlord in respect of the rental and other payments payable by the Tenant hereunder. The tax in respect of the rental shall be payable on each occasion when any rental payment falls due for payment and in respect of any other payment shall be payable upon demand.
- 4.2 IF the Tenant shall make default in payment of the rental or other moneys payable hereunder and the Landlord becomes liable to pay additional Goods and Services Tax then the Tenant shall on demand pay to the Landlord the additional tax.

Interest on Unpaid Money

after receiving written notice of such default from the Landlord

IF the Tenant defaults in payment of the rent of other moneys payable hereunder for 10 working days then the Tenant shall pay on demand interest at the default interest rate on the moneys unpaid from the due date for payment to the date of payment.

Expiry of the 10 day notice period

Costs

- THE Tenant shall pay the Landlord's solicitors reasonable costs of and incidental to the preparation of this lease and any variation or renewal or any Deed recording a rent review, the Landlord's reasonable costs incurred in considering any request by the Tenant for the Landlord's consent to any matter contemplated by this lease, and the Landlord's legal costs (as between solicitor and client) of and incidental to the enforcement or attempted enforcement of the Landlord's rights remedies and powers under this lease.
- 6.2 Each party shall otherwise pay its own costs in regard to this Lease and any variation of this Lease.

LANDLORD'S PAYMENTS

Outgoings

7.1 SUBJECT to the Tenant's compliance with the provisions of clause 3 the Landlord shall pay all outgoings in respect of the property not payable by the Tenant direct. The Landlord shall be under no obligation to minimise any liability by paying any outgoing or tax prior to receiving payment from the Tenant.

MAINTENANCE AND CARE OF PREMISES

Tenant's Obligations

8.1 THE Tenant shall (subject to any maintenance covenant by the Landlord) be responsible to:

(a) Maintain the premises

In a proper and workmanlike manner and to the reasonable requirements of the Landlord keep and maintain the interior of the premises including the Landlord's fixtures and fittings in the same clean order repair and condition as they were in at the commencement of this lease and will at the end or earlier determination of the term quietly yield up the same in the like clean order repair and condition. In each case the Tenant shall not be liable for fair wear and tear arising from reasonable use. Where the premises are damaged by fire flood explosion lightning storm earthquake volcanic activity or any risk against which the Landlord is (or has covenanted with the Tenant to be) insured, then the Tenant is liable for the cost of making good that damage to the extent that:

- (1) the damage was intentionally caused by the Tenant or those for whom the Tenant is responsible;
- (2) the damage was the result of an act or omission by the Tenant or those for whom the Tenant is responsible and that act or omission:
 - (i) occurred on or about the property; and
 - ii) constitutes an indictable offence within the meaning of the Summary Proceedings Act 1957; or
- (3) any insurance moneys otherwise payable are rendered irrecoverable because of an act or omission of the Tenant or those for whom the Tenant is responsible.

6.5 LEASE WITH NEW ZEALAND DEFENCE FORCE FOR ARMY DRILL HALL

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Breakages and Damage

Pay for the repair of all glass breakages and breakage or damage to all doors windows light fittings and power points of the premises and shall keep that portion of the electrical system of the premises from the switchboard to all power outlets in good operating condition;

Paint and decorate those parts of the interior of the premises which have previously been painted and decorated when the same reasonably require repainting and redescration to a specification as approved by the Landlord

(d) Floor coverings

Keep all floor coverings in the premises clean and replace all floor coverings worn or damaged other than by fair wear and tear with floor coverings of a similar quality when reasonably required by the Landlord, and The Tenant shall not be required to replace any floor coverings within the premises except where such replacement is reasonably

(e) Damage or Loss required as a consequence of damage caused by the Tenant (not being fair wear and tear); and Make good any damage to the property or loss caused by improper careless or abnormal use by the Tenant or those for whom the Tenant is responsible, to the Landlord's reasonable requirements.

8.2 WHERE the Tenant is leasing all of the property, the Tenant shall:

Maintain yards and fences

(excluding resurfacing or resealing)

Keep and maintain any surfaced areas and all fences in good order and repair;

Keep any grounds yards and surfaced areas in a tidy condition and maintain any garden or lawn areas in a tidy and cared for condition:

Water and drainage

Keep and maintain the storm or waste water drainage system including downpipes and guttering clear and unobstructed; and

(d) Other works

Carry out such works to the property as the Landlord may require in respect of which outgoings are payable by the

10

- 8.3 THE Tenant shall not be liable for the maintenance or repair of any building service the subject of a service maintenance contract but this clause shall not release the Tenant from any obligation to pay for the cost of any such contract or charges in respect of any such maintenance or repair.
- NOTWITHSTANDING any other provision of this lease, the Tenant shall not be liable to repair any inherent defect in the premises or the Landlord's fixtures and fittings nor to pay any outgoings incurred by the Landlord in remedying any inherent 8.4
- IF the Landlord shall give the Tenant written notice of any failure on the part of the Tenant to comply with any of the requirements of clause 8.1 or 8.2 the Tenant shall with all reasonable speed so comply. 8.5

Toilets

THE toilets sinks and drains shall be used for their designed purposes only and no substance or matter shall be deposited in them which could damage or block them. 9.1 TIDIT

Rubbish Removal

THE Tenant shall regularly cause all of the Tenant's rubbish and garbage to be removed from the premises and will keep the Tenant's rubbish bins or containers in a tidy condition. The Tenant will also at the Tenant's own expense cause to be removed 10.1 all trade waste boxes and other goods or rubbish not removable in the ordinary course by the local authority.

Landlord's Maintenance

- THE Landlord shall keep and maintain the building, all building services, the Landlord's fixtures and fittings, and the car parks in good order and repair/but the Landlord shall not be liable for any
 - Repair or maintenance which the Tenant is responsible to undertake; or
 - Want of repair or defect in respect of building services, so long as the Landlord is maintaining a service maintenance contract covering the work to be done, or where the building services have not been supplied by the Landlord; or (b)
 - Repair or maintenance which is not reasonably necessary for the Tenant's use and enjoyment of the premises and the (c) car parks; or
 - Loss suffered by the Tenant arising from any want of repair or defect unless the Landlord shall have received notice in writing thereof from the Tenant and shall not within a reasonable time thereafter have taken appropriate steps to remedy the same.
- 11.2 THE Landlord shall keep and maintain service maintenance contracts for lifts, air-conditioning and at the Landlord's option any other building services supplied by the Landlord unless it is the obligation of the Tenant to maintain such contracts
- THE Tenant shall be liable to reimburse the Landlord for the cost of any such repair, maintenance or service contract if it is an 11.3 outgoing specified in the First Schedule.

Notification of Defects

THE Tenant shall give to the Landlord prompt notice of any accident to or defect in the premises of which the Tenant may be aware and in particular in relation to any pipes or fittings used in connection with the water electrical gas or drainage services.

Landlord's Right of Inspection

THE Landlord and the Landlord's employees contractors and invitees may at all reasonable times enter upon the premises to view their condition, at all reasonable times prearranged with the Tenant (except in the case of an emergency), 13.1 and in any event subject to and in accordance with the Tenant's security requirements (if any) as advised from time to time.

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Landlord may Repair

*(in accordance with clause 15.1)

IF default shall be made by the Tenant in the due and punctual compliance with any repair notice given by the Landlord pursuant to this lease, or if any repairs for which the Tenant is responsible require to be undertaken as a matter of urgency then without prejudice to the Landlord's other rights and remedies expressed or implied the Landlord may by the Landlord's employees and contractors with all necessary equipment and material at all reasonable times enter upon the premises to execute such works. Any moneys expended by the Landlord in executing such works shall be payable by the Tenant to the Landlord upon demand together with interest thereon at the default interest rate from the date of expenditure to the date of payment.

Access for Repairs

THE Tenant shall permit the Landlord and the Landlord's employees and contractors at all reasonable times to enter the 15.1 premises to carry out repairs to the premises or adjacent premises and to install inspect repair renew or replace any services where the same are not the responsibility of the Tenant all such repairs inspections and work to be carried out with the least possible inconvenience to the Tenant. The Landlord may do this at all reasonable times prearranged with the

USE OF PREMISES

Tenant (except in the case of an emergency), and in any event subject to and in accordance with the Tenant's security requirements (if any) as advised from time to time.

Business Use

- THE Tenant shall not without the prior written consent of the Landlord use or permit the whole or any part of the premises to be used for any use other than the business use. The Landlord's consent shall not be unreasonably or arbitrarily withheld or 16.1 delayed in respect of any proposed use:
 - not in substantial competition with the business of any other occupant of the property which might be affected by the (a) use:
 - (b) reasonably suitable for the premises; and
 - complying with the requirements of the Resource Management Act 1991, or any other statutory provisions relating to resource management.

If any change in use renders any increased or extra premium payable in respect of any policy or policies of insurance on the premises the Landlord as a condition of granting consent may require the Tenant to pay the increased or extra premium.

- IF any change in use requires compliance with sections 114 and 115 of the Building Act 2004 the Landlord, as a condition of 16.2
- granting consent, may require the Tenant to comply with sections 114 and 115 of the Act and to pay all compliance constant of granting consent, may require the Tenant to comply with sections 114 and 115 of the Act and to pay all compliance constant the extent these affect the premises. IF the premises are a retail shop the Tenant shall keep the premises open for business during usual trading hours and fully stocked with appropriate merchandise for the efficient conduct of the Tenant's business. 16.3

Lease of Premises and Car Parks Only

THE tenancy shall relate only to the premises and the car parks ((f any) and the Landlord shall at all times be entitled to use occupy and deal with the remainder of the property without reference to the Tenant and the Tenant shall have no rights in relation thereto other than the rights of use herein provided, subject however to any special security requirements 17.1

Neglect of Other Tenant

which the Tenant may have, as advised from time to time.

THE Landlord shall not be responsible to the Tenant for any act or default or neglect of any other tenant of the property. 18 1

Signage

THE Tenant shall not affix paint or exhibit or permit to be affixed painted or exhibited any name sign name-plate signboard or advertisement of any description on or to the extenor of the building or the appurtenances thereof without the prior approval in writing of the Landlord but such approval shall not be unreasonably or arbitrarily withheld or delayed in respect of signage 19.1 describing the Tenant's business. If approved the signage shall be secured in a substantial and proper manner so as not to cause any damage to the building or any person and the Tenant shall at the end or sooner determination of the term remove

the signage and make good any damage occasioned thereby. 19.2 See additional clause 19.2 attached.

Additions and Alterations

- THE Tenant shall neither make nor allow to be made any alterations or additions to any part of the premises or alter the 20.1 external appearance of the building without first producing to the Landlord on every occasion plans and specifications and obtaining the written consent of the Landlord (not to be unreasonably or arbitrarily withheld or delayed) for that purpose. If the Landlord shall authorise any alterations or additions the Tenant will at the Tenant's own expense if required by the Landlord at the end or earlier termination of the term reinstate the premises. If the Tenant fails to reinstate then any seats incurred by the Landlord in reinstating the premises whether in whole or in part, within 6 months of the end or earlier termination of the term chall be recoverable from the Tenantshall not be required to reinstate the premises at the end or earlier *
- THE Tenant, when undertaking any "building work" to the premises (as that term is defined in the Building Act 2004), shall 20.2 comply with all statutory requirements including the obtaining of building consents and code compliance certificates pursuant to that Act.

 *termination of the term.

Compliance with Statutes and Regulations

- THE Tenant shall comply with the provisions of all statutes, ordinances, regulations and by-laws relating to the use of the 21.1 premises by the Tenant or other occupant and will also comply with the provisions of all licences, requisitions and notices issued by any competent authority in respect of the premises or their use by the Tenant or other occupant **PROVIDED THAT**:
 - The Tenant shall not be required to make any structural repairs alterations or additions nor to replace or install any plant or equipment except where required by reason of the particular nature of the business carried on by the Tenant or other occupant of the premises or the number or sex of persons employed on the premises; and
 - The Tenant shall not be liable to discharge the Landlord's obligations as owner under the Building Act 2004 unless any particular obligation is the responsibility of the Tenant as an occupier of the premises.

21.1A See additional clause 21.1A attached,

6.5 LEASE WITH NEW ZEALAND DEFENCE FORCE FOR ARMY DRILL HALL

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- If the Landlord is obliged by any such legislation or requirement to expend moneys on any improvement addition or alteration to the property then the Landlord shall be entitled to charge up to the next rent review date in addition to the rent an annual sum equal to the improvements Rent Percentage of the amount so expended by the Landlord and the monthly payments of 21.2 rent shall increase accordingly from the first day of the month in which such improvement addition or alteration is completed. If the Landlord would be obliged to expend an unreasonable amount then the Landlord may determine this lease and any dispute as to whether or not the amount is unreasonable shall be determined by arbitration. In the case of a multi tenancy building, the annual sum payable shall be assessed in respect of a fair proportion of the amount so expended
- 21.3 The Landlord warrants that allowing the Premises to be open to members of the public and allowing the use of the Premises by members of the public at the Commencement Date will not be a breach of section 363 of the Building Act 2004. This clause does not apply to any "building work" (as defined in the Building Act 2004) relating to the fit-out of the Premises by the Tenant.
- 21.4 The Tenant, when undertaking any building work to the Premises, shall comply with all statutory requirements including the obtaining of building consents and code compliance certificates and shall not allow the Premises to be open to members of the public or allow use of the Premises by members of the public if that would be in breach of section 363 of the Building Act
- During the Term and any renewal, the Landlord shall not give consent to or carry out any building work in any part of the Landlord's property which may cause the Tenant to be in breach of section 363 of the Building Act 2004 by allowing the 21.5 Premises to be open to members of the public and allowing the use of the Premises by members of the public.

No Noxious Use

- THE Tenant shall not:
 - bring upon or store within the premises nor allow to be brought upon or stored within the premises any machinery goods or things of an offensive noxious illegal or dangerous nature, or of such weight size or shape as is likely to cause damage to the building or any surfaced area;
 - contaminate the property and shall undertake all works necessary to remove any contamination of the property other than contamination not caused by the Tenant or which took place prior to the commencement date of the lease term. Contamination means any change to the physical chemical or biological condition of the property by a "contaminant" as that word is defined in the Resource Management Act 1991;
 - use the premises or allow them to be used for any noisome noxious illegal or offensive trade or business; or
 - allow any act or thing to be done which may be or grow to be a nuisance disturbance or annoyance to the Landlord, other tenants of the property, or any other person, and generally the Tenant shall conduct the Tenant's business upon the premises in a clean quiet and orderly manner free from damage nuisance disturbance or annoyance to any such persons but the carrying on by the Tenant in a reasonable manner of the business use or any use to which the Landlord has consented shall be deemed not to be a breach of this clause

INSURANCE

Landlord shall insure

- THE Landlord shall at all times during the term keep and maintain any buildings on the property insured under a policy of the type shown in the First Schedule and such cover may extend to:
 - a 12 month indemnity in respect of consequential loss of rent and outgoings;
 - loss damage or destruction of any of the Landlord's fixtures fittings and chattels; or (b)
 - 23.2 The Landlord shall, on request by the Tenant, produce details of the Landlord's public liability.

insurance currently in effect under this Lease, and evidence of payment of the last premium Tenant not to Void Insurances and copies of the annual renewal certification. THE Tenant shall not carry on or allow upon the premises any trade or occupation or allow to be done any act or thing which:

- 24.1
 - shall make void or voidable any policy of insurance on the property; or
 - may render any increased or extra premium payable for any policy of Insurance except where in circumstances in which any increased premium is payable the Tenant shall have first obtained the consent of the insurer of the premises and the Landlord and made payment to the insurer of the amount of any such increased or extra premium as may be payable but the carrying on by the Tenant in a reasonable manner of the business use or of any use to which the Landlord has consented shall be deemed not to be a breach of this clause:

In any case where in breach of this clause the Tenant has rendered any insurance less effective or void and the Landlord has suffered loss or damage thereby the Tenant shall forthwith compensate the Landlord in full for such loss or damage.

When Tenant to have benefit of Landlord's insurance

- 25.1 The Landlord will indemnify the Tenant for the cost of making good damage to the property or loss to the Landlord where the Tenant is obligated to pay for making good such damage or loss, to the extent that:
 - the damage was not intentionally caused by the Tenant or those for whom the Tenant is responsible;
 - the damage was not the result of an act or omission by the Tenant or those for whom the Tenant is responsible and that act or omission:
 - occurred on or about the property; and
 - constitutes an indictable offence within the meaning of the Summary Proceedings Act 1957; or
 - the Landlord is (or covenanted with the Tenant to be) insured and the insurance moneys are not rendered irrecoverable in consequence of any act or default of the Tenant or those for whom the Tenant is responsible.

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DAMAGE TO OR DESTRUCTION OF PREMISES

Total Destruction

- IF the premises or any portion of the building of which the premises may form part shall be destroyed or so damaged 26.1
 - as to render the premises untenantable then the term shall at once terminate; or
 - in the reasonable opinion of the Landlord as to require demolition or reconstruction, then the Landlord may within 3 months of the date of damage give the Tenant 20 working days notice to terminate and a fair proportion of the rent and outgoings shall cease to be payable as from the date of damage.

Any termination pursuant to this clause shall be without prejudice to the rights of either party against the other.

Partial Destruction

- IF the premises or any portion of the building of which the premises may form part shall be damaged but not so as to render the premises untenantable and:
 - the Landlord's policy or policies of insurance shall not have been invalidated or payment of the policy moneys refused in consequence of some act or default of the Tenant; and * so the premises are suitable for the Tenant
 - (b) all the necessary permits and consents shall be obtainable:

to carry on its business

THEN the Landlord shall with all reasonable speed expend all the insurance moneys received by the Landlord in respect of such damage towards repairing such damage or reinstating the premises and/or the building but the Landlord shall not be liable to expend any sum of money greater than the amount of the insurance money received.

- Any repair or reinstatement may be carried out by the Landlord using such materials and form of construction and according to 27.2 such plan as the Landlord thinks fit and shall be sufficient so long as it is reasonably adequate for the Tenant's escupation and use of the premises. Which shall reinstate as nearly as possible the premises to the state it was in prior to the
- Until the completion destruction of damagement a fair proportion of the rent and outgoings shall cease to be payable as 27.3 from the date of damage.
- If any necessary permit or consent shall not be obtainable or the insurance moneys received by the Landlord shall be 27 4 inadequate for the repair or reinstatement then the term shall at once terminate but without prejudice to the rights of either party against the other.

DEFAULT 27.5 If such reinstatement is not completed within four months of the date of damage or destruction then the Tenant may terminate this Lease after giving the Landlord 1 month's written notice of its election to terminate.

- THE Landlord may (in addition to the Landlord's right to apply to the Court for an order for possession) cancel this lease by reentering the premises at the time or at any time thereafter. 28.1
 - if the rent shall be in arrear 10 working days after any of the tent payment dates and the Tenant has failed to remedy that breach within 10 working days after service on the Tenant of a notice in accordance with section 245 of the Property Law Act 2007:
 - in case of breach by the Tenant of any covenant or agreement on the Tenant's part herein expressed or implied (other than the covenant to pay rent) after the Tenant has failed to remedy that breach within the period specified in a notice served on the Tenant in accordance with section 246 of the Property Law Act 2007; if the Tenant shall make or enter into or endeavour to make or enter into any composition assignment or other arrangement with or for the benefit of the Tenant's creditors.

 - in the event of the insolvency bankruptcy or liquidation of the Tenant, or
 - if the Tenant shall suffer distress or execution to issue against the Tenant's property goods or effects under any judgment against the Tenant in any Court for a sum in excess of five thousand dollars (\$5,000): twenty thousand dollars

and the term shall terminate on such cancellation but without prejudice to the rights of either party against the other. (\$20,000):

Essentiality of Payments

- FAILURE to pay rent or other moneys payable hereunder on the due date shall be a breach going to the essence of the 29.1 Tenant's obligations under the Lease. The Tenant shall compensate the Landlord and the Landlord shall be entitled to recover damages from the Tenant for such breach. Such entitlement shall subsist notwithstanding any determination of the lease and shall be in addition to any other right or remedy which the Landlord may have.
- 29.2 THE acceptance by the Landlord of arrears of rent or other moneys shall not constitute a waiver of the essentiality of the Tenant's continuing obligation to pay rent and other moneys.

Repudiation

THE Tenant shall compensate the Landlord and the Landlord shall be entitled to recover damages for any loss or damage 30.1 suffered by reason of any acts or omissions of the Tenant constituting a repudiation of the lease or the Tenant's obligations under the lease. Such entitlement shall subsist notwithstanding any determination of the lease and shall be in addition to any other right or remedy which the Landlord may have.

or any of

- REMOVAL OF TENANT'S FIXTURES. FITTINGS AND CHATTELS or any at the Tenant's option or any at any time before and will if required by the Landlord at the end or earlier termination of the term remove all. the Tenant's fixtures fittings and chattels and make good at the Tenant's own expense all resulting damage and if not removed within 5 working days after the date of termination ownership of the fixtures fittings and chattels may at the Landlord's election shall pass to the Landlord or the Landlord may in a proper and workmanlike manner remove the same from the premises and forward them to a refuse collection centre with the exception of any item which have security status according to*
- The cost of making good resulting damage and the cost of removal shall be recoverable from the Tenant and the Landlord 31.2
- shall not be liable to pay any compensation nor be liable for any loss suffered by the Tenant. *the Tenant. 31.3 See attached clause 31.3.

6.5 LEASE WITH NEW ZEALAND DEFENCE FORCE FOR ARMY DRILL HALL

FIFTH EDITION 2008

QUIET ENJOYMENT

32.1 THE Tenant paying the rent and performing and observing all the covenants and agreements herein expressed and implied shall quietly hold and enjoy the premises throughout the term without any interruption by the Landlord or any person claiming under the Landlord.

RENEWAL OF LEASE

- 33.1 IF the Tenant has given to the Landlord written notice to renew the lease at least 3 calendar months before the end of the term and is not at the date of the giving of such notice in breach of this lease (including any maintenance obligations) then the Landlord will grant a new lease for a further term from the renewal date as follows:
 - (a) If the renewal date is a rent review date the annual rent shall be agreed upon or failing agreement shall be determined in accordance with clauses 2.1 and 2.2 but such annual rent shall not be less than the rent payable as at the commencement date of the immediately preceding lease term;
 - (b) Subject to the provisions of paragraph (a) the new lease shall be upon and subject to the covenants and agreements herein expressed and implied except that the term of this lease plus all further terms shall expire on or before the final expiry date;
 - (c) The annual rent shall be subject to review during the term of the new lease on the rent review dates or if no dates are specified then after the lapse of the equivalent periods of time as are provided herein for rent reviews;
 - (d) The Landlord as a condition of granting a new lease shall be entitled to have the new lease guaranteed by any guarantor who has guaranteed this lease on behalf of the Tenant who has given notice:
 - (e) Pending the determination of the rent, the Tenant shall pay an interim rent in accordance with clauses 2.3 and 2.4; and
 - (f) Notwithstanding anything contained in clause 33.1(e) the interim rent referred to in that clause shall not be less than the annual rent payable as at the commencement date of the immediately preceding lease term.

ASSIGNMENT OR SUBLETTING

- THE Tenant shall not assign sublet or otherwise part with the possession of the premises or any part thereof without first obtaining the written consent of the Landlord which the Landlord shall give if the following conditions are fulfilled:

 (a) The Tenant proves to the satisfaction of the Landlord that the proposed assignee or subtenant is (and in the case of a
 - (a) The Tenant proves to the satisfaction of the Landlord that the proposed assignee or subtenant is (and in the case of a company that the shareholders of the proposed assignee or subtenant are) respectable responsible and has the financial resources to meet the Tenant's commitments under this lease;
 - (b) All rent and other moneys payable have been paid and there is not any subsisting breach of any of the Tenant's covenants;
 - (c) In the case of an assignment a deed of covenant in customary form approved or prepared by the Landlord is duly executed and delivered to the Landlord;
 - (d) In the case of an assignment to a company (other than a company listed on the main board of a public stock exchange) a deed of guarantee in customary form approved or prepared by the Landlord is duly executed by the principal shareholders of that company and delivered to the Landlord; and
 - (e) The Tenant pays the Landlord's reasonable costs and disbursements in respect of the approval and the preparation of any deed of covenant or guarantee and (if appropriate) all fees and charges payable in respect of any reasonable inquiries made by or on behalf of the Landlord concerning any proposed assignee subtenant or guaranter. All such costs shall be payable whether or not the assignment or subletting proceeds.
- 34.2 WHERE the Landlord consents to a subjetting the consent shall extend only to the subletting and notwithstanding anything contained or implied in the sublease the consent shall not permit any subteriant to deal with the sublease in any way in which the Tenant is restrained from dealing without consent.
- 34.3 WHERE any Tenant is a company which is not listed on the main board of a public stock exchange then any change in the legal or beneficial ownership of its shares or issue of new capital whereby in either case there is a change in the effective management or control of the company is deemed to be an assignment of this lease.

UNIT TITLE COVENANTS

Body Corporate

35.1 THE expression "Body Corporate" means the Body Corporate incorporated under the Unit Titles Act 1072 ("the Act") in respect of the property.

Act and Rules Paramount

35.2 THIS lease shall be subject to the previsions of the rules of the Body Corporate and the previsions of the Ast.

Insurance

35.3 THE Landlord's obligation to insure the building shall be satisfied by the Body Corporate maintaining the same insurance covers in accordance with the Act.

Indemnity

36.4 THE Tenant's obligation to indemnify the Landlord as herein expressed is extended to include the Body Corporate but only to the extent that the Body Corporate is not fully indemnified under any policy of insurance.

Landlord's Obligations

35.5 THE Landlord shall observe and perform all of the Landlord's obligations as a member of the Body Corporate and shall use the Landlord's best endeavours to ensure that the Body Corporate complies with its rules and the provisions of the Act.

-Consents

35.5 WHERE in this lease the consent of the Landierd is required in respect of any matter then the like consent of the Body Corporate chall also be required if the consent of the Body Corporate to any such matter would be necessary under its rules or the Act.

6.5 LEASE WITH NEW ZEALAND DEFENCE FORCE FOR ARMY DRILL HALL

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Car Parks

- THE Tenant shall have the right to exclusive possession of the leased car parks, but when any car park is not being used by 36.1 the Tenant other persons shall be entitled to pass over the same
- THE Landlord may carry out repairs to the car parks and no abatement of rent or other compensation shall be claimed by the Tenant except pursuant to clauses 26.1 or 27provided such repairs are completed promptly. 36.2
- THE Tenant shall comply with the Landlord's reasonable requirements relating to the use of the car parks and access thereto 36.3 and in particular shall only use the car parks for the parking of one car/per parking space.

 or other vehicle

 THE provisions of the Second Schedule shall apply to the car parks as appropriate.
- 36.4

GENERAL

Holding Over

IF the Landlord permits the Tenant to remain in occupation of the premises after the expiration or sooner determination of the 37.1 term, such occupation shall be a periodic tenancy only terminable by 20 working days notice at the rent then payable and otherwise on the same covenants and agreements (so far as applicable to a periodic tenancy) as herein expressed or implied.

Access for Re-Letting or Sale

- THE Tenant will during the term permit the Landlord, the Landlord's representatives and prospective tenants or purchasers to 38.1 have access to inspect the premises provided that: * and has been prearranged with the
 - any such inspection is at a time which is reasonably convenient to the Tenant; * Tenant and complies with its security
 - is conducted in a manner which does not cause disruption to the Tenant; and (b) requirements as advised from time to time.
 - if the Landlord or the Landlord's representatives are not present the persons inspecting have written authority from the (c) Landlord to do so.

Suitability

39.1 NO warranty or representation expressed or implied has been or is made by the Landlord that the premises are now suitable or will remain suitable or adequate for use by the Tenant or that any use of the premises by the Tenant will comply with the bylaws or ordinances or other requirements of any authority having jurisdiction.

Affirmation

A party to this lease shall not be entitled to cancel this lease if, with full knowledge of any repudiation or misrepresentation or 40.1 breach of covenant, that party affirmed this lease.

Waiver

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. 41.1

Land Transfer Title or Mortgagee's consent

THE Landlord shall not be required to do any act of thing to enable this lease to be registered or be required to obtain the 42.1 consent of any mortgagee of the property and the Tenant will not register a caveat in respect of the Tenant's interest

Notices

- ALL notices must be in writing and must be served by one of the following means: 43.1
 - In the case of a notice under sections 245 or 246 of the Property Law Act 2007 in the manner prescribed by section 353
 - In all other cases, unless otherwise required by sections 352 to 361 of the Property Law Act 2007:
 - (1) In the manner authorised by sections 354 to 361 of the Property Law Act 2007, or
 - (2) by personal delivery, or by posting by registered or ordinary mail, or by facsimile, or by email.
- IN respect of the means of service specified in clause 43.1(b)(ii), a notice is deemed to have been served: 43.2
 - in the case of personal delivery, when received by the addressee;
 - in the case of posting by mail, on the second working day following the date of posting to the addressee's last known address in New Zealand
 - in the case of facsimile transmission, when sent to the addressee's facsimile number; or (c)
 - in the case of email, when acknowledged by the addressee by return email or otherwise in writing
- IN the case of a notice to be served on the Tenant, if the Landlord is unaware of the Tenant's last known address in New 43.3 Zealand or the Tenant's facsimile number, any notice placed conspicuously on any part of the premises shall be deemed to have been served on the Tenant on the day on which it is affixed.
- 43.4 A notice shall be valid if given by any director, general manager, solicitor or other authorised representative of the party giving the notice.

Arbitration

- 44.1 UNLESS any dispute or difference is resolved by mediation or other agreement, the same shall be submitted to the arbitration of one arbitrator who shall conduct the arbitral proceedings in accordance with the Arbitration Act 1996 and any amendment thereof or any other statutory provision then relating to arbitration.
- IF the parties are unable to agree on the arbitrator, an arbitrator shall be appointed, upon request of any party, by the 44.2 President or Vice President for the time being of the District Law Society of the district within which the premises are situated. That appointment shall be binding on all parties to the arbitration and shall be subject to no appeal. The provisions of Article 11 of the First Schedule of the Arbitration Act 1996 are to be read subject hereto and varied accordingly.
- THE procedures prescribed in this clause shall not prevent the Landlord from taking proceedings for the recovery of any rent 44.3 or other monies payable hereunder which remain unpaid or from exercising the rights and remedies in the event of such default prescribed in clause 28.1 hereof.

6.5 LEASE WITH NEW ZEALAND DEFENCE FORCE FOR ARMY DRILL HALL

FIFTH EDITION 2008

Interpretation

45.1 IN this lease:

- (a) "the Landlord" and "the Tenant" means where appropriate the executors, administrators, successors and permitted assigns of the Landlord and the Tenant;
- (b) "the property" and "the building" mean the land and building(s) of the Landlord which comprise or contain the premises.

 Where the premises are part of a unit title development the words "the property" mean the land and building(s) comprised in the development,
- (e) "the common areas" means those parts of the property the use of which is necessary for the enjoyment of the premises and which is shared with other tenants and occupiers;
- (d) "GST" means the Goods and Services Tax;
- (e) "structural repair, alteration or addition" means a repair, alteration or addition to the structure or fabric of the building but excluding building services;
- (f) "renewal" means the granting of a new lease as provided for in clause 33.1;
- (g) Whenever words appear in this lease that also appear in the First Schedule then those words shall mean and include the details supplied after them in the First Schedule;
- (h) Where the context requires or admits, words importing the singular shall import the plural and vice versa;
- (i) "those for whom the Tenant is responsible" includes the Tenant's agents employees contractors or invitees;
- (j) "working day" has the meaning given to it in the Property Law Act 2007. Notices served after 5pm on a working day, or on a day which is not a working day, shall be deemed to have been served on the next succeeding working day;
- (k) Where the Landlord's consent to any matter is required under this lease then, unless expressly stated to the contrary in this lease, in each case the Landlord:
 - (1) must not unreasonably withhold consent, and
 - (2) must, within a reasonable time of the Landlord's consent being requested:
 - grant that consent; or
 - (ii) notify the Tenant in writing that the consent is withheld.
- (l) "Crown Body" means the Crown (whether acting through a Minister or otherwise), a Crown entity (as defined in section 7(1) of the Crown Entities Act 2004), a State Enterprise (as defined in section 2 of the State Owned Enterprises Act 1986), or any company or body which is wholly owned or controlled by any one or more of the following, the Crown, a Crown Entity or a State Enterprise (and includes a subsidiary of or a related company to a company or body referred to in this clause, and New Zealand Railways Corporation).
- (m) "Building Code" means the New Zealand Building Code which is a schedule to the Building Regulations 1992 and sets out performance standards that buildings must meet.
- 45.2 The terms in the Property Law Act 2007 shall be implied into this fease to the extent that they are not inconsistent with this lease.

For clauses 46.1 - 54.1, see attached additional clauses.

6.5 LEASE WITH NEW ZEALAND DEFENCE FORCE FOR ARMY DRILL HALL

FIFTH EDITION 2008

THIRD SCHEDULE

GUARANTEE

IN CONSIDERATION of the Landlord entering into the lease at the Cuarantor's request the Cuarantor:

- (a) guarantees payment of the rent and the performance by the Tenant of the covenants in the lease, and
- (b) indemnifies the Landlord against any less the Landlord might suffer should the lease be lawfully disclaimed or abandoned by any liquidator, receiver or other person.

THE GUARANTOR covenants with the Landlord that:

- 1. NO release delay or other indulgence given by the Landlord to the Tenant or to the Tenant's successors or assigns or any other thing whereby the Guaranter would have been released had the Guaranter been merely a surety shall release prejudice or affect the liability of the Guaranter as a guaranter or as indemnifier.
- 2. AS between the Guaranter and the Landlord the Guaranter may for all purposes be treated as the Tenantand the Landlord shall be under no obligation to take proceedings against the Tenant before takingproceedings against the Guaranter.
- 3. THE guarantee is for the benefit of and may be enforced by any person entitled for the time being to receive the rent.
- 4. AN assignment of the lease and any rent review in accordance with the lease shall not release the Guaranter from liability.
- 5. SHOULD there be more than one Guarantor their liability under this guarantee shall be joint and several.
- 6. THE Guarantee shall extend to any holding over by the Tonant.

6.5 LEASE WITH NEW ZEALAND DEFENCE FORCE FOR ARMY DRILL HALL

ADDITIONAL CLAUSES

Signage continued

- 19.2 Despite the above, the Tenant shall as of right, from time to time as and when required by the Tenant, be permitted to:
 - put 'signs' in those areas above the Landlord's Building and to the entirety of all other sides and roof of the building at its discretion
 - put signs in the building in a form prescribed by the Defence Regulations for so long as the Tenant is Her Majesty the Queen for defence purposes.

Compliance with Statutes and Regulations continued

- 21.IA The obligation of the Tenant under clause 21.1 shall include but not be limited to the following:
 - (a) ensuring that a warrant of fitness is obtained each year in respect of any improvements if required under the Building Act 2004
 - (b) complying with and observing at all times the terms and conditions of all resource consents held in respect of the use of the Property and the requirements imposed and otherwise arising under the Resource Management Act 1991, and
 - (c) ensuring that proper and adequate health and safety procedures are adopted in accordance with the Health and Safety in Employment Act 1992.

Removal of Tenant's Fixtures, Fittings and Chattels continued

31.3 The Tenant will in any event use its best endeavours to remove from the premises within seven working days after the date of termination, any fixtures, fittings and chattels having security status (if any). If such removal cannot be completed within that timeframe, the Tenant will advise the Landlord of the proposed timetable for removal and identify all such items having security status.

Security System

46.1 The Tenant shall install and manage at its cost a security system to the perimeter of all buildings contained within the premises and the premises (including lifts) for the duration of the lease term and any renewal.

Best Practice Management

47.1 The Landlord covenants with the Tenant that it will ensure that both the property and the buildings contained within the property are effectively and efficiently managed and run in accordance with best industry practices.

Crown Bodies

48.1 For so long as the Tenant is a Crown Body, the provisions of clauses 48.2 to 48.4 will apply.

6.5 LEASE WITH NEW ZEALAND DEFENCE FORCE FOR ARMY DRILL HALL

- 48.2 Clauses 34.1 to 34.3 will be subject to the following:
 - 48.2.1 where the Tenant is a Crown Body, the provisions of clauses 34.1 to 34.3 will not apply to any assignment, transfer, or parting with possession of the premises or any part of the premises or the Lease or any estate or interest of the Tenant in the Lease to a Crown Body
 - 48.2.2 before effecting any assignment or transfer to which clause 48.2.1 applies, the Tenant will procure the execution by the assignee or transferee of a covenant by the assignee or transferee with the Landlord that the assignee or transferee will pay the rent and observe and perform all the Tenant's covenants contained or implied in the Lease, but without releasing the Tenant from the Tenant's obligations to pay the rent and observe and perform the Tenant's covenants contained or Implied in the Lease, and
 - 48.2.3 the Tenant will promptly advise the Landlord in writing of the Tenants intention to effect any such transaction under clause 48.2.2.
- 48.3 The Landlord's rights of entry under clauses 13.1, 14.1 and 15.1 will be subject to the following:
 - 48.3.1 where the Tenant is a Crown Body, the Landlord must before exercising the Landlord's rights of entry:
 - (a) give the Tenant reasonable prior notice (except in the case of emergency)
 - (b) except where otherwise required in an emergency and if required by the Tenant, cooperate with the Tenant's standard security requirements from time to time, and cooperate to enable the Landlord's employees, contractors or agents to be accompanied at all times while on or about the premises by the Tenant's security personnel, representative or agents, and
 - (c) not cause or permit the carrying out of any work in or directly affecting the premises (other than in an emergency) which is likely to materially affect or impact on the standard security requirements of the Tenant from time to time, without first giving reasonable prior written notice of those works to the Tenant and obtaining the prior written consent of the Tenant to those works.
 - 48.3.2 the Tenant acknowledges that to give effect to clause 48.3.1(b) and clause 48.3.1(c), the Tenant will need to notify the Tenants security requirements and any change to those security requirements to the Landlord from time to time.
- 48.4 Clause 23.1 will be subject to the following:
 - Where the Tenant is a Crown Body, the Landlord will ensure that insurance which it is required to keep and maintain under clause 23.1, is effected in the name of both the Landlord and the Tenant.

Tenant's Acknowledgement of Risk

49.1 The Tenant agrees to occupy and use the Property and any Improvements at the Tenant's risk and release to the full extent permitted by law the Landlord, its

6.5 LEASE WITH NEW ZEALAND DEFENCE FORCE FOR ARMY DRILL HALL

employees and agents from all claims and demands of any kind and from all liability which in the absence of any negligence on its or their part may arise in respect of any accident damage or injury occurring to any person or property in or about the Property and any improvements thereon except where the Landlord or any person under the control of the Landlord is at fault or negligent through their own acts or omissions. This clause is expressly subject however to the provisions of clause 25.1.

Registration

- 50.1 The Landlord shall at the Tenant's request register this Lease under the provisions of the Land Transfer Act 1952.
- 50.2 The Tenant will be responsible for any reasonable costs incurred in obtaining registration of this Lease, should it elect to have the Lease registered.

Landlord's Rights to Inspect and Display Signs

- 51.1 The Landlord will have the right to inspect the Property no more than twice each year during the term of this Lease with valuers or other experts and consultants provided such inspections are carried out at times reasonably acceptable to the Tenant on reasonable notice to the Tenant and only when accompanied by a servant or agent of the Tenant. Any such inspections should be carried out in accordance with the Tenant's security and health and safety requirements and the Tenant shall have the right to change any suggested time to a mutually convenient time.
- 51.2 Despite anything else in this Lease, the parties agree that the Tenant may require any person wishing to enter the Property for inspection purposes to first provide their details to the Tenant for a security check. If the results of such check are not acceptable to the Tenant for any reason then such person may be refused entry to the Property.
- 51.3 If the Landlord desires to, or is required to, undertake any works on the Property, including any repair or maintenance works, that involves the use of contractors or other third parties, the Landlord must procure any contractor or other third party who will have access to the Property to undertake such works to:
 - (a) complete a security check on terms reasonably acceptable to the Tenant
 - (b) provide the Tenant with a copy of the contractor's Health and Safety Plan which shall be subject to the Tenant's reasonable approval prior to any work commencing, and
 - (c) familiarise themselves with and commit to complying with the Tenant's own Health and Safety Plan in all material respects.
- 51.4 The Landlord will not provide or allow the provision of any information relating to the structure, or access to, the buildings on the Property in any way to any person without first obtaining the written permission of the Tenant.
- 51.5 The Tenant will during the period of three (3) months prior to the termination date of this Lease permit the Landlord to exhibit the Property to prospective lessees or purchasers and allow the Landlord to affix to the Property appropriate sale or reletting notices.

6.5 LEASE WITH NEW ZEALAND DEFENCE FORCE FOR ARMY DRILL HALL

51.6 The Landlord and anyone on its behalf shall have such access entirely at its own risk, and releases the Tenant to the fullest extent possible from all claims and demands of any kind and from aN liability that may arise during the course of such access.

Disposal of Landlord's Interest

- 52.1 Subject to the provisions of this clause the Landlord may at any time dispose of the Landlord's interest in the Property provided:
 - (a) any such disposal shall preserve to the Tenant all the Tenant's rights and remedies under this Lease:
 - (b) any accepted proposed Transferee confirms in writing that it is aware of the existence of this Lease and agrees to be bound by it; and
 - (c) that while Her Majesty the Queen is the Tenant and occupies the Property the following further provisions shall apply:
 - The Landlord shall advise the Tenant in writing of the person or corporation to whom the Landlord intends to dispose of its interest in the Property (proposed Transferee).
 - If the Tenant has any objection to the proposed Transferee because the Tenant reasonably apprehends in good faith that either:
 - the proposed Transferee presents an actual or potential threat to the discharge by the Tenant of the Tenant's statutory obligations, or
 - the role or function of the Tenant will be prejudiced by the proposed Transferee becoming the Landlord, or
 - the Tenant has in good faith any other material reservation regarding the proposed Transferee.

then the Tenant shall within ten (10) working days of receiving the Landlord's advice pursuant to clause 52.1 above, notify the Landlord in writing of its objection to the proposed Transferee and shall substantiate Its reasonable apprehension to the reasonable satisfaction of the Landlord.

- 52.2 If the Landlord does not receive written notice from the Tenant pursuant to clause 52.1 above together with grounds to substantiate its reasonable apprehension within ten (10) working days from the date of its advice to the Tenant, the Tenant shall be deemed to have accepted the proposed Transferee.
- 52.3 If the Tenant objects to the proposed Transferee in accordance with clause 52.1 above, then the Landlord shall not dispose of its interest to the proposed Transferee.
- 52.4 If the Landlord fails to advise the Tenant in writing of the disposal of its interest in the Property and the Tenant has objections to the proposed Transferee based on those reasons set out in clause 52.1 above, then the Tenant shall be entitled at any time thereafter to terminate this Lease on seven (7) days written notice and the Tenant's obligations under this Lease shall cease from the expiration of such notice.

6.5 LEASE WITH NEW ZEALAND DEFENCE FORCE FOR ARMY DRILL HALL

Painting

53.1 The Landlord will not be obliged to repaint (interior or exterior) the buildings and/or resurface the yard during the term of the lease.

Removal of Designation

54.1 The Tenant shall request the Minister of Defence to uplift the Defence Purposes designation over the land as soon as reasonably possible after expiry of the lease.

6.5: LEASE WITH NEW ZEALAND DEFENCE FORCE FOR ARMY DRILL HALL

FIFTH EDITION 2008

Dated

Between

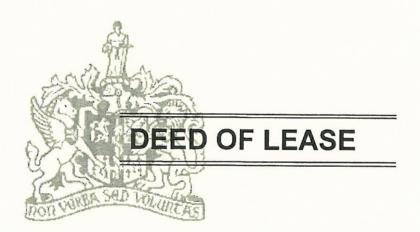
Te Atiawa o Te Waka-a-Maui Limited

Landlord

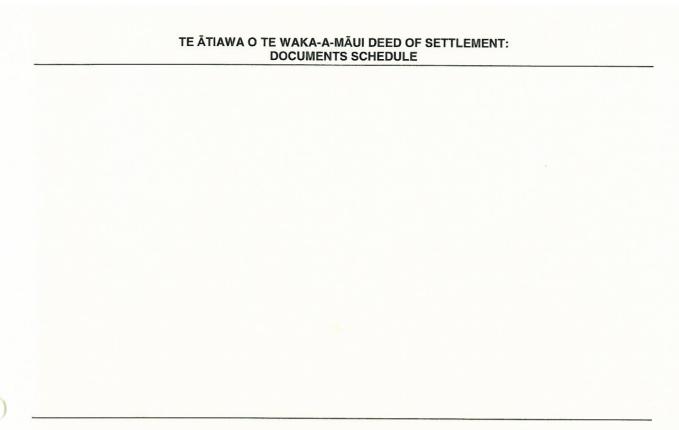
and

Her Majesty the Queen in Right of Her Government in New Zealand acting by and through the Chief of Defence Force pursuant to section 25(5) of the Defence Act 1990

Tenant



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6.6 LEASE WITH THE DEPARTMENT OF CONSERVATION FOR THE LEASEBACK OF THE MOTUEKA AREA OFFICE

6.6: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK OF THE MOTUEKA AREA OFFICE

MEMORANDUM OF LEASE

PARTIES

- (1) [THE TRUSTEES OF TE ĀTIAWA O TE WAKA-A-MĀUI TRUST] (Lessor)
- (2) **HER MAJESTY THE QUEEN** acting by and through the MINISTER OF CONSERVATION (Lessee)

THE LESSOR DOES HEREBY LEASE TO THE ON LEASE the Land for the term and at the resubject to the covenants, conditions, agreement comprises the Schedule of Terms, the Reference	ental set out in the Reference Schedule and ts and restrictions set out in this Lease which			
IN WITNESS WHEREOF these presents have been executed this [] day of [] 20[] (Being the day of Settlement)				
SIGNED by the Trustees of TE ĀTIAWA O TE WAKA-A-MĀUI TRUST in the presence of:)))			
Signature of Witness	Signature of Trustee			
Witness Name	Signature of Trustee			
Occupation	_			
Address				
SIGNED for and on behalf of HER MAJESTY THE QUEEN acting by and through the MINISTER OF CONSERVATION by authorised agent of Minister of Conservation on behalf of the Minister of Conservation in the presence of:)))))			
Witness Signature				
Witness Name:				
Occupation:				
Address:				

6.6: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK OF THE MOTUEKA AREA OFFICE

THE REFERENCE SCHEDULE

ITEM 1: LESSOR PARTICULARS:

Name: The Trustees of Te Ātiawa o Te Waka-a-Māui Trust

Address: c/- 72 Trafalgar Street, Nelson

PO Box 10 Nelson 7010

Nelson 701

Telephone: 0-3- 548 2139

Fax: 0-3- 548 4901 Contact Person: John Murray

ITEM 2: LESSEE PARTICULARS

Name: Her Majesty the Queen acting by and through the Minister

of Conservation

Address: 186 Bridge Street, Nelson

Private Bag 5 Nelson 7010

Telephone: 0-3- 546 9335

Fax: 0-3- 548 2805

ITEM 3: LAND: All that parcel of land containing 9606 square metres more

or less, being Lot 1 on Deposited Plan 11256. All Computer Freehold Register NL 6D/557 located at 406

High Street, Motueka.

ITEM 4: TERM: Ten (10) years

ITEM 5: FURTHER TERMS: Three (3) rights of renewal each of ten (10) years

ITEM 6: RENEWAL DATES Each tenth (10) year anniversary from the date of

commencement as per Item 4 and Item 5 of this Schedule

ITEM 7: ANNUAL RENT: \$32,062.00 plus GST

ITEM 8: DATE OF COMMENCEMENT:The date of the Settlement.

ITEM 9: REVIEW DATES: Every five (5) years from commencement date.

ITEM 10: PERMITTED USE: For Conservation purposes and any permitted activity

under the relevant Regional and District Plans or use permitted under any resource consent held in respect of

the Land.

6.6: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK OF THE MOTUEKA AREA OFFICE

1. INTERPRETATION

- 1.1 For the purpose of the interpretation or construction of this Lease unless the context provides otherwise:
- 1.1.1 Words importing any gender shall include all other genders.
- 1.1.2 Words importing the singular shall include the plural and vice versa.
- 1.1.3 Payments shall be made in the lawful currency of New Zealand.
- 1.1.4 Headings are for ease of reference only and do not in any way limit or govern the construction of the terms of this Lease.
- 1.1.5 References to schedules are references to schedules in this Lease and clauses are references to clauses in this Schedule of Terms and references to parties are references to the parties to this Lease and their respective successors and assigns (if permitted in the case of the Lessee under Clause 13) unless expressly stated otherwise.
- 1.1.6 Any reference in this Lease to any statute is deemed to include all amendments, revisions, substitutions or consolidations made from time to time to that statute.
- 1.1.7 A "person" shall include any individual person, a corporation, a company or other body corporate, an unincorporated body of persons, a public body, firm, partnership, joint venture, association, organisation, trust or a Crown entity as defined in Section 7(1) of the Crown Entities Act 2004 or a State Owned Enterprise in each case whether or not having separate legal personality.
- 1.1.8 "writing" shall include words visibly represented or reproduced.
- 1.1.9 No consent or waiver, express or implied, by the Lessor to or of any breach of any covenant, condition, or duty of the Lessee will be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty. No waiver of any breach of the Lessee will be implied from the Lessor's failure to exercise the Lessor's rights or any of them in respect of that breach.
- 1.1.10 Nothing contained in this Lease shall be deemed or construed or constitute any party, a partner, agent or representative of the other party or be deemed to create any trust, commercial partnership or joint venture.
- 1.1.11 The invalidity of any part or provision of this Lease shall not affect the enforceability of any other part or provision thereof.
- 1.1.12 The parties acknowledge and agree that certain covenants set out in this Lease (in particular provisions relating to the treatment of Improvements on termination or sooner determination of this Lease) shall continue beyond determination of this Lease for the benefit of the parties notwithstanding such determination.
- 1.1.13 This Lease shall be construed and take effect in accordance with the laws of New Zealand.
- 1.1.14 Any provision in this Lease to be performed by two or more persons shall bind those persons jointly and severally.

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- 1.1.15 Any reference in this Lease to "month" or "monthly" shall mean respectively calendar month and calendar monthly.
- 1.1.16 "Authority" means any Government authority whether national or territorial or any other Government or statutory authority appointed or established by statute in New Zealand having jurisdiction over or in respect of the Land and any Improvements.
- 1.1.17 "Business days" means any day other than a Saturday or Sunday or statutory or anniversary holiday.
- 1.1.18 "Date of Commencement" means the date specified in Item 5 of the Reference Schedule.
- 1.1.19 "Improvements" means all Improvements excluding Lessor's Improvements whether constructed or installed on the Land before or at any time during the term of this Lease (including any renewal or variation extending the term of this Lease), including any building, structure or other improvements on or fixed to the land and any concrete paving, tiles, carpark sealing, mechanical services, plant, machinery, equipment, signage, fixtures and fittings.
- 1.1.20 "**The Land**" means that land described in Item 3 to the Reference Schedule of Land excluding the Improvements.
- 1.1.21 The expression "Lessor" and "Lessee" includes their respective successors and assigns (if permitted in the case of the Lessee under Clause 13) and where the context permits the Lessee includes the Lessee's Sublessees and other lawful occupiers of the Land and the Lessee's contractors, agents and invitees (which persons shall be those deemed to be persons under the control of the Lessee).
- 1.1.22 "Lessor's Improvements" means work done or material used on or for the benefit of the Land (whether before or during the term of this Lease including any renewal or variation extending the term of this Lease) in:
 - (a) the draining, excavation, filling, or reclamation of the Land, or the making of retaining walls or other works appurtenant to that draining, excavation, filling or reclamation; or
 - (b) the grading or levelling of the Land or the removal of rocks, stone, sand, or soil therefrom: or
 - (c) the removal or destruction of vegetation, or the effecting of any change in the nature or character of the vegetation; or
 - (d) the alteration of soil fertility or of the structure of the soil; or
 - (e) the arresting or elimination of erosion or flooding.
- 1.1.23 "**Reference Schedule**" means the schedule preceding this Schedule of Terms described as such and forming part of this Lease.
- 1.1.24 **Regional Plan**" and "**District Plan**" shall have ascribed to them the definitions set out in section 2 of the Resource Management Act 1991 and "Regional and District Plans" shall be construed accordingly and shall extend to include any successor or

6.6: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK OF THE MOTUEKA AREA OFFICE

replacement planning regime imposed by the relevant Authority having jurisdiction in respect thereof.

- 1.1.25 "Schedule of Land" means the schedule described as such and forming part of this Lease.
- 1.1.26 "Schedule of Terms" means this schedule described as such and forming part of this Lease.

2. TERM

The term of this Lease shall commence on the Date of Commencement and shall be for the period specified in Item 4 of the Reference Schedule.

3. RIGHT OF RENEWAL OF LEASE

- 3.1 If the Lessee has not been in any material breach of this Lease and has given to the Lessor written notice to renew this Lease at least three (3) calendar months before the end of each term then the Lessee shall have the right to obtain in accordance with the provisions of this lease a renewed lease of the Land for the term of years specified in Item 5 of the Reference Schedule computed from the relevant date specified in Item 6 of the Reference Schedule and subject to the same covenants and provisions expressed and implied in this Lease.
- 3.2 If the Lessee fails within the time aforesaid to give any notice under Clause 3.1 as to whether it desires a renewed lease and the Lessor at any time after such expired time has given one month's written notice to the Lessee advising the Lessee that it has one further month from the date of such letter to exercise its right of renewal, and the Lessee still fails to advise the Lessor of its desire to renew, then the Lessee shall be deemed to have given notice that a renewed lease is not required. If the Lessee gives notice in writing that it does not desire a renewed lease or there is a deemed notice that a renewal is not required then its right for a renewed lease shall cease on expiry of the one month notice period aforesaid or on the date at which notice is received by the Lessor (as the case may be).
- 3.3 Any notice by the Lessee under clause 3.1 or clause 3.2 of its desire to accept a renewed lease shall be deemed to constitute a contract between the Lessor and the Lessee for the granting and acceptance of a renewed lease at the rent to be determined under Clause 5 for the term and subject to the covenants and provisions referred to in Clause 3.1.
- 3.4 The term of any renewed lease shall run from the day immediately after the expiry of the prior lease, and the rent thereunder shall accrue from that date instead of the rent reserved in the prior lease, notwithstanding the fact that the renewed lease may not be executed until after that date. Clause 5.11 shall otherwise apply.

4. RENT

4.1 The Lessee shall pay the annual rent specified in Item 7 of the Reference Schedule from the Date of Commencement until the rent is varied under Clause 5 at which time the Lessee will pay rent at the varied rate.

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- 4.2 Rent shall be paid on the first day of each month by equal monthly payments in advance with broken period payments due on a proportionate basis for any broken period at the Date of Commencement and on expiry of the Lease term.
- 4.3 All rent shall be paid without any deduction or set-off whatsoever by direct automatic bank payment to the Lessor or as the Lessor may otherwise direct.

5. RENT REVIEW PROVISIONS

- 5.1 In this clause "**Initiating Party**" means the party that gives the Notice defined in Clause 5.2 and "Recipient" means the party that receives that Notice.
- 5.2 The annual rent may be reviewed by the Lessor or by the Lessee on the dates specified in Item 9 of the Reference Schedule. At any time not earlier than three (3) months prior to the relevant date specified in Item 9 of the Reference Schedule (each of such dates being called the "review date") either party may give notice in writing to the other ("the Notice") of that party's assessment of the annual rent of the Land to apply from that particular review date.
- 5.3 The annual rent of the Land shall be assessed on the basis of current use rental of the Land as determined as at the review date. In determining the annual rent of the Land the valuers and any umpire shall, in addition to other relevant factors:

5.3.1 Disregard:

- (a) any deleterious condition of the Land if such condition results from any breach of this lease by the Lessee;
- (b) the value of any goodwill attributable to the Lessee's business; and
- (c) all Improvements made to the Land.

5.3.2 Have regard to:

- (a) the Lessor's Improvements; and
- (b) the permitted use under this Lease; and
- (c) Regional and District Plans.
- In the event that the Recipient does not agree with the Initiating Party's assessment of the annual rent of the Land to apply from the particular review date, the Recipient shall notify the Initiating Party in writing ("the Counter Notice") within twenty-one (21) days (in which respect time shall be of the essence) that the Recipient requires such rent to be determined in accordance with Clause 5.7 and the Recipient shall set out in the Counter Notice the amount which the Recipient considers to be the annual rent as at the particular review date.
- 5.5 Unless such notice is given by the Recipient within twenty-one (21) days, then the amount stated in the Notice shall become the annual rent of the Land reserved by this Lease as and from the particular review date in substitution of the previous amount payable.

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- 5.6 Neither party shall by reason of its failure to give the Notice prior to any review date forfeit its right to have the annual rent reviewed as from that particular review date and the reviewed annual rent which should have been paid from that particular review date shall date back to and be payable from that particular review date and any payment of or receipt for the payment of ground rent due on or after a particular review date shall not prejudice either party's right to demand repayment or payment thereafter of any additional annual rent overpaid or payable pursuant to the provisions of Clause 5.11.2.
- 5.7 Where the Counter Notice is given, the Lessor and Lessee shall enter into negotiations to resolve the dispute. Should agreement not be reached within fourteen (14) days (or such longer period as the Lessor and Lessee shall agree upon in writing) after the date on which the Recipient gives the Counter Notice then:
 - 5.7.1 The Lessor and Lessee shall, within twenty-one (21) days after the date on which the Recipient gives the Counter Notice, each appoint a valuer to jointly determine the ground rent of the Land. A valuer nominated by either party pursuant to this Clause shall be a full registered member of the New Zealand Institute of Valuers and shall be competent to practice as a valuer of ground leases and shall have at least five (5) years experience in valuing ground leases within the district in which the Land is situated and be active in the market at the time of his or her appointment.
 - 5.7.2 If either the Lessor or the Lessee fails to appoint a valuer within twenty-one (21) days as aforesaid, then the determination of the annual rent shall be made by the sole valuer as nominated by either the Lessor or Lessee as the case may be, within one (1) month of the expiry of the twenty-one (21) days as aforesaid and his or her determination shall be final and binding on both parties as if his or her appointment had been by consent.
 - 5.7.3 Before proceeding with their determination, the said valuers shall agree upon and appoint an umpire (also qualified in the manner referred to in Clause 5.7.1) and obtain the umpire's acceptance in writing of his or her appointment and who, as a condition of his or her acceptance, undertakes to hand down his or her determination of the annual rent within one month of being instructed to proceed or such other time period as the Lessor and Lessee may agree, whichever is the latest.
 - 5.7.4 If the said valuers within fourteen (14) days of the date of their appointment either fail to appoint an umpire or are unable to agree upon an umpire, then either the Lessor or the Lessee may request the President, for the time being, of the New Zealand Institute of Valuers or any successor to such Institute to appoint an umpire (also qualified in the manner aforesaid) and obtain the umpire's acceptance in writing of his or her appointment and who as a condition of his or her acceptance undertakes to hand down his or her determination of the annual rent in the same manner as if he or she had been appointed pursuant to Clause 5.7.1.
 - 5.7.5 Subject to Clauses 5.7.2, 5.7.3 and 5.7.4 the valuers so nominated shall within one (1) month of the date of appointment jointly determine the annual rent as at that particular review date. In the event that either valuer fails to provide to the other valuer his or her written assessment of the annual rent within one month of the date of appointment, then the annual rent shall be determined by the other valuer and his or her determination shall be final and binding on both parties.

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- 5.7.6 If the said valuers are unable to agree upon a determination within one month of their appointment or within such extended time as the Lessor and Lessee may agree, then the annual rent shall be determined by the umpire whose determination shall be final and binding on the parties. The umpire shall without limiting his or her enquiries and conduct of any hearing:
 - (a) allow representation of each party and cross-examination of evidence and any re-examination of evidence at the hearing;
 - (b) have due regard to any evidence submitted by the valuers as to their assessment of the annual rent;
 - (c) take into account any expert witness evidence considered relevant to the hearing;
 - (d) have regard to the legal rules of evidence and the interests of natural justice in the conduct of any hearing as between the parties; and
 - (e) give in his or her determination the reasons therefore in writing.
- 5.8 The costs incurred in the determination pursuant to Clause 5.7 of the annual rent shall be borne by the parties in the following manner:
 - (a) subject to Clause 5.7.8(b) each party shall be responsible for the cost of its own appointed valuer;
 - (b) where the determination is made by a single valuer pursuant to Clause 5.7.2 the cost of his or her determination shall be apportioned equally as between the Lessor and Lessee;
 - (c) the parties shall share equally the costs of the umpire unless any party has acted capriciously or unreasonably in any of the proceedings pursuant to the provisions of this Clause 5.7 in which case the umpire may determine the manner in which such costs shall be apportioned between the parties **PROVIDED THAT** in all cases if the annual rent to apply from the review date is:
 - (i) equal to or exceeding the annual rent nominated in the notice given by the Lessor (whether the Notice or the Counter Notice) then all costs of the valuers and the umpire (where applicable) shall be borne by the Lessee alone, or
 - (ii) equal to or less than the annual rent nominated in the notice given by the Lessee (whether the Notice or the Counter Notice) then all costs of valuers and the umpire (where applicable) will be borne by the Lessor alone;
 - (iii) other than the foregoing then all costs of valuers and the umpire (where applicable) will be borne equally by the Lessor and the Lessee.
- 5.9 The valuers or umpire shall be deemed to be acting as experts and not as arbitrators.
- 5.10 Any variation in the annual rent resulting from such determination shall take effect on and from that particular review date.

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- 5.11 Where a review pursuant to this Clause 5 of the annual rent reserved by this Lease is completed after the review date, then:
 - 5.11.1 pending completion of the review, annual rent shall be paid at the rate prevailing immediately prior to the relevant review date;
 - 5.11.2 on completion of the review, any increased annual rent payable as from the review date shall be paid by the Lessee to the Lessor no later than the date on which the next instalment of annual rent is payable hereunder;
 - 5.11.3 on completion of the review, any overpayment of annual rent paid as from the review date shall be held by the Lessor to the Lessee's credit on account of annual rent next falling due for payment unless the Lessee requests the Lessor in writing to refund such payment in which case the Lessor will comply with that request.
- 5.12 If any moratorium or other law Act or regulation that applies to this Lease has the effect of postponing any periodic review of annual rent as at the review date then if and whenever such moratorium is lifted or the law, Act or regulation is repealed or amended so as to permit the annual rent to be reviewed then the review that has been postponed shall take place as at the date that such moratorium is lifted or such law, Act or regulation is repealed or amended to the intent that the rent review shall establish the annual rent as at such date and not as at the postponed review date but any subsequent rent review shall take place on the next following review date fixed in accordance with Clause 5.
- 5.13 Immediately upon the parties agreeing to pay a revised annual rent or on determination under Clause 5.7 the Lessee shall enter into an appropriate registrable Memorandum of Variation of Lease recording such revised annual rent prepared by the Lessor.

6. CHARGES

- 6.1 The Lessee will pay all charges incurred by the Lessee for electricity, gas, water or power or other services in respect of the Land and Improvements including all connection, disconnection, or other fees payable by the Lessee or the Lessor to other authorities in respect of such services.
- 6.2 The Lessor will pay for all costs of service, installation, maintenance and connection to the nearest approved local authority connection points.

7. PAYMENT OF RATES AND IMPOSITIONS

The Lessee will pay all rates, taxes (including without limitation land or improvements tax but excluding any income tax or capital gains tax or such similar tax which is personal to the Lessor which is imposed as a result of any sale or other disposal of the Land or because of income gained by the Lessor from the Land), charges, assessments, impositions and outgoings whatsoever which now are or which during the term or any renewed lease shall be taxed, rated, charged, assessed or imposed on the Land, any Improvements or on the Lessor or Lessee in respect thereof by any Authority.

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8. GOODS AND SERVICES TAX

The Lessee shall pay to the Lessor upon demand any taxes paid or payable by the Lessor or accountable by the Lessor pursuant to the provisions of the Goods and Services Tax Act 1985 or any similar tax levied in substitution therefore including all amendments and any enactments in substitution therefore or in addition thereto or otherwise in respect of any payments made by the Lessee under this Lease (including the payment of annual rent) or paid by the Lessor on behalf of the Lessee's obligation to make such payment under this Lease.

9. INTEREST ON OVERDUE RENT OR OTHER MONEYS

Without prejudice to other rights powers and remedies of the Lessor, if any annual rent, goods and services tax or other payment or amount owing by the Lessee to the Lessor whatsoever pursuant to this Lease shall be in arrears and unpaid for fifteen (15) business days after the due day for payment thereof (whether any formal or legal demand therefor shall have been made or not) such unpaid moneys shall bear interest on a daily basis compounded on monthly rests computed from such due date until the date of payment in full of such moneys at a rate being 1% above the average 90 day bank bill buy rate (described as the BID rate) at 10.45 am on the date the payment was due as shown on page BKBM (or its successor page) on the Reuters screen or at a rate based on any successor screen or if there is none at a rate equal to the bank overdraft rate of the Lessor's bank at the time of any default and the said interest shall be recoverable in the same manner as rent in arrears.

10. USE OF THE LAND AND IMPROVEMENTS

- 10.1 The Lessee shall be permitted the right to carry on the business specified in Item 10 of the Reference Schedule.
- 10.2 Should any of the uses of the Land and any Improvements be permissible only with the consent or licence of any Authority under or in pursuance of statute or any Regional and District Plans or regulation or other enactment or order of Court the Lessee shall obtain such consent or licence at the sole cost and expense of the Lessee including but not limited to any costs of financial contributions required and the Lessee shall at all times comply with any conditions of such consent, order or authority obtained.
- 10.3 Where the Lessee is lawfully obliged to obtain any licence, resource consent (including any land use consent or discharge permit) or other consents from any Authority such as required under section 348 of the Local Government Act 1974, the Lessor agrees that it and any officer, or employee or agent of the Lessor shall not raise any objection or requisition relating thereto as landowner of the Land where the Lessee is using the Land for any permitted use under this Lease and is not in any material breach or likely to be in any material breach at any time in the future of any terms and conditions of this Lease.
- 10.4 Despite any other provision in this Lease, if at any time during the term of this Lease, the Land cannot be, or can no longer be lawfully used for Conservation purposes, the Lessee may terminate this Lease on giving reasonable notice to the Lessor.

11. NO FENCING

The Lessor shall be under no liability whatsoever whether under the Fencing Act 1978 or otherwise to contribute towards the cost of erection or repair of any boundary fences

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between the Land and any land owned or occupied by the Lessor but nothing herein contained shall be deemed to limit any liability imposed by statute upon any present or future lessee of the Lessor of any adjoining land.

12. STATUTORY REQUIREMENTS

- 12.1 The Lessee must comply with all statutes, Regional and District Plans, bylaws and regulations which relate to the Land and Improvements or which relate to the Lessee's use of the Land and Improvements and with all conditions or requirements which may be given or required by any person having any lawful authority and will in particular but without limitation:
 - 12.1.1 ensure that a warrant of fitness is obtained each year in respect of any Improvements if required under the Building Act 2004;
 - 12.1.2 comply with and observe at all times the terms and conditions of all resource consents held in respect of the use of the Land and the requirements imposed and otherwise arising under the Resource Management Act 1991; and
 - 12.1.3 ensure that proper and adequate health and safety procedures are adopted in accordance with the Health and Safety in Employment Act 1992.
- 12.2 The Lessee shall not, during the term of this Lease:
 - 12.2.1 make or enter into or endeavour to make or enter into any composition, assignment or other arrangement with or for the benefit of the Lessee's creditors;
 - 12.2.2 suffer insolvency, bankruptcy or liquidation;
 - 12.2.3 suffer distress or allow execution to issue against the Lessee's property, goods or effects under any judgment against the Lessee in any Court in a sum in excess of twenty five thousand dollars (\$25,000.00) provided however that this subclause 12.2.3 shall have no application or effect whilst Her Majesty the Queen Acting By and Through the Minister of Conservation is the Lessee hereunder.

13. ASSIGNMENT OR SUBLETTING

- 13.1 The Lessee will not without the previous consent in writing of the Lessor assign or transfer or sublease this Lease. Such consent shall not be unreasonably or arbitrarily withheld or delayed without some good cause assigned having regard to the solvency or respectability of the proposed assignee or transferee or sublessee. Notwithstanding this Clause where the Crown (as that term is defined in section 2 of the Public Finance Act 1989) remains as the Lessee under this Lease and in occupation from the Lessor the consent of the Lessor shall not be required when another Crown entity assumes occupation of all or any part of the Land except that on each occasion that a different Crown entity (as defined in section 7(1) of the Crown Entities Act 2004) or other Crown body or state owned enterprise assumes the role and obligations of the Lessee under this Lease the Lessee shall notify the Lessor in writing of that change.
- 13.2 In the case of an assignment where the proposed assignee or transferee is a company not listed by the New Zealand Stock Exchange or a person under Clause 13.5 the Lessor may require the directors and/or the controlling shareholders of such company

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to enter into a deed guaranteeing the performance by that company of the terms of this Lease such guarantee to be in a form reasonably acceptable to the Lessor.

- 13.3 Clause 13 applies to any assignment or subletting of the interest of the Lessee by any assignee of a bankrupt Lessee or any liquidator or receiver of a Lessee that is a company.
- 13.4 For the purposes of Clause 13.1 any proposed change in the shareholding of the Lessee or any amalgamation under Section 219 of the Companies Act 1993 altering the effective control of the Lessee shall be a deemed assignment of this Lease and will require the consent of the Lessor unless such deemed assignment involves a change of effective control to any of the entities mentioned in Clause 13.5.
- 13.5 For the purposes of Clause 13.1 any proposed change in the effective control of any Lessee that is a Crown entity as that term is defined in section 7(1) of the Crown Entities Act 2004 or a State Owned Enterprise shall be a proposed assignment of this Lease. The Lessor in deciding whether or not to grant consent shall only be entitled to consider the effect of the alteration of the effective control in the ability of the Lessee to continue to meet its obligations under the Lease including contingent liabilities. For the purposes of this Clause any change in the management structure of the Lessee shall not be construed as a change in the effective control of the Lessee.
- 13.6 Where any assignment or transfer of this Lease is consented to by the Lessor, the Lessor may require the execution by the assignee or transferee of a deed of covenant with the Lessor, in a form prepared by the Lessor at the Lessor's expense, that the assignee or transferee will be bound by and perform the covenants in this Lease to be observed and performed by the Lessee but the execution of such covenant shall not release the Lessee from the Lessee's obligations under this Lease.
- 13.7 Notwithstanding any Rule of Law or anything herein expressed or implied to the contrary where Her Majesty the Queen Acting By and Through the Minister of Conservation in New Zealand as Lessee assigns this Lease under the provisions of this clause 13, all the liabilities of the Lessee expressed or implied under this Lease, whether contingent or otherwise for the payment of future rents or other moneys or the future observants or performance of any of the Covenants, conditions or agreements on the part of the Lessee shall cease and determine absolutely as from the date of the Assignment thereof, but without releasing the Lessee from liability for any antecedent breach thereof.

14. LESSEE'S ACKNOWLEDGEMENT OF RISK

The Lessee agrees to occupy and use the Land and any Improvements at the Lessee's risk and release to the full extent permitted by law the Lessor its employees and agents from all claims and demands of any kind and from all liability which in the absence of any negligence on its or their part may arise in respect of any accident damage or injury occurring to any person or property in or about the Land and any Improvements thereon except where the Lessor or any person under the control of the Lessor is at fault or negligent through their own acts or omissions.

15. QUIET ENJOYMENT/REPUDIATION

15.1 Provided the Lessee performs and observes the covenants provisos conditions and agreements contained in this Lease the Lessee shall peaceably hold and enjoy the Land and Improvements thereon without hindrance or interruption by the Lessor or by

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any person or persons claiming under the Lessor until the expiration or sooner determination of this Lease. For the avoidance of doubt, the phrase "person or persons claiming under the Lessor" does not include beneficiaries of any trust of which the Lessor is trustee.

15.2 The Lessor is to compensate the Lessee and the Lessee shall be entitled to recover any damages for any loss or damage suffered by reason of any acts or omissions of the Lessor constituting a repudiation of the Lease or the Lessor's obligations under the Lease. Such entitlement shall subsist notwithstanding any cancellation or early termination of the Lease and shall be in addition to any other right or remedy which the Lessee may have.

16. REGISTRATION

- 16.1 The Lessor shall register this Lease under the provisions of the Land Transfer Act 1952.
- 16.2 The Lessee will be responsible for survey and other costs incurred in obtaining registration of this Lease.

17. IMPROVEMENTS DURING LEASE

- 17.1 Throughout the term of this Lease and on any renewal any Improvements installed or erected on the Land shall be deemed to remain in the ownership of the Lessee unless the Lessor and the Lessee otherwise agree in writing.
- 17.2 Throughout the term of this Lease and on any renewal the Lessee shall have the right to alter, construct and demolish any Improvements on the Land without the need to obtain the Lessor's consent providing all obligations required of the Lessee under this Lease relevant to Improvements on the Land are satisfied.

18. IMPROVEMENTS ON TERMINATON OF LEASE

- 18.1 No later than twelve (12) months prior to the expiry of any ten (10) year term of Lease the Lessee may give notice ("the Lessee's Transfer Notice") to the Lessor specifying any Improvements which the Lessee wishes to transfer to the Lessor following expiry of the Lease or renewal. The Lessee's Transfer Notice shall contain details of those Improvements, their current market value and the proposed terms of transfer of the Improvements.
- 18.2 The Lessor agrees to consult with the Lessee regarding the Improvements specified in the Lessee's Transfer Notice, and to consider any proposal to transfer such Improvements. Nevertheless, the Lessee acknowledges that nothing in this clause or in the Lessee's Transfer Notice shall oblige the Lessor to take a transfer of, or to pay any compensation or consideration for, such Improvements.
- 18.3 If no agreement is reached regarding the transfer of Improvements pursuant to this clause (before six months prior to the expiry of the Lease, or before the earlier termination of the Lease) the following provisions of this Clause 18 shall apply.
- 18.4 On termination of this Lease (whether by expiry of time or otherwise) except where the Lessee has exercised any rights of renewal, the Lessee will remove any Improvements specified in a written notice ("the Lessor's Removal Notice") given to the Lessee in accordance with Clause 18.5.

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- 18.5 The Lessee will remove Improvements that are clearly identified in the Lessor's Removal Notice which must be given no later than three (3) months prior to the expiry of the term (time being of the essence) or one (1) month after any sooner termination.
- 18.6 The Lessee must remove all Improvements specified in the Lessor's Removal Notice within six (6) months from the date of termination (time being of the essence) and must ensure within that time that all services to any Improvements are properly and lawfully disconnected, the Land under any Improvements is adequately filled with soil so that the surface of the Land is stable and restored to the Lessor's reasonable satisfaction and such Land is otherwise grassed and left in a neat and tidy condition.
- 18.7 If the Lessee fails to remove any Improvements specified in the Lessor's Removal Notice in accordance with Clause 18.6 then the Lessor may remove them and all costs and expenses incurred directly and indirectly shall be recoverable against the Lessee.
- 18.8 Any Improvements remaining on the Land after the period referred to in Clause 18.6 shall become the property of the Lessor without any compensation or other payment whatsoever to the Lessee.
- 18.9 The Lessee must continue to pay rent and outgoings under this Lease and comply with all other obligations under this Lease until it has met its obligations under Clause 18.6.
- 18.10 Whenever resource consent is required to remove or demolish any Improvements the Lessee shall use all reasonable endeavours to obtain all necessary consents and shall continue to be obliged to pay rent and outgoings under this Lease until such time that the Lessor is satisfied on reasonable grounds that the Lessee has used all reasonable endeavours to obtain all necessary consents and produced to the Lessor evidence satisfactory to the Lessor to satisfy this requirement.
- 18.11 At the expiry of the lease if the Lessor has specified in writing no less than three (3) months prior to the final expiry date of the lease that a change of any permitted activity under the relevant Regional and District Plans or use permitted under any resource consent held in respect of the Land is required the Lessee shall be obliged to obtain any change.

19. DESTRUCTION AND REDEVELOPMENT

- 19.1 The Lessee shall be entitled to carry out repairs, demolition, relocation, additions, reinstatement or redevelopment to any Improvements on the Land in the event of total or partial destruction or in the event of the Lessee wishing to demolish, relocate, redevelop, replace or add to any Improvements on the Land provided the following conditions are or will be satisfied:
 - 19.1.1 any repair, demolition, relocation, addition, reinstatement or redevelopment shall fully comply with Regional and District Plans and all statutory and regulatory requirements in force at the time; and
 - 19.1.2 the Lessee is able to obtain all resource and building consents necessary to carry out any works programme; and
 - 19.1.3 upon satisfaction of such conditions the Lessee shall repair, demolish, relocate, reinstate, rebuild or add to (as the case may be) any Improvements or such part of Improvements requiring such work in accordance with the conditions set out above.

6.6: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK OF THE MOTUEKA AREA OFFICE

19.2 In the event that the Lessee is prevented or unable to reinstate or rebuild in the event of total or partial destruction it may forthwith terminate this Lease provided that the Lessee demolishes the Improvements and clears and restores the Land all in accordance with the requirements of Clause 18.6.

20. NOTICES

- 20.1 All notices mustbe in writing and must be served by one of the following means:
 - (a) in the case of a notice under sections 245 or 246 of the Property Law Act 2007 in the manner prescribed by section 353 of that Act; and
 - (b) in all other cases, unless otherwise required by sections 352 to 361 of the Property Law Act 2007:
 - (i) in the manner authorised by sections 354 to 361 of the Property Law Act 2007; or
 - (ii) by personal delivery, or by posting by registered or ordinary mail, or by facsimile transmission.
- 20.2 All notices to be given to the Lessor or to the Lessee hereunder shall be deemed sufficiently served:
 - (a) in the case of personal delivery, when received by the addressee at the address detailed in clause 20.3; and
 - (b) in the case of posting by registered mail, on the third working day following the date of posting to the addressee at the address detailed in clause 20.3; and
 - (c) in the case of facsimile transmission, on the working day following the date of sending to the addressee's facsimile number designated in clause 20.3 provided that the sender produces a confirmation notice that the facsimile has been sent on that day.
- 20.3 Details for Notices:

Lessor

Te Ātiawa o Te Waka-a-Māui Trust c/- 72 Trafalgar Street, Nelson or PO Box 10, Nelson

Telephone (03) 548 2139; Fax: (03) 548 4901

Lessee

Her Majesty the Queen acting by and through the Minister of Conservation 186 Bridge Street, Nelson, Private Bag 5, Nelson

Telephone (03) 546 9335: Fax: (03) 548 2805.

20.4 A notice shall be valid if given by the duly authorised representative of the party giving the notice. If a notice is not given by the Lessor, it is to be supported by satisfactorily

6.6: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK OF THE MOTUEKA AREA OFFICE

written delegation from the Lessor confirming the appointment of the party giving the notice.

21. DEFAULT BY LESSEE

The Lessor may (in addition to the Lessor's right to apply to the Court for an order for possession) cancel this Lease by re-entering the land at the time or any time thereafter:

- (a) if the rent shall be in arrear twenty (20) working days after any of the rent payment dates and the Lessee has failed to remedy that breach within ten (10) working days after service on the Lessee of a notice in accordance with section 245 of the Property Law Act 2007;
- (b) in case of breach by the Lessee of any covenant or agreement on the Lessee's part herein expressed or implied (other than the covenant to pay rent) after the Lessee has failed to remedy that breach within the period specified in a notice served on the Lessee in accordance with Section 246 of the Property Law Act 2007;

and the term shall terminate on such cancellation but without prejudice to the rights of either party against the other.

22. DISPUTE RESOLUTION

- 22.1 Any dispute or difference which may arise between the parties concerning the interpretation of this Lease or relating to any other matter arising under this Lease will be actively and in good faith negotiated by the parties with a view to a speedy resolution of such differences.
- 22.2 If the parties cannot resolve a dispute or difference within fifteen (15) business days of any dispute or difference arising then, unless otherwise expressly provided in this Lease, they will without prejudice to any other right, explore whether such dispute or difference can be resolved by agreement between them using informal dispute resolution techniques such as mediation. The rules governing any such technique if adopted will be agreed between the parties or as selected by the organisation known as "LEADR" (Lawyers Engaged in Alternative Dispute Resolution).
- 22.3 If the parties cannot agree on any dispute resolution technique within a further fifteen (15) business days of any dispute or difference being considered for referral by both parties to any informal dispute resolution technique under Clause 22.2 then the dispute or difference shall be settled by reference to arbitration. Except as otherwise expressly provided in this Lease the reference shall be to a single arbitrator if one can be agreed upon, or to two arbitrators (one to be appointed by each party) and their umpire (appointed by them prior to their arbitration), such arbitration to be carried out in accordance with the Arbitration Act 1996 or any successor Act.
- 22.4 The parties will co-operate to ensure the expeditious conduct of any arbitration. In particular, each party will comply with any reasonable time limits sought by the other for settling terms of reference, interlocutory matters and generally all steps preliminary and incidental to the hearing and determination of the proceedings.

6.6: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK OF THE MOTUEKA AREA OFFICE

23. COSTS

- 23.1 The parties shall each pay their own solicitors' costs on preparing and finalising this Lease or any renewal or variation of this Lease.
- 23.2 The Lessee shall be responsible for payment of all registration fees including agency charges imposed and all government tax duty or imposts at any time payable on this Lease or any renewal or variation to this Lease.
- 23.3 The Lessee shall pay for all costs, charges and expenses for which the Lessor shall become liable in consequence of or in connection with any breach or default by the Lessee in the performance or observance of any of the terms, covenants and conditions of this Lease.

24. LESSOR'S RIGHTS TO INSPECT AND DISPLAY SIGNS

- 24.1 The Lessor will have the right to inspect the Land no more than twice each year during the term or any renewal of this Lease with valuers or other experts and consultants provided such inspections are carried out at times reasonably acceptable to the Lessee on reasonable notice to the Lessee and only when accompanied by a servant or agent of the Lessee. Any such inspections should be carried out in accordance with the Lessee's security and health and safety requirements and the Lessee shall have the right to change any suggested time to a mutually convenient time.
- 24.2 Notwithstanding anything else herein, the parties agree that the Lessee may require any person wishing to enter the Land for inspection purposes to first provide their details to the Lease for a security check. If the results of such check are not acceptable to the Lessee for any reason then such person may be refused entry to the Land.
- 24.3 If the Lessor desires to, or is required to, undertake any works on the Land, including any repair or maintenance works, that involves the use of contractors or other third parties, the Lessor must procure any contractor or other third party who will have access to the Land to undertake such works to:
 - (a) complete a security check on terms reasonably acceptable to the Lessee;
 - (b) provide the Lessee with a copy of the contractor's Health and Safety Plan which shall be subject to the Lessee's reasonable approval prior to any work commencing; and
 - (c) familiarise themselves with and commit to complying with the Lessee's own Health and Safety Plan in all material respects.
- 24.4 The Lessor will not provide or allow the provision of any information relating to the structure, or access to, the buildings on the Land in any way to any person without first obtaining the written permission of the Lessee.
- 24.5 The Lessee will during the period of three (3) months prior to the termination date of this Lease permit the Lessor to exhibit the Land to prospective lessees or purchasers and allow the Lessor to affix to the Land appropriate sale or reletting notices.

6.6: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK OF THE MOTUEKA AREA OFFICE

25. DISPOSAL OF LESSOR'S INTEREST

- 25.1 Subject to the provisions of this clause the Lessor may at any time dispose of the Lessor's interest in the Land provided:
 - 25.1.1 any such disposal shall preserve to the Lessee all the Lessee's rights and remedies under this Lease; and
 - 25.1.2 that while Her Majesty the Queen is the Lessee and occupies the Land the following further provisions shall apply:
 - the Lessor shall advise the Lessee in writing of the person or corporation to whom the Lessor intends to dispose of its interest in the Land (proposed Assignee);
 - (b) if the Lessee has any objection to the proposed Assignee because the Lessee reasonably apprehends in good faith that either:
 - (i) The proposed Assignee presents an actual or potential threat to the discharge by the Lessee of the Lessee's statutory obligations; or
 - (ii) The role or function of the Lessee will be prejudiced by the proposed Assignee becoming the Lessor;

then the Lessee shall within five (5) working days of receiving the Lessor's advice pursuant to clause 25.1 above, notify the Lessor in writing of its objection to the proposed Assignee and shall substantiate its reasonable apprehension to the reasonable satisfaction of the Lessor:

- 25.2 If the Lessor does not receive written notice from the Lessee pursuant to clause 25.1 above together with grounds to substantiate its reasonable apprehension within five (5) working days from the date of its advice to the Lessee, the Lessee shall be deemed to have accepted the proposed Assignee.
- 25.3 If the Lessee objects to the proposed Assignee in accordance with clause 25.1 above, then the Lessor shall not dispose of its interest to the proposed Assignee.
- 25.4 If the Lessor fails to advise the Lessee in writing of the disposal of its interest in the Land and the Lessee has objections to the proposed Assignee based on those reasons set out in clauses 25.1 above, then the Lessee shall be entitled at any time thereafter to terminate this Lease on seven (7) days written notice and the Lessee's obligations under this Lease shall cease from the expiration of such notice.

26. HOLDING OVER

26.1 If the Lessor permits the Lessee to remain in occupation of the Land after the expiration or sooner determination of this Lease, such occupation shall be a tenancy at will only terminable by twenty (20) working days written notice at the rent then payable per month for the Land and otherwise on the same covenants and agreements (so far as applicable to a tenancy at will) as herein expressed or implied.

6.6: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK OF THE MOTUEKA AREA OFFICE

27. EXCLUSION OF IMPLIED PROVISIONS

- 27.1 The following covenants, conditions and powers implied in leases of land pursuant to Schedule 3 of the Property Law Act 2007 are expressly excluded from application to this Lease:
 - (a) Clause 10-Premises unable to be used for particular purpose; and
 - (b) Clause 11 -Power to inspect premises.

SCHEDULE OF LAND

All that parcel of land containing 9606 square meters more or less, being Lot 1 on Deposited Plan 11256, All Computer Freehold Register NL 6D/557 located at 406 High Street, Motueka



6.7 LEASE WITH THE DEPARTMENT OF CONSERVATION FOR YORK STREET WORKSHOP, PICTON

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

MEMORANDUM OF LEASE

PARTIES

- (1) [THE TRUSTEES OF TE ĀTIAWA O TE WAKA-A-MAUI TRUST] (Lessor)
- (2) **HER MAJESTY THE QUEEN** acting by and through the **Commissioner of Police** (Lessee)

THE LESSOR DOES HEREBY LEASE TO THE LESSEE and THE LESSEE DOES TAKE ON LEASE the Land for the term and at the rental set out in the Reference Schedule and subject to the covenants, conditions, agreements and restrictions set out in this Lease which comprises the Schedule of Terms, the Reference Schedule and the Schedule of Land.

IN WITNESS WHEREOF these presents have 2]day of []		
(Being the date of settlement)				
SIGNED by the Trustees of TE ĀTIAWA O TE WAKA-A-MĀUI TRUST in the presence of:)			
Signature of Witness		Signature of Trustee		
Witness Name		Signature of Trustee		
Occupation				
Address				
SIGNED for and on behalf of HER MAJESTY THE QUEEN acting by and through the COMMISSIONER OF POLICE as Lessee in the presence of:)))			
Signature of Witness				
Witness Name				
Occupation				
Address				

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

REFERENCE SCHEDULE

ITEM 1: LESSOR PARTICUARS

Name:

[The Trustees of Te Ātiawa o Te Waka-a-

Maui Trust1

Address:

72 Trafalgar Street

Nelson 7010

c/- P.O. Box 10, Nelson, 7010

Phone:

03 548 2139

Fax:

Fax: 03 548 4901

Contact:

John Murray

ITEM 1: LESSOR PARTICUARS

Name:

Her Majesty the Queen, acting by and

through the Minister of Conservation

Address:

186 Bridge Street

Nelson

Private Bag 5 Nelson 7010

Phone:

03 546 9335

Fax:

043 548 2805

Contact:

National Property Manager

ITEM 3: LAND

All that parcel of land containing 0.1011 hectares

more or less, being Section 536, Town of Picton MLD

located in York Street, Picton.

ITEM 4: TERM

Ten (10) years.

ITEM 5: FURTHER TERMS

Three (3) rights of renewal, each of ten (10) years.

ITEM 6: RENEWAL DATES

Each tenth (10) year anniversary from the date of commencement, as per Item 4 and Item 5 of this

Schedule.

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ITEM 7: ANNUAL RENT

] plus GST.

ITEM 8:

DATE OF COMMENCEMENT

The date of Settlement.

ITEM 9: REVIEW DATES

Every five (5) years from commencement date.

ITEM 10: PERMITTED USE:

For Conservation purposes and any permitted activity under the relevant Regional and District Plans or use permitted under any resource consent held in respect of the Land.

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

THE SCHEDULE OF TERMS

1. INTERPRETATION

- 1.1 For the purpose of the interpretation or construction of this Lease unless the context provides otherwise:
 - 1.1.1 Words importing any gender shall include all other genders.
 - 1.1.2 Words importing the singular shall include the plural and vice versa.
 - 1.1.3 Payments shall be made in the lawful currency of New Zealand.
 - 1.1.4 Headings are for ease of reference only and do not in any way limit or govern the construction of the terms of this Lease.
 - 1.1.5 References to schedules are references to schedules in this Lease and clauses are references to clauses in this Schedule of Terms and references to parties are references to the parties to this Lease and their respective successors and assigns (if permitted in the case of the Lessee under Clause 13) unless expressly stated otherwise.
 - 1.1.6 Any reference in this Lease to any statute is deemed to include all amendments, revisions, substitutions or consolidations made from time to that statute.
 - 1.1.7 A "person" shall include any individual person, a corporation, a company or other body corporate, an unincorporated body of persons, a public body, firm, partnership, joint venture, association, organisation, trust or a Crown entity as defined in Section 7(1) of the Crown Entities Act 2004 or a State Owned Enterprise in each case whether or not having separate legal personality.
 - 1.1.8 "writing" shall include words visibly represented or reproduced.
 - 1.1.9 No consent or waiver, express or implied, by the Lessor to or of any breach of any covenant, condition, or duty of the Lessee will be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty. No waiver of any breach of the Lessee will be implied from the Lessor's failure to exercise the Lessor's rights or any of them in respect of that breach.
 - 1.1.10 Nothing contained in this Lease shall be deemed or construed or constitute any party, a partner, agent or representative of the other party or be deemed to create any trust, commercial partnership or joint venture.
 - 1.1.11 The invalidity of any part or provision of this Lease shall not affect the enforceability of any other part or provision thereof.
 - 1.1.12 The parties acknowledge and agree that certain covenants set out in this Lease (in particular provisions relating to the treatment of Improvements on termination or sooner determination of this Lease) shall continue beyond determination of this Lease for the benefit of the parties notwithstanding such determination.
 - 1.1.13 This Lease shall be construed and take effect in accordance with the laws of New Zealand.

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

- 1.1.14 Any provision in this Lease to be performed by two or more persons shall bind those persons jointly and severally.
- 1.1.15 Any reference in this Lease to "month" or "monthly" shall mean respectively calendar month and calendar monthly.
- 1.1.16 "Authority" means any Government authority whether national or territorial or any other Government or statutory authority appointed or established by statute in New Zealand having jurisdiction over or in respect of the Land and any Improvements.
- 1.1.17 "Business days" means any day other than a Saturday or Sunday or statutory or anniversary holiday.
- 1.1.18 "Date of Commencement" means the date specified in Item 5 of the Reference Schedule.
- 1.1.19 "Improvements" means all Improvements excluding Lessor's Improvements whether constructed or installed on the Land before or at any time during the term of this Lease (including any renewal or variation extending the term of this Lease), including any building, structure or other improvements on or fixed to the land and any concrete paving, tiles, carpark sealing, mechanical services, plant, machinery, equipment, signage, fixtures and fittings.
- 1.1.20 "**The Land**" means that land described in Item 3 to the Reference Schedule of Land excluding the Improvements.
- 1.1.21 The expression "Lessor" and "Lessee" includes their respective successors and assigns (if permitted in the case of the Lessee under Clause 13) and where the context permits the Lessee includes the Lessee's sublessees and other lawful occupiers of the Land and the Lessee's contractors, agents and invitees (which persons shall be those deemed to be persons under the control of the Lessee).
- 1.1.22 "Lessor's Improvements" means work done or material used on or for the benefit of the Land (whether before or during the term of this Lease including any renewal or variation extending the term of this Lease) in:
 - (a) the draining, excavation, filling, or reclamation of the Land, or the making of retaining walls or other works appurtenant to that draining, excavation, filling or reclamation; or
 - (b) the grading or leveling of the Land or the removal of rocks, stone, sand, or soil therefrom; or
 - (c) the removal or destruction of vegetation, or the effecting of any change in the nature or character of the vegetation; or
 - (d) the alteration of soil fertility or of the structure of the soil; or
 - (e) the arresting or elimination of erosion or flooding.
- 1.1.23 "Reference Schedule" means the schedule preceding this Schedule of Terms described as such and forming part of this Lease.

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

- 1.1.24 "Regional Plan" and "District Plan" shall have ascribed to them the definitions set out in section 2 of the Resource Management Act 1991 and "Regional and District Plans" shall be construed accordingly and shall extend to include any successor or replacement planning regime imposed by the relevant Authority having jurisdiction in respect thereof.
- 1.1.25 "Schedule of Land" means the schedule described as such and forming part of this Lease.
- 1.1.26 "Schedule of Terms" means this schedule described as such and forming part of this Lease.

2. TERM

2.1 The term of this Lease shall commence on the Date of Commencement and shall be for the period specified in Item 4 of the Reference Schedule.

3. RIGHT OF RENEWAL OF LEASE

- 3.1 If the Lessee has not been in any material breach of this Lease and has given to the Lessor written notice to renew this Lease at least three (3) calendar months before the end of each term then the Lessee shall have the right to obtain in accordance with the provisions of this lease a renewed lease of the Land for the term of years specified in Item 5 of the Reference Schedule computed from the relevant date specified in Item 6 of the Reference Schedule and subject to the same covenants and provisions expressed and implied in this Lease.
- 3.2 If the Lessee fails within the time aforesaid to give any notice under Clause 3.1 as to whether it desires a renewed lease and the Lessor at any time after such expired time has given one month's written notice to the Lessee advising the Lessee that it has one further month from the date of such letter to exercise its right of renewal, and the Lessee still fails to advise the Lessor of its desire to renew, then the Lessee shall be deemed to have given notice that a renewed lease is not required. If the Lessee gives notice in writing that it does not desire a renewed lease or there is a deemed notice that a renewal is not required then its right for a renewed lease shall cease on expiry of the one month notice period aforesaid or on the date at which notice is received by the Lessor (as the case may be).
- 3.3 Any notice by the Lessee under clause 3.1 or clause 3.2 of its desire to accept a renewed lease shall be deemed to constitute a contract between the Lessor and the Lessee for the granting and acceptance of a renewed lease at the rent to be determined under Clause 5 for the term and subject to the covenants and provisions referred to in Clause 3.1.
- 3.4 The term of any renewed lease shall run from the day immediately after the expiry of the prior lease, and the rent thereunder shall accrue from that date instead of the rent reserved in the prior lease, notwithstanding the fact that the renewed lease may not be executed until after that date. Clause 5.11 shall otherwise apply.
- 3.5 The Lessor shall prepare each memorandum of renewal of this Lease and the Lessee will forthwith enter into and execute such memorandum of renewal of lease.

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

4. RENT

- 4.1 The Lessee shall pay the annual rent specified in Item 7 of the Reference Schedule from the Date of Commencement until the rent is varied under Clause 5 at which time the Lessee will pay rent at the varied rate.
- 4.2 Rent shall be paid on the first day of each month by equal monthly payments in advance with broken period payments due on a proportionate basis for any broken period at the Date of Commencement and on expiry of the Lease term.
- 4.3 All rent shall be paid without any deduction or set-off whatsoever by direct automatic bank payment to the Lessor or as the Lessor may otherwise direct.

5. RENT REIVEW PROVISIONS

- In this clause "Initiating Party" means the party that gives the Notice defined in Clause 5.2 and "Recipient" means the party that receives that Notice.
- 5.2 The annual rent may be reviewed by the Lessor or by the Lessee on the dates specified in Item 9 of the Reference Schedule. At any time not earlier than three (3) months prior to the relevant date specified in Item 9 of the Reference Schedule (each of such dates being called the "review date") either party may give notice in writing to the other ("the Notice") of that party's assessment of the annual rent of the Land to apply from that particular review date.
- 5.3 The annual rent of the Land shall be assessed on the basis of current use rental of the Land as determined as at the review date. In determining the annual rent of the Land the valuers and any umpire shall, in addition to other relevant factors:

5.3.1 Disregard:

- (a) any deleterious condition of the Land if such condition results from any breach of this lease by the Lessee;
- (b) the value of any goodwill attributable to the Lessee's business; and
- (c) all Improvements made to the Land.

5.3.2 Have regard to:

- (a) the Lessor's Improvements;
- (b) the permitted use under this Lease; and
- (c) Regional and District Plans.
- In the event that the Recipient does not agree with the Initiating Party's assessment of the annual rent of the Land to apply from the particular review date, the Recipient shall notify the Initiating Party in writing ("the Counter Notice") within twenty-one (21) days (in which respect time shall be of the essence) that the Recipient requires such rent to be determined in accordance with Clause 5.7 and the Recipient shall set out in the Counter Notice the amount which the Recipient considers to be the annual rent as at the particular review date.

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

- 5.5 Unless such notice is given by the Recipient within twenty-one (21) days, then the amount stated in the Notice shall become the annual rent of the Land reserved by this Lease as and from the particular review date in substitution of the previous amount payable.
- 5.6 Neither party shall by reason of its failure to give the Notice prior to any review date forfeit its right to have the annual rent reviewed as from that particular review date and the reviewed annual rent which should have been paid from that particular review date shall date back to and be payable from that particular review date and any payment of or receipt for the payment of ground rent due on or after a particular review date shall not prejudice either party's right to demand repayment or payment thereafter of any additional annual rent overpaid or payable pursuant to the provisions of Clause 5.11.2.
- 5.7 Where the Counter Notice is given, the Lessor and Lessee shall enter into negotiations to resolve the dispute. Should agreement not be reached within fourteen (14) days (or such longer period as the Lessor and Lessee shall agree upon in writing) after the date on which the Recipient gives the Counter Notice then:
 - 5.7.1 The Lessor and Lessee shall, within twenty-one (21) days after the date on which the Recipient gives the Counter Notice, each appoint a valuer to jointly determine the ground rent of the Land. A valuer nominated by either party pursuant to this Clause shall be a full registered member of the New Zealand Institute of Valuers and shall be competent to practice as a valuer of ground leases and shall have at least five (5) years experience in valuing ground leases within the district in which the Land is situated and be active in the market at the time of his or her appointment.
 - 5.7.2 If either the Lessor or the Lessee fails to appoint a valuer within twenty-one (21) days as aforesaid, then the determination of the annual rent shall be made by the sole valuer as nominated by either the Lessor or Lessee as the case may be, within one (1) month of the expiry of the twenty-one (21) days as aforesaid and his or her determination shall be final and binding on both parties as if his or her appointment had been by consent.
 - 5.7.3 Before proceeding with their determination, the said valuers shall agree upon and appoint an umpire (also qualified in the manner referred to in Clause 5.7.1) and obtain the umpire's acceptance in writing of his or her appointment and who, as a condition of his or her acceptance, undertakes to hand down his or her determination of the annual rent within one month of being instructed to proceed or such other time period as the Lessor and Lessee may agree, whichever is the latest.
 - 5.7.4 If the said valuers within fourteen (14) days of the date of their appointment either fail to appoint an umpire or are unable to agree upon an umpire, then either the Lessor or the Lessee may request the President, for the time being, of the New Zealand Institute of Valuers or any successor to such Institute to appoint an umpire (also qualified in the manner aforesaid) and obtain the umpire's acceptance in writing of his or her appointment and who as a condition of his or her acceptance undertakes to hand down his or her determination of the annual rent in the same manner as if he or she had been appointed pursuant to Clause 5.7.1.
 - 5.7.5 Subject to Clauses 5.7.2, 5.7.3 and 5.7.4 the valuers so nominated shall within one (1) month of the date of appointment jointly determine the annual rent as at that particular review date. In the event that either valuer fails to provide to the

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

other valuer his or her written assessment of the annual rent within one month of the date of appointment, then the annual rent shall be determined by the other valuer and his or her determination shall be final and binding on both parties.

- 5.7.6 If the said valuers are unable to agree upon a determination within one month of their appointment or within such extended time as the Lessor and Lessee may agree, then the annual rent shall be determined by the umpire whose determination shall be final and binding on the parties. The umpire shall without limiting his or her enquiries and conduct of any hearing:
 - (a) allow representation of each party and cross-examination of evidence and any re-examination of evidence at the hearing;
 - (b) have due regard to any evidence submitted by the valuers as to their assessment of the annual rent;
 - (c) take into account any expert witness evidence considered relevant to the hearing;
 - (d) have regard to the legal rules of evidence and the interests of natural justice in the conduct of any hearing as between the parties; and
 - (e) give in his or her determination the reasons therefore in writing.
- 5.8 The costs incurred in the determination pursuant to Clause 5.7 of the annual rent shall be borne by the parties in the following manner:
 - (a) subject to Clause 5.7.8(b) each party shall be responsible for the cost of its own appointed valuer;
 - (b) where the determination is made by a single valuer pursuant to Clause 5.7.2 the cost of his or her determination shall be apportioned equally as between the Lessor and Lessee:
 - (c) the parties shall share equally the costs of the umpire unless any party has acted capriciously or unreasonably in any of the proceedings pursuant to the provisions of this Clause 5.7 in which case the umpire may determine the manner in which such costs shall be apportioned between the parties **PROVIDED THAT** in all cases if the annual rent to apply from the review date is:
 - equal to or exceeding the annual rent nominated in the notice given by the Lessor (whether the Notice or the Counter Notice) then all costs of the valuers and the umpire (where applicable) shall be borne by the Lessee alone, or
 - (ii) equal to or less than the annual rent nominated in the notice given by the Lessee (whether the Notice or the Counter Notice) then all costs of valuers and the umpire (where applicable) will be borne by the Lessor alone;
 - (iii) other than the foregoing then all costs of valuers and the umpire (where applicable) will be borne equally by the Lessor and the Lessee.

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

- 5.8 The valuers or umpire shall be deemed to be acting as experts and not as arbitrators.
- 5.9 Any variation in the annual rent resulting from such determination shall take effect on and from that particular review date.
- 5.10 Where a review pursuant to this Clause 5 of the annual rent reserved by this Lease is completed after the review date, then:
 - 5.10.1 Pending completion of the review, annual rent shall be paid at the rate prevailing immediately prior to the relevant review date;
 - 5.10.2 On completion of the review, any increased annual rent payable as from the review date shall be paid by the Lessee to the Lessor no later than the date on which the next installment of annual rent is payable hereunder;
 - 5.10.3 On completion of the review, any overpayment of annual rent paid as from the review date shall be held by the Lessor to the Lessee's credit on account of annual rent next falling due for payment unless the Lessee requests the Lessor in writing to refund such payment in which case the Lessor will comply with that request.
- 5.11 If any moratorium or other law Act or regulation that applies to this Lease has the effect of postponing any periodic review of annual rent as at the review date then if and whenever such moratorium is lifted or the law, Act or regulation is repealed or amended so as to permit the annual rent to be reviewed then the review that has been postponed shall take place as at the date that such moratorium is lifted or such law, Act or regulation is repealed or amended to the intent that the rent review shall establish the annual rent as at such date and not as at the postponed review date but any subsequent rent review shall take place on the next following review date fixed in accordance with Clause 5.
- 5.12 Immediately upon the parties agreeing to pay a revised annual rent or on determination under Clause 5.7 the Lessee shall enter into an appropriate registrable Memorandum of Variation of Lease recording such revised annual rent prepared by the Lessor.

6. CHARGES

- 6.1 The Lessee will pay all charges incurred by the Lessee for electricity, gas, water or power or other services in respect of the Land and Improvements including all connection, disconnection, or other fees payable by the Lessee or the Lessor to other authorities in respect of such services.
- 6.2 The Lessor will pay for all costs of service, installation, maintenance and connection to the nearest approved local authority connection points.

7. PAYMENT OF RATES AND IMPOSITIONS

7.1 The Lessee will pay all rates, taxes (including without limitation land or improvements tax but excluding any income tax or capital gains tax or such similar tax which is personal to the Lessor which is imposed as a result of any sale or other disposal of the Land or because of income gained by the Lessor from the Land), charges, assessments, impositions and outgoings whatsoever which now are or which during the term or any renewed lease shall be taxed, rated, charged, assessed or imposed on the Land, any Improvements or on the Lessor or Lessee in respect thereof by any Authority.

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

8. GOODS AND SERVICES TAX

8.1 The Lessee shall pay to the Lessor upon demand any taxes paid or payable by the Lessor or accountable by the Lessor pursuant to the provisions of the Goods and Services Tax Act 1985 or any similar tax levied in substitution therefore including all amendments and any enactments in substitution therefore or in addition thereto or otherwise in respect of any payments made by the Lessee under this Lease (including the payment of annual rent) or paid by the Lessor on behalf of the Lessee's obligation to make such payment under this Lease.

9. INTEREST ON OVERDUE RENT OR OTHER MONEYS

9.1 Without prejudice to other rights powers and remedies of the Lessor, if any annual rent, goods and services tax or other payment or amount owing by the Lessee to the Lessor whatsoever pursuant to this Lease shall be in arrears and unpaid for fifteen (15) business days after the due day for payment thereof (whether any formal or legal demand therefor shall have been made or not) such unpaid moneys shall bear interest on a daily basis compounded on monthly rests computed from such due date until the date of payment in full of such moneys at a rate being 1% above the average 90 day bank bill buy rate (described as the BID rate) at 10.45 am on the date the payment was due as shown on page BKBM (or its successor page) on the Reuters screen or at a rate based on any successor screen or if there is none at a rate equal to the bank overdraft rate of the Lessor's bank at the time of any default and the said interest shall be recoverable in the same manner as rent in arrears.

10. USE OF THE LAND AND IMPROVEMENTS

- 10.1 The Lessee shall be permitted the right to carry on the business specified in Item 10 of the Reference Schedule.
- 10.2 Should any of the uses of the Land and any Improvements be permissible only with the consent or licence of any Authority under or in pursuance of statute or any Regional and District Plans or regulation or other enactment or order of Court the Lessee shall obtain such consent or licence at the sole cost and expense of the Lessee including but not limited to any costs of financial contributions required and the Lessee shall at all times comply with any conditions of such consent, order or authority obtained.
- 10.3 Where the Lessee is lawfully obliged to obtain any licence, resource consent (including any land use consent or discharge permit) or other consents from any Authority such as required under section 348 of the Local Government Act 1974, the Lessor agrees that it and any officer, or employee or agent of the Lessor shall not raise any objection or requisition relating thereto as landowner of the Land where the Lessee is using the Land for any permitted use under this Lease and is not in any material breach or likely to be in any material breach at any time in the future of any terms and conditions of this Lease.
- 10.4 Despite any other provision in this Lease, if at any time during the term of this Lease, the Land cannot be, or can no longer be lawfully used for Conservation purposes, the Lessee may terminate this Lease on giving reasonable notice to the Lessor.

11. NO FENCING

11.1 The Lessor shall be under no liability whatsoever whether under the Fencing Act 1978 or otherwise to contribute towards the cost of erection or repair of any boundary fences between the Land and any land owned or occupied by the Lessor but nothing herein

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

contained shall be deemed to limit any liability imposed by statute upon any present or future lessee of the Lessor of any adjoining land.

12. STATUTORY REQUIREMENTS

- 12.1 The Lessee must comply with all statutes, Regional and District Plans, bylaws and regulations which relate to the Land and Improvements or which relate to the Lessee's use of the Land and Improvements and with all conditions or requirements which may be given or required by any person having any lawful authority and will in particular but without limitation:
 - 12.1.1 ensure that a warrant of fitness is obtained each year in respect of any Improvements if required under the Building Act 2004;
 - 12.1.2 comply with and observe at all times the terms and conditions of all resource consents held in respect of the use of the Land and the requirements imposed and otherwise arising under the Resource Management Act 1991; and
 - 12.1.3 ensure that proper and adequate health and safety procedures are adopted in accordance with the Health and Safety in Employment Act 1992.
- 12.2 The Lessee shall not, during the term of this Lease:
 - 12.2.1 make or enter into or endeavour to make or enter into any composition, assignment or other arrangement with or for the benefit of the Lessee's creditors;
 - 12.2.2 suffer insolvency, bankruptcy or liquidation; or
 - 12.2.3 suffer distress or allow execution to issue against the Lessee's property, goods or effects under any judgment against the Lessee in any Court in a sum in excess of twenty five thousand dollars (\$25,000.00) provided however that this subclause 12.2.3 shall have no application or effect whilst Her Majesty the Queen Acting By and Through the Commissioner of Police is the Lessee hereunder.

13. ASSIGNMENT OR SUBLETTING

- 13.1 The Lessee will not without the previous consent in writing of the Lessor assign or transfer or sublease this Lease. Such consent shall not be unreasonably or arbitrarily withheld or delayed without some good cause assigned having regard to the solvency or respectability of the proposed assignee or transferee or sublessee. Notwithstanding this Clause where the Crown (as that term is defined in section 2 of the Public Finance Act 1989) remains as the Lessee under this Lease and in occupation from the Lessor the consent of the Lessor shall not be required when another Crown entity assumes occupation of all or any part of the Land except that on each occasion that a different Crown entity (as defined in section 7(1) of the Crown Entities Act 2004) or other Crown body or state owned enterprise assumes the role and obligations of the Lessee under this Lease the Lessee shall notify the Lessor in writing of that change.
- 13.2 In the case of an assignment where the proposed assignee or transferee is a company not listed by the New Zealand Stock Exchange or a person under Clause 13.5 the Lessor may require the directors and/or the controlling shareholders of such company to enter into a deed guaranteeing the performance by that company of the terms of this Lease such guarantee to be in a form reasonably acceptable to the Lessor.

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

- 13.3 Clause 13 applies to any assignment or subletting of the interest of the Lessee by any assignee of a bankrupt Lessee or any liquidator or receiver of a Lessee that is a company.
- 13.4 For the purposes of Clause 13.1 any proposed change in the shareholding of the Lessee or any amalgamation under Section 219 of the Companies Act 1993 altering the effective control of the Lessee shall be a deemed assignment of this Lease and will require the consent of the Lessor unless such deemed assignment involves a change of effective control to any of the entities mentioned in Clause 13.5.
- 13.5 For the purposes of Clause 13.1 any proposed change in the effective control of any Lessee that is a Crown entity as that term is defined in section 7(1) of the Crown Entities Act 2004 or a State Owned Enterprise shall be a proposed assignment of this Lease. The Lessor in deciding whether or not to grant consent shall only be entitled to consider the effect of the alteration of the effective control in the ability of the Lessee to continue to meet its obligations under the Lease including contingent liabilities. For the purposes of this Clause any change in the management structure of the Lessee shall not be construed as a change in the effective control of the Lessee.
- 13.6 Where any assignment or transfer of this Lease is consented to by the Lessor, the Lessor may require the execution by the assignee or transferee of a deed of covenant with the Lessor, in a form prepared by the Lessor at the Lessor's expense, that the assignee or transferee will be bound by and perform the covenants in this Lease to be observed and performed by the Lessee but the execution of such covenant shall not release the Lessee from the Lessee's obligations under this Lease.
- 13.7 Notwithstanding any Rule of Law or anything herein expressed or implied to the contrary where Her Majesty the Queen acting by and through the Minister of Conservation in New Zealand as Lessee assigns this Lease under the provisions of this Clause 13, all the liabilities of the Lessee expressed or implied under this Lease, whether contingent or otherwise for the payment of future rents or other moneys or the future observance or performance of any of the Covenants, conditions or agreements on the part of the Lessee shall cease and determine absolutely as from the date of the Assignment thereof, but without releasing the Lessee from liability for any antecedent breach thereof.

14. LESSEE'S ACKNOWLEDGEMENT OF RISK

14.1 The Lessee agrees to occupy and use the Land and any Improvements at the Lessee's risk and release to the full extent permitted by law the Lessor its employees and agents from all claims and demands of any kind and from all liability which in the absence of any negligence on its or their part may arise in respect of any accident damage or injury occurring to any person or property in or about the Land and any Improvements thereon except where the Lessor or any person under the control of the Lessor is at fault or negligent through their own acts or omissions.

15. QUIET ENJOYMENT/REPUDIATION

15.1 Provided the Lessee performs and observes the covenants provisos conditions and agreements contained in this Lease the Lessee shall peaceably hold and enjoy the Land and Improvements thereon without hindrance or interruption by the Lessor or by any person or persons claiming under the Lessor until the expiration or sooner determination of this Lease. For the avoidance of doubt, the phrase "person or persons claiming under the Lessor" does not include beneficiaries of any trust of which the Lessor is trustee.

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

15.2 The Lessor is to compensate the Lessee and the Lessee shall be entitled to recover any damages for any loss or damage suffered by reason of any acts or omissions of the Lessor constituting a repudiation of the Lease or the Lessor's obligations under the Lease. Such entitlement shall subsist notwithstanding any cancellation or early termination of the Lease and shall be in addition to any other right or remedy which the Lessee may have.

16. REGISTRATION

- 16.1 The Lessor shall register this Lease under the provisions of the Land Transfer Act 1952.
- 16.2 The Lessee will be responsible for survey and other costs incurred in obtaining registration of this Lease.

17. IMPROVEMENTS DURING LEASE

- 17.1 Throughout the term of this Lease and on any renewal any Improvements installed or erected on the Land shall be deemed to remain in the ownership of the Lessee unless the Lessor and the Lessee otherwise agree in writing.
- 17.2 Throughout the term of this Lease and on any renewal the Lessee shall have the right to alter, construct and demolish any Improvements on the Land without the need to obtain the Lessor's consent providing all obligations required of the Lessee under this Lease relevant to Improvements on the Land are satisfied.

18. IMPROVEMENTS ON TERMINATION OF LEASE

- 18.1 No later than twelve (12) months prior to the expiry of any ten (10) year term of Lease the Lessee may give notice ("the Lessee's Transfer Notice") to the Lessor specifying any Improvements which the Lessee wishes to transfer to the Lessor following expiry of the Lease or renewal. The Lessee's Transfer Notice shall contain details of those Improvements, their current market value and the proposed terms of transfer of the Improvements.
- 18.2 The Lessor agrees to consult with the Lessee regarding the Improvements specified in the Lessee's Transfer Notice, and to consider any proposal to transfer such Improvements. Nevertheless, the Lessee acknowledges that nothing in this clause or in the Lessee's Transfer Notice shall oblige the Lessor to take a transfer of, or to pay any compensation or consideration for, such Improvements.
- 18.3 If no agreement is reached regarding the transfer of Improvements pursuant to this clause (before six months prior to the expiry of the Lease, or before the earlier termination of the Lease) the following provisions of this Clause 18 shall apply.
- 18.4 On termination of this Lease (whether by expiry of time or otherwise) except where the Lessee has exercised any rights of renewal, the Lessee will remove any Improvements specified in a written notice ("the Lessor's Removal Notice") given to the Lessee in accordance with Clause 18.5.
- 18.5 The Lessee will remove Improvements that are clearly identified in the Lessor's Removal Notice which must be given no later than three (3) months prior to the expiry of the term (time being of the essence) or one (1) month after any sooner termination.

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

- 18.6 The Lessee must remove all Improvements specified in the Lessor's Removal Notice within six (6) months from the date of termination (time being of the essence) and must ensure within that time that all services to any Improvements are properly and lawfully disconnected, the Land under any Improvements is adequately filled with soil so that the surface of the Land is stable and restored to the Lessor's reasonable satisfaction and such Land is otherwise grassed and left in a neat and tidy condition.
- 18.7 If the Lessee fails to remove any Improvements specified in the Lessor's Removal Notice in accordance with Clause 18.6 then the Lessor may remove them and all costs and expenses incurred directly and indirectly shall be recoverable against the the Lessee.
- 18.8 Any Improvements remaining on the Land after the period referred to in Clause 18.6 shall become the property of the Lessor without any compensation or other payment whatsoever to the Lessee.
- 18.9 The Lessee must continue to pay rent and outgoings under this Lease and comply with all other obligations under this Lease until it has met its obligations under Clause 18.6.
- 18.10 Whenever resource consent is required to remove or demolish any Improvements the Lessee shall use all reasonable endeavours to obtain all necessary consents and shall continue to be obliged to pay rent and outgoings under this Lease until such time that the Lessor is satisfied on reasonable grounds that the Lessee has used all reasonable endeavours to obtain all necessary consents and produced to the Lessor evidence satisfactory to the Lessor to satisfy this requirement.
- 18.11 At the expiry of the lease if the Lessor has specified in writing no less than three (3) months prior to the final expiry date of the lease that a change of any permitted activity under the relevant Regional and District Plans or use permitted under any resource consent held in respect of the Land is required the Lessee shall be obliged to obtain any change.

19. DESTRUCTION AND REDEVELOPMENT

- 19.1 The Lessee shall be entitled to carry out repairs, demolition, relocation, additions, reinstatement or redevelopment to any Improvements on the Land in the event of total or partial destruction or in the event of the Lessee wishing to demolish, relocate, redevelop, replace or add to any Improvements on the Land provided the following conditions are or will be satisfied:
 - 19.1.1 any repair, demolition, relocation, addition, reinstatement or redevelopment shall fully comply with Regional and District Plans and all statutory and regulatory requirements in force at the time; and
 - 19.1.2 the Lessee is able to obtain all resource and building consents necessary to carry out any works programme; and
 - 19.1.3 upon satisfaction of such conditions the Lessee shall repair, demolish, relocate, reinstate, rebuild or add to (as the case may be) any Improvements or such part of Improvements requiring such work in accordance with the conditions set out above.
- 19.2 In the event that the Lessee is prevented or unable to reinstate or rebuild in the event of total or partial destruction it may forthwith terminate this Lease provided that the

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

Lessee demolishes the Improvements and clears and restores the Land all in accordance with the requirements of Clause 18.6.

20. NOTICES

- 20.1 All notices must be in writing and must be served by one of the following means:
 - (a) in the case of a notice under sections 245 or 246 of the Property Law Act 2007 in the manner prescribed by section 353 of that Act; and
 - (b) in all other cases, unless otherwise required by sections 352 to 361 of the Property Law Act 2007:
 - (i) in the manner authorised by sections 354 to 361 of the Property Law Act 2007; or
 - (ii) by personal delivery, or by posting by registered or ordinary mail, or by facsimile transmission.
- 20.2 All notices to be given to the Lessor or to the Lessee hereunder shall be deemed sufficiently served:
 - (a) in the case of personal delivery, when received by the addressee at the address detailed in clause 20.3; and
 - (b) in the case of posting by registered mail, on the third working day following the date of posting to the addressee at the address detailed in clause 20.3; and
 - (c) in the case of facsimile transmission, on the working day following the date of sending to the addressee's facsimile number designated in clause 20.3 provided that the sender produces a confirmation notice that the facsimile has been sent on that day.

20.3 Details for Notices

Lessor

Te Ātiawa o Te Waka-a-Maui Trust c/- 72 Trafalgar St, Nelson 7010 or P.O. Box 10, Nelson 7010 Fax: 03 548 4901

Contact Name: John Murray.

Lessee

Her Majesty the Queen, acting by and throught he Minister of Conservation 186 Bridge Street, Nelson Private Bag 5, Nelson Telephone (03) 546 9335

Fax (03) 548 2805

A notice shall be valid if given by the duly authorised representative of the party giving the notice. If a notice is not given by the Lessor, it is to be supported by satisfactorily written delegation from the Lessor confirming the appointment of the party giving the notice.

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

21. DEFAULT BY LESSEE

- 21.1 The Lessor may (in addition to the Lessor's right to apply to the Court for an order for possession) cancel this Lease by re-entering the land at the time or any time thereafter:
 - 21.1.1 If the rent shall be in arrear twenty (20) working days after any of the rent payment dates and the Lessee has failed to remedy that breach within ten (10) working days after service on the Lessee of a notice in accordance with section 245 of the Property Law Act 2007;
 - 21.1.2 In case of breach by the Lessee of any covenant or agreement on the Lessee's part herein expressed or implied (other than the covenant to pay rent) after the Lessee has failed to remedy that breach within the period specified in a notice served on the Lessee in accordance with Section 246 of the Property Law Act 2007; and
 - 21.1.3 the term shall terminate on such cancellation but without prejudice to the rights of either party against the other.

22. DISPUTE RESOLUTION

- 22.1 Any dispute or difference which may arise between the parties concerning the interpretation of this Lease or relating to any other matter arising under this Lease will be actively and in good faith negotiated by the parties with a view to a speedy resolution of such differences.
- 22.2 If the parties cannot resolve a dispute or difference within fifteen (15) business days of any dispute or difference arising then, unless otherwise expressly provided in this Lease, they will without prejudice to any other right, explore whether such dispute or difference can be resolved by agreement between them using informal dispute resolution techniques such as mediation. The rules governing any such technique if adopted will be agreed between the parties or as selected by the organisation known as "LEADR" (Lawyers Engaged in Alternative Dispute Resolution).
- 22.3 If the parties cannot agree on any dispute resolution technique within a further fifteen (15) business days of any dispute or difference being considered for referral by both parties to any informal dispute resolution technique under Clause 22.2 then the dispute or difference shall be settled by reference to arbitration. Except as otherwise expressly provided in this Lease the reference shall be to a single arbitrator if one can be agreed upon, or to two arbitrators (one to be appointed by each party) and their umpire (appointed by them prior to their arbitration), such arbitration to be carried out in accordance with the Arbitration Act 1996 or any successor Act.
- 22.4 The parties will co-operate to ensure the expeditious conduct of any arbitration. In particular, each party will comply with any reasonable time limits sought by the other for settling terms of reference, interlocutory matters and generally all steps preliminary and incidental to the hearing and determination of the proceedings.

23. COSTS

23.1 The parties shall each pay their own solicitors' costs on preparing and finalising this Lease or any renewal or variation of this Lease.

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

- 23.2 The Lessee shall be responsible for payment of all registration fees including agency charges imposed and all government tax duty or imposts at any time payable on this Lease or any renewal or variation to this Lease.
- 23.3 The Lessee shall pay for all costs, charges and expenses for which the Lessor shall become liable in consequence of or in connection with any breach or default by the Lessee in the performance or observance of any of the terms, covenants and conditions of this Lease.

24. LESSOR'S RIGHTS TO INSPECT AND DISPLAY SIGNS

- 24.1 The Lessor will have the right to inspect the Land no more than twice each year during the term or any renewal of this Lease with valuers or other experts and consultants provided such inspections are carried out at times reasonably acceptable to the Lessee on reasonable notice to the Lessee and only when accompanied by a servant or agent of the Lessee. Any such inspections should be carried out in accordance with the Lessee's security and health and safety requirements and the Lessee shall have the right to change any suggested time to a mutually convenient time.
- 24.2 Notwithstanding anything else herein, the parties agree that the Lessee may require any person wishing to enter the Land for inspection purposes to first provide their details to the Lease for a security check. If the results of such check are not acceptable to the Lessee for any reason then such person may be refused entry to the Land.
- 24.3 If the Lessor desires to, or is required to, undertake any works on the Land, including any repair or maintenance works, that involves the use of contractors or other third parties, the Lessor must procure any contractor or other third party who will have access to the Land to undertake such works to:
 - (a) complete a security check on terms reasonably acceptable to the Lessee;
 - (b) provide the Lessee with a copy of the contractor's Health and Safety Plan which shall be subject to the Lessee's reasonable approval prior to any work commencing; and
 - (c) familiarise themselves with and commit to complying with the Lessee's own Health and Safety Plan in all material respects.
- 24.4 The Lessor will not provide or allow the provision of any information relating to the structure, or access to, the buildings on the Land in any way to any person without first obtaining the written permission of the Lessee.
- 24.5 The Lessee will during the period of three (3) months prior to the termination date of this Lease permit the Lessor to exhibit the Land to prospective lessees or purchasers and allow the Lessor to affix to the Land appropriate sale or reletting notices.

25. DISPOSAL OF LESSOR'S INTEREST

- 25.1 Subject to the provisions of this clause the Lessor may at any time dispose of the Lessor's interest in the Land provided:
 - 25.1.1 any such disposal shall preserve to the Lessee all the Lessee's rights and remedies under this Lease; and

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

- 25.1.2 that while Her Majesty the Queen is the Lessee and occupies the Land the following further provisions shall apply:
 - (a) the Lessor shall advise the Lessee in writing of the person or corporation to whom the Lessor intends to dispose of its interest in the Land (proposed Assignee);
 - (b) If the Lessee has any objection to the proposed Assignee because the Lessee reasonably apprehends in good faith that either:
 - (i) the proposed Assignee presents an actual or potential threat to the discharge by the Lessee of the Lessee's statutory obligations; or
 - (ii) the role or function of the Lessee will be prejudiced by the proposed Assignee becoming the Lessor;

then the Lessee shall within five (5) working days of receiving the Lessor's advice pursuant to clause 25.1 above, notify the Lessor in writing of its objection to the proposed Assignee and shall substantiate its reasonable apprehension to the reasonable satisfaction of the Lessor:

- 25.2 If the Lessor does not receive written notice from the Lessee pursuant to clause 25.1 above together with grounds to substantiate its reasonable apprehension within five (5) working days from the date of its advice to the Lessee, the Lessee shall be deemed to have accepted the proposed Assignee.
- 25.3 If the Lessee objects to the proposed Assignee in accordance with clause 25.1 above, then the Lessor shall not dispose of its interest to the proposed Assignee.
- 25.4 If the Lessor fails to advise the Lessee in writing of the disposal of its interest in the Land and the Lessee has objections to the proposed Assignee based on those reasons set out in clauses 25.1 above, then the Lessee shall be entitled at any time thereafter to terminate this Lease on seven (7) days written notice and the Lessee's obligations under this Lease shall cease from the expiration of such notice.

26. HOLDING OVER

26.1 If the Lessor permits the Lessee to remain in occupation of the Land after the expiration or sooner determination of this Lease, such occupation shall be a tenancy at will only terminable by twenty (20) working days written notice at the rent then payable per month for the Land and otherwise on the same covenants and agreements (so far as applicable to a tenancy at will) as herein expressed or implied.

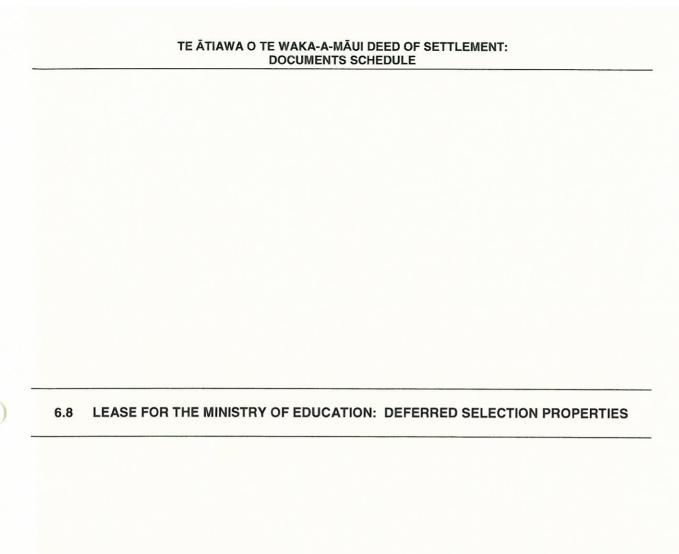
27. EXCLUSION OF IMPLIED PROVISIONS

- 27.1 The following covenants, conditions and powers implied in leases of land pursuant to Schedule 3 of the Property Law Act 2007 are expressly excluded from application to this Lease:
 - 27.1.1 Clause 10 Premises unable to be used for particular purpose; and
 - 27.1.2 Clause 11 Power to inspect premises.

6.7: LEASE WITH THE DEPARTMENT OF CONSERVATION FOR LEASEBACK PROPERTIES

SCHEDULE OF LAND

All that parcel of land containing 0.1011 hectares more or less, being Section 536, Town of Picton MLD located in York Street Picton.



6.8: LEASE FOR THE MINISTRY OF EDUCATION DEFERRED SELECTION PROPERTIES

WITHOUT PREJUDICE and SUBJECT TO APPROVAL BY MINISTER Draft template as at 4 October 2011

MINISTRY OF EDUCATION TREATY SETTLEMENT LEASE

MEMORANDUM OF LEASE dated []

LESSOR [THE TRUSTEES OF TE ĀTIAWA O TE WAKA-A-MĀUI TRUST]

LESSEE HER MAJESTY THE QUEEN acting by and through the Secretary for Education

- A The purpose of this Lease is to give effect to the signed Deeds of Settlement between Te Ātiawa o Te Waka-a-Māui, Te Ātiawa o Te Waka-a-Māui Trust and the Crown, under which the parties agreed to sell the Land to the trustees of the Te Ātiawa o Te Waka-a-Māui Trust and lease it back to the Crown.
- B The Lessor owns the Land described in Item 1 of Schedule A.
- C The Lessor has agreed to lease the Land to the Lessee on the terms and conditions in this Lease.
- D The Lessor leases to the Lessee the Land from the Start Date, at the Annual Rent, for the Term, with the Rights of Renewal and for the Permitted Use all as described in Schedule A.
- E The Lessee accepts this Lease of the Land to be held by the Lessee as tenant and subject to the conditions, restrictions and covenants as set out in Schedules A and B.

[SIGNED on behalf of the Lessor by]

[SIGNED on behalf of the Lessee by]

6.8: LEASE FOR THE MINISTRY OF EDUCATION DEFERRED SELECTION PROPERTIES

SCHEDULE A

ITEM 1 THE LAND

[Insert legal description of Land]

ITEM 2 START DATE

[Insert start date].

ITEM 3 ANNUAL RENT

\$[] plus GST per annum payable monthly in advance on the first day of each month with a first payment due on the [Date] day of [Month & Year].

ITEM 4 TERM OF LEASE

21 Years.

ITEM 5 LESSEE OUTGOINGS

- Rates and levies payable to any local or territorial authority, excluding any taxes levied against the Lessor in respect of its interest in the Land.
- 5.2 All charges relating to the maintenance of any Lessee Improvements (whether of a structural nature or not).
- 5.3 The cost of ground maintenance, including the maintenance of playing fields, gardens and planted and paved areas.
- **5.4** Maintenance of car parking areas.
- 5.5 All costs associated with the maintenance or replacement of any fencing on the Land.

ITEM 6 PERMITTED USE

The Permitted Use referred to in clause 9.

ITEM 7 RIGHT OF RENEWAL

Perpetual rights of renewal of 21 years each from [Date], and each 21st yearly anniversary after that date.

ITEM 8 RENT REVIEW DATES

[Date] and 7 yearly after that Date.

ITEM 9 LESSEE'S IMPROVEMENTS

As defined in clause 1.9 and including the following existing improvements: [List all existing buildings and improvements on the Land together with all playing fields and sub soil works (including stormwater and sewerage drains) built or installed by the Lessee or any agent, contractor or sublessee or licensee of the Lessee on the Land].

6.8: LEASE FOR THE MINISTRY OF EDUCATION DEFERRED SELECTION PROPERTIES

ITEM 10 CLAUSE 16.5 NOTICE

To: [Post-Settlement Governance Entity] ("the Lessor")

And to: The Secretary, Ministry of Education, National Office, PO Box

1666, WELLINGTON 6011 ("the Lessee")

From: [Name of Mortgagee/Chargeholder] ("the Lender")

The Lender acknowledges that in consideration of the Lessee accepting a lease from the Lessor of all the Land described in the Schedule to the Lease attached to this Notice which the Lender acknowledges will be for its benefit:

- (i) It has notice of the provisions of clause 16.5 of the Lease; and
- (ii) It agrees that any Lessee's Improvements (as defined in the Lease) placed on the Land by the Lessee at any time before or during the Lease shall remain the Lessee's property at all times; and
- (iii) It will not claim any interest in any Lessee's Improvements under the security of its loan during the relevant period no matter how any Lessee's Improvement may be fixed to the Land and regardless of any rule of law or equity to the contrary or any provisions of its security to the contrary; and
- (iv) It agrees that this acknowledgement is irrevocable.

[SCHEDULE	1
	[Form of execution by Le	nder]
	[Date]	

6.8: LEASE FOR THE MINISTRY OF EDUCATION DEFERRED SELECTION PROPERTIES

ITEM 11 CLAUSE 16.6 NOTICE

To:

[Post-Settlement Governance Entity] ("the Lessor")

And to:

The Secretary, Ministry of Education, National Office, PO Box

1666, WELLINGTON 6011 ("the Lessee")

From

[Name of Mortgagee/Chargeholder] ("the Lender")

The Lender acknowledges that before it advanced monies to the Lessor under a security ("the Security") given by the Lessor over the Land described in the Schedule to the Lease attached to this Notice) it had notice of and agreed to be bound by the provisions of clause 16.6 of the Lease and that in particular it agrees that despite any provision of the Security to the contrary and regardless of how any Lessee's Improvement is fixed to the Land it:

- (i) will not claim any security interest in any Lessee's Improvement (as defined in the Lease) at any time; and
- (ii) acknowledges that any Lessee's Improvements remain the Lessee's property at all times.

SCHEDULE	
L	J
[Form of execution by Lender]	
[Date]	
	[Form of execution by Lender]

6.8: LEASE FOR THE MINISTRY OF EDUCATION DEFERRED SELECTION PROPERTIES

SCHEDULE B

1 Definitions

- 1.1 The term "Lessor" includes and binds:
 - (a) the persons executing this Lease as Lessor; and
 - (b) any Lessor for the time being under the Lease; and
 - (c) all the respective executors, administrators, successors, assignees and successors in the title of each Lessor and if more than one jointly and severally.
- 1.2 The term "Lessee" includes and binds:
 - (a) the person executing this Lease as Lessee; and
 - (b) all the Lessees for the time being under the Lease; and
 - (c) all the respective executors, administrators, successors, assignees and successors in the title of each Lessor and if more than one jointly and severally.
- 1.3 "Business Day" means a day that is not:
 - (a) a Saturday or Sunday; or
 - (b) Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's Birthday, and Labour Day; or
 - (c) a day in the period commencing with 25 December in any year and ending with the close of 15 January in the following year; or
 - (d) the days observed as the anniversaries of the provinces of Nelson and Wellington.
- 1.4 "Crown" has the meaning given in section 2(1) of the Public Finance Act 1989.
- 1.5 "Crown Body" means:
 - (a) a Crown entity (as defined by section 7(1) of the Crown Entities Act 2004); and
 - (b) a State enterprise (as defined in section 2 of the State-Owned Enterprises Act 1986); and
 - (c) the New Zealand Railways Corporation; and
 - (d) a company or body that is wholly owned or controlled by one or more of the following:
 - (v) the Crown;
 - (vi) a Crown entity;
 - (vii) a State enterprise:

6.8: LEASE FOR THE MINISTRY OF EDUCATION DEFERRED SELECTION PROPERTIES

- (viii) the New Zealand Railways Corporation; and
- (e) a subsidiary of, or related company to, a company or body referred to in clause 1.5(d).
- 1.6 "Department" has the meaning given in section 2 of the Public Finance Act 1989.
- 1.7 **"Education Purposes"** means any or all lawful activities necessary for, or reasonably related to, the provision of education.
- "Legislation" means any applicable statute (including regulations, orders, rules or notices made under that statute and all amendments to or replacements of that statute), and all bylaws, codes, standards, requisitions or notices made or issued by any lawful authority.
- 1.9 "Lessee's Improvements" means all improvements on the Land of any kind including buildings, sealed yards, paths, lawns, gardens, fences, playing fields, subsoil works (including stormwater and sewerage drains) and other property of any kind built or placed on the Land by the Lessee or any agent or sub-lessee or licensee of the Lessee whether before or after the Start Date of this Lease and includes those listed in Item 9 of Schedule A.
- 1.10 "Lessee's property" includes property owned wholly or partly by a sublessee or licensee of the Lessee.
- 1.11 "Maintenance" includes repair.
- 1.12 "Public Work" has the meaning given in section 2 of the Public Works Act 1981.
- 1.13 "Sublet" and "Sublease" include the granting of a licence to occupy the Land or part of it.

2 Payment of Annual Rent

- 2.1 The Lessee will pay the Annual Rent as set out in Item 3 of Schedule A.
- 2.2 The initial Annual Rent payable at the Start Date will be set at 6.25% of the Transfer Value of the Land as defined in clause 2.3.
- 2.3 The Transfer Value of the Land is equivalent to the market value of the Land exclusive of improvements less 20%.

3 Rent Review

When a party initiates the rent review process as set out in clause 3.5:

- 3.1 At each rent review the Annual Rent will be calculated at 6.25% of the value calculated at the midpoint between the Current Market Value of the Land as a School Site set out in clause 3.2 and the Nominal Value as set out in clause 3.4.
- 3.2 The Current Market Value of the Land as a School Site referred to in clause 3.1 above is equivalent to the market value of the Land exclusive of improvements based on highest and best use less 20%.

6.8: LEASE FOR THE MINISTRY OF EDUCATION DEFERRED SELECTION PROPERTIES

- 3.3 The highest and best use referred to in clause 3.2 is to be based on the zoning for the Land in force at the beginning of that Term.
- 3.4 The Nominal value is:
 - (a) for the first Rent Review Date: a value based on 4% growth per annum of the Transfer Value of the Land
 - (b) for subsequent Rent Review Dates: a value based on 4% growth per annum of the reset value fixed under clause 3.1 above.
- 3.5 The rent review process will be as follows:
 - (a) At any time during the period which starts three months before any Rent Review Date and ends one year after any Rent Review Date (time being of the essence) either party may give written notice to the other specifying a new Annual Rent, calculated in accordance with clause 3.1, which the notifying party considers should be charged from that Rent Review Date ("Rent Review Notice"). The Rent Review Notice must be supported by a registered valuer's certificate.
 - (b) If the notified party accepts the notifying party's assessment in writing the Annual Rent will be the rent specified in the Rent Review Notice which will be payable in accordance with step (I) below.
 - (c) If the notified party does not agree with the notifying party's assessment it has 30 Business Days after it receives the Rent Review Notice to issue a notice disputing the proposed new rent ("the Dispute Notice"), in which case the steps set out in (d) to (k) below must be followed. The Dispute Notice must be supported by a registered valuer's certificate.
 - (d) Until the new rent has been determined or agreed, the Lessee will continue to pay the Annual Rent at the existing amount which had been payable up to the Rent Review Date.
 - (e) The parties must try to agree on a new Annual Rent.
 - (f) If a new Annual Rent has not been agreed within 20 Business Days of the receipt of the Dispute Notice then the new Annual Rent may be determined either:
 - (i) by one party giving written notice to the other requiring the new Annual Rent to be determined by arbitration in accordance with clause 31; or
 - (ii) if the parties agree, by registered valuers acting as experts and not as arbitrators as set out in steps (g) to (k) below.
 - (g) Within 10 Business Days of the agreement referred to in subclause (f)(ii) each party will appoint a valuer and give written notice of the appointment to the other party. If the party receiving a notice fails to appoint a valuer within the 10 Business Day period then the valuer appointed by the other party will determine the new Annual Rent and that determination will be binding on both parties.
 - (h) Within 10 Business Days of their appointments the two valuers must appoint an umpire who must be a registered valuer. If the valuers cannot agree on an

6.8: LEASE FOR THE MINISTRY OF EDUCATION DEFERRED SELECTION PROPERTIES

umpire they must ask the president of the Property Institute of New Zealand Incorporated (or equivalent) to appoint an umpire.

- (i) Once the umpire has been appointed the valuers must try to determine the new Annual Rent by agreement. If they fail to agree within 40 Business Days (time being of the essence) the Annual Rent will be determined by the umpire.
- (j) Each party will have the opportunity to make written or verbal representations to the umpire within the period, and on the conditions, set by the umpire.
- (k) When the rent has been determined or agreed, the umpire or valuers must give written notice of it to the parties. The parties will each pay their own valuer's costs and will share the umpire's costs equally between them.
- (I) Once the new rent has been agreed or determined it will be the Annual Rent from the Rent Review Date or the date of the notifying party's notice if that notice is given later than 60 Business Days after the Rent Review Date. Any shortfall in, or overpayment of, Annual Rent from the Rent Review Date until the date of agreement or determination of that rent shall be paid by the Lessee or, as the case may be, repaid by the Lessor within 10 Business Days of that agreement or determination.
- (m) The rent review provisions may be varied by the parties by agreement and must be recorded in a variation of this Lease.

4 Payment of Lessee Outgoings

During the Term of this Lease the Lessee must pay the Lessee Outgoings specified in Item 5 of Schedule A directly to the relevant person.

5 Valuation Roll

Where this Lease is registered under section 115 of the Land Transfer Act 1952 the Lessee will be entered in the rating information database and the district valuation roll as the ratepayer for the Land and will be responsible for payment of any rates.

6 Utility Charges

- 6.1 The Lessee must promptly pay to the relevant authority or supplier all utility charges including water, sewerage, drainage, electricity, gas, telephone and rubbish collection which are separately metered or charged in respect of the Land.
- 6.2 If any utility or service is not separately charged in respect of the Land then the Lessee will pay a fair and reasonable proportion of the charges.
- 6.3 If required to do so by the Lessor or any territorial or local authority the Lessee must at its own expense install any meter necessary to assess the charges for any utility or other service supplied to the Land.

7 Goods and Services Tax

The Lessee will pay the Lessor on demand the goods and services tax (GST) payable by the Lessor in respect of the Annual Rent and other payments payable by the Lessee under this Lease.

6.8: LEASE FOR THE MINISTRY OF EDUCATION DEFERRED SELECTION PROPERTIES

8 Interest

If the Lessee fails to pay within 10 Business Days any amount payable to the Lessor under this Lease (including rent) the Lessor may, without prejudice to the Lessor's other rights and remedies, charge the Lessee interest at the maximum rate of interest from time to time payable by the Lessor to its principal banker for an overdraft facility plus a margin of 4% per annum accruing on a daily basis from the due date for payment until the Lessee has paid the overdue amount. The Lessor is entitled to recover this interest as if it were rent in arrears.

9 Permitted Use of Land

- 9.1 The Land may be used for:
 - (c) Education Purposes; and/or
 - (d) any other Public Work, including any lawful secondary or incidental use, PROVIDED THAT any such Public Work or use is:
 - (k) required for wider social and health initiatives that complement the school; and
 - (l) compatible with the core use of the Land as a school site.

10 Designation

The Lessor consents to the Lessee requiring a designation or designations under the Resource Management Act 1991 for the purposes of the Permitted Use and maintaining that designation or those designations for the Term of this Lease. The Lessor may specify in writing no less than three (3) months prior to the expiry of the Lease that a change of any permitted activity under the relevant Regional and District Plans or use permitted under any resource consent held in respect of the Land is required, and the Lessee shall be obliged to obtain any such change.

11 Compliance with Law

The Lessee must at its own cost comply with the provisions of all relevant Legislation.

12 Hazards

- 12.1 The Lessee must take all reasonable steps to minimise or remedy any hazard arising from the Lessee's use of the Land and ensure that any hazardous goods are stored or used by the Lessee or its agents on the Land in accordance with all relevant Legislation.
- 12. 2 Subject to clause 13.1, in the event the state of the Land is altered by any natural event including flood, earthquake, slip or erosion the Lessor agrees at its own cost to promptly address any hazards for the protection of occupants of the site and to remediate any hazards as soon as possible. The Lessee must notify the Lessor of any such event without delay.

13 Damage or Destruction

13.1 If as the result of a natural event the Land is destroyed, altered or damaged so significantly that it is no longer suitable for the Permitted Use, then the Term will

6.8: LEASE FOR THE MINISTRY OF EDUCATION DEFERRED SELECTION PROPERTIES

immediately terminate, provided that any termination under this clause will be without prejudice to the rights of either party against the other.

13.2 If the Land is damaged or altered but not so significantly that it is no longer suitable for the Permitted Use, the parties may renegotiate in good faith the Annual Rent payable under this Lease and may agree to suspend the parties' obligations under this Lease for an agreed period.

14 Contamination

- 14.1 When this Lease ends the Lessee agrees to remedy any Contamination caused by the use of the Land by the Lessee or its agents during the Term of the Lease by restoring the Land to a standard reasonably fit for human habitation.
- 14.2 Under no circumstances will the Lessee be liable for any Contamination on or about the Land which is caused by the acts or omissions of any other party, including the owner or occupier of any adjoining land.
- 14.3 In this clause "Contamination" means any change to the physical, biological, or chemical condition of the Land by a Contaminant and "Contaminant" has the meaning set out in section 2 of the Resource Management Act 1991.

15 Easements

- 15.1 The Lessee may without the Lessor's consent conclude (on terms no more favourable than this Lease) all easements or other rights and interests over or for the benefit of the Land which are necessary for, or incidental to, either the Permitted Use or to any permitted alterations or additions to the Lessee's Improvements and the Lessor agrees that it will execute any documentation reasonably required to give legal effect to those rights. Any reasonable costs incurred by or on behalf of the Lessor in attending to the matters provided for in this clause 15.1 shall be met by the Lessee.
- 15.2 The Lessee must take all steps necessary to remove at the Lessor's request at the end of the Lease any easement or other burden on the title which may have been granted after the Start Date of the Lease.
- 15.3 The Lessor must not cancel, surrender or modify any easements or other similar rights or interests (whether registered or not) which are for the benefit of or appurtenant to the Land without the prior written consent of the Lessee.
- 15.4 When the Lease ends the Lessee must transfer to the Lessor for nil consideration any consent, permit, use right or any other right to take water from the Land (whether such water is located on the surface of the Land or underneath it).

16 Lessee's Improvements

- 16.1 The parties acknowledge that despite any rule of law or equity to the contrary, the intention of the parties as recorded in the Deed of Settlement is that ownership of improvements whether or not fixed to the Land will remain unaffected by the sale of the Land, so that throughout the Term of this Lease all Lessee's Improvements will remain the Lessee's property.
- 16.2 The Lessee or its agent or sub-lessee or licensee may build or alter Lessee's Improvements without the Lessor's consent where necessary for, or incidental to, the Permitted Use. For the avoidance of doubt, this clause extends to Lessee's

6.8: LEASE FOR THE MINISTRY OF EDUCATION DEFERRED SELECTION PROPERTIES

Improvements owned (wholly or partly) or occupied by third parties provided that all necessary consents are obtained.

- 16.3 The Lessee acknowledges that the Lessor has no maintenance obligations for any Lessee's Improvements.
- 16.4 If any Lessee's Improvements are destroyed or damaged, the Lessee may decide whether or not to reinstate without consulting the Lessor and any insurance proceeds will be the Lessee's property.
- 16.5 If the Land is subject to any mortgage or other charge at the Start Date, the Lessor will give the Lessee written acknowledgment of all existing mortgagees or chargeholders in the form prescribed in Schedule A Item 10 and executed by the mortgagees or chargeholders. The Lessor acknowledges that the Lessee is not required to execute this Lease until the provisions of this subclause have been fully satisfied.
- 16.6 If the Lessor proposes to grant any mortgage or charge after the Start Date it must first have required any proposed mortgagee or chargeholder to execute the written acknowledgment prescribed in Schedule A Item 11. The Lessor agrees not to grant any mortgage or charge until the provisions of this clause have been satisfied and to deliver executed originals of those acknowledgments to the Lessee within three Business Days from the date of their receipt by the Lessor.
- 16.7 The Lessee may demolish or remove any Lessee's Improvements at any time during the Lease Term without the consent of the Lessor provided that the Lessee reinstates the Land to a tidy and safe condition which is free from Contamination in accordance with clause 14.
- 16.8 When this Lease ends the Lessee may remove any Lessee's Improvements from the Land without the Lessor's consent.
- 16.9 The Lessee agrees that it has no claim of any kind against the Lessor in respect of any Lessee's Improvements or other Lessee's property left on the Land after this Lease ends and that any such Lessee's property shall at that point be deemed to have become the property of the Lessor.

17 Rubbish Removal

The Lessee agrees to remove at its own cost all rubbish from the Land and to keep any rubbish bins tidy.

18 Signs

The Lessee may display any signs which relate to the Permitted Use without the Lessor's consent. The Lessee must remove all signs at the end of the Lease.

19 Insurance

- 19.1 The Lessee is responsible for insuring or self insuring any Lessee's Improvements on the Land.
- 19.2 The Lessee must ensure that any third party which is not a Crown Body permitted to occupy part of the Land has adequate insurance at its own cost against all public liability.

6.8: LEASE FOR THE MINISTRY OF EDUCATION DEFERRED SELECTION PROPERTIES

20 Fencing

- 20.1 The Lessee acknowledges that the Lessor is not obliged to build or maintain, or contribute towards the cost of, any boundary fence between the Land and any adjoining land.
- 20.2 If the Lessee considers it reasonably necessary for the purposes of the Permitted Use it may at its own cost fence the boundaries of the Land.

21 Quiet Enjoyment

- 21.1 If the Lessee pays the Annual Rent and complies with all its obligations under this Lease, it may quietly enjoy the Land during the Lease Term without any interruption by the Lessor or any person claiming by, through or under the Lessor.
- 21.2 The Lessor may not build on the Land or put any improvements on the Land without the prior written consent of the Lessee.

22 Assignment

- 22.1 Provided that the Land continues to be used for Education Purposes, the Lessee has the right to assign its interest under the Lease without the Lessor's consent to:
 - (a) any Department or Crown Body; or
 - (b) any other party provided that the assignment complies with the Education Act 1989 and the Public Works Act 1981 (if applicable).
- 22.2 If the Lessee wishes to assign the Lease to any party for any Permitted Use which is not an Education Purpose it must first seek the Lessor's consent (which will not be unreasonably withheld).
- 22.3 Without limiting clause 22.1, the Lessor agrees that the Lessee has the right to nominate any Department to exercise for Education Purposes the rights and obligations in respect of the Lessee's interest under this Lease and that this will not be an assignment for the purposes of clause 22 or a subletting for the purposes of clause 23.
- 22.4 If the Lessee proposes to enter into any assignment in which the Land will no longer be used for Education Purposes, the Lessor may, as a precondition to the grant of its consent, require the assignee to renegotiate in good faith the provisions of this Lease.

23 Subletting

- 23.1 Provided that the Land continues to be used for the Permitted Use, the Lessee has the right to sublet its interest under the Lease without the Lessor's consent to:
 - (a) any Department or Crown Body; or
 - (b) any other party provided that the assignment complies with the Education Act 1989 and the Public Works Act 1981 (if applicable).
- 23.2 If the Lessee wishes to sublet the Lease to any party which is not a Permitted Use it must first seek the Lessor's consent (which will not be unreasonably withheld).

6.8: LEASE FOR THE MINISTRY OF EDUCATION DEFERRED SELECTION PROPERTIES

24 Occupancy by School Board of Trustees

- 24.1 The Lessee has the absolute right to sublet to or otherwise permit a school board of trustees to occupy the Land on terms and conditions set by the Lessee from time to time in accordance with the Education Act 1989 and otherwise consistent with this Lease.
- 24.2 The Lessor agrees that the covenant for quiet enjoyment contained in clause 21 extends to any board of trustees occupying the Land.
- 24. 3 A board of trustees occupying the Land has the right to sublet or license any part of the Land or the Lessee's Improvements to any third party in accordance with the Education Act 1989 and any licence or lease to any third party existing at the Start Date of this Lease will continue in effect until that licence or lease ends.

25 Lessee Break Option

- 25.1 Subject to clause 25.2, the Lessee may at any time end this Lease by giving not less than 6 months notice in writing to the Lessor. At the end of the notice period the Lease will end and the Lessee will pay a further 12 months rent to the Lessor, who agrees to accept that sum in full and final satisfaction of all claims, loss and damage which the Lessor could otherwise claim because the Lease has ended early, but without prejudice to any right or remedy available to the Lessor as a consequence of any breach of this Lease by the Lessee which occurred before the Lease ended.
- 25.2 For the initial term only, if the leases for more than 25% of the school sites or more than one school site, whichever is the greater, held or previously held with each Lessor, have been ended by the Lessee at the date of the notice in writing in clause 25.1, then the Lessee will pay a further 24 months rent to the relevant Lessor in addition to the 12 months specified in clause 25.1.

26 Breach

Despite anything else in this Lease, the Lessor agrees that, if the Lessee breaches any terms or conditions of this Lease, the Lessor must not in any circumstances cancel this Lease or reenter into possession but may seek such other remedies which are lawfully available to it.

27 Notice of Breach

- 27.1 Despite anything expressed or implied in this Lease, the Lessor will not exercise its rights under clause 26 unless the Lessor has first given the Lessee written notice of the breach on which the Lessor relies and given the Lessee an opportunity to remedy the breach as provided below:
 - (a) by paying the Lessor all money necessary to remedy the breach within 20 Business Days of the notice; or
 - (b) by undertaking in writing to the Lessor within 20 Business Days of the notice to remedy the breach and then remedying it within a reasonable time; or
 - (c) by paying to the Lessor within 60 Business Days of the notice compensation to the reasonable satisfaction of the Lessor in respect of the breach having regard to the nature and extent of the breach.

6.8: LEASE FOR THE MINISTRY OF EDUCATION DEFERRED SELECTION PROPERTIES

27.2 If the Lessee remedies the breach in one of the ways set out above the Lessor will not be entitled to rely on the breach set out in the notice to the Lessee and this Lease will continue as if no such breach had occurred.

28 Renewal

- 28.1 If the Lessee has performed its obligations under this Lease the Lessor agrees that the Lease will automatically be renewed in perpetuity every 21 years beginning with the 21st anniversary of the Start Date for a further 21 year period unless the Lessee gives written notice to the Lessor at least six months before the expiry of the current Lease Term that it does not wish the Lease to be renewed.
- 28.2 The renewed lease will be on the terms and conditions expressed or implied in this Lease, including this right of renewal, provided that either party may initiate the rent review process in accordance with clause 3.

29 Right of First Refusal for Lessor's Interest

- 29.1 If at any time during the Lease Term the Lessor wishes to sell or transfer its interest in the Land the Lessor must within a reasonable time give written notice (Lessor's Notice) to the Lessee setting out the terms on which the Lessor wishes to sell the Land and offering to sell it to the Lessee on those terms.
- 29.2 The Lessee has 60 Business Days after and excluding the date of receipt of the Lessor's Notice (time being of the essence) in which to exercise the Lessee's right to purchase the Land, by serving written notice on the Lessor (Lessee's Notice) accepting the offer contained in the Lessor's Notice.
- 29.3 If the Lessee does not serve the Lessee's Notice on the Lessor in accordance with clause 29.2 the Lessor may sell or transfer the Lessor's interest in the Land to any person on no more favourable terms than those previously offered to the Lessee.
- 29.4 If the Lessor wishes to offer more favourable terms for selling or transferring the Lessor's interest in the Land than the terms contained in the Lessor's Notice, the Lessor must first re-offer its interest in the Land to the Lessee on those terms by written notice to the Lessee and clauses 29.1–29.4 (inclusive) will apply and if the re-offer is made within six months of the Lessor's Notice the 60 Business Days period must be reduced to 30 Business Days.
- 29.5 The Lessor may dispose of the Lessor's interest in the Land:
 - (a) to a wholly owned subsidiary of the Lessor; or
 - (b) to a successor in title to the Lessor following its restructure, reorganisation or dissolution:

and in any case the consent of the Lessee is not required and the Lessee's right to purchase the land under clause 29 will not apply.

30 Entire Agreement

This Lease sets out the entire agreement between the parties in relation to the Land and any variation to the Lease must be recorded in writing and executed in the same way as this Lease.

6.8: LEASE FOR THE MINISTRY OF EDUCATION DEFERRED SELECTION PROPERTIES

31 Disputes

The parties will try to resolve all disputes by negotiations in good faith. If negotiations are not successful, the parties will refer the dispute to the arbitration of two arbitrators (one to be appointed by each party) and an umpire (to be appointed by the arbitrators before arbitration) in accordance with the Arbitration Act 1996.

32 Service of Notices

32.1 Notices given under this Lease by the Lessor must be served on the Lessee by hand delivery or by registered mail addressed to:

The Secretary for Education Ministry of Education PO Box 1666 WELLINGTON 6011

32.2 Notices given under this Lease by the Lessee must be served on the Lessor by hand delivery or by registered mail addressed to:

Te Ātiawa o Te Waka-a-Māui Trust c/- WHK Limited PO Box 10 NELSON 7010

32.3 Hand delivered notices will be deemed to be served at the time of delivery. Notices sent by registered mail will be deemed to be served two Business Days after posting.

33 Registration of Lease

The parties agree that the Lessee may at its expense register this Lease under the Land Transfer Act 1952. The Lessor agrees to make title available for that purpose and consents to the Lessee caveating title to protect its interest in the Lease before registration.

34 Costs

The parties will pay their own costs relating to the negotiation, preparation and execution of this Lease and any renewal, variation or surrender of the Lease.

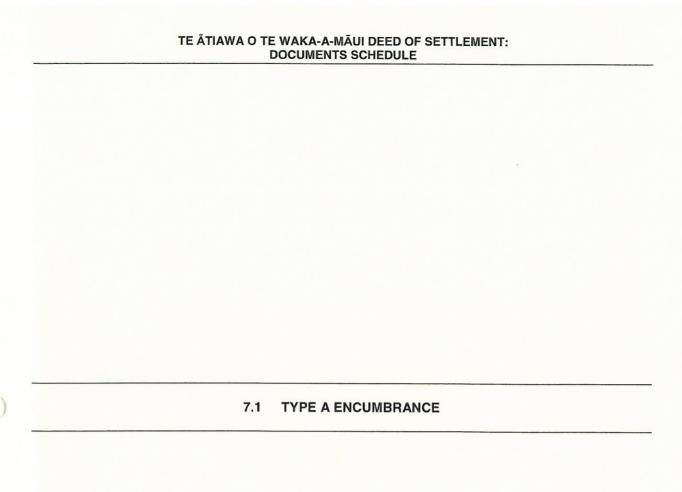
6.8: LEASE FOR THE MINISTRY OF EDUCATION DEFERRED SELECTION PROPERTIES LESSOR: [THE TRUSTEES OF THE TE ATIAWA O TE WAKA-A-MAUI TRUST] LESSEE:

HER MAJESTY THE QUEEN acting by and through the Secretary for Education

MEMORANDUM OF LEASE

THE SECRETARY FOR EDUCATION MINISTRY OF EDUCATION NATIONAL OFFICE WELLINGTON

TE ĀTIAWA O TE WAKA-A-MĀUI DEED OF SETTLEMENT: DOCUMENTS SCHEDULE	
7. ENCUMBRANCES FOR LICENSED LAND PROPERTIES	
	2010103



7.1: TYPE A ENCUMBRANCE

Approved by Registrar-General of Land under No. 2007/6225 **Easement instrument to grant easement or** *profit à prendre,* or create land covenant Sections 90A and 90F, Land Transfer Act 1952

Land registration district	_	PARCORE
		BARCODE
Grantor	Surname must be <u>und</u>	derlined or in CAPITALS
[Names of Trustees of [Trusts] to	be inserted]	
Grantee		Surname must be <u>underlined</u>
HER MAJESTY THE QUEEN in right MINISTER OF CONSERVATION	nt of New Zealand acti	ng by and through the
Grant of easement or profit à prendre or	creation or covenant	
The Grantor, being the registered proprieto Grantee (and, if so stated, in gross) the east the covenant(s) set out in Schedule A, wi Schedule(s).	sement(s) or profit(s) à pren	dre set out in Schedule A. or creates
Dated this day of	20	
Attestation		
	Signed in my presen	ce by the Grantor
	Signature of witness	
		BLOCK letters (unless legibly printed)
	Witness name	
	Occupation	
Signature of [common seal] of Grantor	Address	
	Signed in my presen	ce by the Grantee
	Signature of witness	
	2	LOCK letters (unless legibly printed)
	Witness name Occupation	
Signature of [common seal] of Grantee	Address	
Certified correct for the purposes of the Lar	nd Transfer Act 1952.	
		[Solicitor for] the Grantee

*If the consent of any person is required for the grant, the specified consent form must be used.

REF: 7003 - AUCKLAND DISTRICT LAW SOCIETY

7.1: TYPE A ENCUMBRANCE

Approved by Registrar-General of Land under No. 2007/6225

Annexure Schedule 1

Easement instrument	Dated	Pa	ge of Pages					
Schedule A	(Continue in a	additional Annexure Schedule	if required.)					
Purpose (nature and extent) of easement, profit, or covenant	Shown (plan reference)	Servient tenement (Identifier/CT)	Dominant tenement (Identifier/CT <i>or</i> in gross)					
Right of Way	[to be inserted]	[to be inserted]	In gross					
Delete phrases in [] and insert memorandum number as required. Continue in additional Annexure Schedule if required. Easement or profits à prendre rights and powers (including terms, covenants, and conditions)								
		powers implied in specific ad/or the Fifth Schedule of the	classes of easement are those Property Law Act 2007.					
The implied rights and power	s are [varied] [negative	ed] [added to] or [substitute	d} by:					
[Memorandum number	, registe	ered under section 155A of the	Land Transfer Act 1952].					
[the provisions set out in Ann	exure Schedule 2].							
Covenant provisions Delete phrases in [] and insert memorandum number as required. Continue in additional Annexure Schedule if required.								
The provisions applying to the specified covenants are those set out in:								
[Memorandum number	[Memorandum number , registered under section 155A of the Land Transfer Act 1952].							
[Annexure Schedule 2].								
All signing parties and either their witnesses or solicitors must sign or initial in this box								

REF: 7003 - AUCKLAND DISTRICT LAW SOCIETY

7.1: TYPE A ENCUMBRANCE

Approved by Registrar-General of Land under No. 2003/5041
Annexure Schedule

Inse	rt type of instrument									
Eas	ement - Type A Dated Page 1 of 7 pages									
	(Continue in additional Annexure Schedule, if required.)									
1	DEFINITIONS AND CONSTRUCTION									
1.1	Definitions:									
	In this Easement Instrument, unless the context otherwise requires:									
	["Crown Forestry Licence" means a Crown forestry licence granted under section 14 of the Crown Forest Assets Act 1989;									
	"Crown Forestry Licensee" means the Licensee under a Crown Forestry Licence over the Grantor's Land and includes the successors and assigns of the Crown Forestry Licensee;]									
	[These definitions will be omitted if there is no Crown Forestry Licence at the time the easement is granted]									
	"Her Majesty the Queen in right of New Zealand acting by and through the Minister of Conservation" includes the servants, tenants, agents, workmen, licensees and invitees of the Minister but does not include members of the general public.									
1.2	Construction									
	In the construction of this Easement Instrument unless the context otherwise requires:									
	1.2.1 the headings and sub-headings appear as a matter of convenience and shall not affect the construction of this Easement Instrument;									
1.2.2 references to clauses and the Schedule are to the clauses and the Schedul this Easement Instrument;										
	1.2.3 references to any statute, regulation or other statutory instrument or bylaw shall be deemed to be references to the statute, regulation, instrument or bylaw as from time to time amended and includes substituted provisions that substantially correspond to those referred to; and									
	1.2.4 the singular includes the plural and vice versa, and words importing any gender include the other genders.									
2	GRANT OF ACCESS RIGHTS									
2.1	The Grantor hereby grants to the Grantee a right of way in gross over that part of the Grantor's Land shown marked [Insert details] together with the rights and powers set out in Schedule Four of the Land Transfer Regulations 2002 except to the extent that they are modified, varied or negated by the terms and conditions set out in this Easement Instrument.									

7.1: TYPE A ENCUMBRANCE

Approved by Registrar-General of Land under No. 2003/5041
Annexure Schedule

Inser	t type o	of inst	rument					
Ease	ement	- Тур	pe A Dated Page 2 of 7 pages					
			(Continue in additional Annexure Schedule, if required.)					
2.2	In consideration of the Grantor agreeing to enter into this Easement Instrument the Grantee shall duly observe the obligations imposed on it under this Easement Instrument.							
3	OBL	IGAT	IONS OF THE GRANTEE					
			and powers conferred under clause 2 are granted subject to the following and obligations:					
3.1	The	Grant	tee shall when passing or repassing over the Grantor's Land:					
	3.1.1	Land	rever possible, remain on the roads and tracks constructed on the Grantor's d and when on those roads or tracks comply with all traffic laws and lations as are applicable to public roads;					
	3.1.2 not use or cause to be used either any tracked vehicle or any other class of vehicle which has been reasonably prohibited by the Grantor;							
	3.1.3	and	all due care when taking any welding equipment over the Grantor's Land shall not use or operate or cause to be used or operated any welding pment on the Grantor's Land without the prior written permission of the ntor;					
	3.1.4	them	ediately after passing through any gates on the Grantor's Land, close such of as were closed and lock such of them as were locked immediately before passing through;					
	3.1.5	(inclu noxid adjoi and i	all reasonable and proper precautions for guarding against any danger uding, but without limitation, fire, physical damage, disease or the spread of ous weeds and pests) either on the Grantor's Land, on any surrounding or ining land, forest or water, or to any forest produce on the Grantor's Land, in particular shall (but without limiting the general obligation to take onable and proper precautions pursuant to this clause 3.1.5):					
		(a)	comply strictly with all reasonable conditions that may be imposed from time to time by the Grantor or other lawful authority; and					
		(b)	not use or operate any vehicle or machinery unless it is provided with safe and sufficient means of preventing the escape of sparks or flames.					

7.1: TYPE A ENCUMBRANCE

Approved by Registrar-General of Land under No. 2003/5041
Annexure Schedule

Insert type of	of instrumer	nt									
Easement	- Type A		Dated					Page	3	of 7	pages
					(0	ontinue	in additio	onal Anne.	xure Sc	:hedule, i	if required.)
3.2	Subject to clauses 3.7 and 3.8, the Grantee shall, at its cost, repair to the satisfaction of the Grantor, any of the Grantor's roads, tracks, fences, gates, drains, buildings or other structures which are damaged by the Grantee.										
3.3	The Grantee shall annually pay to the Grantor a proportion of the cost of maintenance of any of the roads or tracks on the Grantor's Land commensurate with the use made by the Grantee of such roads or tracks PROVIDED THAT the Grantee shall not be liable to contribute towards the cost of repairing any damage to a road or track which was the sole result of the Grantor's negligent use of that track or road.										
3.4	The Grantee shall not exhibit any notice or sign on the Grantor's Land without the prior written consent of the Grantor as to the style, content, wording, size and location of the notice or sign (which consent shall not be unreasonably or arbitraril withheld) provided that this clause 3.4 shall not prevent the Grantee from displaying temporary operational signs necessary for the health and safety of road users. Such temporary operational signs are to be consistent with the standards set by the New Zealand Transport Agency and must be removed when the operation has been completed.							and arbitrarily of road dards			
3.5	The Grantee will ensure, at all times, in the exercise of the rights set out in this Easement Instrument that its agents, employees or contractors will not obstruct of hamper the Grantor or its agents, employees and contractors, in its or their norm or reasonable use of the Grantor's Land.							struct or			
3.6	Subject to structures Grantee, cost of th	s are no then an	ot of suffi ny neces	icient sta	andard	for the	use to	be made	e of the	em by t	the
3.7	When car clauses 3						r improv	vements	to a r	oad un	der
	3.7.1	widen	the road	d; or							
	3.7.2	alter th	ne locati	on of th	e road;	or					
	3.7.3	alter th	ne way ii	n which	the run	off fro	m the r	oad is di	ispose	ed of; or	r

7.1: TYPE A ENCUMBRANCE

Approved by Registrar-General of Land under No. 2003/5041
Annexure Schedule

	3.7.4 change the n3.7.5 park or store	ature of t										198		
	•	ature of t		(Continue in additional Annexure Schedule, if required.)										
	3.7.5 park or store		3.7.4 change the nature of the road surface; or											
	orrio park or otoro	equipme	ent or	r mate	terial	on th	ne Gra	antor'	s Land	,				
	without the Grantor's pwithheld or delayed.	orior writt	en co	onsei	∍ <mark>nt, s</mark> u	uch c	onse	nt no	t to be	unrea	sor	nabl	y	
	The Grantee shall not erect any structures on the Grantor's Land or make any additions or alterations to existing structures or replace such structures unless the Grantee has obtained the Grantor's prior written consent, such consent not to be unreasonably withheld or delayed.													
1	The Grantee shall not at any time, except with the prior written approval of the Grantor, carry out any earthworks or cut down, pull out, dig up, use, burn, remove or otherwise dispose of any forest produce on the Grantor's Land nor shall the Grantee authorise such cutting down, pulling out, digging up, use, burning, removal or other disposal of any forest produce without the prior written approval of the Grantor.													
ı	O The Grantee shall not, without the prior written approval of the Grantor, carry or discharge any firearm, missile or other offensive weapon, or kill or trap any animals or birds, over or on the Grantor's Land, nor shall the Grantee authorise such carrying, discharging, killing, or trapping without the prior written approval of the Grantor.													
	1 The Grantee shall comply at all times with all statutes and regulations and obtain all approvals, consents and authorisations as are necessary for the Grantee to conduct the activities permitted by this Easement Instrument.													
4 (GRANTOR'S RIGHTS	3												
) (The Grantor reserves maintain gates togethe on the Grantor's Land a width not less than furnish at the expense	er with all , but so th ive (5) me	l nece hat su etres	essar such g s for p	ary fitt gates passa	tings s whe age <u>F</u>	and f en ope PROV	fixture ened /IDE E	es acros shall le THAT	ss an ave a the (y ro a cle Gra	ad o ear s	or tra space shal	e of

7.1: TYPE A ENCUMBRANCE

Approved by Registrar-General of Land under No. 2003/5041
Annexure Schedule

Inser	t type of ir	strument						
Ease	ement- Ty	/pe A	Dated [Page	5	of 7	pages
				(Continue in a	additional Ann	exure S	Schedu	le, if required.
5	costs							
	The Grantee shall be liable to the Grantor for any reasonable costs or expenses, including reasonable legal costs, incurred by the Grantor arising from or incidental to the preparation, registration and enforcement of any provision in this Easement Instrument.							
6.		E [this clause ent is granted]		nitted if there is no Crow	vn forestry	licenc	e at th	ne time the
	The Grantor and the Grantee record that at the time that the easement is granted there is a Crown Forestry Licence in respect of the Grantor's Land and this Easement Instrument is entered into subject to, and does not override the terms of, the Crown Forestry Licence as at the date of this Easement Instrument.							ent
7	ASSIGNMENT							
7.1	The Grantee may assign its rights and obligations under this Easement Instrument to any one of the following who acquires land for an estate or interest in land from the Grantee and requires rights under this Easement Instrument as the means of providing reasonable access to that land:							
	7.1.1	any Crown e	ntity as def	ined in section 2(1) of	the Public I	Financ	ce Act	1989;
	7.1.2 any State enterprise as defined in section 2 of the State-Owned Enterprises A1986;						rprises Act	
	7.1.3	any person v	vho holds t	he land in trust for the	Grantee; or	r		
	7.1.4 any other person with the prior consent of the Grantor, which shall not be unreasonably withheld.							
7.2	As from the date of assignment the Grantee shall cease to have any liability whatsoever in respect of this Easement Instrument and the Grantor agrees to release the Grantee from all obligations under this Easement Instrument from that date, but only if the assignee enters into a deed of covenant with the Grantor agreeing to be bound by the terms of this Easement Instrument from the date of release of the Grantee.							
8	DELEG	ATION						
	this Eas	ement Instrum	nent may b	ns of a party to this Eas e exercised by a perso of any such rights, beno	n duly appo	ointed	by the	at party

7.1: TYPE A ENCUMBRANCE

Approved by Registrar-General of Land under No. 2003/5041
Annexure Schedule

Insert type of instrument

Eas	ement- T	ype A	Dated [Page 6 of 7 pages				
				(Continue in additional Annexure Schedule, if required.)				
				the liability of either party in the performance or fithis Easement Instrument.				
9	NOTICES							
9.1	Any notices to be given by one party under this Easement Instrument to the other shall be in writing and shall be forwarded by either delivering or posting it to the addressee at the appropriate address set out below or to such address notified by the addressee in writing to the other party at:							
	9.1.1	the Grantor's	address	as set out in paragraph 1 of the First Schedule; and				
	9.1.2	the Grantee's	address	as set out In paragraph 2 of the First Schedule.				
9.2	.2 Any notice posted shall be deemed to be served three (3) working days after the date of posting.							
10	SEVER	ABILITY						
	compet impair t	ent jurisdiction	to be illeg	trument is held by any court or administrative body of gal, void or unenforceable, such determination shall not remaining parts of this Easement Instrument which shall				
If this	s Annexure	Schedule is use	ed as an ex	pansion of an instrument, all signing parties and either their				

witnesses or their solicitors must put their signatures or initials here.

7.1: TYPE A ENCUMBRANCE

Approved by Registrar-General of Land under No. 2003/5041 Annexure Schedule

Insert type of instrument	
Easement - Type A Dated	Page 7 of 7 pages
	(Continue in additional Annexure Schedule, if required.)
Continuation of "Attestation" SIGNED for and on behalf of [insert name of Trusts] as Grantor by: [))))
Signature of witness	
Witness name	
Occupation	
Address	
SIGNED for d on behalf of HER MAJES Y THE QUEEN as Grantee by: [
Signature of witness	
Witness name	
Occupation	
Address	

If this Annexure Schedule is used as an expansion of an instrument, all signing parties and either their

witnesses or their solicitors must put their signatures or initials here.

TE ĀTIAWA O TE WAKA-A-MĀUI DEED OF SETTLEMENT: DOCUMENTS SCHEDULE 7.2 TYPE B ENCUMBRANCE

7.2: TYPE B ENCUMBRANCE

Date

PARTIES

- 1 **HER MAJESTY THE QUEEN** in right of New Zealand acting by and through the Minister of Conservation (the "**Grantor**")
- 2 [THE TRUSTEES OF TRUSTS] (the "Grantee")

BACKGROUND

- A. The Grantee wishes to enter upon and cross the Grantor's Land for the purpose of gaining access to and egress from the Grantee's Land (as herein defined).
- B. The Grantor has agreed to allow the Grantee to enter upon and cross the Grantor's Land, for the purposes of enabling the Grantee to gain access to and egress from the Grantee's Land on the terms and conditions set out in this Deed.

BY THIS DEED IT IS AGREED AND DECLARED as follows:

1 DEFINITIONS AND CONSTRUCTION

1.1 Definitions

In this Deed, unless the context otherwise requires:

"Commencement Date" means the date first written above;

"Deed" means this deed, the Background and the Schedule annexed hereto:

"Grantee" also includes the registered proprietors of the Grantee's Land and the licensees, lessees, employees, agents, contractors, successors and assigns of the Grantee:

"Grantor" also includes the other registered proprietors from time to time of the Grantor's Land:

"Grantee's Land" means the land described in paragraph 3 of the First Schedule:

"Grantor's Land" means the land described in paragraph 1 of the First Schedule and includes any part thereof;

[The following definitions will be omitted if there is no Crown Forestry Licence at the time the easement is granted]

["Crown Forestry Licence" means a Crown Forestry Licence granted under section 14 of the Crown Forest Assets Act 1989;

"Crown Forestry Licensee" means the Licensee under a Crown Forestry Licence over the Grantee's Land and includes the employees, agents, contractors and successors and assigns of the Crown Forestry Licensee;]

7.2: TYPE B ENCUMBRANCE

12 Construction

In the construction of this Deed unless the context otherwise requires:

- 1.2.1 the headings and sub-headings appear as a matter of convenience and shall not affect the construction of this Deed;
- 1.2.2 references to clauses and the Schedule are to the clauses and the Schedule of this Deed;
- 1.2.3 references to any statute, regulation or other statutory instrument or bylaw shall be deemed to be references to the statute, regulation, instrument or bylaw as from time to time amended and includes substituted provisions that substantially correspond to those referred to; and
- 1.2.4 the singular includes the plural and vice versa, and words importing any gender include the other genders.

2 GRANT OF ACCESS RIGHTS

- 2.1 Pursuant to section [enter appropriate section and title of settlement legislation] the Grantor hereby grants to the Grantee a right of way over that part of the Grantor's Land shown marked [] on DP [] together with the rights and powers set out in Schedule Four of the Land Transfer Regulations 2002 except to the extent that they are modified, varied or negatived by the terms and conditions set out in this Deed to the intent that the easement shall be forever appurtenant to the Grantee's Land as set out in the First Schedule.
- 2.2 In consideration of the Grantor agreeing to enter into this Deed the Grantee shall duly observe the obligations imposed on it under this Deed.

3 OBLIGATIONS OF THE GRANTEE

The rights and powers conferred under clause 2 of this Deed are granted subject to the following conditions and obligations:

- 3.1 The Grantee shall when passing or repassing over the Grantor's Land:
 - 3.1.1 wherever possible, remain on the roads and tracks constructed on the Grantor's Land and when on those roads or tracks comply with all traffic laws and regulations as are applicable to public roads;
 - 3.1.2 not use or cause to be used either any tracked vehicle or any other class of vehicle which has been reasonably prohibited by the Grantor provided that the Grantee shall be permitted, without limitation to use any class of vehicle which is ordinarily used in a production forest (including, but not limited to, haulers and heavy logging trucks);
 - 3.1.3 take all due care when taking any welding equipment over the Grantor's Land and shall not use or operate or cause to be used or operated any welding equipment on the Grantor's Land without the prior written permission of the Grantor;
 - 3.1.4 immediately after passing through any gates on the Grantor's Land, close such of them as were closed and lock such of them as were locked immediately before such passing through;

7.2: TYPE B ENCUMBRANCE

- 3.1.5 take all reasonable and proper precautions for guarding against any danger (including, but without limitation, fire, physical damage, disease or the spread of noxious weeds and pests) either on the Grantor's Land, on any surrounding or adjoining land, forest or water, or to any vegetation on the Grantor's Land, and in particular shall (but without limiting the general obligation to take reasonable and proper precautions pursuant to this clause 3.1.5):
 - (a) comply strictly with all reasonable conditions that may be imposed from time to time by the Grantor or other lawful authority; and
 - (b) not use or operate any vehicle or machinery unless it is provided with safe and sufficient means of preventing the escape of sparks or flames.
- 3.2 Subject to clauses 3.7 and 3.8, the Grantee shall, at its cost, repair to the satisfaction of the Grantor, any of the Grantor's roads, tracks, fences, gates, drains, buildings or other structures which are damaged by the Grantee.
- 3.3 The Grantee shall annually pay to the Grantor a proportion of the cost of maintenance of any of the roads or tracks on the Grantor's Land commensurate with the use made by the Grantee of such roads or tracks **PROVIDED THAT** the Grantee shall not be liable to contribute towards the cost of repairing any damage to a road or track which was the sole result of the Grantor's negligent use of that track or road.
- 3.4 The Grantee shall not exhibit any notice or sign on the Grantor's Land without the prior written consent of the Grantor as to the style, content, wording, size and location of the notice or sign (which consent shall not be unreasonably or arbitrarily withheld) provided that this clause 3.4 shall not prevent the Grantee from displaying temporary operational signs necessary for the health and safety of road users. Such temporary operational signs shall not purport to close the road or restrict public access to the Grantor's Land, are to be consistent with the standards set by the New Zealand Transport Agency and must be removed when the operation has been completed.
- 3.5 The Grantee will ensure, at all times, in the exercise of the rights set out in this Deed that its agents, employees or contractors will not obstruct or hamper the Grantor or its agents, employees and contractors, in its or their normal or reasonable use of the Grantor's Land.
- 3.6 Subject to clauses 3.7 and 3.8, in the event that the Grantor's roads, tracks and structures are not of sufficient standard for the use to be made of them by the Grantee, then any necessary improvements and maintenance shall be at the sole cost of the Grantee.
- 3.7 When carrying out any repairs, maintenance or improvements to a road under clauses 3.2 and 3.6, the Grantee shall not:
 - 3.7.1 widen the road; or
 - 3.1.2 alter the location of the road; or
 - 3.7.3 alter the way in which the run-off from the road is disposed of; or
 - 3.7.4 change the nature of the road surface; or
 - 3.7.5 park or store equipment or material on the Grantor's Land,

7.2: TYPE B ENCUMBRANCE

without the Grantor's prior written consent, such consent not to be unreasonably withheld or delayed.

- 3.8 The Grantee shall not erect any structures on the Grantor's Land or make any additions or alterations to existing structures or replace such structures unless the Grantee has obtained the Grantor's prior written consent, such consent not to be unreasonably withheld or delayed.
- 3.9 The Grantee shall not at any time, except with the prior written approval of the Grantor, carry out any earthworks or cut down, pull out, dig up, use, burn, remove, or otherwise dispose of any vegetation on the Grantor's Land nor shall the Grantee authorise such cutting down, pulling out, digging up, use, burning, removal or other disposal of any vegetation without the prior written approval of the Grantor.
- 3.10 The Grantee shall not, without the prior written approval of the Grantor, carry or discharge any firearm, missile or other offensive weapon, or kill or trap any animals or birds, over or on the Grantor's Land, nor shall the Grantee authorise such carrying, discharging, killing, or trapping without the prior written approval of the Grantor.
- 3.11 The Grantee shall comply at all times with all statutes and regulations, in particular the Conservation Act 1987 and the Acts in its First Schedule where relevant, and obtain all approvals, consents and authorisations as are necessary for the Grantee to conduct the activities permitted by this Deed. Provided that pursuant to section [enter appropriate section and title of settlement legislation], this easement will be enforceable in accordance with its terms, notwithstanding Part 3B of the Conservation Act 1987.

4 GRANTOR'S RIGHTS

The Grantor reserves the right at any time or times hereafter to erect, renew, and maintain gates together with all necessary fittings and fixtures across any road or track on the Grantor's Land, but so that such gates when opened shall leave a clear space of a width not less than five (5) metres for passage **PROVIDED THAT** the Grantor shall furnish at the expense of the Grantee, keys to any locks fitted to any of the said gates.

5 COSTS

The Grantee shall be liable to the Grantor for any reasonable costs or expenses, including reasonable legal costs, incurred by the Grantor arising from or incidental to the enforcement of any provision in this Deed.

6 LICENCE

[This clause will be omitted if there is no Crown Forestry Licence at the time this easement is granted]

The Grantor and the Grantee record that at the time that the easement is granted there is a Crown Forestry Licence in respect of the Grantee's Land, under which the Crown Forestry Licensee has rights in respect of the Grantor's Land, and this Deed is entered into subject to, and the rights under it must not be exercised in a manner inconsistent with those rights of the Crown Forestry Licensee.

7 REGISTRATION

The parties shall take and do all such acts and things necessary to ensure that this Deed (or an Easement Instrument Grant of Right of Way on substantially the same terms) is

7.2: TYPE B ENCUMBRANCE

registered as soon as the Registrar-General of Land confirms that this Deed, or such an easement instrument, can be registered against the Grantor's Land.

8 **DELEGATION**

All rights, benefits, and obligations of a party to this Deed arising under this Deed may be exercised by a person duly appointed by that party **PROVIDED THAT** the exercise of any such rights, benefits, or obligations by that duly appointed person shall not limit the liability of either party in the performance or observance of the provisions of this Deed.

9 NOTICES

- 9.1 Any notice to be given by one party under this Deed to the other shall be in writing and shall be forwarded by either delivering or posting it to the addressee at the appropriate address set out below or to such address notified by the addressee in writing to the other party:
 - 9.1.1 the Grantor's address as set out in paragraph 2 of the First Schedule;
 - 9.1.2 the Grantee's address as set out in paragraph 4 of the First Schedule.
- 9.2 Any notice posted shall be deemed to be served three (3) working days after the date of posting.

10 SEVERABILITY

If any part of this Deed is held by any court or administrative body of competent jurisdiction to be illegal, void or unenforceable, such determination shall not impair the enforceability of the remaining parts of this Deed which shall remain in full force.

11 DISPUTES RESOLUTION

Should any dispute arise between the parties touching any matter relating to this Deed then:

- 11.1 any dispute will be defined by written notice by the party raising it to the other and will forthwith be discussed (on a "without prejudice" basis) by the parties in an attempt to resolve their differences amicably, including, with the agreement of both parties, the discussion extending to a mediation discussion in the presence of an experienced mediator (who will be agreed between the parties or, failing agreement, a mediator appointed by the President for the time being of the New Zealand Law Society);
- 11.2 if such discussion or mediation between the parties fails to produce any agreement, within 14 days of receipt by the other party of the written notice, the matter in dispute will be referred to arbitration in accordance with the Arbitration Act 1996;
- 11.3 the arbitration will be commenced by either party giving to the other notice in writing stating the subject matter and details of the difference and that party's desire to have the matter referred to arbitration;
- 11.4 the arbitration will be by one arbitrator to be agreed by the parties and, failing agreement, as appointed by the then President of the New Zealand Law Society or its successor. The award in the arbitration will be final and binding on the parties.

7.2: TYPE B ENCUMBRANCE

IN WITNESS WHEREOF this Deed has been duly executed on the date first written above.

SIGNED for and on behalf of HER MAJESTY THE QUEEN as Grantor by: [))))))
Signature of witness	
Witness name	
Occupation	
Address	
SIGNED for and on behalf of [the trustees of the trusts] as Grantee by: [])
in the presence of:)
Signature of witness	
Witness name	
Occupation	
Address	

7.2: TYPE B ENCUMBRANCE

FIRST SCHEDULE

1.	GRA	NTC	R'S	LAND:

[enter details]

2. GRANTOR'S ADDRESS:

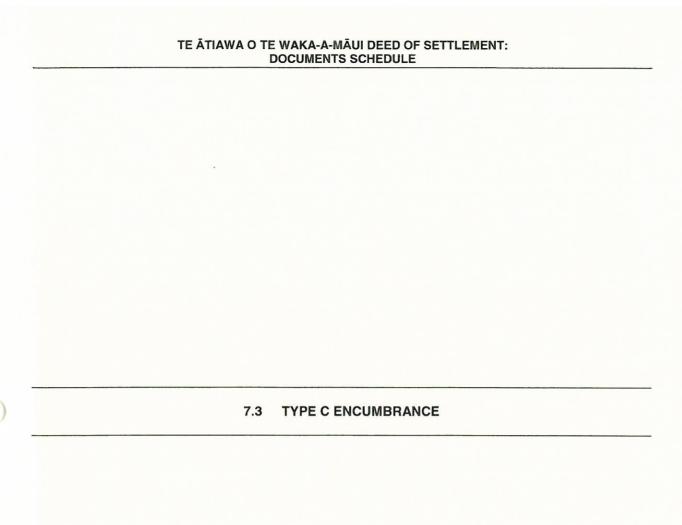
Department of Conservation

3. GRANTEE'S LAND:

[enter details]

4. GRANTEE'S ADDRESS:

[Trusts]



7.3: TYPE C ENCUMBRANCE

FORM 3

Easement Type - C

Approved by Registrar-General of Land under No. 2007/6225 **Easement instrument to grant easement or** *profit à prendre,* or create land covenant Sections 90A and 90F, Land Transfer Act 1952

Land registration district		
		BARCODE
Grantor	Surname must be <u>und</u>	derlined or in CAPITALS
[Trustees of the Trusts]		
Grantee	Surnam	e must be <u>underlined</u>
HER MAJESTY THE QUEEN in right MINISTER OF CONSERVATION	of New Zealand acti	ng by and through the
Grant of easement or profit à prendre or cr	eation or covenant	
The Grantor, being the registered proprietor of Grantee (and, if so stated, in gross) the ease the covenant(s) set out in Schedule A, with Schedule(s).	ment(s) or profit(s) á prer	dre set out in Schedule A, or creates
Dated this day of	20	
Attestation		
	Signed in my preser	ice by the Grantor
	Signature of witness	
		BLOCK letters (unless legibly printed)
	Witness name	
Signature of the [trustees of the Trusts] as	Occupation	
Grantor	Address	
	Signed in my preser	ce by the Grantee
	Signature of witness	
		BLOCK letters (unless legibly printed)
	Witness name	
Signature of [common seal] of Grantee	Occupation	
Certified correct for the purposes of the Land	Address	
Certified Correct for the purposes of the Lanc	i Hallslei Act 1952.	
	_	[Solicitor for] the Grantee
*If the consent of any person is required for the	e grant, the specified con	sent form must be used.

REF: 7003 - AUCKLAND DISTRICT LAW SOCIETY

7.3: TYPE C ENCUMBRANCE

FORM 3 - continued

Approved by Registrar-General of Land under No. 2007/6225

Annexure Schedule 1

Easement instrument	Dated	Page	2 of 2 Pages			
Schedule A (Continue in additional Annexure Schedule if required.)						
Purpose (nature and extent) of easement, profit, or covenant	Shown (plan reference) Servient tenement Dominant tenemer (Identifier/CT)					
Right of Way	[to be inserted] [to be inserted]		[Identifier to be inserted]			
Delete phrases in [] and insert memorandum number as required. Continue in additional Annexure Schedule if required. Easement or profits a prendre rights and powers (including terms, covenants, and conditions)						
	vided below, the rights se Land Transfer Regu		ecific classes of easement are			
The implied rights and	powers are [varied] [negatived] [added to] or [s	substituted] by:			
[Memorandum numbe	[Memorandum number , registered under section 155A of the Land Transfer Act 1952].					
[the provisions set out in Annexure Schedule 2].						
Covenant provisions Delete phrases in [] and insert memorandum number as required. Continue in additional Annexure Schedule if required.						
The provisions applying to the specified covenants are those set out in:						
[Memorandum numbe	[Memorandum number , registered under section 155A of the Land Transfer Act 1952].					
[Annexure Schedule 2].					
All signing parties and	either their witnesses	or solicitors must sign or initi	ial in this box			

REF: 7003 - AUCKLAND DISTRICT LAW SOCIETY

7.3: TYPE C ENCUMBRANCE

Approved by Registrar-General of Land under No. 2003/5041
Annexure Schedule

Inse	Insert type of instrument						
Eas	ement - Type C Dated Page of pages						
	(Continue in additional Annexure Schedule, if required.)						
1	DEFINITIONS AND CONSTRUCTION						
1.1	Definitions:						
	In this Easement Instrument, unless the context otherwise requires:						
	["Crown Forestry Licence" means a Crown forestry licence granted under section 14 of the Crown Forest Assets Act 1989;						
	"Crown Forestry Licensee" means the Licensee under a Crown Forestry Licence over the Grantor's Land and includes the successors and assigns of the Crown Forestry Licensee;]						
	[These definitions will be omitted if there is no Crown Forestry Licence at the time the easement is granted]						
	"Her Majesty the Queen in right of New Zealand acting by and through the Minister of Conservation" includes the servants, tenants, agents, workmen, licensees and invitees of the Minister but does not include members of the general public.						
1.2	Construction						
	In the construction of this Easement Instrument unless the context otherwise requires:						
	1.2.1 the headings and sub-headings appear as a matter of convenience and shall not affect the construction of this Easement Instrument;						
	1.2.2 references to clauses and the Schedule are to the clauses and the Schedule of this Easement Instrument;						
	1.2.3 references to any statute, regulation or other statutory instrument or bylaw shall be deemed to be references to the statute, regulation, instrument or bylaw as from time to time amended and include substituted provisions that substantially correspond to those referred to; and						
	1.2.4 the singular includes the plural and vice versa, and words Importing any gender include the other genders.						

If this Annexure Schedule is used as an expansion of an instrument, all signing parties and either their witnesses or their solicitors must put their signatures or initials here.

7.3: TYPE C ENCUMBRANCE

Approved by Registrar-General of Land under No. 2003/5041
Annexure Schedule

Inse	Insert type of instrument						
Eas	ement - Type C Dated Page of pages						
	(Continue in additional Annexure Schedule, if required.)						
2	GRANT OF ACCESS RIGHTS						
2.1	The Grantor hereby grants to the Grantee a right of way over that part of the Grantor's Land shown marked [insert details] together with the rights and powers set out in Schedule Four of the Land Transfer Regulations 2002 except to the extent that they are modified, varied or negated by the terms and conditions set out in this Easement Instrument to the intent that the easement shall be forever appurtenant to the Grantee's Land.						
2.2	In consideration of the Grantor agreeing to enter into this Easement Instrument the Grantee shall duly observe the obligations imposed on it under this Easement Instrument.						
3	OBLIGATIONS OF THE GRANTEE						
	The rights and powers conferred under clause 2 are granted subject to the following conditions and obligations:						
3.1	The Grantee shall when passing or repassing over the Grantor's Land:						
	3.1.1 wherever possible, remain on the roads and tracks constructed on the Grantor's Land and when on those roads or tracks comply with all traffic laws and regulations as are applicable to public roads;						
	3.1.2 not use or cause to be used either any tracked vehicle or any other class of vehicle which has been reasonably prohibited by the Grantor;						
	3.1.3 take all due care when taking any welding equipment over the Grantor's Land and shall not use or operate or cause to be used or operated any welding equipment on the Grantor's Land without the prior written permission of the Grantor;						
	3.1.4 immediately after passing through any gates on the Grantor's Land, close such of them as were closed and lock such of them as were locked immediately before such passing through;						
If this	If this Annexure Schedule is used as an expansion of an instrument, all signing parties and either their witnesses or their solicitors must put their signatures or initials here.						

7.3: TYPE C ENCUMBRANCE

Approved by Registrar-General of Land under No. 2003/5041
Annexure Schedule

Insert type of instrument					
Easement - Type C Dated Page of pages					
(Continue in additional Annexure Schedule, if required.					
3.1.5 take all reasonable and proper precautions for guarding against any danger (including, but without limitation, fire, physical damage, disease or the spread of noxious weeds and pests) either on the Grantor's Land, on any surrounding or adjoining land, forest or water, or to any forest produce on the Grantor's Land, and in particular shall (but without limiting the general obligation to take reasonable and proper precautions pursuant to this clause 3.1.5):					
 (a) comply strictly with all reasonable conditions that may be imposed from time to time by the Grantor or other lawful authority; and 					
(b) not use or operate any vehicle or machinery unless it is provided with safe and sufficient means of preventing the escape of sparks or flames.					
3.2 Subject to clauses 3.7 and 3.8, the Grantee shall, at its cost, repair to the satisfaction of the Grantor, any of the Grantor's roads, tracks, fences, gates, drains, buildings or other structures which are damaged by the Grantee.					
3.3 The Grantee shall annually pay to the Grantor a proportion of the cost of maintenance of any of the roads or tracks on the Grantor's Land commensurate with the use made by the Grantee of such roads or tracks PROVIDED THAT the Grantee shall not be liable to contribute towards the cost of repairing any damage to a road or track which was the sole result of the Grantor's negligent use of that track or road.					
3.4 The Grantee shall not exhibit any notice or sign on the Grantor's Land without the prior written consent of the Grantor as to the style, content, wording, size and location of the notice or sign (which consent shall not be unreasonably or arbitrarily withheld) provided that this clause 3.4 shall not prevent the Grantee from displaying temporary operational signs necessary for the health and safety of road users. Such temporary operational signs are to be consistent with the standards set by the New Zealand Transport Agency and must be removed when the operation has been completed.					
3.5 The Grantee will ensure, at all times, in the exercise of the rights set out in this Easement Instrument that its agents, employees or contractors will not obstruct or hamper the Grantor or its agents, employees and contractors, in its or their normal or reasonable use of the Grantor's Land.					
3.6 Subject to clauses 3.7 and 3.8, in the event that the Grantor's roads, tracks and structures are not of sufficient standard for the use to be made of them by the Grantee, then any necessary improvements and maintenance shall be at the sole cost of the Grantee.					
If this Annexure Schedule is used as an expansion of an instrument, all signing parties and either their witnesses or their solicitors must put their signatures or initials here.					

7.3: TYPE C ENCUMBRANCE

Approved by Registrar-General of Land under No. 2003/5041

Annexure Schedule

	Insert type of instrument								
	Ease	ement - T	ype C	Dated			Page	of	pages
10	(Continue in additional Annexure Schedule, if required								required.)
	3.7	When carrying out any repairs, maintenance or improvements to a road under clauses 3.2 and 3.6, the Grantee shall not:						uses	
		3.7.1	widen the roa	ad; or					
		3.7.2	alter the loca	tion of the road	d; or				
		3.7.3	alter the way	in which the ru	un-off from the	road is dis	posed of;	or	
		3.7.4	change the n	ature of the ro	ad surface; or				
2000		3.7.5	park or store	equipment or	material on the	Grantor's	Land,		
0.00			the Grantor's p d or delayed.	orior written co	nsent, such co	nsent not t	to be unrea	asonably	
	3.8	The Grantee shall not erect any structures on the Grantor's Land or make any additions or alterations to existing structures or replace such structures unless the Grantee has obtained the Grantor's prior written consent, such consent not to be unreasonably withheld or delayed.					has		
	3.9	The Grantee shall not at any time, except with the prior written approval of the Grantor, carry out any earthworks or cut down, pull out, dig up, use, burn, remove, or otherwise dispose of any forest produce on the Grantor's Land nor shall the Grantee authorise such cutting down, pulling out, digging up, use, burning, removal or other disposal of ar forest produce without the prior written approval of the Grantor.				wise se			
	3.10	discharç birds, o	ge any firearm, ver or on the G	missile or oth rantor's Land,	ior written app er offensive we nor shall the G ut the prior wri	eapon, or k Grantee au	till or trap a	any animal ch carrying	s or
	3.11	approva		nd authorisatio	s with all statut ons as are nece t Instrument.				
	4	GRANT	OR'S RIGHTS						
		maintair on the C	n gates togethe Grantor's Land,	er with all nece but so that su	time or times ssary fittings a och gates when for passage <u>P</u>	and fixtures opened s	across an	y road or a clear spa	ace of

If this Annexure Schedule is used as an expansion of an instrument, all signing parties and either their witnesses or their solicitors must put their signatures or initials here.

furnish at the expense of the Grantee, keys to any locks fitted to any of the said gates.

7.3: TYPE C ENCUMBRANCE

Approved by Registrar-General of Land under No. 2003/5041
Annexure Schedule

Insert type of instrument					
Eas	ement - Type C Dated Page of pages				
	(Continue in additional Annexure Schedule, if required.)				
5	COSTS				
	The Grantee shall be liable to the Grantor for any reasonable costs or expenses, including reasonable legal costs, incurred by the Grantor arising from or incidental to the preparation, registration and enforcement of any provision in this Easement Instrument.				
6	LICENCE [this clause will be omitted if there is no crown forestry licence at the time this easement is granted]				
	The Grantor and the Grantee record that at the time that the easement is granted there is a Crown Forestry Licence in respect of the Grantor's Land and this Easement Instrument is entered into subject to, and does not override the terms of, the Crown Forestry Licence as at the date of this Easement Instrument.				
7	DELEGATION				
	All rights, benefits, and obligations of a party to this Easement Instrument arising under this Easement Instrument may be exercised by a person duly appointed by that party PROVIDED THAT the exercise of any such rights, benefits, or obligations by that duly appointed person shall not limit the liability of either party in the performance or observance of the provisions of this Easement Instrument.				
8	NOTICES				
8.1	Any notices to be given by one party under this Easement Instrument to the other shall be in writing and shall be forwarded by either delivering or posting it to the addressee at the appropriate address set out below or to such address notified by the addressee in writing to the other party at:				
	8.1.1 the Grantor's address as set out in paragraph 1 of the First Schedule; and				
	8.1.2 the Grantee's address as set out in paragraph 2 of the First Schedule.				
8.2	Any notice posted shall be deemed to be served three (3) working days after the date of posting.				
9	SEVERABILITY				
	If any part of this Easement Instrument is held by any court or administrative body of competent jurisdiction to be illegal, void or unenforceable, such determination shall not impair the enforceability of the remaining parts of this Easement Instrument, which shall remain in full force.				
If this Annexure Schedule is used as an expansion of an instrument, all signing parties and either their witnesses or their solicitors must put their signatures or initials here.					

7.3: TYPE C ENCUMBRANCE

Approved by Registrar-General of Land under No. 2003/5041

Annexure Schedule

Insert type of instrument Dated Easement - Type C Page of pages (Continue in additional Annexure Schedule, if required.) Continuation of "Attestation" SIGNED for and on behalf of [the trustees of the Trusts] as Grantor by:] in the presence of: Signature of witness Witness name Occupation Address SIGNED for and on behalf of HER MAJESTY THE QUEEN as Grant e by:] Conservator for the [Conservancy acting for the Minister of Conservation under delegated authority pursuant to sections 57 and 58 f the Conservation Act 1987 and section 41 of the State Sector Act 1988, in the presence of: Signature of witness Witness name Occupation

If this Annexure Schedule is used as an expansion of an instrument, all signing parties and either their witnesses or their solicitors must put their signatures or initials here.

Address

7.3: TYPE C ENCUMBRANCE

Approved by Registrar-General of Land under No. 2003/5041
Annexure Schedule

Inse	ert type of instrument				
Eas	sement - Type C	Dated	Page of pages		
			(Continue in additional Annexure Schedule, if required.)		
			SCHEDULE		
1	GRANTOR'S ADDRE	SS:			
	The [trustees of the T	rusts]:			
	[address]				
2	GRANTEE'S ADDRE	SS:			
	Department of Conse [] Conservancy [address]	rvation			
& a.b.	o Annovuro Cohedulo is	od an an a	roppion of an instrument all similar mosting and cities at the		
witn	If this Annexure Schedule is used as an expansion of an instrument, all signing parties and either their witnesses or their solicitors must put their signatures or initials here.				

TE ĀTIAWA O TE WAKA-A-MĀUI DEED OF SETTLEMENT: DOCUMENTS SCHEDULE 7.4 TYPE D ENCUMBRANCE

7.4: TYPE D ENCUMBRANCE

Form 3 Easement instrument to grant easement or *profit à prendre,*or create land covenant

Sections 90A and 90F, Land Transfer Act 1952

Land registration district		
Nelson		BARCODE
Grantor	Surname mu	st be <u>underlined</u>
[insert trustee names of] Toa Ranga	tira Trust	
Grantee	Surname mu	st be <u>underlined</u>
[insert trustee names of] Te Ātiawa	o Te Waka-a-Māui T	rust
Grant* of easement or <i>profit à prendre</i> o	r creation or covenan	ı
The Grantor, being the registered prop grants to the Grantee (and, if so state in Schedule A, or creates the covenar or provisions set out in the Annexure S	ed, in gross) the ease nt(s) set out in Sche	ement(s) or profit à prendre set out
Dated this day of	20	
Attestation		
See annexure schedule	Signed in my pres	ence by the Grantor
	Signature of witne	ess
		BLOCK letters (unless legibly printed)
	Witness name	
Circoture forman appli	Occupation	
Signature [common seal] of Grantor	Address	
See annexure schedule	Signed in my pres	ence by the Grantee
		one by the diameter
	Signature of witne	ace.
		BLOCK letters (unless legibly printed)
	Witness name	(ameeo legicly pinnes)
Signature [common seal]	Occupation	
of Grantee	Address	
Certified correct for the purposes of the La	and Transfer Act 1952.	
	[Solicitor for	1 the Cranton

7.4: TYPE D ENCUMBRANCE

Annexure Schedule 1

Easement instrument

Dated

Page 2 of [7] pages

Schedule A

Continue in additional Annexure Schedule if required

Purpose (nature and extent) of easement, <i>profit</i> , or covenant	Shown (plan reference)	Servient tenement (Identifier/CT)	Dominant tenement (Identifier/CT or in gross)
Right of Way	Marked "[]" on SO []	Section [] SO []	Section [] SO []

Easements rights and powers (including terms, covenants, and conditions)

Unless otherwise provided below, the rights and powers implied in specific classes of easement are those prescribed by the Land Transfer Regulations 2002.

The implied rights and powers **are varied** by the provisions set out in Annexure Schedule 2.

All signing parties and either their witnesses or solicitors must sign or initial in this box

7.4: TYPE D ENCUMBRANCE

Annexure Schedule 2

Right of Way

1. The Grantor grants to the Grantee the right of way over that part of the Servient Land described as [] on survey office plan [] ("the Easement Land").

Right of Way Easement Terms and Conditions

- 2. The Grantee shall have the full, free, uninterrupted and unrestricted right, liberty and privilege to pass and re-pass from time to time and at all times, on foot or with vehicles, over and along the Easement Land subject to the following conditions:
 - (a) in exercising such rights of access the Grantee shall use reasonable endeavours to minimise and avoid any unnecessary damage to the Easement Land and shall take all reasonable and proper precautions to guard against danger (including, but without limitation, fire, physical damage, disease or spread of noxious weed and pests) on the Servient Land or adjoining land, and, notwithstanding clause 3, shall immediately reinstate the Easement Land or any improvements thereon (including restoring the surface thereof and replanting vegetation) where any damage is caused in the process of exercising any rights under this Easement;
 - (b) the Grantor will at all times be entitled to maintain locked gateways across the Easement Land for the purpose of controlling other vehicular access;
 - (c) the Grantee will ensure that at all times all gates are shut and locked immediately after use;
 - (d) the Grantee will not light any fire on or adjacent to the Easement Land:
 - (e) the Grantee will not use the Easement Land for any purpose other than for access purposes;
 - (f) wherever possible, the Grantee will remain on the roads and tracks constructed on the Servient Land and when on those roads or tracks will comply with all applicable traffic laws and regulations and travel at a responsible speed across the Easement Land having due regard to the nature of the formation of the Easement Land and shall avoid inconvenience to users of any areas adjacent to the Easement Land;
 - (g) the Grantee shall not erect any structures on the Servient Land or make any additions or alterations to existing structures or replace such structures unless the Grantee has obtained the Grantor's prior written consent, such consent not to be unreasonably withheld or delayed; and
 - (h) the Grantee shall take all due care when taking any welding equipment over the Servient Land and shall not use or operate or cause to be used or operated any welding equipment on the Servient Land without the prior written approval of the Grantor.

7.4: TYPE D ENCUMBRANCE

Repair and Maintenance

- 3. The Grantee shall annually pay to the Grantor a proportion of the cost of maintenance of any of the roads or tracks on the Servient Land commensurate with the use made by the Grantee of such roads or tracks **PROVIDED THAT** the Grantee shall not be liable to contribute towards the cost of repairing any damage to the Easement Land which was the sole result of the Grantor's negligent use of the Easement Land.
- 4. When carrying out any repairs, maintenance or improvements to a road under clause 3, the Grantee shall not:
 - (a) widen the road; or
 - (b) alter the location of the road; or
 - (c) alter the way in which the run-off from the road is disposed of; or
 - (d) change the nature of the road surface; or
 - (e) park or store equipment or material on the Servient Land,

without the Grantor's prior written approval, such approval not to be unreasonably withheld or delayed.

- 5. If either party neglects or refuses to carry out or pay for works required in respect of the right of way on the Easement Land and reasonable agreement cannot be reached between them on the issue, then the party willing to proceed may serve notice on the other party requiring that party to join in or pay for the work and if after the expiry of twenty-one days from the delivery of the notice the party in default refuses to join in or pay for the work, then the party willing to proceed may carry out and pay for the work and the party in default shall be liable to pay its share of the cost of the work and the same may be recoverable by action at law as a liquidated debt.
- 6. If the Grantor or the Grantee desire to upgrade the right of way for the convenience of its servants, agents and lawful visitors then it shall first obtain the approval in writing from the other party and then proceed to carry out such works and future maintenance of those works at its own cost.
- 7. The Grantee shall not at any time, except with the prior written approval of the Grantor, carry out any earthworks or cut down, pull out, dig up, use, burn, remove or otherwise dispose of any forest produce on the Servient Land nor shall the Grantee authorise such cutting down, pulling out, digging up, use, burning, removal or other disposal of any forest produce without the prior written approval of the Grantor.
- 8. The Grantee shall not, without the prior written approval of the Grantor, carry or discharge any firearm or other offensive weapon, or kill or trap any animals or birds, over or on the Servient Land, nor shall the Grantee authorise such carrying, discharging, killing, or trapping without the prior written approval of the Grantor.
- 9. The Grantee shall comply at all times with all statutes and regulations and obtain all approvals, consents and authorisations as are necessary for the Grantee to conduct the activities permitted by this Easement.

7.4: TYPE D ENCUMBRANCE

Licence

10. The Grantor and the Grantee record that at the time that this Easement is granted there is a Crown Forestry Licence in respect of the Servient Land and this Easement is entered into subject to, and does not override the terms of, the Crown Forestry Licence as at the date of this Easement.

Grantor not to interfere with Grantee's Rights

11. The Grantor will not at any time, do, permit or suffer to be done any act whereby the rights granted to the Grantee under this Easement may be interfered with.

Grantee not to interfere with Grantor's Rights

12. The Grantee will not at any time, do permit or suffer to be done any act whereby the Grantor's use and enjoyment of the Servient Land will be interfered with.

Dispute Resolution

- 13. (a) In the event of any dispute arising between the parties in respect of or in connection with this Easement, the parties shall, without prejudice to any other right or entitlement they may have under this Easement or otherwise, explore whether the dispute can be resolved by use of the alternative dispute resolution technique of mediation. The rules governing such techniques shall be agreed between the parties or as recommended by the New Zealand Law Society or as selected by the Chairman of the New Zealand Chapter of LEADR (Lawyers Engaged in Alternative Dispute Resolution).
 - (b) In the event the dispute is not resolved within twenty-eight days of written notice by one party to the other of the dispute (or such further period agreed in writing between the parties), either party may refer the dispute to arbitration under the provisions of the Arbitration Act 1996 or any successor legislation. The arbitrator shall be agreed between the parties within 10 days of written notice of the referral by the referring party to the other or failing agreement appointed by the President of the New Zealand Law Society. In either case, the arbitrator shall not be a person who has participated in any informal dispute resolution procedure in respect of the dispute.

Notices

14. All notices and communications under this Easement shall be deemed to have been received when delivered personally, sent by prepaid post or by facsimile to such address as either party shall notify to the other from time to time.

Surrender of Easement

15. The Grantee shall be entitled at any time to surrender at its own cost all of the interest granted to it pursuant to this Easement. The Grantor shall execute any easement instrument to surrender easement (or similar document) in a form acceptable to the Grantor upon request by the Grantee.

7.4: TYPE D ENCUMBRANCE

Definitions and Interpretation

16.1 **Definitions**: In this Easement unless the context otherwise requires:

"Crown Forestry Licence" means a Crown Forestry Licence granted under section 14 of the Crown Forest Assets Act 1989:

"Easement" means this easement:

"Easement Land" means that part of the Servient Land over which the right of way under this Easement is granted marked [] on SO Plan [];

"Grantee" means the [the trustees from time to time of Te Ātiawa o Te Waka-a-Māui Trust] and includes any licensee, lessee, its employees, contractors, invitees, successors or assigns; and

"Grantor" means the [the trustees from time to time of Ngati Toa Rangatira Trust] and includes any licensee, lessee, its employees, contractors, invitees, successors or assigns;

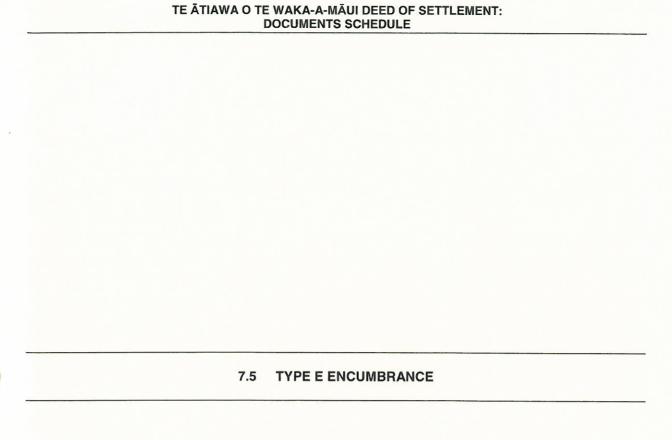
"Servient Land" means all the land in [computer freehold register []].

- 16.2 **Interpretation**: In the interpretation of this Easement, unless the context otherwise requires:
 - (a) the headings and subheadings appear as a matter of convenience and shall not affect the interpretation of this Easement;
 - (b) references to any statute, regulation or other statutory instrument or bylaw are references to the statute, regulation, instrument or bylaw as from time to time amended and includes substitution provisions that substantially correspond to those referred to; and
 - (c) the singular includes the plural and vice versa and words incorporating any gender shall include every gender.

7.4: TYPE D ENCUMBRANCE

Annexure Schedule 2

SIGNED as a Deed on [date]		
SIGNED by for and on behalf of [insert trustee names of] [Toa Rangatira Trust] as Grantor))	
in the presence of		Signature
Witness signature		
Full name	-	
Address		
Occupation		
SIGNED by for and on behalf of [insert trustee names of] Te Ātiawa o Te Waka-a-Māui Trust as Grantee)))	
in the presence of		Signature
Witness signature		
Full name	•	
Address	•	
Occupation	•	



7.5: TYPE E ENCUMBRANCE

Form 3 Easement instrument to grant easement or *profit à prendre,*or create land covenant

Sections 90A and 90F, Land Transfer Act 1952

Land registration district		BARCODE		
Nelson		BARCODE		
Grantor	Surname mu	st be underlined		
[insert trustee names of] Te Ātia				
Crentee	Curama mu	at ha undaylinad		
Grantee Surname must be <u>underlined</u> [insert trustee names of] Toa Rangatira Trust				
[Insert tracted families of Fed Harigatina Tract				
Grant* of easement or profit à prend				
The Grantor, being the registered proprietor of the servient tenement(s) set out in Schedule A, grants to the Grantee (and, if so stated, in gross) the easement(s) or <i>profit à prendre</i> set out in Schedule A, or creates the covenant(s) set out in Schedule A, with the rights and powers or provisions set out in the Annexure Schedule(s).				
Dated this day of	20)		
Attestation				
See annexure schedule	Signed in my pres	ence by the Grantor		
	Signature of witne			
	Witness to complete in	BLOCK letters (unless legibly printed)		
	Occupation			
Signature [common seal]	_ Address			
of Grantor				
See annexure schedule	Signed in my pres	ence by the Grantee		
	Signature of witne	00		
		BLOCK letters (unless legibly printed)		
	Witness name	(eecc.og.b.) pecg,		
Signature [common seal]	Occupation			
of Grantee	Address			
Certified correct for the purposes of the Land Transfer Act 1952.				
	[Solicitor for	the Grantee		

7.5: TYPE E ENCUMBRANCE

Annexure Schedule 1

Easement instrument

Dated

Page 2 of [7] pages

Schedule A

Continue in additional Annexure Schedule if required

Purpose (nature and extent) of easement, <i>profit</i> , or covenant	Shown (plan reference)	Servient tenement (Identifier/CT)	Dominant tenement (Identifier/CT or in gross)	
Right of Way	Marked "[]" on SO []	Section [] SO []	Section [] SO []	

Easements rights and powers (including terms, covenants, and conditions)

Unless otherwise provided below, the rights and powers implied in specific classes of easement are those prescribed by the Land Transfer Regulations 2002.

The implied rights and powers **are varied** by the provisions set out in Annexure Schedule 2.

All signing parties and either their witnesses or solicitors must sign or initial in this box

7.5: TYPE E ENCUMBRANCE

Annexure Schedule 2

Right of Way

1. The Grantor grants to the Grantee the right of way over that part of the Servient Land described as [] on survey office plan [] ("the Easement Land").

Right of Way Easement Terms and Conditions

- 2. The Grantee shall have the full, free, uninterrupted and unrestricted right, liberty and privilege to pass and re-pass from time to time and at all times, on foot or with vehicles, over and along the Easement Land subject to the following conditions:
 - (a) in exercising such rights of access the Grantee shall use reasonable endeavours to minimise and avoid any unnecessary damage to the Easement Land and shall take all reasonable and proper precautions to guard against danger (including, but without limitation, fire, physical damage, disease or spread of noxious weed and pests) on the Servient Land or adjoining land, and, notwithstanding clause 3, shall immediately reinstate the Easement Land or any improvements thereon (including restoring the surface thereof and replanting vegetation) where any damage is caused in the process of exercising any rights under this Easement;
 - (b) the Grantor will at all times be entitled to maintain locked gateways across the Easement Land for the purpose of controlling other vehicular access;
 - (c) the Grantee will ensure that at all times all gates are shut and locked immediately after use;
 - (d) the Grantee will not light any fire on or adjacent to the Easement Land:
 - (e) the Grantee will not use the Easement Land for any purpose other than for access purposes;
 - (f) wherever possible, the Grantee will remain on the roads and tracks constructed on the Servient Land and when on those roads or tracks will comply with all applicable traffic laws and regulations and travel at a responsible speed across the Easement Land having due regard to the nature of the formation of the Easement Land and shall avoid inconvenience to users of any areas adjacent to the Easement Land;
 - (g) the Grantee shall not erect any structures on the Servient Land or make any additions or alterations to existing structures or replace such structures unless the Grantee has obtained the Grantor's prior written consent, such consent not to be unreasonably withheld or delayed; and
 - (h) the Grantee shall take all due care when taking any welding equipment over the Servient Land and shall not use or operate or cause to be used or operated any welding equipment on the Servient Land without the prior written approval of the Grantor.

7.5: TYPE E ENCUMBRANCE

Repair and Maintenance

- 3. The Grantee shall annually pay to the Grantor a proportion of the cost of maintenance of any of the roads or tracks on the Servient Land commensurate with the use made by the Grantee of such roads or tracks **PROVIDED THAT** the Grantee shall not be liable to contribute towards the cost of repairing any damage to the Easement Land which was the sole result of the Grantor's negligent use of the Easement Land.
- 4. When carrying out any repairs, maintenance or improvements to a road under clause 3, the Grantee shall not:
 - (a) widen the road; or
 - (b) alter the location of the road; or
 - (c) alter the way in which the run-off from the road is disposed of; or
 - (d) change the nature of the road surface; or
 - (e) park or store equipment or material on the Servient Land,

without the Grantor's prior written approval, such approval not to be unreasonably withheld or delayed.

- 5. If either party neglects or refuses to carry out or pay for works required in respect of the right of way on the Easement Land and reasonable agreement cannot be reached between them on the issue, then the party willing to proceed may serve notice on the other party requiring that party to join in or pay for the work and if after the expiry of twenty-one days from the delivery of the notice the party in default refuses to join in or pay for the work, then the party willing to proceed may carry out and pay for the work and the party in default shall be liable to pay its share of the cost of the work and the same may be recoverable by action at law as a liquidated debt.
- 6. If the Grantor or the Grantee desire to upgrade the right of way for the convenience of its servants, agents and lawful visitors then it shall first obtain the approval in writing from the other party and then proceed to carry out such works and future maintenance of those works at its own cost.
- 7. The Grantee shall not at any time, except with the prior written approval of the Grantor, carry out any earthworks or cut down, pull out, dig up, use, burn, remove or otherwise dispose of any forest produce on the Servient Land nor shall the Grantee authorise such cutting down, pulling out, digging up, use, burning, removal or other disposal of any forest produce without the prior written approval of the Grantor.
- 8. The Grantee shall not, without the prior written approval of the Grantor, carry or discharge any firearm or other offensive weapon, or kill or trap any animals or birds, over or on the Servient Land, nor shall the Grantee authorise such carrying, discharging, killing, or trapping without the prior written approval of the Grantor.
- 9. The Grantee shall comply at all times with all statutes and regulations and obtain all approvals, consents and authorisations as are necessary for the Grantee to conduct the activities permitted by this Easement.

7.5: TYPE E ENCUMBRANCE

Licence

10. The Grantor and the Grantee record that at the time that this Easement is granted there is a Crown Forestry Licence in respect of the Servient Land and this Easement is entered into subject to, and does not override the terms of, the Crown Forestry Licence as at the date of this Easement.

Grantor not to interfere with Grantee's Rights

11. The Grantor will not at any time, do, permit or suffer to be done any act whereby the rights granted to the Grantee under this Easement may be interfered with.

Grantee not to interfere with Grantor's Rights

12. The Grantee will not at any time, do permit or suffer to be done any act whereby the Grantor's use and enjoyment of the Servient Land will be interfered with.

Dispute Resolution

- 13. (a) In the event of any dispute arising between the parties in respect of or in connection with this Easement, the parties shall, without prejudice to any other right or entitlement they may have under this Easement or otherwise, explore whether the dispute can be resolved by use of the alternative dispute resolution technique of mediation. The rules governing such techniques shall be agreed between the parties or as recommended by the New Zealand Law Society or as selected by the Chairman of the New Zealand Chapter of LEADR (Lawyers Engaged in Alternative Dispute Resolution).
 - (b) In the event the dispute is not resolved within twenty-eight days of written notice by one party to the other of the dispute (or such further period agreed in writing between the parties), either party may refer the dispute to arbitration under the provisions of the Arbitration Act 1996 or any successor legislation. The arbitrator shall be agreed between the parties within 10 days of written notice of the referral by the referring party to the other or failing agreement appointed by the President of the New Zealand Law Society. In either case, the arbitrator shall not be a person who has participated in any informal dispute resolution procedure in respect of the dispute.

Notices

14. All notices and communications under this Easement shall be deemed to have been received when delivered personally, sent by prepaid post or by facsimile to such address as either party shall notify to the other from time to time.

Surrender of Easement

15. The Grantee shall be entitled at any time to surrender at its own cost all of the interest granted to it pursuant to this Easement. The Grantor shall execute any easement instrument to surrender easement (or similar document) in a form acceptable to the Grantor upon request by the Grantee.

7.5: TYPE E ENCUMBRANCE

Definitions and Interpretation

16.1 **Definitions**: In this Easement unless the context otherwise requires:

"Crown Forestry Licence" means a Crown Forestry Licence granted under section 14 of the Crown Forest Assets Act 1989:

"Easement" means this easement:

"Easement Land" means that part of the Servient Land over which the right of way under this Easement is granted marked [] on SO Plan [];

"Grantee" means the [the trustees from time to time of Ngati Toa Rangatira Trust] and includes any licensee, lessee, its employees, contractors, invitees, successors or assigns;

"Grantor" means the [the trustees from time to time of Te Ātiawa o Te Waka-a-Māui Trust] and includes any licensee, lessee, its employees, contractors, invitees, successors or assigns; and

"Servient Land" means all the land in [computer freehold register []].

- 16.2 **Interpretation**: In the interpretation of this Easement, unless the context otherwise requires:
 - (a) the headings and subheadings appear as a matter of convenience and shall not affect the interpretation of this Easement;
 - (b) references to any statute, regulation or other statutory instrument or bylaw are references to the statute, regulation, instrument or bylaw as from time to time amended and includes substitution provisions that substantially correspond to those referred to; and
 - (c) the singular includes the plural and vice versa and words incorporating any gender shall include every gender.

7.5: TYPE E ENCUMBRANCE

Annexure Schedule 2

SIGNED as a Deed on [date]		
SIGNED by for and on behalf of [insert trustee names of] Te Ātiawa o Te Waka-a-Māui Trust as Grantor)))	
in the presence of		Signature
Witness signature	-	
Full name		
Address	•	
Occupation		
SIGNED by for and on behalf of [insert trustee names of] [Toa Rangatira Trust] as Grantee)))	
in the presence of		Signature
Witness signature	•	
Full name		
Address	•.	
Occupation	-17	