

**Wanaka Community Board
19 August 2015**

Report for Agenda Item: 3

Department: CEO Office

Contact Energy proposed transfer of land parcel to QLDC

Purpose

- 1 The Wanaka Community Board to consider the proposed transfer of land to QLDC and making a recommendation to Council.

Recommendation

That the Wanaka Community Board:

1. **Note** the contents of this report.
2. **Recommend to Council** that the land be acquired (for free) from Contact Energy Limited to Council.

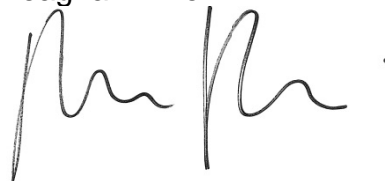
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Senior Solicitor

7/08/2015

Reviewed and Authorised by:
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General Manager
Corporate Services

7/08/2015

Background

- 2 Contact Energy Limited (**Contact**) has offered to gift a parcel of land to Council. The land is located Luggate/Tarras area near the Clutha River (Section 12 Block VIII Lower Hawea Survey District being that land comprised and described in Computer Freehold Register OT12C/598). Legally the land will be sold to Council for \$1. The only other issues to note in the proposed transaction are that the land will carry three encumbrances in the favour of Contact, summarised below:
 - a. Ensuring that the land is not used by Council in connection with any Hydro-Electricity Generation;
 - b. That Contact has an enduring right of refusal to purchase the land in the event that Council ever wish to sell it;

- c. Any future land owner doesn't oppose any consent applications made by Contact and will complete an affected party approval if requested by Contact (this will not include Council as a landowner).

Options

- 3 This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002:
- 4 The first step is to identify all "reasonably practicable" options. If an option is not reasonably practicable, then it will not require consultation. One option that should always be considered is the option of doing nothing – the status quo.
- 5 Option 1 Accept the offer from Contact to acquire the land subject to the encumbrances in favour of Contact.

Advantages:

- 6 Council receives a portion of land for free. Commercially it makes complete sense.

Disadvantages:

- 7 The encumbrances which will be attached to the land are not financially restrictive.
- 8 Option 2 Decline the offer for the land.

Advantages:

- 9 Council does not have to worry about a piece of land.

Disadvantages:

- 10 Council does not receive an asset for free.
- 11 **This report recommends Option 1 for addressing the matter.**

Significance and Engagement

- 12 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because there is very little or no risk to Council given the recommendation is to acquire an asset.

Risk

- 13 This matter relates to Operational Risk 11 as documented in the Council's risk register. The risk is classed as moderate. This matter relates to this risk because it is purely a commercial decision.

Financial Implications

14 Council receives an asset for free.

Council Policies, Strategies and Bylaws

15 The following Council policies, strategies and bylaws were considered:

- Property Sale and Acquisition Policy 2014 (**Policy**).

16 The recommended option is consistent with the principles set out in the Policy. The property acquisition is commercially sensible and is a prudent strategic acquisition for Council.

Local Government Act 2002 Purpose Provisions

17 The recommended option:

- Will help meet the Council's commercial objectives by acquiring an asset; and
- Is consistent with the Council's plans and policies.

Attachments

A Draft Agreement for sale and purchase

AGREEMENT FOR SALE AND PURCHASE OF REAL ESTATE

This form is approved by the Real Estate Institute of New Zealand Incorporated and by Auckland District Law Society Incorporated.

DATE:

VENDOR: Contact Energy Limited

PURCHASER: Queenstown Lakes District Council

and/or nominee

The vendor is registered under the GST Act in respect of the transaction evidenced by this agreement and/or will be so registered at settlement:

Yes/No

PROPERTY

Address: Church Road

Estate: **FEE SIMPLE** **LEASEHOLD** **STRATUM-IN-FREEHOLD** **STRATUM-IN-LEASEHOLD**
CROSSLEASE (FEE-SIMPLE) **CROSSLEASE (LEASEHOLD)** (if none is deleted fee simple)

Legal Description:
Area (more or less):

Lot/Flat/Unit:

DP:

Unique Identifier or CT:

2.2662

Section 12 Block VIII Lower
Hawea Survey District

OT 12C/598

PAYMENT OF PURCHASE PRICE

Purchase price: \$1.00

Plus GST (if any) OR ~~Inclusive of GST (if any).~~
~~If neither is deleted the purchase price includes GST (if any).~~

GST date (refer clause 13.0): The earlier of the Settlement Date or the date 5 Working Days before the date on which the Vendor is required to account to the Inland Revenue Department for GST.

Deposit (clause 2.0): \$ N/A

Balance of purchase price to be paid or satisfied as follows:

(1) By payment in cleared funds on the settlement date which is 29 June 2015

OR

(2) In the manner described in the Further Terms of Sale.

Interest rate for late settlement: 14 % p.a.

~~CONDITIONS (clause 9.0)~~

~~Finance condition~~

~~Lender:~~

~~Amount required:~~

~~Finance date:~~

~~LIM required:~~

~~Building report required:~~

~~OIA Consent required:~~

~~Land Act/OIA date:~~

~~Yes/No~~

~~Yes/No~~

~~Yes/No~~

TENANCIES (if any)

Name of tenant: Vacant Possession

Bond:

Rent:

Term:

Right of renewal:

SALE BY:

Private Treaty

Licensed Real Estate Agent

It is agreed that the vendor sells and the purchaser purchases the property, and the chattels listed in Schedule 1, on the terms set out above and in the General Terms of Sale and any Further Terms of Sale.

GENERAL TERMS OF SALE

1.0 Definitions, time for performance, notices and interpretation

1.1 Definitions

- (1) Unless the context requires a different interpretation, words and phrases not otherwise defined have the same meanings ascribed to those words and phrases in the Goods and Services Tax Act 1985, the Property Law Act 2007, the Resource Management Act 1991 or the Unit Titles Act 2010.
- (2) "Agreement" means this document including the front page, these General Terms of Sale, any Further Terms of Sale and any schedules and attachments.
- (3) "Building Act" means the Building Act 1991 and/or the Building Act 2004.
- (4) "Building warrant of fitness" means a building warrant of fitness supplied to a territorial authority under the Building Act.
- (5) "Cleared funds" means:
 - (a) An electronic transfer of funds that has been made strictly in accordance with the requirements set out in the PLS Guidelines; or
 - (b) A bank cheque, but only in the circumstances permitted by the PLS Guidelines and only if it has been paid strictly in accordance with the requirements set out in the PLS Guidelines.
- (6) "Default GST" means any additional GST, penalty (civil or otherwise), interest, or other sum imposed on the vendor (or where the vendor is or was a member of a GST group its representative member) under the GST Act or the Tax Administration Act 1994 by reason of non-payment of any GST payable in respect of the supply made under this agreement but does not include any such sum levied against the vendor (or where the vendor is or was a member of a GST group its representative member) by reason of a default or delay by the vendor after payment of the GST to the vendor by the purchaser.
- (7) "Electronic instrument" has the same meaning as ascribed to that term in the Land Transfer (Computer Registers and Electronic Lodgement) Amendment Act 2002.
- (8) "GST" means Goods and Services Tax arising pursuant to the Goods and Services Tax Act 1985 and "GST Act" means the Goods and Services Tax Act 1985.
- (9) "Landonline Workspace" means an electronic workspace facility approved by the Registrar-General of Land pursuant to the provisions of the Land Transfer (Computer Registers and Electronic Lodgement) Amendment Act 2002.
- (10) "LIM" means a land information memorandum issued pursuant to the Local Government Official Information and Meetings Act 1987.
- (11) "LINZ" means Land Information New Zealand.
- (12) "Local authority" means a territorial authority or a regional council.
- (13) "OIA Consent" means consent to purchase the property under the Overseas Investment Act 2005.
- (14) "PLS Guidelines" means the most recent edition, as at the date of this agreement, of the Property Transactions and E-Dealing Practice Guidelines prepared by the Property Law Section of the New Zealand Law Society.
- (15) "Property" means the property described in this agreement.
- (16) "Purchase price" means the total purchase price stated in this agreement which the purchaser has agreed to pay the vendor for the property and the chattels included in the sale.
- (17) "Regional council" means a regional council within the meaning of the Local Government Act 2002.
- (18) "Remote settlement" means settlement of the sale and purchase of the property by way of the purchaser's lawyer paying the moneys due and payable on the settlement date directly into the trust account of the vendor's lawyer, in consideration of the vendor agreeing to meet the vendor's obligations under subclause 3.8(2), pursuant to the protocol for remote settlement recommended in the PLS Guidelines.
- (19) "Secure web document exchange" means an electronic messaging service enabling messages and electronic documents to be posted by one party to a secure website to be viewed by the other party immediately after posting.
- (20) "Settlement date" means the date specified as such in this agreement.
- (21) "Settlement statement" means a statement showing the purchase price, plus any GST payable by the purchaser in addition to the purchase price, less any deposit or other payments or allowances to be credited to the purchaser, together with apportionments of all incomings and outgoings apportioned at the settlement date.
- (22) "Territorial authority" means a territorial authority within the meaning of the Local Government Act 2002.
- (23) "Unit title" means a unit title under the Unit Titles Act 2010.
- (24) The terms "principal unit", "accessory unit", "unit plan" and "unit" have the meanings ascribed to those terms in the Unit Titles Act 2010.
- (25) The term "rules" includes both body corporate rules under the Unit Titles Act 1972 and body corporate operational rules under the Unit Titles Act 2010.
- (26) The terms "building", "building consent", "code compliance certificate", "compliance schedule", "household unit" and "residential property developer" have the meanings ascribed to those terms in the Building Act.
- (27) The term "title" includes where appropriate a computer register within the meaning of the Land Transfer (Computer Registers and Electronic Lodgement) Amendment Act 2002.
- (28) The terms "going concern", "goods", "principal place of residence", "recipient", "registered person", "registration number", "supply" and "taxable activity" have the meanings ascribed to those terms in the GST Act.
- (29) "Working day" means any day of the week other than:
 - (a) Saturday, Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's Birthday, and Labour Day, and
 - (b) a day in the period commencing on the 24th day of December in any year and ending on the 5th day of January in the following year, both days inclusive; and
 - (c) the day observed as the anniversary of any province in which the property is situated.
 A working day shall be deemed to commence at 9.00 am and to terminate at 5.00 pm.
- (30) Unless a contrary intention appears on the front page or elsewhere in this agreement:
 - (a) the interest rate for late settlement is equivalent to the interest rate charged by the Inland Revenue Department on unpaid tax under the Tax Administration Act 1994 during the period for which the interest rate for late settlement is payable, plus 5 per cent per annum;
 - (b) a party is in default if it did not do what it has contracted to do to enable settlement to occur, regardless of the cause of such failure.

1.2 Time for Performance

- (1) Where the day nominated for settlement or the fulfilment of a condition is not a working day then the settlement date or the date for fulfilment of the condition shall be the last working day before the day so nominated.
- (2) Any act done pursuant to this agreement by a party, including service of notices, after 5.00pm on a working day, or on a day that is not a working day, shall be deemed to have been done at 9.00am on the next succeeding working day.
- (3) Where two or more acts done pursuant to this agreement, including service of notices, are deemed to have been done at the same time, they shall take effect in the order in which they would have taken effect but for subclause 1.2(2).

1.3 Notices

The following apply to all notices between the parties relevant to this agreement, whether authorised by this agreement or by the general law:

- (1) All notices must be served in writing.
- (2) Any notice under section 28 of the Property Law Act 2007, where the purchaser is in possession of the property, must be served in accordance with section 353 of that Act.
- (3) All other notices, unless otherwise required by the Property Law Act 2007, must be served by one of the following means:
 - (a) on the party as authorised by sections 354 to 361 of the Property Law Act 2007, or
 - (b) on the party or on the party's lawyer:
 - (i) by personal delivery; or
 - (ii) by posting by ordinary mail; or
 - (iii) by facsimile, or by email; or
 - (iv) in the case of the party's lawyer only, by sending by document exchange or, if both parties' lawyers have agreed to subscribe to the same secure web document exchange for this agreement, by secure web document exchange.
- (4) In respect of the means of service specified in subclause 1.3(3)(b), a notice is deemed to have been served:
 - (a) in the case of personal delivery, when received by the party or at the lawyer's office;
 - (b) in the case of posting by ordinary mail, on the second working day following the date of posting to the address for service notified in writing by the party or to the postal address of the lawyer's office;
 - (c) in the case of facsimile transmission, when sent to the facsimile number notified in writing by the party or to the facsimile number of the lawyer's office;
 - (d) in the case of email, when acknowledged by the party or by the lawyer orally or by return email or otherwise in writing, except that return emails generated automatically shall not constitute an acknowledgement;
 - (e) in the case of sending by document exchange, on the second working day following the date of sending to the document exchange number of the lawyer's office;

- (f) In the case of sending by secure web document exchange, at the time when in the ordinary course of operation of that secure web document exchange, a notice posted by one party is accessible for viewing or downloading by the other party.
- (5) Any period of notice required to be given under this agreement shall be computed by excluding the day of service.
- (6) In accordance with section 20(1) of the Electronic Transactions Act 2002, the parties agree that any notice or document that must be given in writing by one party to the other may be given in electronic form and by means of an electronic communication, subject to the rules regarding service set out above.

1.4 Interpretation

- (1) If there is more than one vendor or purchaser, the liability of the vendors or of the purchasers, as the case may be, is joint and several.
- (2) Where the purchaser executes this agreement with provision for a nominee, or as agent for an undisclosed or disclosed but unidentified principal, or on behalf of a company to be formed, the purchaser shall at all times remain liable for all obligations on the part of the purchaser.
- (3) If any inserted term (including any Further Terms of Sale) conflicts with the General Terms of Sale the inserted term shall prevail.
- (4) Headings are for information only and do not form part of this agreement.
- (5) References to statutory provisions shall be construed as references to those provisions as they may be amended or re-enacted or as their application is modified by other provisions from time to time.

2.0 Deposit

- 2.1 The purchaser shall pay the deposit to the vendor or the vendor's agent immediately upon execution of this agreement by both parties and/or at such other time as is specified in this agreement.
- 2.2 If the deposit is not paid on the due date for payment, the vendor may at any time thereafter serve on the purchaser notice requiring payment. If the purchaser fails to pay the deposit on or before the third working day after service of the notice, time being of the essence, the vendor may cancel this agreement by serving notice of cancellation on the purchaser. No notice of cancellation shall be effective if the deposit has been paid before the notice of cancellation is served.
- 2.3 The deposit shall be in part payment of the purchase price.
- 2.4 The person to whom the deposit is paid shall hold it as a stakeholder until:
 - (1) the requisition procedure under clause 5.0 is completed without either party cancelling this agreement; and
 - (2) where this agreement is entered into subject to any condition(s) expressed in this agreement, each such condition has been fulfilled or waived; and
 - (3) where the property is a unit title:
 - (a) a pre-settlement disclosure statement, certified correct by the body corporate, under section 147 of the Unit Titles Act 2010; and
 - (b) an additional disclosure statement under section 148 of the Unit Titles Act 2010 (if requested by the purchaser within the time prescribed in section 148(2))
 - (c) have been provided to the purchaser by the vendor within the times prescribed in those sections or otherwise the purchaser has given notice under section 149(2) of the Unit Titles Act 2010 to postpone the settlement date until after the disclosure statements have been provided; or
 - (4) this agreement is cancelled pursuant to subclause 5.2(3)(c) or avoided pursuant to subclause 9.8(5) or, where the property is a unit title and the purchaser having the right to cancel this agreement pursuant to section 151(2) of the Unit Titles Act 2010 has cancelled this agreement pursuant to that section, or has waived the right to cancel by giving notice to the vendor or by completing settlement of the purchase.

3.0 Possession and Settlement

Possession

- 3.1 Unless particulars of a tenancy are included in this agreement the property is sold with vacant possession and the vendor shall so yield the property on the settlement date.
- 3.2 If the property is sold with vacant possession, then subject to the rights of any tenants of the property, the vendor shall permit the purchaser or any person authorised by the purchaser in writing, upon reasonable notice:
 - (1) to enter the property on one occasion prior to the settlement date for the purposes of examining the property, chattels and fixtures which are included in the sale; and
 - (2) to re-enter the property on or before the settlement date to confirm compliance by the vendor with any agreement made by the vendor to carry out any work on the property and the chattels and fixtures.
- 3.3 Possession shall be given and taken on the settlement date. Outgoings and incomings in respect of the settlement date are the responsibility of and belong to the vendor.
- 3.4 On the settlement date the vendor shall make available to the purchaser keys to all exterior doors, electronic door openers relating to the property and the keys and/or security codes to any alarms which may be situated on the property. The vendor does not have to make available keys, electronic door openers and security codes where the property is tenanted and these are held by the tenant.

Settlement

- 3.5 The vendor shall prepare, at the vendor's own expense, a settlement statement. The vendor shall tender the settlement statement to the purchaser or the purchaser's lawyer a reasonable time prior to the settlement date.
- 3.6 The purchaser's lawyer shall:
 - (1) within a reasonable time prior to the settlement date create a Landonline Workspace for the transaction, notify the vendor's lawyer of the dealing number allocated by LINZ and prepare in that workspace a transfer instrument in respect of the property; and
 - (2) prior to settlement certify and sign the transfer instrument.
- 3.7 The vendor's lawyer shall:
 - (1) within a reasonable time prior to the settlement date prepare in that workspace all other electronic instruments required to confer title on the purchaser in terms of the vendor's obligations under this agreement; and
 - (2) prior to settlement have those instruments and the transfer instrument certified, signed and pre-validated.
- 3.8 On the settlement date:
 - (1) The balance of the purchase price, interest and other moneys, if any, shall be paid by the purchaser in cleared funds or otherwise satisfied as provided in this agreement (credit being given for any amount payable by the vendor under subclause 3.12 or 3.13);
 - (2) The vendor's lawyer shall immediately thereafter:
 - (a) release or procure the release of the transfer instrument and the other instruments mentioned in subclause 3.7(1) so that the purchaser's lawyer can then submit them as soon as possible for registration;
 - (b) pay to the purchaser's lawyer the LINZ registration fees on all of the instruments mentioned in subclause 3.7(1), unless these fees will be invoiced to the vendor's lawyer by LINZ directly; and
 - (c) deliver to the purchaser's lawyer any other documents that the vendor must provide to the purchaser on settlement in terms of this agreement.
- 3.9 All obligations under subclause 3.8 are interdependent.
- 3.10 The parties shall complete settlement by way of remote settlement, provided that where payment by bank cheque is permitted under the PLS Guidelines, payment may be made by the personal delivery of a bank cheque to the vendor's lawyer's office, so long as it is accompanied by the undertaking from the purchaser's lawyer required by those Guidelines.

Last Minute Settlement

- 3.11 If due to the delay of the purchaser, settlement takes place between 4.00 pm and 5.00 pm on the settlement date ("last minute settlement"), the purchaser shall pay the vendor:
 - (1) one day's interest at the interest rate for late settlement on the portion of the purchase price paid in the last minute settlement; and
 - (2) if the day following the last minute settlement is not a working day, an additional day's interest (calculated in the same manner) for each day until, but excluding, the next working day.

Purchaser Default: Late Settlement

- 3.12 If any portion of the purchase price is not paid upon the due date for payment, then, provided that the vendor provides reasonable evidence of the vendor's ability to perform any obligation the vendor is obliged to perform on that date in consideration for such payment:
 - (1) The purchaser shall pay to the vendor interest at the interest rate for late settlement on the portion of the purchase price so unpaid for the period from the due date for payment until payment ("the default period"); but nevertheless this stipulation is without prejudice to any of the vendor's rights or remedies including any right to claim for additional expenses and damages. For the purposes of this subclause, a payment made on a day other than a working day or after the termination of a working day shall be deemed to be made on the next following working day and interest shall be computed accordingly.
 - (2) The vendor is not obliged to give the purchaser possession of the property or to pay the purchaser any amount for remaining in possession, unless this agreement relates to a tenanted property, in which case the vendor must elect either to:
 - (a) account to the purchaser on settlement for incomings in respect of the property which are payable and received during the default period, in which event the purchaser shall be responsible for the outgoings relating to the property during the default period; or
 - (b) retain such incomings in lieu of receiving interest from the purchaser pursuant to subclause 3.12(1).

Vendor Default: Late Settlement or Failure to give Possession

3.13 (1) For the purposes of this subclause 3.13:

- (a) the default period means:
 - (i) in subclause 3.13(2), the period from the settlement date until the date when the vendor is able and willing to provide vacant possession and the purchaser takes possession; and
 - (ii) in subclause 3.13(3), the period from the date the purchaser takes possession until the date when settlement occurs; and
 - (iii) in subclause 3.13(5), the period from the settlement date until the date when settlement occurs; and
- (b) the vendor shall be deemed to be unwilling to give possession if the vendor does not offer to give possession.
- (2) If this agreement provides for vacant possession but the vendor is unable or unwilling to give vacant possession on the settlement date, then, provided that the purchaser provides reasonable evidence of the purchaser's ability to perform the purchaser's obligations under this agreement:
 - (a) the vendor shall pay the purchaser, at the purchaser's election, either:
 - (i) compensation for any reasonable costs incurred for temporary accommodation for persons and storage of chattels during the default period; or
 - (ii) an amount equivalent to interest at the interest rate for late settlement on the entire purchase price during the default period; and
 - (b) the purchaser shall pay the vendor an amount equivalent to the interest earned or which would be earned on overnight deposits lodged in the purchaser's lawyer's trust bank account on such portion of the purchase price (including any deposit) as is payable under this agreement on or by the settlement date but remains unpaid during the default period less:
 - (i) any withholding tax; and
 - (ii) any bank or legal administration fees and commission charges; and
 - (iii) any interest payable by the purchaser to the purchaser's lender during the default period in respect of any mortgage or loan taken out by the purchaser in relation to the purchase of the property.
- (3) If this agreement provides for vacant possession and the vendor is able and willing to give vacant possession on the settlement date, then, provided the purchaser provides reasonable evidence of the purchaser's ability to perform the purchaser's obligations under this agreement, the purchaser may elect to take possession in which case the vendor shall not be liable to pay any interest or other moneys to the purchaser but the purchaser shall pay the vendor the same amount as that specified in subclause 3.13(2)(b) during the default period. A purchaser in possession under this subclause 3.13(3) is a licensee only.
- (4) Notwithstanding the provisions of subclause 3.13(3), the purchaser may elect not to take possession when the purchaser is entitled to take it. If the purchaser elects not to take possession, the provisions of subclause 3.13(2) shall apply as though the vendor were unable or unwilling to give vacant possession on the settlement date.
- (5) If this agreement provides for the property to be sold tenanted then, provided that the purchaser provides reasonable evidence of the purchaser's ability to perform the purchaser's obligations under this agreement, the vendor shall on settlement account to the purchaser for incomings which are payable and received in respect of the property during the default period less the outgoings paid by the vendor during that period. Apart from accounting for such incomings, the vendor shall not be liable to pay any other moneys to the purchaser but the purchaser shall pay the vendor the same amount as that specified in subclause 3.13(2)(b) during the default period.
- (6) The provisions of this subclause 3.13 shall be without prejudice to any of the purchaser's rights or remedies including any right to claim for any additional expenses and damages suffered by the purchaser.
- (7) Where the parties are unable to agree upon any amount payable under this subclause 3.13:
 - (a) An interim amount shall on settlement be paid to a stakeholder by the party against whom it is claimed until the amount payable is determined.
 - (b) The interim amount shall be the lower of:
 - (i) the amount claimed; or
 - (ii) an amount equivalent to interest at the interest rate for late settlement for the relevant default period on such portion of the purchase price (including any deposit) as is payable under this agreement on or by the settlement date.
 - (c) Any interest earned on the interim amount net of any withholding tax and any bank or legal administration fees and commission charges shall follow the destination of the interim amount.
 - (d) The amount determined to be payable shall not be limited by the interim amount.
 - (e) If the parties cannot agree on a stakeholder the interim amount shall be paid to a stakeholder nominated on the application of either party by the president for the time being of the New Zealand Law Society.

Deferment of Settlement and Possession

3.14 If –

- (1) this is an agreement for the sale by a residential property developer of a household unit; and
 - (2) a code compliance certificate has not been issued by the settlement date in relation to the household unit –
- then, unless the parties agree otherwise (in which case the parties shall enter into a written agreement in the form prescribed by the Building (Forms) Regulations 2004) the settlement date shall be deferred to the fifth working day following the date upon which the vendor has given the purchaser notice that the code compliance certificate has been issued (which notice must be accompanied by a copy of the certificate).

3.15 In every case, if neither party is ready, willing and able to settle on the settlement date, the settlement date shall be deferred to the third working day following the date upon which one of the parties gives notice it has become ready, willing and able to settle.

3.16 If –

- (1) the property is a unit title;
 - (2) the settlement date is deferred pursuant to either subclause 3.14 or subclause 3.15; and
 - (3) the vendor considers on reasonable grounds that an extension of time is necessary or desirable in order for the vendor to comply with the warranty by the vendor in subclause 8.2(2) –
- (4) then the vendor may extend the settlement date –
- (5) where there is a deferment of the settlement date pursuant to subclause 3.14, to the tenth working day following the date upon which the vendor gives the purchaser notice that the code compliance certificate has been issued, provided the vendor gives notice of the extension to the purchaser no later than the second working day after such notice; or
 - (6) where there is a deferment of the settlement date pursuant to subclause 3.15, to the tenth working day following the date upon which one of the parties gives notice that it has become ready, willing and able to settle, provided the vendor gives notice of the extension to the purchaser no later than the second working day after such notice.

New Title Provision

3.17 (1) Where –

- (a) the transfer of the property is to be registered against a new title yet to be issued; and
 - (b) a search copy, as defined in section 172A of the Land Transfer Act 1952, of that title is not obtainable by the tenth working day prior to the settlement date –
 - (c) then, unless the purchaser elects that settlement shall still take place on the agreed settlement date, the settlement date shall be deferred to the tenth working day following the later of the date on which:
 - (d) the vendor has given the purchaser notice that a search copy is obtainable; or
 - (e) the requisitions procedure under clause 5.0 is complete.
- (2) Subclause 3.17(1) shall not apply where it is necessary to register the transfer of the property to enable a plan to deposit and title to the property to issue.

4.0 Risk and insurance

4.1 The property and chattels shall remain at the risk of the vendor until possession is given and taken.

4.2 If, prior to the giving and taking of possession, the property is destroyed or damaged, and such destruction or damage has not been made good by the settlement date, then the following provisions shall apply:

- (1) If the destruction or damage has been sufficient to render the property untenable and it is untenable on the settlement date the purchaser may:
 - (a) complete the purchase at the purchase price, less a sum equal to any insurance moneys received or receivable by or on behalf of the vendor in respect of such destruction or damage, provided that no reduction shall be made to the purchase price if the vendor's insurance company has agreed to reinstate for the benefit of the purchaser to the extent of the vendor's insurance cover; or
 - (b) cancel this agreement by serving notice on the vendor in which case the vendor shall return to the purchaser immediately the deposit and any other moneys paid by the purchaser, and neither party shall have any right or claim against the other arising from this agreement or its cancellation.
- (2) If the property is not untenable on the settlement date the purchaser shall complete the purchase at the purchase price less a sum equal to the amount of the diminution in value of the property which, to the extent that the destruction or damage to the property can be made good, shall be deemed to be equivalent to the reasonable cost of reinstatement or repair.
- (3) In the case of a property zoned for rural purposes under an operative District Plan, damage to the property shall be deemed to have rendered the property untenable where the diminution in value exceeds an amount equal to 20% of the purchase price.
- (4) If the amount of the diminution in value is disputed, the parties shall follow the same procedure as that set out in subclause 7.4 for when an amount of compensation is disputed.

4.3 The purchaser shall not be required to take over any insurance policies held by the vendor.

5.0 Title, boundaries and requisitions

- 5.1 The vendor shall not be bound to point out the boundaries of the property ~~except that on the sale of a vacant residential lot which is not limited as to parcels the vendor shall ensure that all boundary markers required by the Cadastral Survey Act 2002 and any related rules and regulations to identify the boundaries of the property are present in their correct positions at the settlement date.~~
- 5.2 (1) The purchaser is deemed to have accepted the vendor's title ~~except as to objections or requisitions which the purchaser is entitled to make and notice of which the purchaser serves on the vendor on or before the earlier of:~~ and hereby waives any right of objection or requisition with respect thereto.
~~(a) the tenth working day after the date of this agreement; or~~
~~(b) the settlement date.~~
- (2) Where the transfer of the property is to be registered against a new title yet to be issued, the purchaser is deemed to have accepted the title except as to such objections or requisitions which the purchaser is entitled to make and notice of which the purchaser serves on the vendor on or before the fifth working day following the date the vendor has given the purchaser notice that the title has been issued and a search copy of it as defined in section 172A of the Land Transfer Act 1952 is obtainable.
- (3) If the vendor is unable or unwilling to remove or comply with any objection or requisition as to title, notice of which has been served on the vendor by the purchaser, then the following provisions will apply.
- (a) The vendor shall notify the purchaser ("a vendor's notice") of such inability or unwillingness on or before the fifth working day after the date of service of the purchaser's notice.
- (b) If the vendor does not give a vendor's notice the vendor shall be deemed to have accepted the objection or requisition and it shall be a requirement of settlement that such objection or requisition shall be complied with before settlement.
- (c) If the purchaser does not on or before the fifth working day after service of a vendor's notice notify the vendor that the purchaser waives the objection or requisition, either the vendor or the purchaser may (notwithstanding any intermediate negotiations) by notice to the other, cancel this agreement.
- (4) In the event of cancellation under subclause 5.2(3), the purchaser shall be entitled to the immediate return of the deposit and any other moneys paid under this agreement by the purchaser and neither party shall have any right or claim against the other arising from this agreement or its cancellation. In particular, the purchaser shall not be entitled to any interest or to the expense of investigating the title or to any compensation whatsoever.
- 5.3 (1) If the title to the property being sold is a cross lease title or a unit title and there are:
- (a) in the case of a cross lease title:
- (i) alterations to the external dimensions of any leased structure; or
- (ii) buildings or structures not intended for common use which are situated on any part of the land that is not subject to a restricted user covenant;
- (b) in the case of a unit title, encroachments out of the principal unit or accessory unit title space (as the case may be):
- then the purchaser may requisition the title under subclause 5.2 requiring the vendor:
- (c) in the case of a cross lease title, to deposit a new plan depicting the buildings or structures and register a new cross lease or cross leases (as the case may be) and any other ancillary dealings in order to convey good title; or
- (d) in the case of a unit title, to deposit an amendment to the unit plan, a redevelopment plan or new unit plan (as the case may be) depicting the principal and/or accessory units and register such transfers and any other ancillary dealings in order to convey good title.
- (2) The words "alterations to the external dimensions of any leased structure" shall only mean alterations which are attached to the leased structure and enclosed.
- 5.4 Except as provided by section 7 of the Contractual Remedies Act 1979, no error, omission or misdescription of the property or the title shall enable the purchaser to cancel this agreement but compensation, if claimed by notice before settlement in accordance with subclause 7.1 but not otherwise, shall be made or given as the case may require.
- 5.5 The vendor shall not be liable to pay for or contribute towards the expense of erection or maintenance of any fence between the property and any contiguous land of the vendor but this proviso shall not enure for the benefit of any subsequent purchaser of the contiguous land; and the vendor shall be entitled to require the inclusion of a fencing covenant to this effect in any transfer of the property.

6.0 Vendor's warranties and undertakings

- 6.1 The vendor warrants and undertakes that at the date of this agreement the vendor has not:
- (1) received any notice or demand and has no knowledge of any requisition or outstanding requirement:
- (a) from any local or government authority or other statutory body; or
- (b) under the Resource Management Act 1991; or
- (c) from any tenant of the property; or
- (d) from any other party; or
- (2) given any consent or waiver—
 which directly or indirectly affects the property and which has not been disclosed in writing to the purchaser.
- 6.2 The vendor warrants and undertakes that at settlement:
- (1) The chattels are delivered to the purchaser in reasonable working order, where applicable, but in all other respects in their state of repair as at the date of this agreement (fair wear and tear excepted) but failure so to deliver the chattels shall only create a right of compensation.
- (2) All electrical and other installations on the property are free of any charge whatsoever.
- (3) There are no arrears of rates, water rates or charges outstanding on the property.
- (4) Where an allowance has been made by the vendor in the settlement statement for incomings receivable, the settlement statement correctly records those allowances including, in particular, the dates up to which the allowances have been made.
- (5) Where the vendor has done or caused or permitted to be done on the property any works:
- (a) any permit, resource consent or building consent required by law was obtained; and
- (b) to the vendor's knowledge, the works were completed in compliance with those permits or consents; and
- (c) where appropriate, a code compliance certificate was issued for those works.
- (6) Where under the Building Act, any building on the property sold requires a compliance schedule:
- (a) the vendor has fully complied with any requirements specified in any compliance schedule issued by a territorial authority under the Building Act in respect of the building;
- (b) the building has a current building warrant of fitness; and
- (c) the vendor is not aware of any reason, that the vendor has not disclosed in writing to the purchaser, which would prevent a building warrant of fitness from being supplied to the territorial authority when the building warrant of fitness is next due.
- (7) Since the date of this agreement, the vendor has not given any consent or waiver which directly or indirectly affects the property.
- (8) Any notice or demand received by the vendor, which directly or indirectly affects the property, after the date of this agreement:
- (a) from any local or government authority or other statutory body; or
- (b) under the Resource Management Act 1991; or
- (c) from any tenant of the property; or
- (d) from any other party—
 has been delivered forthwith by the vendor to either the purchaser or the purchaser's lawyer, unless the vendor has paid or complied with such notice or demand. If the vendor fails to so deliver or pay the notice or demand, the vendor shall be liable for any penalty incurred.
- (9) Any chattels included in the sale are the unencumbered property of the vendor.
- 6.3 If the property is or includes part only of a building, the warranty and undertaking in subclause 6.2(6) does not apply. Instead the vendor warrants and undertakes at the date of this agreement that, where under the Building Act the building of which the property forms part requires a compliance schedule:
- (1) To the vendor's knowledge, there has been full compliance with any requirements specified in any compliance schedule issued by a territorial authority under the Building Act in respect of the building;
- (2) The building has a current building warrant of fitness; and
- (3) The vendor is not aware of any reason, that the vendor has not disclosed in writing to the purchaser, which would prevent a building warrant of fitness from being supplied to the territorial authority when the building warrant of fitness is next due.
- 6.4 The vendor warrants and undertakes that on or immediately after settlement:
- (1) If the water and wastewater charges are determined by meter, the vendor will have the water meter read and will pay the amount of the charge payable pursuant to that reading; but if the water supplier will not make special readings the water and wastewater charges shall be apportioned.
- (2) Any outgoing included in the settlement statement are paid in accordance with the settlement statement and, where applicable, to the dates shown in the settlement statement, or will be so paid immediately after settlement.
- (3) The vendor will give notice of sale in accordance with the Local Government (Rating) Act 2002 to the territorial authority and regional council in whose district the land is situated and will also give notice of the sale to every other authority that makes and levies rates or charges on the land and to the supplier of water.

- (4) Where the property is a unit title, the vendor will notify the body corporate in writing of the transfer of the property and the name and address of the purchaser.
- ~~6.5 If the purchaser has not validly cancelled this agreement, the breach of any warranty or undertaking contained in this agreement does not defer the obligation to settle but that obligation shall be subject to the rights of the purchaser at law or in equity, including any rights under subclause 5.4 and any right of equitable set-off.~~

7.0 Claims for compensation

- ~~7.1 If the purchaser claims a right to compensation either under subclause 5.4 or for an equitable set-off:~~
- ~~(1) The purchaser must serve notice of the claim on the vendor before settlement; and~~
- ~~(2) The notice must:~~
- ~~(a) in the case of a claim for compensation under subclause 5.4, state the particular error, omission or misdescription of the property or title in respect of which compensation is claimed;~~
- ~~(b) in the case of a claim to an equitable set-off, state the particular matters in respect of which compensation is claimed;~~
- ~~(c) comprise a genuine pre-estimate of the loss suffered by the purchaser; and~~
- ~~(d) be particularised and quantified to the extent reasonably possible as at the date of the notice.~~
- ~~7.2 For the purposes of subclause 7.1(1), "settlement" means the date for settlement fixed by this agreement unless, by reason of the conduct or omission of the vendor, the purchaser is unable to give notice by that date, in which case notice may be given by the date for settlement fixed by a valid settlement notice served by either party pursuant to subclause 10.1.~~
- ~~7.3 If the amount of compensation is agreed, it shall be deducted on settlement.~~
- ~~7.4 If the amount of compensation is disputed:~~
- ~~(1) An interim amount shall be deducted on settlement and paid by the purchaser to a stakeholder until the amount of the compensation is determined.~~
- ~~(2) The interim amount must be a reasonable sum having regard to all of the circumstances.~~
- ~~(3) If the parties cannot agree on the interim amount, the interim amount shall be determined by an experienced property lawyer appointed by the parties. The appointee's costs shall be met equally by the parties. If the parties cannot agree on the appointee, the appointment shall be made on the application of either party by the president for the time being of the New Zealand Law Society.~~
- ~~(4) The stakeholder shall lodge the interim amount on interest-bearing call deposit with a bank registered under the Reserve Bank of New Zealand Act 1989 in the joint names of the vendor and the purchaser.~~
- ~~(5) The interest earned on the interim amount net of any withholding tax and any bank or legal administration fees and commission charges shall follow the destination of the interim amount.~~
- ~~(6) The amount of compensation determined to be payable shall not be limited by the interim amount.~~
- ~~(7) If the parties cannot agree on a stakeholder, the interim amount shall be paid to a stakeholder nominated on the application of either party by the president for the time being of the New Zealand Law Society.~~
- ~~7.5 The procedures prescribed in subclauses 7.1 to 7.4 shall not prevent either party taking proceedings for the specific performance of the contract.~~

8.0 Unit title and cross lease provisions

Unit Titles

- ~~8.1 If the property is a unit title, sections 144 to 150 of the Unit Titles Act 2010 ("the Act") require the vendor to provide to the purchaser a pre-contract disclosure statement, a pre-settlement disclosure statement and, if so requested by the purchaser, an additional disclosure statement.~~
- ~~8.2 If the property is a unit title, the vendor warrants and undertakes as follows:~~
- ~~(1) Apart from regular periodic contributions, no contributions have been levied or proposed by the body corporate that have not been disclosed in writing to the purchaser.~~
- ~~(2) Not less than five working days before the settlement date the vendor will provide:~~
- ~~(a) a certificate of insurance for all insurances effected by the body corporate under the provisions of section 135 of the Act; and~~
- ~~(b) a pre-settlement disclosure statement from the vendor, certified correct by the body corporate, under section 147 of the Act. Any periodic contributions to the operating account shown in that pre-settlement disclosure statement shall be apportioned. There shall be no apportionment of contributions to any long-term maintenance fund, contingency fund or capital improvement fund.~~
- ~~(3) There are no other amounts owing by the owner under any provision of the Act or the Unit Titles Act 1972.~~
- ~~(4) There are no unsatisfied judgments against the body corporate and no proceedings have been instituted against or by the body corporate.~~
- ~~(5) No order or declaration has been made by any Court against the body corporate or the owner under any provision of the Act or the Unit Titles Act 1972.~~
- ~~(6) The vendor has no knowledge or notice of any fact which might give rise to or indicate the possibility of:~~
- ~~(a) the owner or the purchaser incurring any other liability under any provision of the Act or the Unit Titles Act 1972; or~~
- ~~(b) any proceedings being instituted by or against the body corporate; or~~
- ~~(c) any order or declaration being sought against the body corporate or the owner under any provision of the Act or the Unit Titles Act 1972.~~
- ~~(7) The vendor is not aware of proposals to pass any body corporate resolution relating to its rules nor are there any unregistered changes to the body corporate rules which have not been disclosed in writing to the purchaser.~~
- ~~(8) No lease, licence, easement or special privilege has been granted by the body corporate in respect of any part of the common property which has not been disclosed in writing to the purchaser.~~
- ~~(9) No resolution has been passed and no application has been made and the vendor has no knowledge of any proposal for:~~
- ~~(a) the transfer of the whole or any part of the common property;~~
- ~~(b) the addition of any land to the common property;~~
- ~~(c) the cancellation of the unit plan; or~~
- ~~(d) the deposit of an amendment to the unit plan, a redevelopment plan or a new unit plan in substitution for the existing unit plan which has not been disclosed in writing to the purchaser.~~
- ~~(10) As at settlement, all contributions and other moneys payable by the vendor to the body corporate have been paid in full.~~
- ~~8.3 If the property is a unit title, in addition to the purchaser's rights under sections 149 and 150 of the Act, if the vendor does not provide the certificates of insurance and the pre-settlement disclosure statement under section 147 in accordance with the requirements of subclause 8.2(2), the purchaser may:~~
- ~~(1) postpone the settlement date until the fifth working day following the date on which that information is provided to the purchaser; or~~
- ~~(2) elect that settlement shall still take place on the settlement date.~~
- ~~8.4 If the property is a unit title, each party specifies that:~~
- ~~(1) The facsimile number of the office of that party's lawyer shall be an address for service for that party for the purposes of section 205(1)(d) of the Act; and~~
- ~~(2) if that party is absent from New Zealand, that party's lawyer shall be that party's agent in New Zealand for the purposes of section 205(2) of the Act.~~
- ~~8.5 If the property is a unit title, any costs owing by the purchaser to the vendor pursuant to section 149(5) of the Act for providing an additional disclosure statement shall be included in the moneys payable by the purchaser on settlement pursuant to subclause 3.8(1). Such costs may be deducted from the deposit if the purchaser becomes entitled to a refund of the deposit upon cancellation or avoidance of this agreement.~~

Unauthorised structures - Cross leases and unit titles

- ~~8.6 (1) Where structures (not stated in clause 5.0 to be requisitionable) have been erected on the property without:~~
- ~~(a) in the case of a cross lease title any required lessors' consent; or~~
- ~~(b) in the case of a unit title any required body corporate consent~~
- ~~the purchaser may demand within the period expiring on the earlier of:~~
- ~~(i) the tenth working day after the date of this agreement; or~~
- ~~(ii) the settlement date~~
- ~~that the vendor obtain the written consent of the current lessors or the body corporate (as the case may be) to such improvements ("a current consent") and provide the purchaser with a copy of such consent on or before the settlement date.~~
- ~~(2) Should the vendor be unwilling or unable to obtain a current consent then the procedure set out in subclauses 5.2(3) and 5.2(4) shall apply with the purchaser's demand under subclause 8.6(1) being deemed to be an objection and requisition.~~

9.0 Conditions and mortgage terms

Particular conditions

- 9.1 If particulars of any finance condition(s) are inserted on the front page of this agreement, this agreement is conditional upon the purchaser arranging finance in terms of those particulars on or before the finance date.

- 9.2 (1) If the purchaser has indicated on the front page of this agreement that a LIM is required:
- (a) that LIM is to be obtained by the purchaser at the purchaser's cost;
 - (b) the purchaser is to request the LIM on or before the fifth working day after the date of this agreement; and
 - (c) this agreement is conditional upon the purchaser approving that LIM provided that such approval must not be unreasonably or arbitrarily withheld.
- (2) If, on reasonable grounds, the purchaser does not approve the LIM, the purchaser shall give notice to the vendor ("the purchaser's notice") on or before the fifteenth working day after the date of this agreement stating the particular matters in respect of which approval is withheld and, if those matters are capable of remedy, what the purchaser reasonably requires to be done to remedy those matters. If the purchaser does not give a purchaser's notice the purchaser shall be deemed to have approved the LIM. If through no fault of the purchaser the LIM is not available on or before the fifteenth working day after the date of this agreement and the vendor does not give an extension when requested, this condition shall not have been fulfilled and the provisions of subclause 9.8(5) shall apply.
- (3) The vendor shall give notice to the purchaser ("the vendor's notice") on or before the fifth working day after receipt of the purchaser's notice advising whether or not the vendor is able and willing to comply with the purchaser's notice by the settlement date.
- (4) If the vendor does not give a vendor's notice, or if the vendor's notice advises that the vendor is unable or unwilling to comply with the purchaser's notice, and if the purchaser does not, on or before the tenth working day after the date on which the purchaser's notice is given, give notice to the vendor that the purchaser waives the objection to the LIM, this condition shall not have been fulfilled and the provisions of subclause 9.8(5) shall apply.
- (5) If the vendor gives a vendor's notice advising that the vendor is able and willing to comply with the purchaser's notice, this condition is deemed to have been fulfilled and it shall be a requirement of settlement that the purchaser's notice shall be complied with, and also, if the vendor must carry out work on the property, that the vendor shall obtain the approval of the territorial authority to the work done, both before settlement.
- 9.3 If the purchaser has indicated on the front page of this agreement that a building report is required, this agreement is conditional upon the purchaser obtaining at the purchaser's cost on or before the tenth working day after the date of this agreement a report on the condition of the buildings and any other improvements on the property that is satisfactory to the purchaser, on the basis of an objective assessment. The report must be prepared in good faith by a suitably-qualified building inspector in accordance with accepted principles and methods. Subject to the rights of any tenants of the property, the vendor shall allow the building inspector to inspect the property at all reasonable times upon reasonable notice for the purposes of preparation of the report. The building inspector may not carry out any invasive testing in the course of inspection without the vendor's prior written consent. If the purchaser avoids this agreement for non-fulfilment of this condition pursuant to subclause 9.8(5), the purchaser must provide the vendor immediately upon request with a copy of the building inspector's report.
- 9.4 (1) If the purchaser has indicated on the front page of this agreement that OIA Consent is not required then the purchaser warrants that the purchaser does not require OIA Consent.
- (2) If the purchaser has indicated on the front page of this agreement that OIA Consent is required, this agreement is conditional upon OIA Consent being obtained on or before the Land Act/OIA date shown on the front page of this agreement, the purchaser being responsible for payment of the application fee.
- 9.5 If this agreement relates to a transaction to which the Land Act 1948 applies, this agreement is subject to the vendor obtaining the necessary consent by the Land Act/OIA date shown on the front page of this agreement.
- 9.6 If the Land Act/OIA date is not shown on the front page of this agreement that date shall be the settlement date or a date 65 working days from the date of this agreement whichever is the sooner.
- 9.7 If this agreement relates to a transaction to which section 225 of the Resource Management Act 1991 applies then this agreement is subject to the appropriate condition(s) imposed by that section.

Operation of conditions

- 9.8 If this agreement is expressed to be subject either to the above or to any other condition(s), then in relation to each such condition the following shall apply unless otherwise expressly provided:
- (1) The condition shall be a condition subsequent.
 - (2) The party or parties for whose benefit the condition has been included shall do all things which may reasonably be necessary to enable the condition to be fulfilled by the date for fulfilment.
 - (3) Time for fulfilment of any condition and any extended time for fulfilment to a fixed date shall be of the essence.
 - (4) The condition shall be deemed to be not fulfilled until notice of fulfilment has been served by one party on the other party.
 - (5) If the condition is not fulfilled by the date for fulfilment, either party may at any time before the condition is fulfilled or waived avoid this agreement by giving notice to the other. Upon avoidance of this agreement the purchaser shall be entitled to the immediate return of the deposit and any other moneys paid by the purchaser under this agreement and neither party shall have any right or claim against the other arising from this agreement or its termination.
 - (6) At any time before this agreement is avoided the purchaser may waive any finance condition and either party may waive any other condition which is for the sole benefit of that party. Any waiver shall be by notice.

Mortgage terms

- 9.9 Any mortgage to be arranged pursuant to a finance condition shall be upon and subject to the terms and conditions currently being required by the lender in respect of loans of a similar nature.
- 9.10 If the vendor is to advance mortgage moneys to the purchaser then, unless otherwise stated, the mortgage shall be in the appropriate "fixed sum" form currently being published by Auckland District Law Society Incorporated.

10.0 Notice to complete and remedies on default

- 10.1 (1) If the sale is not settled on the settlement date either party may at any time thereafter serve on the other party a settlement notice; but
- (2) The settlement notice shall be effective only if the party serving it is at the time of service either in all material respects ready able and willing to proceed to settle in accordance with this agreement or is not so ready able and willing to settle only by reason of the default or omission of the other party.
- (3) If the purchaser is in possession the vendor's right to cancel this agreement will be subject to sections 28 to 36 of the Property Law Act 2007 and the settlement notice may incorporate or be given with a notice under section 28 of that Act complying with section 29 of that Act.
- 10.2 Subject to subclause 10.1(3), upon service of the settlement notice the party on whom the notice is served shall settle:
- (1) on or before the twelfth working day after the date of service of the notice; or
 - (2) on the first working day after the 13th day of January if the period of twelve working days expires during the period commencing on the 6th day of January and ending on the 13th day of January, both days inclusive –
- time being of the essence, but without prejudice to any intermediate right of cancellation by either party.
- 10.3 (1) If this agreement provides for the payment of the purchase price by instalments and the purchaser fails duly and punctually to pay any instalment on or within one month from the date on which it fell due for payment then, whether or not the purchaser is in possession, the vendor may immediately give notice to the purchaser calling up the unpaid balance of the purchase price, which shall upon service of the notice fall immediately due and payable.
- (2) The date of service of the notice under this subclause shall be deemed the settlement date for the purposes of subclause 10.1.
 - (3) The vendor may give a settlement notice with a notice under this subclause.
 - (4) For the purpose of this subclause a deposit is not an instalment.
- 10.4 If the purchaser does not comply with the terms of the settlement notice served by the vendor then, subject to subclause 10.1(3):
- (1) Without prejudice to any other rights or remedies available to the vendor at law or in equity the vendor may:
 - (a) sue the purchaser for specific performance; or
 - (b) cancel this agreement by notice and pursue either or both of the following remedies namely:
 - (i) forfeit and retain for the vendor's own benefit the deposit paid by the purchaser, but not exceeding in all 10% of the purchase price; and/or
 - (ii) sue the purchaser for damages.
 - (2) Where the vendor is entitled to cancel this agreement the entry by the vendor into a conditional or unconditional agreement for the resale of the property or any part thereof shall take effect as a cancellation of this agreement by the vendor if this agreement has not previously been cancelled and such resale shall be deemed to have occurred after cancellation.
 - (3) The damages claimable by the vendor under subclause 10.4(1)(b)(ii) shall include all damages claimable at common law or in equity and shall also include (but shall not be limited to) any loss incurred by the vendor on any bona fide resale contracted within one year from the date by which the purchaser should have settled in compliance with the settlement notice. The amount of that loss may include:
 - (a) interest on the unpaid portion of the purchase price at the interest rate for late settlement from the settlement date to the settlement of such resale; and
 - (b) all costs and expenses reasonably incurred in any resale or attempted resale; and
 - (c) all outgoings (other than interest) on or maintenance expenses in respect of the property from the settlement date to the settlement of such resale.
 - (4) Any surplus money arising from a resale as aforesaid shall be retained by the vendor.
- 10.5 If the vendor does not comply with the terms of a settlement notice served by the purchaser then without prejudice to any other rights or remedies available to the purchaser at law or in equity the purchaser may:
- (1) sue the vendor for specific performance; or
 - (2) cancel this agreement by notice and require the vendor forthwith to repay to the purchaser any deposit and any other money paid on account of the purchase price and interest on such sum(s) at the interest rate for late settlement from the date or dates of payment by the purchaser until repayment.

- 10.6 The party serving a settlement notice may extend the term of the notice for one or more specifically stated periods of time and thereupon the term of the settlement notice shall be deemed to expire on the last day of the extended period or periods and it shall operate as though this clause stipulated the extended period(s) of notice in lieu of the period otherwise applicable; and time shall be of the essence accordingly. An extension may be given either before or after the expiry of the period of the notice.
- 10.7 Nothing in this clause shall preclude a party from suing for specific performance without giving a settlement notice.
- 10.8 A party who serves a settlement notice under this clause shall not be in breach of an essential term by reason only of that party's failure to be ready and able to settle upon the expiry of that notice.

11.0 Non-merger

- 11.1 The obligations and warranties of the parties in this agreement shall not merge with:
- (1) the giving and taking of possession;
 - (2) settlement;
 - (3) the transfer of title to the property;
 - (4) delivery of the chattels (if any); or
 - (5) registration of the transfer of title to the property.

12.0 Agent

- 12.1 If the name of a licensed real estate agent is recorded on this agreement it is acknowledged that the sale evidenced by this agreement has been made through that agent whom the vendor appoints as the vendor's agent to effect the sale. The vendor shall pay the agent's charges including GST for effecting such sale.

13.0 Goods and Services Tax

- 13.1 If this agreement provides for the purchaser to pay (in addition to the purchase price stated without GST) any GST which is payable in respect of the supply made under this agreement then:
- (1) The purchaser shall pay to the vendor the GST which is so payable in one sum on the GST date.
 - (2) Where the GST date has not been inserted on the front page of this agreement the GST date shall be the settlement date.
 - (3) Where any GST is not so paid to the vendor the purchaser shall pay to the vendor:
 - (a) interest at the interest rate for late settlement on the amount of GST unpaid from the GST date until payment; and
 - (b) any default GST.
 - (4) It shall not be a defence to a claim against the purchaser for payment to the vendor of any default GST that the vendor has failed to mitigate the vendor's damages by paying an amount of GST when it fell due under the GST Act.
 - (5) Any sum referred to in this clause is included in the moneys payable by the purchaser on settlement pursuant to subclause 3.8(1).
- 13.2 If the supply under this agreement is a taxable supply the vendor will deliver a tax invoice to the purchaser on or before the GST date or such earlier date as the purchaser is entitled to delivery of an invoice under the GST Act.
- 13.3 The vendor warrants that any dwelling and curtilage or part thereof supplied on sale of the property are not a supply to which section 5(16) of the GST Act applies.
- 13.4 (1) Without prejudice to the vendor's rights and remedies under subclause 13.1, where any GST is not paid to the vendor on or within one month of the GST date, then whether or not the purchaser is in possession, the vendor may immediately give notice to the purchaser calling up any unpaid balance of the purchase price, which shall upon service of the notice fall immediately due and payable.
- (2) The date of service of the notice under this subclause shall be deemed the settlement date for the purposes of subclause 10.1.
- (3) The vendor may give a settlement notice under subclause 10.1 with a notice under this subclause.

14.0 Zero-rating

- 14.1 The vendor warrants that the statement on the front page regarding the vendor's GST registration status in respect of the supply under this agreement is correct at the date of this agreement.
- 14.2 The purchaser warrants that any particulars stated by the purchaser in Schedule 2 are correct at the date of this agreement.
- 14.3 Where the particulars stated on the front page and in Schedule 2 indicate that:
- (1) The vendor is and/or will be at settlement a registered person in respect of the supply under this agreement;
 - (2) The recipient is and/or will be at settlement a registered person;
 - (3) The recipient intends at settlement to use the property for making taxable supplies; and
 - (4) The recipient does not intend at settlement to use the property as a principal place of residence by the recipient or a person associated with the recipient under section 2A(1)(c) of the GST Act -
- GST will be chargeable on the supply under this agreement at zero per cent pursuant to section 11(1)(mb) of the GST Act.
- 14.4 If GST is chargeable on the supply under this agreement at zero per cent pursuant to section 11(1)(mb) of the GST Act, then on or before settlement the purchaser will provide the vendor with the recipient's name, address and registration number if any of those details are not included in Schedule 2 or they have altered.
- 14.5 If any of the particulars stated by the purchaser in Schedule 2 should alter between the date of this agreement and settlement, the purchaser shall notify the vendor of the altered particulars and of any other relevant particulars in Schedule 2 which may not have been completed by the purchaser as soon as practicable and in any event no later than two working days before settlement. The purchaser warrants that any altered or added particulars will be correct as at the date of the purchaser's notification. If the GST treatment of the supply under this agreement should be altered as a result of the altered or added particulars, the vendor shall prepare and deliver to the purchaser or the purchaser's lawyer an amended settlement statement if the vendor has already tendered a settlement statement, and a credit note or a debit note, as the case may be, if the vendor has already issued a tax invoice.
- 14.6 If the particulars stated in Schedule 2 indicate that the recipient intends to use part of the property as a principal place of residence by the recipient or a person associated with the recipient under section 2A(1)(c) of the GST Act, the reference in clauses 14.3 and 14.4 to "the supply under this agreement" shall be deemed to mean the supply under this agreement of the remainder of the property, excluding that part. The supply of that part of the property intended to be used as a principal place of residence will comprise a separate supply in accordance with section 5(15)(a) of the GST Act.

15.0 Supply of a Going Concern

- 15.1 If there is a supply under this agreement to which section 11(1)(mb) of the GST Act does not apply but which comprises the supply of a taxable activity that is a going concern at the time of the supply, then, unless otherwise expressly stated herein:
- (1) Each party warrants that it is a registered person or will be so by the date of the supply;
 - (2) Each party agrees to provide the other party by the date of the supply with proof of its registration for GST purposes;
 - (3) The parties agree that they intend that the supply is of a taxable activity that is capable of being carried on as a going concern by the purchaser; and
 - (4) The parties agree that the supply made pursuant to this agreement is the supply of a going concern on which GST is chargeable at zero per cent.
- 15.2 If it subsequently transpires that GST is payable in respect of the supply and if this agreement provides for the purchaser to pay (in addition to the purchase price without GST) any GST which is payable in respect of the supply made under this agreement, then the provisions of clause 13.0 of this agreement shall apply.

16.0 Limitation of Liability

- 16.1 If any person enters into this agreement as trustee of a trust, then:
- (1) That person warrants that:
 - (a) that person has power to enter into this agreement under the terms of the trust;
 - (b) that person has properly signed this agreement in accordance with the terms of the trust;
 - (c) that person has the right to be indemnified from the assets of the trust and that right has not been lost or impaired by any action of that person including entry into this agreement; and
 - (d) all of the persons who are trustees of the trust have approved entry into this agreement.
 - (2) If that person has no right to or interest in any assets of the trust except in that person's capacity as a trustee of the trust, that person's liability under this agreement will not be personal and unlimited but will be limited to the actual amount recoverable from the assets of the trust from time to time ("the limited amount"). If the right of that person to be indemnified from the trust assets has been lost or impaired, that person's liability will become personal but limited to the extent of that part of the limited amount which cannot be recovered from any other person.

17.0 Counterparts

- 17.1 This agreement may be executed in two or more counterparts, all of which will together be deemed to constitute one and the same agreement. A party may enter into this agreement by signing a counterpart copy and sending it to the other party, including by facsimile or e-mail.

FURTHER TERMS OF SALE

See attached further terms of sale.



SCHEDULE 1

List all chattels included in the sale
(strike out or add as applicable)

~~Stove~~ ~~Fixed floor coverings~~ ~~Blinds~~ ~~Curtains~~ ~~Drapes~~ ~~Light fittings~~

FURTHER TERMS OF SALE | CHURCH ROAD

18. Encumbrance and Other Interests Affecting the Property

- 18.1 The Purchaser agrees that the Property is sold subject to the interests specified on the computer freehold register for the Property and the Encumbrance referred to in clause 18.2.
- 18.2 The Purchaser acknowledges and agrees that the Vendor intends to register an encumbrance substantially in the form attached as Schedule Four to this Agreement (the **Encumbrance**) against the computer freehold register for the Property, prior to or on the Settlement Date. If the Vendor has not completed registration of the Encumbrance prior to the Settlement Date, the Purchaser shall cooperate with the Vendor and take all steps reasonably necessary to effect registration of the Encumbrance within a reasonable time following the Settlement Date. The Encumbrance shall rank as a first charge in respect of the Property and the Purchaser shall do all things necessary to achieve such registration.

19. Part of Property subject to acquisition by NZTA

- 19.1 The Purchaser acknowledges and agrees that part of the Property, comprising approximately 0.3610 hectares being that land shown coloured blue and headed "B" on the plan attached in Schedule Three (the **Acquired Land**), may be acquired for road purposes by NZTA (the **Acquisition**) either before or following the Settlement Date.
- 19.2 If the Acquisition takes place at any time following the Settlement Date, then the Purchaser agrees to execute and do all things necessary to give effect to the Acquisition if and when required by NZTA.
- 19.3 The Purchaser further acknowledges and agrees that no compensation shall be payable to the Purchaser in the event that NZTA proceeds with the Acquisition and further releases to the fullest extent possible the Vendor from all claims or demands of any kind and from liability in respect of it. Further, the Purchaser shall have no right to claim compensation from the Vendor.

20. Purchaser's Reliance

The Purchaser acknowledges and agrees that:

- (a) it has entered into this Agreement on the basis of its own knowledge and investigations and makes no reliance on any information as to the suitability of the Property or any chattels and improvements from the Vendor;
- (b) the Property and any chattels and improvements (including without limitation any water supply to and from the Property) is sold on an "as is where is" basis such that the Purchaser acknowledges that the Vendor shall have no liability or obligation to undertake any remedial works, repairs or modifications to the Property or the plant and chattels (if any) nor will the Vendor be liable or responsible for ensuring that the Property or the plant and chattels (if any) comply with the requirements of the Building Act 2004, the Resource Management Act 1991, or any other relevant legislation or any local or regional authority rules, regulations or codes and no representation or warranty is made or given that the Property or the plant and chattels (if any) comply therewith;

- (c) not all of the boundaries on the Property are fenced and the Vendor shall not be liable to the Purchaser in respect of any fences (including their location or condition) or lack thereof. The Vendor is also under no obligation to peg or point out the boundaries of the Property, and the boundary fencing may or may not accurately reflect such boundaries.

21. **Lowest Price Clause**

For the purposes of Sub-Part EW of the Income Tax Act 2007 the parties agree that the purchase price for the Property does not include any capitalised interest and is the lowest price that they would have agreed for the Property on the date this Agreement was executed by both parties.

22. **Severability**

Any unlawful or voidable provision in this Agreement shall be read down so as to be valid and enforceable or, if it cannot be read down, will be severed from this Agreement without affecting the validity, legality or enforceability of the remaining provisions, provided the reading down or severing does not materially affect the purpose of or frustrate this Agreement.

23. **Signature**

This Agreement may be executed in a number of counterparts (including facsimile or scanned PDF counterpart) which shall be deemed an original but all of which together shall constitute the same instrument. No counterpart shall be effective until each party has executed at least one counterpart.

24. **Further Assurances**

Each party shall sign and deliver any documents and undertake any acts, matters and things which are reasonably required or requested by the other party to carry out and give effect to the intent and purpose of this Agreement.

25. **Further Terms to Prevail over General Terms**

If there is any conflict between these Further Terms of Sale and the General Terms of Sale, then these Further Terms of Sale will prevail.

SCHEDULE 2

(GST Information – see clause 14.0)

This Schedule must be completed if the vendor has stated on the front page that the vendor is registered under the GST Act in respect of the transaction evidenced by this agreement and/or will be so registered at settlement. Otherwise there is no need to complete it.

Section 1

1.	The vendor's registration number (if already registered): 65-384-825	
2.	The purchaser is registered under the GST Act and/or will be so registered at settlement.	Yes/No
3.	The purchaser intends at settlement to use the property for making taxable supplies	Yes/No

If the answer to either or both of questions 2 and 3 is 'No', go to question 6

4.	The purchaser's details are as follows:	
	(a) Full name: Queenstown Lakes District Council	
	(b) Address:	
	(c) Registration number (if already registered):	
5.	The purchaser intends at settlement to use the property as a principal place of residence by the purchaser or a person associated with the purchaser under section 2A(1)(c) of the GST Act (connected by blood relationship, marriage, civil union, de facto relationship or adoption).	Yes/No
	OR	
	The purchaser intends at settlement to use part of the property as a principal place of residence by the purchaser or a person associated with the purchaser under section 2A(1)(c) of the GST Act.	Yes/No
	That part is:	
	(e.g. "the main farmhouse" or "the apartment above the shop")	
6.	The purchaser intends to direct the vendor to transfer title to the property to another party ("nominee")	Yes/No

If the answer to question 6 is "Yes", then please continue. Otherwise, there is no need to complete this Schedule any further.

Section 2

7.	The nominee is registered under the GST Act and/or is expected by the purchaser to be so registered at settlement.	Yes/No
8.	The purchaser expects the nominee at settlement to use the property for making taxable supplies.	Yes/No

If the answer to either or both of questions 7 and 8 is 'No', there is no need to complete this Schedule any further.

9.	The nominee's details (if known to the purchaser) are as follows:	
	(a) Full name:	
	(b) Address:	
	(c) Registration number (if already registered):	
10.	The purchaser expects the nominee to intend at settlement to use the property as a principal place of residence by the nominee or a person associated with the nominee under section 2A(1)(c) of the GST Act (connected by blood relationship, marriage, civil union, de facto relationship or adoption).	Yes/No
	OR	
	The purchaser expects the nominee to intend at settlement to use part of the property as a principal place of residence by the purchaser or a person associated with the purchaser under section 2A(1)(c) of the GST Act.	Yes/No
	That part is:	
	(e.g. "the main farmhouse" or "the apartment above the shop").	

WARNING *(This warning does not form part of this agreement)*

This is a binding contract. **Read the information set out on the back page before signing.**

Acknowledgements

Where this agreement relates to the sale of a residential property and this agreement was provided to the parties by a real estate agent, or by a licensee on behalf of the agent, the parties acknowledge that they have been given the guide about the sale of residential property approved by the Real Estate Agents Authority.

Signature of vendor(s)

Signature of purchaser(s)

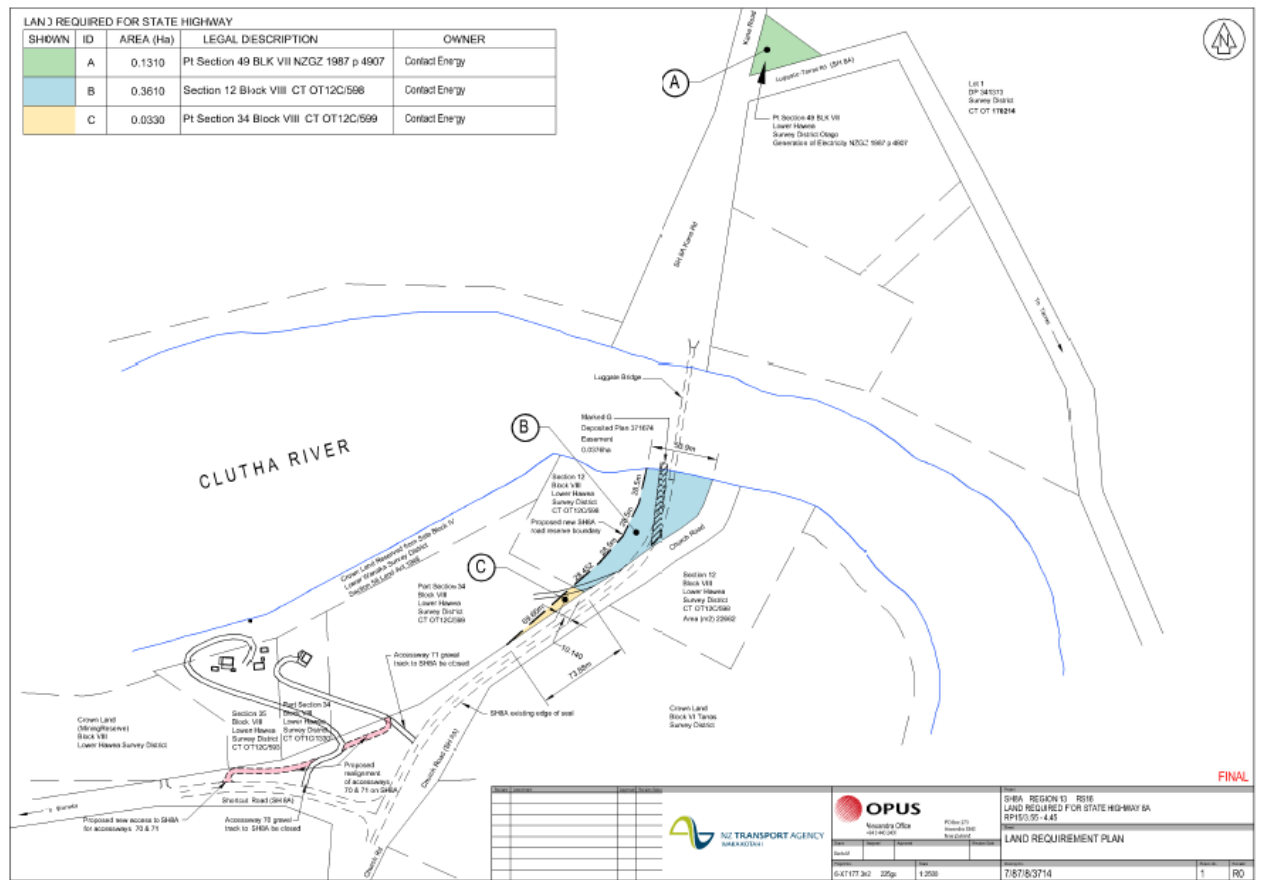
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Schedule Three (Acquired Land)



Schedule Four
MEMORANDUM OF ENCUMBRANCE

DATED

2015

PARTIES

- (1) [] ("the Encumbrancer")
(2) **CONTACT ENERGY LIMITED** at Wellington ("Contact")

BACKGROUND

- A. The Encumbrancer is registered as proprietor of an estate in fee simple in the land described in the Second Schedule ("the Land").
- B. As a result of the circumstances described in the Third Schedule the Encumbrancer has agreed:
- (a) to grant and make the rent charge with Contact as set out in and subject to the conditions expressed in the First Schedule; and
 - (b) to enter into the covenants in favour of Contact set out in the Fourth Schedule.

AGREEMENT

The Encumbrancer encumbers the Land for the benefit of Contact as set out in the First Schedule and covenants with Contact as set out in the Fourth Schedule.

SIGNED for and on behalf of)
[])

Name of Director

Signature of Director

Name of Director

Signature of Director

FIRST SCHEDULE

(Terms and Conditions of Encumbrance)

1. The Encumbrancer encumbers the Land for the benefit of Contact in perpetuity (but determinable as may be provided) with an annual rent charge of \$1.00 to be paid to Contact by the first day of January in each year if demanded by that date. The first payment if so demanded is due on or before the first day of January next succeeding the date of this Memorandum. The covenants in the Fourth Schedule to be observed and performed by the Encumbrancer shall be enforceable only against the owners and occupiers from time to time of the Land and not otherwise against the Encumbrancer or any other former owner of the Encumbrancer's interest.
2. No delay or failure by Contact to enforce performance of any of the covenants set out in the Fourth Schedule and no indulgence granted to the Encumbrancer by Contact shall prejudice the rights of Contact to enforce any of the covenants or provisions of this Memorandum.
3. Section 97 of the Land Transfer Act 1952 and Sections 203 and 204 of the Property Law Act 2007 apply to this Memorandum but otherwise (and without prejudice to Contact's Rights of Action at Common Law as a rent chargee):
 - (a) Contact shall be entitled to none of the powers and remedies given to Encumbrancees by the Land Transfer Act 1952 and the Property Law Act 2007; and
 - (b) no covenants on the part of the Encumbrancer and its successors in title other than those stated herein are implied in this Memorandum other than the covenants for further assurance implied by Section 154 of the Land Transfer Act 1952.
4. The parties intend that this encumbrance have effect between them as a binding arrangement as from execution by them both and notwithstanding registration or otherwise of this encumbrance.
5. This rent charge shall immediately determine and the Encumbrancer shall be entitled to a discharge of this Memorandum if the covenants set out in the Fourth Schedule become entirely obsolete or, except in the case of continuing covenants, have been performed.

SECOND SCHEDULE

("The Land")

Section 12 Block VIII Lower Hawea Survey District being all that land comprised and described in Computer Freehold Register OT12C/598.

THIRD SCHEDULE

(The Circumstances)

1. Contact operates a hydro electricity generation business (including the present and future Hawea, Clyde and Roxburgh hydro generation assets) ("Contact's Hydro Electricity Business") in connection with the Clutha River system and its tributaries (the "Clutha River"). Contact also holds certain operating easements from the Crown over the Clutha River bed, and Lakes Hawea, Dunstan and Roxburgh for the purposes of electricity generation (the "Operating Easements").
2. The use of the Land for Hydro-Electricity Generation from the Clutha River will adversely impact on the operation of Contact's Hydro Electricity Business and cause or result in significant adverse financial consequences for Contact, including to injuriously affect or reduce the value of its generation assets.
3. The Clutha River is adjacent or near to the Land. Contact has determined that the Land can be used for domestic or farming purposes. Contact wishes to ensure, as far as practicable, that the Land is not used in connection with Hydro Electric Generation as Contact has determined that such use will have an adverse or injurious effect on Contact's Hydro Electricity Business or Contact's Operating Easements.
4. Contact has entered into this Memorandum to provide that the registered proprietor of the Land from time to time shall:
 - (a) not permit the Land to be used in connection with Clutha Hydro-Electricity Generation;
 - (b) give Contact a right of first refusal to purchase the Land before the Land is sold to any third party for Hydro-Electricity Generation.
5. For the purposes of this Memorandum:
 - (a) **"Clutha Hydro-Electricity Generation"** means any Hydro-Electricity Generation operated using water on or from the Clutha River and/or its tributaries;
 - (b) **"Hydro-Electricity Generation"** includes without limitation using or intending to use the Land for the taking, diverting, conveyance, containment, monitoring, use and/or discharge or disposal of water or using or any pipe, pipeline, conduit, pump, pumphouse, bridge, utility and services connections, dams, structure, equipment, improvement, appurtenances or works at the Land so as to generate electricity.

FOURTH SCHEDULE
(The Encumbrancer's Covenants)

The Encumbrancer covenants with Contact as follows:

1. Land Use

Explanatory note: This clause prohibits the Land to be used in connection with Clutha Hydro-Electricity Generation

- 1.1 The Encumbrancer will not use or lease, or permit to be used or leased, any portion of the Land or any buildings now or to be erected on the Land, for, or in connection with Clutha Hydro-Electricity Generation.

2. Enduring right of first refusal to purchase the Land

Explanatory note: This clause gives Contact a right of first refusal to purchase the Land before the Land is sold to any third party for Hydro-Electricity Generation

- 2.1 The Encumbrancer will not sell or otherwise dispose of or agree to dispose of any of the Land to any person who:
- 2.1.1 has as any part of its business operations Hydro-Electricity Generation; or
- 2.1.2 intends to use the Land for Hydro-Electricity Generation (or any part thereof),
- without first on each occasion serving a written notice on Contact specifying the price and the terms and conditions upon which the Encumbrancer desires to sell or dispose of the Land to Contact (the "Offer").
- 2.2 The Offer once served on Contact shall remain open for acceptance for a period of thirty days from and after the day of service ("the Offer Period") and shall be accepted if Contact within that period serves on the Encumbrancer written notice of such acceptance.
- 2.3 Any acceptance shall be deemed to be subject to all and any statutory consents or requirements that may need to be satisfied to give lawful effect to the transaction.
- 2.4 The Encumbrancer and Contact will, following any acceptance by Contact of the Offer, promptly sign an agreement for sale and purchase prepared by Contact's solicitor incorporating the provisions of this Memorandum as to the sale and incidental matters on the terms and conditions contained in the most recent form of Auckland District Law Society Agreement for Sale and Purchase of Real Estate.
- 2.5 Any conditions to be satisfied in terms of this clause shall be satisfied within a reasonable time of notification of acceptance having regard to the nature of the condition, the information and data (if any) to be compiled and the objection period (if any) that applies.
- 2.6 If Contact does not accept the Offer within the Offer Period the Offer shall be deemed lapsed (the "Lapsed Offer") and the Encumbrancer may within twelve months of such lapsing sell or otherwise dispose of the Land to any other purchaser or disposee at a price and upon terms and conditions no more favourable to that purchaser or disposee than those upon which the Land was previously offered to Contact pursuant to this provision.

- 2.7 Should the Encumbrancer on any occasion within twelve months of a Lapsed Offer, wish to accept a sale or disposal of the Land at a price, terms and conditions more favourable to a purchaser or disposee than the immediately preceding Offer (the "Revised Offer") then it shall not be entitled to do so without on each occasion first offering to Contact the Land by way of sale or other disposition upon the price, terms and conditions of the Revised Offer. This first right of refusal clause shall apply to the Revised Offer except that where the Revised Offer is served on Contact within six (6) calendar months of the Lapsed Offer the Offer Period shall be reduced to a period of ten (10) working days from and after the day of service of the Revised Offer.

3. Encumbrancer to Support Contact's Applications for Consent

3.1 The Encumbrancer will:

3.1.1 provide written approval for the purposes of the Resource Management Act 1991 and provide support for Contact's resource consent applications and/or notices of requirement (including any appeal(s)) required from time to time by Contact for the lawful carrying on of any activity and / or land use reasonably and / or fairly required in relation to Contact's Hydro Electricity Business or Operating Easements and/or to obtain the benefits of the arrangements contemplated by this Memorandum; and

3.1.2 not directly or indirectly submit on any Resource Management Act 1991 (or any amendment or replacement legislation) process (including, but not limited to, National Policy Statements, National Environmental Statements, Regional Policy Statements, Regional Plans or District Plans) in a manner that may adversely affect or compromise Contact's Hydro Electricity Business or Operating Easements.

3.2 The Encumbrancer will procure that any occupier, licensee, lessee or any third party taking an interest in the Land will:

3.2.1 provide written approval for the purposes of the Resource Management Act 1991 and provide support for Contact's resource consent applications and/or notices of requirement (including any appeal(s)) required from time to time by Contact for the lawful carrying on of any activity and / or land use reasonably and / or fairly required in relation to Contact's Hydro Electricity Business or Operating Easements and/or to obtain the benefits of the arrangements contemplated by this Memorandum; and

3.2.2 not directly or indirectly submit on any Resource Management Act 1991 (or any amendment or replacement legislation) process (including, but not limited to, National Policy Statements, National Environmental Statements, Regional Policy Statements, Regional Plans or District Plans) in a manner that may adversely affect or compromise Contact's Hydro Electricity Business or Operating Easements.

3.3 Clause 3.1 shall not apply to the Queenstown Lakes District Council for so long as it is the registered proprietor of the Land.

In this Memorandum, explanatory notes are inserted for convenience only and not as a guide to interpretation.

BEFORE SIGNING THE AGREEMENT

- It is recommended both parties seek professional advice before signing. This is especially so if:
 - there are any doubts. Once signed, this will be a binding contract with only restricted rights of termination.
 - property such as a hotel or a farm is being sold. The agreement is designed primarily for the sale of residential and commercial property.
 - the property is vacant land in the process of being subdivided or there is a new unit title or cross lease to be issued. In these cases additional clauses may need to be inserted.
 - there is any doubt as to the position of the boundaries.
 - the purchaser wishes to check the weathertightness and soundness of construction of any dwellings or other buildings on the land.
- The purchaser should investigate the status of the property under the Council's District Plan. The property and those around it are affected by zoning and other planning provisions regulating their use and future development.
- The purchaser should investigate whether necessary permits, consents and code compliance certificates have been obtained from the Council where building works have been carried out. This investigation can be assisted by obtaining a LIM from the Council.
- The purchaser should compare the title plans against the physical location of existing structures where the property is a unit title or cross lease. Structures or alterations to structures not shown on the plans may result in the title being defective.
- In the case of a unit title, before the purchaser enters into the agreement:
 - the vendor **must** provide to the purchaser a pre-contract disclosure statement under section 146 of the Unit Titles Act 2010;
 - the purchaser should check the minutes of the past meetings of the body corporate, enquire whether there are any issues affecting the units and/or the common property, check the body corporate's long term maintenance plan and enquire whether the body corporate has imposed or proposed levies for a long term maintenance fund or any other fund for the maintenance of, or remedial or other work to, the common property.
- The vendor should ensure the warranties and undertakings in clauses 6.0 and 8.0:
 - are able to be complied with; and if not
 - the applicable warranty is deleted from the agreement and any appropriate disclosure is made to the purchaser.
- Both parties should ensure the chattels list in Schedule 1 is accurate.
- Before signing this agreement, both parties should seek professional advice regarding the GST treatment of the transaction. This depends upon the GST information supplied by the parties and could change before settlement if that information changes.

THE ABOVE NOTES ARE NOT PART OF THIS AGREEMENT AND ARE NOT A COMPLETE LIST OF MATTERS WHICH ARE IMPORTANT IN CONSIDERING THE LEGAL CONSEQUENCES OF THIS AGREEMENT.

PROFESSIONAL ADVICE SHOULD BE SOUGHT REGARDING THE EFFECT AND CONSEQUENCES OF ANY AGREEMENT ENTERED INTO BETWEEN THE PARTIES.

THE PURCHASER IS ENTITLED TO A COPY OF ANY SIGNED OFFER AT THE TIME IT IS MADE.

AGREEMENT FOR SALE AND PURCHASE OF REAL ESTATE

© This form is copyright to the Real Estate Institute of New Zealand Incorporated and Auckland District Law Society Incorporated

DATE:

VENDOR:

Contact Energy Limited

Contact Details:

VENDOR'S LAWYERS:

Firm: Buddle Findlay

Individual Acting: Charlotte von Dadelszen

Contact Details:

PO Box 2694

Wellington

Ph: 04-499 4242

Fax: 04-499 4141

Email: charlotte.vonDadelszen@buddlefindlay.com

PURCHASER:

Queenstown Lakes District Council

Contact Details:

PURCHASER'S LAWYERS:

Firm:

Individual Acting:

Contact Details:

LICENSED REAL ESTATE AGENT:

Agent's Name:

Manager:

Salesperson:

Contact Details: