

BETWEEN

THE TARARUA DISTRICT COUNCIL

("Lessor")

AND

("Lessee")

DEED OF LEASE

DEED OF LEASE FOR RURAL LAND

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DEED OF LEASE

PARTIES

- 1 THE TARARUA DISTRICT COUNCIL** ("the Council") being the registered proprietor of the land detailed at clause 1.1 of this lease.
("Lessor")
- 2**
("Lessee")

BACKGROUND

- A** The lessor is the registered proprietor of the land situated at 34 Aerodrome Road, Dannevirke, marked as Lot 5 situated on Lot 3 Deposited Plan 15781, Record of Title HBJ1/63.
- B** The lessor and the lessee have agreed that the lessor shall lease to the lessee, and the lessee shall take on lease from the lessor, the land described in Background clause A above and have entered into this lease to record the terms and conditions on which the lessee will occupy the land.

THIS DEED WITNESSES

- 1 Reference schedule**
- 1.1 Land (clause 1.1)**
The land situated at 34 Aerodrome Road, Dannevirke being 612 m2 more or less.
- 1.2 Term (clause 5.1)**
Five (5) years commencing on the Commencement **Date, the []** and expiring on the Expiry **Date, the []** (subject to clause 13.5).
- 1.3 Rental (clause 6.1)**
()per annum GST inclusive.
- 1.4 Payment of rental (clause 6.2)**
The lessee shall pay the lessor rental by an annual payment in advance on the 1st day of October in each year during the term of this lease.
- 1.5 Rent review dates (clause 6.3)**
Each anniversary of the Commencement **Date which is []**
- 1.6 Interest on overdue rental (clause 6.5)**
12 percent per annum.
- 1.7 Public risk insurance (clause 9.3)**
\$5,000,000.00.
- 1.8 Permitted use of land (clause 10.1)**

The purpose of this Deed of Lease is to enable the lessee, at their own cost, to erect and maintain buildings and associated facilities to use for **Aviation Operations** based at the Dannevirke Aerodrome.

1.9 Right of renewal of term (clause 13.5)

Two right of renewals of the term for five [5] years from the expiry of each term.

2 Definitions and interpretation

2.1 Definitions

In this deed unless the context otherwise requires:

"Broken period" means (as the case requires) the period from the commencement date until the commencement of the first full lease year and the period from the expiration of the last full lease year until the expiration date;

"Commencement date" means the date provided in clause 1.2 on which the term shall commence;

"Company" includes body corporate;

"Expiration date" means the date provided in clause 1.2 on which the term shall expire;

"Goods and services tax" means all tax from time to time payable under the Goods and Services Tax Act 1985;

"Land" includes the buildings and the lessor's fixtures and fittings (if any) and all plant, machinery, chattels and other equipment provided by the lessor from time to time for the land;

"Lease" includes the Schedule forming part of this deed;

"Lease year" means each 12 month period during the term commencing on the commencement date;

"Lessee" means the lessee and the lessee's executors, administrators, successors and permitted assigns;

"Lessor" means the lessor and the lessor's executors, administrators, successors, assigns, and where the context permits the employees and agents of the lessor;

"Persons under the control of the lessee" includes all sublessees, licensees, servants, employees, agents, contractors, suppliers, customers and other invitees of the lessee;

"Property expenses" means the amounts defined in the First Schedule.

2.2 Interpretation

In this lease:

- (a) where obligations bind more than one person those obligations shall bind those persons jointly and severally;
- (b) the benefits and burdens shall be binding upon the parties and their respective successors and personal representatives and any permitted assigns or transferees and references to the parties shall be construed accordingly;
- (c) words importing one gender include the other gender and words importing the singular number include the plural and vice versa;

- (d) a “person” includes any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, state, or agency of state, government department or territorial authority in each case whether or not having separate legal personality;
- (e) any schedules to this lease shall have the same effect as if set out in the body of this lease;
- (f) clause headings are inserted for reference only and shall not affect the interpretation of this lease;
- (g) references to any statute refer also to any regulation, by-law, order and notice made under or pursuant to the statute and:
 - (i) references to statutes and regulations refer also to statutes and regulations amending, consolidating or re-enacting those referred to; and
 - (ii) expressions defined or explained in any statute shall bear those meanings in this lease;
- (h) any covenant not to do anything also constitutes an obligation not to suffer, permit or cause that thing to be done;
- (i) references to covenants include conditions and agreements;
- (j) references to covenants include covenants expressed or implied;
- (k) to “perform” a covenant includes to keep, observe and fulfil that covenant;
- (l) a right granted or reserved may be exercised from time to time and at all times;
- (m) any reference to a “month” or “monthly” shall mean respectively calendar month and calendar monthly.

3 Covenant to lease

The lessor leases to the lessee, and the lessee takes on lease from the lessor, the land upon the terms of this lease.

4 Exclusion of statutory provisions, exclusion of implied covenants and powers

Any covenants and powers implied in leases by virtue of the provisions of any Act including but not limited to the covenants and powers contained in subpart 3 of part 4 of the Property Law Act 2007 are to the extent they are inconsistent with anything in this lease expressly excluded from this lease.

5 Term

5.1 Term of lease

The term shall commence on the commencement date and shall expire on the expiration date.

6 Rental, rent reviews, property expenses and goods and services tax

6.1 Covenant to pay rental

The lessee covenants to pay rental to the lessor at the rate stated in clause 1.3 or otherwise fixed pursuant to this lease.

6.2 Manner of payment of rental

6.2.1 The lessee shall pay rental, by the annual payment in advance, provided in clause 1.4, in advance on the [] in each year with the first payment payable on the []

6.2.2 Rental and other monies shall be paid without deduction or set off (whether legal, equitable, statutory or any other form) by automatic bank authority or as the lessor may in writing otherwise direct.

6.3 Rent reviews

6.3.1 The lessor may review the rental on the rent review dates specified in clause 1.5 in the following manner:

(a) the rent shall be fixed by mutual agreement and failing such agreement the lessor shall give to the lessee notice in writing ("Lessor's Notice") of the rental that the lessor considers to be the current market rental for the land for the renewed term. The lessor's notice shall refer to the consequences specified in paragraph 6.3.1(c)

(b) if within 28 days (time being of the essence) of receipt by the lessee of a lessor's notice the lessee gives to the lessor a notice ("Lessee's Notice") stating that the lessee disputes the rental specified in the lessor's notice, then the rental payable for the relevant period shall be determined in accordance with clause 6.3.2.

(c) if the lessee fails to give to the lessor a lessee's notice within 28 days (time being of the essence) of receipt of a lessor's notice, then the rental specified in the lessor's notice shall be deemed to be the current market rental for the land as at the relevant review date.

6.3.2 If the lessee gives a lessee's notice to the lessor within 28 days (time being of the essence) of receipt of a lessor's notice, then the lessee and the lessor shall each use reasonable endeavours to agree upon the current market rental as at the relevant review date. If the lessee and the lessor do not reach agreement upon the current market rental within 14 days of the giving of the lessee's notice then:

(a) each party shall appoint a valuer ("valuers") and shall give written notice of the appointment to the other party;

(b) if the party receiving a notice under clause 6.3.2(a) fails to both appoint its own valuer and give its own notice under clause 6.3.2(a) either before or within 14 days (time being of the essence) of receipt of such a notice from the other party, then the market rent shall be determined by the other party's valuer and such determination shall be binding on both parties;

(c) the valuers shall, within 14 days of the appointment of the last of them to be appointed, appoint an umpire;

(d) the valuers shall endeavour to agree on the current market rental of the land as at the relevant review date. If they fail to so agree within 28 days of the

appointment of the umpire, then the determination shall be referred to the umpire whose determination shall be binding on both parties;

- (e) in determining the current market rental for the land the valuers shall act as experts and not arbitrators. Either party may make submissions to the valuers or to the umpire, but in all respects the determination shall be conducted in the manner determined by the valuers or the umpire;
- (f) in the event of the umpire being requested to determine the current market rental that shall be a referral to dispute resolution under clause 13.3 with the umpire being the single arbitrator appointed pursuant to subclause 13.3.4;
- (g) in any determination of rental pursuant to this clause each party shall pay the costs of their own valuers. The costs and expenses of the umpire shall be borne by the parties in the proportions determined by the umpire;
- (h) forthwith, after the current market rent as at the relevant review has been determined by the valuers, or the umpire, the valuers, or as the case may be, the umpire, shall give written notice to the lessee and the lessor of the determination. If the determination has been made by an umpire, then that notice shall also specify how the costs of the determination are to be borne between the lessee and the lessor;
- (i) pending the determination of the current market rental under this clause 6.3, the lessee shall pay the rent specified in the lessor's notice provided that rent is substantiated by a registered valuer's report given to the lessee. Upon determination of the current market rental an appropriate adjustment shall be made between the parties.

6.3.3 The "current market rent" so determined must never be less than the annual rent payable at the commencement date.

6.3.4 The current market rental determined pursuant to clause 6.3 shall be the rental payable by the lessee from the relevant review date, unless the lessor did not give the lessor's notice within three months of the relevant review date, in which case the current market rental determined pursuant to this clause shall be payable only from the date on which the lessor's notice was given to the lessee.

6.3.5 Upon the determination of the new rental the lessee and the lessor shall (if required by the lessor) complete a deed, at the expense of the lessee, recording such rental.

6.3.6 If at any of the rent review dates there is in force any statute restricting the lessor's right to increase the rental the lessor may, at any time after such restriction is removed, relaxed or modified, on giving not less than one month's notice in writing to the lessee, review the rental to the current market rental for the land at the date of such removal, relaxation or modification. Subsequent reviews of rental shall occur on the dates provided in clause 1.6 notwithstanding any review pursuant to this clause. The lessor shall be entitled to recover any resulting increase in the rental with effect from such date of removal, relaxation or modification.

6.4 Additional payments by lessee

The lessee covenants to pay to the lessor as additional rental the property expenses in the manner provided in the Schedule.

6.5 Interest on overdue rental or other monies

If any rental, property expenses, or other monies payable by the lessee remain unpaid for seven days after their due date then the lessee shall pay to the lessor interest on those monies at the rate provided in clause 1.6 calculated from the due date to the date of payment. The lessor will be entitled to recover the monies in arrears and interest as if they were rental in arrears.

6.6 Goods and services tax

The lessee shall, at the time it falls due for payment, pay to the lessor, or as the lessor shall direct, all goods and services tax payable on the rental and any other amounts payable under this lease.

7 Assignment/subletting

7.1 Lessee not to assign or sublet

The lessee shall not, sublet, assign, mortgage, charge, or part with possession of the land or any part of the land, or this lease, or any estate or interest of this lease to any person without first having obtained the written consent of Council.

7.2 Change in shareholding of lessee

For the purposes of clause 7.1 where the lessee is an unlisted company any change in the shareholding of the lessee altering the effective control of the company shall be a deemed assignment of this lease requiring the prior written consent of the lessor PROVIDED THAT a change in shareholding comprising a sale of shares to a family trust of a shareholder or to a family member of a shareholder shall not amount to an assignment pursuant to this clause.

8 Maintenance and husbandry of the land

8.1 Lessee to keep land in good repair

8.1.1 At the commencement of the term of the lease the lessor and the lessee will meet to inspect the fences, buildings and other erections ("the improvements") on the land and will take photographs of the improvements to establish the condition and standard of the improvements.

8.1.2 The lessee shall keep all of the improvements, ditches and bridges on the land in similar repair and condition as they are at the commencement of the lease and at the expiration or sooner determination of the lease shall yield them up in similar repair and condition.

8.1.3 Notwithstanding sub clauses 8.1.2 and 8.2.1 it is agreed between the parties that if during the term of the Lease the lessors improve or renew any fences, bridges, stockyards or gates then the lessee's obligation will be to keep the fences, bridges, stockyards or gates in similar repair and condition as they are following the repair or replacement by the lessors and at the expiration or sooner determination of the Lease shall yield them up in similar repair and condition.

8.1.4 The obligation of the lessee stated in subclause 8.1.2 does not include responsibility for fair wear and tear and any damage caused by flood, fire, storm, tempest or aircraft where such damage is not attributable to any act or omission on the part of the lessee or persons under the control of the lessee.

8.2 Cultivation/use

8.2.1 The lessee shall cultivate, use and manage all parts of the land in a proper and husbandlike manner and shall not impoverish or waste the land, but will keep it in good order and condition. The lessor acknowledges that the lessee will use the land to erect a building for aviation operations. At the expiry (or earlier termination) of the lease, the

Council reserves the right to purchase the buildings and improvements at a price to be negotiated between the two parties or their agents. Should the Council not agree to purchase the improvements, the lessee shall return the land to the Council clear of buildings and other improvements and with the ground level and regrassed.

8.3 Clearance of noxious plants and vermin

8.3.1 The lessee shall at the lessee's own expense and at the lessor's direction:

- (a) by using the most approved modern methods suppress and keep suppressed all gorse, blackberry ragwort, hemlock, thistle, nettle, barley grass or other pest plants growing on the land
- (b) punctually comply with all reasonable directions of the lessor as to the methods used; and
- (c) comply with the provisions, amendments and regulations of the Biosecurity Act 1993, and any regional or national pest management strategy implemented under the Biosecurity Act 1993 and all other Acts dealing with noxious weeds and vermin; and
- (d) keep the land free and clear of rabbits and other animal pests, and will indemnify the Council against any contributions, costs, charges and expenses which the Council may be required to pay under the Biosecurity Act 1993 or its amendments or reenactments; and
- (e) comply with all lawful notices and demands given or made by any competent authority and indemnify the Council against all liabilities arising thereunder or under the statutes including any contributions and expenses which the Council may be called upon or compelled to pay under those Acts.

8.4 Regrassing

8.4.1 The lessee shall at the expiration or sooner termination of this lease leave such parts of the land capable of cultivation in good grass pasture of at least three months standing.

8.4.2 "Good grass pasture" shall mean good grasses and classes suitable for the land use and of the description and proportions usually sown in that area in which the land is situated.

8.5 Alterations to fencelines and excavation of land, erection of buildings

8.5.1 The lessee shall not alter any fencelines without the lessor's prior written approval.

8.5.2 The lessee shall also not excavate the land or, except for the purposes of cultivating crops, alter, remove or otherwise deal with the subsoil or contours of the land without the lessor's prior written approval.

8.5.3 The lessee shall not erect any building without the lessor's prior written approval.

8.5.4 Prior written approval will not be given for the erection of any building on the land within 50m of the BP fuel tank if it is to be an area of regular habitation.

8.6 Notice of damage and defects by lessee

The lessee shall immediately give notice to the lessor of:

- (a) any damage or accident to or defects in the land; and

(a) any circumstances occurring within the land likely to cause damage or injury.

8.7 Trees

The lessee:

(a) must not damage, destroy or cut down any trees growing on the land without the prior written consent of the lessor. The lessee shall remove all fallen or cut trees from the land, at the lessee's own expense.

8.8 Preservation of environment

The lessee will do whatever is necessary to prevent destruction or damage to the natural, historical, archaeological, geological or other scientific features of the land, or any indigenous flora or fauna on it. The lessee will notify the lessor immediately if any damage occurs, or if any threat of damage becomes apparent.

9 Insurance and indemnity

9.1 Lessee to occupy land at lessee's risk

The lessee agrees to occupy and use the land at the lessee's risk and releases to the full extent permitted by law the lessor and the lessor's employees and agents from all claims and demands of any kind and from all liability which may arise in respect of any accident, damage or injury occurring to any person or property in or about the land.

9.2 Indemnity by lessee

The lessee shall keep the lessor indemnified against all claims, actions, losses, and expenses of any nature which the lessor may suffer or incur or for which the lessor may become liable in respect of:

(a) the neglect or careless use or misuse by the lessee or persons under the control of the lessee of the land or arising out of any faulty fixture or fitting of the lessee;

(b) any accident or damage to property or any person arising from any occurrence in or near the land wholly or in part by reason of any act or omission by the lessee or persons under the control of the lessee.

9.3 Public risk insurance

The lessee, at the lessee's expense, shall effect and keep current in respect of the land, and the lessee's use of the land, a policy of public risk insurance for an amount not less than that provided in clause 1.7, or such other amount from time to time reasonably required by the lessor, for any one event with a substantial reputable insurance office or company first approved in writing by the lessor (such approval not to be unreasonably or arbitrarily withheld).

10 Use of land

10.1 Use to which land may be put by lessee

The lessee shall only use the land for the purposes stated in clause 1.8.

10.2 No warranty by lessor as to suitability of land

10.2.1 The lessor does not warrant that the land is or will remain suitable or adequate for any of the purposes of the lessee, including the permitted use provided in clause 1.8.

10.2.2 The lessee accepts the land as being satisfactory in all respects and with full knowledge of and subject to any prohibitions or restrictions on the use of the land.

10.3 Payment of utility charges by lessee

The lessee shall pay to the proper authorities all charges for utilities and other services connected or used in the land including all electricity for the water pump. Should the

lessee make default in payment of such charges the lessor may pay them and immediately recover the amount paid as if it were rental in arrears payable by the lessee.

10.4 Restrictions on use

The lessee must:

- 10.4.1 Not carry on any noxious, noisy or offensive business or activity in or about the Premises or do anything which is or may become a nuisance, disturbance or annoyance to any person, but the carrying on of the Permitted Use by the lessee in a reasonable manner will not of itself be a breach of this clause;
- 10.4.2 Not do anything which is or may become a breach of any duty imposed on any person by the Resource Management Act 1991;
- 10.4.3 Not do anything which is or may become a breach of any duty imposed on any person by the Health and Safety at Work Act 2015;
- 10.4.4 Comply in all respects with the provisions of:
- (a) the Fencing Act 1978 and all notices and demands made under that Act;
 - (b) the Biosecurity Act 1993 and any regional or national pest management strategy implemented under that Act;
 - (c) the Plants Act 1970;
 - (d) the Forest and Rural Fires Act 1977;
 - (e) the Reserves Act 1977;
 - (f) all other statutes concerning the business of farming; and
 - (g) any order or requisition of any inspector having authority over the Premises and/or the type of activities carried on by the lessee on the Premises; and
- 10.4.5 Comply in all respects with all other acts, Orders in Council, ordinances, bylaws, regulations, rules, requisitions, notices or orders relating to the land and the lessee's use of the land. The lessee will indemnify the Council from and against all actions and claims resulting from any breach of the above provisions.

11 Rights reserved by lessor

11.1 Entry by lessor and advisors

- 11.1.1 The lessor may enter upon the land with all necessary materials and equipment and at all reasonable times and on reasonable notice (but at any time and without notice in the case of an emergency):
- (a) to view the state of repair of the land and to ascertain whether any repairs are required and whether there has been any breach of the covenants in this lease. If anything requires repairing, the lessor will inform the lessee who shall immediately and at the lessee's own expense, repair whatever is required. The lessee will also meet the costs if any of the inspection of the repairs by the lessor; and
 - (b) to carry out repairs or other works on the land; and

- (c) to execute any work required to remedy a defect which is the lessee's duty to remedy if the lessee has not, within 21 days of the date of receipt of written notice from the lessor requiring remedial action, taken that action, and without prejudice to other remedies, the lessor may recover the costs of the remedial action from the lessee on demand; and
- (e) for the purpose of complying with the terms of any statute affecting the land or any notice served on the lessor or lessee by any competent authority for which the lessee is not responsible under this lease; and
- (f) If the lessor intends to do any work which involves the land, the lessor shall have the right to carry out such tests and evaluations as the lessor considers necessary to ascertain the suitability of the land for the work. In carrying out such tests the lessor and its authorised personnel will cause as little inconvenience to the lessee as possible and will at its cost reinstate the land following such testing; and
- (g) If a stream or river borders or traverses the land the lessor shall have the right to erect stock proof fences to fence off the stream or river. Any fences so erected shall be maintained by the lessee to the same condition during the term of the lease.

In exercising such rights of entry the lessor shall use best endeavours to minimise disturbance to the lessee.

11.2 Work by lessor to remedy lessee's default

The lessor may, at any time, without notice and without prejudice to its other rights or remedies, elect to remedy any default by the lessee under this lease and whenever the lessor so elects, all costs and expenses incurred by the lessor (including legal costs and expenses) in remedying such default shall be paid by the lessee to the lessor immediately on demand.

11.3 Default by lessee

11.3.1 Cancellation

The lessor may (in addition to the lessor's right to apply to the Court for an Order for possession) and subject to Section 245(2) of the Property Law Act 2007 cancel this lease by re-entering the land at the time or at any time after that:

- (a) if the rent shall be in arrears 10 working days after any rent payment date and the lessee has failed to remedy that breach within 10 working days after service on the lessee of a notice in accordance with Section 245 of the Property Law Act 2007;
- (b) in the case of breach by the lessee of any covenant or agreement on the lessee's part expressed or implied in this lease (other than the covenant to pay rent) after the lessee has failed to remedy that breach within the period specified and a notice served on the lessee in accordance with Section 246 of the Property Law Act 2007;
- (c) if the lessee shall make or enter into or endeavour to make or enter into any compromise assignment or other arrangement with or for the benefit of the lessee's creditors;
- (d) in the event of the insolvency, bankruptcy, statutory management, voluntary administration, receivership or liquidation of the lessee;

- (e) if the lessee shall suffer execution to issue against the lessee's property goods or effect under any judgement against the lessee in any Court for a sum in excess of \$5,000.

The term shall terminate on the cancellation but without releasing the lessee from liability in respect any breach of this lease and without prejudice to the rights of either party against the other.

11.4 Essential terms

11.4.1 Any breach of the following covenants by the lessee shall be a breach of an essential term of this lease:

- (a) the covenants to pay rental, property expenses and other monies due to the lessor throughout the term where such breach of covenant gives rise to a right of re-entry pursuant to this lease (clauses 6.1 to 6.6 (inclusive) and clause 11.1);
- (b) the covenant dealing with assignments, subletting and parting with possession (clauses 7.1 to 7.2 (inclusive); and/or
- (c) the covenants dealing with maintenance and husbandry of the land (clauses 8.1 to 8.8 (inclusive)).

11.4.2 The lessee shall compensate the lessor for any breach of an essential term of this lease and the lessor is entitled to recover damages from the lessee in respect of such breaches. The lessor's entitlement under this clause is in addition to any other remedy or entitlement to which the lessor is entitled (including the right to terminate this lease).

11.4.3 In respect of the obligation referred to in clause 11.4.1(a), acceptance by the lessor of arrears or of any late payment of rental shall not be a waiver of the essentiality of the lessee's obligation to pay rental in respect of those arrears or late payment or the lessee's continuing obligation to pay rental throughout the term.

11.5 Compensation for breach

11.5.1 In the event the lessee's conduct (whether acts or omissions) constitutes a repudiation of this lease (or of the lessee's obligations under this lease) or constitutes a breach of any lease covenants the lessee shall compensate the lessor for the loss or damage suffered by reason of the repudiation or breach.

11.5.2 The lessor shall be entitled to recover damages against the lessee in respect of repudiation or breach of covenant for the damage suffered by the lessor during the whole of the term.

11.5.3 The lessor's entitlement to recover damages shall not be affected or limited by any of the following:

- (a) the lessee abandoning or vacating the land;
- (b) the lessor electing to re-enter or to terminate the lease;
- (c) the lessor accepting the lessee's repudiation;
- (d) the parties' conduct constituting a surrender by operation of law.

11.5.4 The lessor shall be entitled to recover damages against the lessee in respect of the entire term including the periods before and after the lessee has vacated the land and

before and after the events referred to in subclause 11.5.3 whether recovery proceedings are instituted before or after such conduct.

11.6 Removal of lessee's chattels and improvements

11.6.1 Upon the expiration or earlier termination of this lease, the lessee may and if required by the lessor, shall, remove from the land the whole or some of the fixtures and fittings owned by the lessee. Such removal is at the lessee's cost, as is any damage caused by such removal.

11.6.2 No compensation shall be payable to the lessee for any fixtures or fittings left on the land after the termination of the lease, unless agreed to in writing by the lessor.

11.6.3 The lessor may remove from the land any chattels situated on the land and place them outside the land without being responsible or liable for any resultant loss or damage.

12 Covenants by lessor

12.1 Rates

The lessor shall pay all rates, taxes and assessments charged upon the land (except those which the lessee is obliged to pay), and the lessee shall reimburse the lessor in accordance with clause 6.4.

12.2 Quiet enjoyment

Subject to the lessor's right to access the land to confirm the lessee is performing the lessee's obligations under this lease the lessee is entitled to peaceably possess and enjoy the land without any undue interruptions or disturbance from the lessor.

13 Miscellaneous

13.1 Lessee to pay lessor's costs

In addition to the rental and other monies reserved by this lease the lessee must pay to the lessor on demand:

- (a) the lessor's legal costs for the negotiation, preparation and execution of this lease and any renewal, extension or variation of this lease (including any variation recording a rent review); and
- (b) all costs, charges and expenses for which the lessor becomes liable as a result of the lessee's breach of any of the terms of this lease; and
- (c) all costs, charges and expenses (including actual legal costs as between solicitor and client) that may be incurred by the lessor in enforcing or attempting to enforce any of the lessee's covenants, or any of the lessor's rights, under or arising out of this lease.

13.2 Notices

13.2.1 Any notice or other document required to be given or served under this lease may (in addition to any other method permitted by law):

- (a) in the case of the lessee, be given or served by registered post or by delivery to the lessee at the lessee's last known place of abode or business or by delivery to the land; and
- (b) in the case of the lessor, by registered post or by delivery to the lessor's principal place of business or such address as may be notified to the lessee from time to time.

13.2.2 Any notice or other document shall be deemed to have been served on the other party one business day after the date of posting or delivery.

13.2.3 In the case of any notice or document required to be served or given by the lessor the same may be signed on behalf of the lessor by any authorised officer of the lessor or by the lessor's solicitors.

13.3 Dispute resolution

13.3.1 If any dispute or difference shall arise between the parties as to:

- (a) the meaning or application of any part of this lease; or
- (b) any other matter in connection with, arising out of, or which may have an effect on, this lease;

then representatives of the lessee and the lessor shall meet within 14 days of the dispute or difference ("Issue") arising to endeavour to reach an agreement on the resolution of the issue.

13.3.2 If the meeting referred to in 13.3.1 ("meeting") does not result in the resolution of the issue:

- (a) then the lessee and the lessor shall, within 14 days of the date of the meeting, appoint a mediator to mediate the issue;
- (a) if the parties are unable to agree upon the person to be appointed as mediator, then the President of the New Zealand Law Society shall be asked to appoint the mediator;
- (c) the mediation shall be held within one month of the date of the meeting; and
- (d) the lessee and the lessor shall attend, and participate in, the mediation in good faith to negotiate towards achieving a settlement of the issue.

13.3.3 If at the mediation the issue is not resolved, the issue shall be determined by arbitration.

13.3.4 If the lessor and the lessee are unable to agree upon a single arbitrator within ten (10) days of either party notifying the other in writing of their wish to have the issue arbitrated then either party ("notifying party") may at any time subsequently by written notice to the other party ("receiving party") require the issue to be determined by two arbitrators (one to be appointed by the lessor and one to be appointed by the lessee) and their umpire (to be appointed by the arbitrators before proceeding to determine the issue). The notice to be given by the notifying party pursuant to this subclause shall:

- (a) nominate the arbitrator appointed by the notifying party; and
- (b) require the receiving party to nominate their arbitrator by a date not less than ten days after the date of service of the notice by the receiving party; and
- (c) warn the receiving party of the consequences under subclause 13.3.5 of failure to appoint an arbitrator by the date specified by the notifying party.

13.3.5 If the receiving party fails to appoint their arbitrator by the date specified then the notifying party may by written notice to the receiving party have the issue determined solely by the notifying party's arbitrator.

13.3.6 if any arbitrator appointed pursuant to this subclause 13.3 refuses or fails to act (including appointing an umpire if necessary) within a reasonable time of their

appointment then either the lessor or the lessee may (provided the defaulting arbitrator has first been given in writing a reasonable time in which to act) request the president of the New Zealand Law Society to appoint a replacement arbitrator or an umpire who shall act in lieu of the defaulting arbitrator or as the umpire as the case may be.

13.3.7 Time shall be of the essence under this clause.

13.3.8 The parties agree to be bound by any decision or award completed pursuant to this clause.

13.3.9 This provision shall survive the expiration or earlier termination of this lease.

13.3.10 Any referral to arbitration under this clause shall be a submission to arbitration under the Arbitration Act 1996 which Act shall, to the extent not inconsistent with anything in this clause, apply to any such submission.

13.4 No registration

The lessee shall not call upon the lessor to execute a registrable memorandum of lease of the land unless the lessee shall have first paid to the lessor the full amount of the costs and expenses to be incurred, including legal, survey and lessor's administration, in preparing, executing and causing to be registered such memorandum of lease and the lessee shall not at any time lodge a caveat against any title to the land comprised in the land.

13.5 Right of renewal of term

13.5.1 If the lessee has given to the lessor written notice to renew the lease at least 3 calendar months before the end of the term and is not at the date of giving such notice in breach of this lease then the lessor will grant a new lease for a further term of five (5) years from the [] and [].

13.5.2 The new lease shall be upon and subject to the same covenants and agreements herein expressed and implied except that the term of this lease including the renewed terms shall expire on the 30th day of September 2036.

13.6 Termination

The lease may be terminated by either party upon six (6) month's prior written notice being given to the other party. Termination of the lease shall not release either party from liability to the other party for any obligations under clause 11.6 of this lease or for any prior breaches of the terms and conditions of the lease.

14 Property Law Act

The covenants and powers contained in subpart 3 of Part 4 of the Property Law Act 2007 do not apply to this lease to the extent that they are inconsistent with this lease's express terms.

15 Reserves Act 1977

The covenants and provisions required to be in this lease by the Reserves Act 1977 and by any regulations made under the Reserves Act 1977 shall to the extent that they are compulsory in their application to this lease be binding on the lessee and lessor in the same manner as if such provisions had been set out fully in this lease.

16. Lessor as Local Authority

The lessor has entered into this lease in its capacity as administering body and or registered proprietor of the land and not as a regulatory authority. The two roles are separate and different and nothing in this lease shall restrict or bind the Council in its

regulatory capacity. Any consents or agreements given herein shall not be construed as consent or agreement by the Council in its regulatory capacity.

Schedule

Property Expenses

- 1 The lessee shall pay upon demand to the lessor the property expenses incurred or payable during the term.
- 2 "Property Expenses" means:
 - (a) rates or levies payable to any local or territorial authority in respect of the land which shall be apportioned on an area basis between the lessor and the lessee to take into account the land retained by the lessor which is excluded from the Lease; and
 - (b) all other charges imposed including (by way of example only) any charges in connection with all water and electricity consumed on the land, water catchment and pest destruction;

EXECUTION

This Deed was executed on _____ day of _____ 2024.

THE COMMON SEAL OF THE TARARUA DISTRICT COUNCIL

Was hereto affixed in the presence of:

_____ Mayor
_____ Chief Executive

SIGNED by

_____ As Lessee

In the presence of:

_____ As Witness