

HANLEY'S FARM

SUMMARY OF AGREEMENT FOR SALE AND PURCHASE AND RELATED DOCUMENTS (Stage 5 and 5A Release)

Hanley's Farm (the "development") is located on a 3-kilometre stretch of land situated between Lake Wakatipu, Deer Park Heights and The Remarkables. Accessed by State Highway 6, Hanley's Farm is 10 minutes from Frankton. Next door, is residential development and golf course Jack's Point which also has a retail precinct on the way.

The development is being sold in stages and from what we understand there will be in excess of 1200 lots once complete. On the sales day for each release, prospective purchaser(s) will be required to sign an Agreement for Sale and Purchase (the "agreement") that is **unconditional** (subject to paragraph 3 below) from the purchaser(s)' perspective. Therefore, sound legal advice is needed before signing.

TERMS OF THE AGREEMENT

A summary of the terms of the agreement are as follows:

1. The Vendor is RCL Henley Downs Limited (the "Vendor") and is registered under the GST Act in respect of the transaction.
2. A deposit of 10% is payable within three days of signing the agreement. If it is not paid within that time, then the Vendor can give notice requiring the same to be paid within a further three days and, if not paid within that time, the agreement can be cancelled. The deposit is paid to the Vendor's solicitor who must hold it as stakeholder until the agreement is completed. Interest will follow the deposit. Purchasers must either pay this direct to Bayley's Locations, or via your solicitor's trust account. Please ask us for a copy of our trust account deposit slip if you intend to pay this via our trust account.

Note: For those Purchasers relying on Kiwisaver to pay their deposit it can take up to 10 working days to process an application. An application must contain all the required documentation which includes a signed agreement. Therefore, if a Purchaser is relying on Kiwisaver to pay their deposit there is the possibility that the application will not be processed within the time the deposit becomes due, and the Vendor may have the right to cancel the agreement. Purchasers who are relying on Kiwisaver should contact their Kiwisaver scheme provider prior to the signing of the agreement because pre-approval steps can be taken in order to speed up the application process.

3. Under section 225(2)(a) of the Resource Management Act 1991, all purchasers have the right to cancel the agreement within 14 days of the date of the agreement, and will be entitled to a return of the deposit. You should advise us as soon as possible if you wish to exercise this right of cancellation.

4. The Purchaser is deemed to have accepted the Vendor's title in every respect, and is prohibited from making any objections or requisitions to the title.
5. The Vendor has up to three years to obtain title to the lot (subject to paragraph 27). While this period may seem generous, it is assumed the Vendor will wish to complete the development in the shortest possible time so that they can have access to the full purchase price. The first release took close to two years to obtain title.

Note: Generally, a pre-approved home loan from a bank is valid for three months. Therefore, it is important to be aware that some banks are unlikely to grant pre-approvals because the above term establishes that title may not pass for up to three years. If a Purchaser intends on obtaining home loan pre-approval it is important that they talk to the banks as soon as possible.

6. The agreement is conditional upon the Vendor obtaining all necessary consents for the development, and being satisfied that the development is economically feasible.
7. The agreement makes it clear that the design of the development may be changed by the Vendor at their sole and absolute discretion.
8. The certificate of title to issue to the Purchaser shall be subject to such restrictions, encumbrances, interests, covenants, or rights as required to complete the development and to obtain the requisite consents from the Queenstown Lakes District Council (the "QLDC") to enable the development to proceed.
9. The Purchaser is not entitled to cancel the agreement or any of its provisions (subject to paragraph 10 below) or make any claim for compensation or damages in respect of any issue relating to design, title, measurements, easements and encumbrances over the title, the long-term sunset date, or the formation of a residents association (the "Residents Association") to administer the development.
10. **Area and measurements of the lots are approximate only. If there is any change in the area of a nominated lot, then the following shall occur:**
 - (a) **where any change reduces or increases the size of a lot up to 5%, then there will be no adjustment to the purchase price;**
 - (b) **where there is a reduction between 5% and 12.5% of the original area, then compensation will be payable based on the square metre rate originally paid;**
 - (c) **where there is an increase between 5% and 12.5% of the original area, then the price of the agreement will increase based on the square metre rate originally paid;**
 - (d) **where the area is reduced or increased in excess of 12.5% of the original size, the purchaser may cancel the agreement but not be entitled to any compensation other than the refund of the deposit paid;**
11. **Subject to paragraph 10 above the Vendor can make any adjustments or variations to the development, home designs or design controls referred to in the agreement.**
12. The Vendor may grant to any utility supplier the right to lay any pipes, cables (under or above ground) and provide any access ways over and above those shown for the indicative development attached to the agreement.

13. The Vendor may impose height restrictions or further design covenants to protect purchasers' interests.
14. The Vendor may excavate, re-contour, lower and/or fill any of the sites.
15. The Vendor may amend the layout of roads and reserves shown on the plan.
16. In respect of any of the above, other than what is mentioned in paragraph 10 above, there is to be no liability for any damages or compensation payable for any such changes.
17. No warranty is provided that any facilities and/or reserves and/or access indicated on the plans are to be provided and they are deemed to be indicative only.
18. The Purchaser has no right to caveat the titles.
19. The Purchaser appoints the Vendor or nominee as their power of attorney to ensure the Purchaser meets their obligations under the agreement and to take steps to complete the development.
20. The Purchaser must comply with all design controls.
21. **If a Purchaser is found to be in breach of any design controls then they must remedy the breach or may be required to pay 10% of the purchase price or the then capital value of the Lot (whichever is the higher) for every year that the breach continues.**
22. Prior to settlement the Vendor may register a land covenant or an encumbrance in relation to the land in favour of the Vendor's remaining land, as the Vendor in its sole discretion sees fit.
23. Purchasers will not be able to object to any application the Vendors make for any resource consent for any development of the site (including future stages) and, if called upon to do so, are required to give their written approval or support in respect of any resource consent or other planning approval.
24. Purchasers will not be able to make a complaint against any contractor or consultant which relates to the Vendor's land (or any part of it).
25. The Vendor shall at its cost supply power, water, stormwater, sewage and telephone services to the boundary of the lot and all costs of connection to services will be the responsibility of the Purchaser.
26. **Settlement is required by 3:00pm within 10 working days after the purchaser is advised that title is available.**

Note: This provides enough time to process the Purchaser's Kiwisaver application if it is to be used towards settlement (provided the application is submitted correctly).

27. The Purchaser may cancel the agreement at the later of the expiration of three years after the date of the agreement, or three years after the date that the consent for the stage of the Vendor's development in which the lot is situated issues. This clause may conflict with your rights under s225 (2)(b) of the Resource Management Act 1991, which gives purchasers the right to cancel the agreement at the expiry of the later of two years after resource consent has been granted, or one year after the date of the agreement if the Vendor has not made reasonable progress towards

submitting a survey plan to the Council. **If at any stage you think you might want to exercise your right of cancellation under this provision you should let us know as soon as possible so that we can establish whether or not this applies.**

28. **The Purchaser must commence construction of a dwelling on the lot (in accordance with the design guidelines) within 4 years of settlement.**
29. Purchasers will not object to methods employed to sell other lots within the development.
30. Purchasers will not object to ongoing construction in the development (including subsequent stages), and the Vendor shall make good any damage caused and shall not unreasonably interfere with the Purchaser's quiet enjoyment.
31. If a Resident Association is established the Purchaser will be required to join as a member and remain a member while they own the property.
32. **If the Purchaser wishes to on-sell an lot prior to settlement, the Purchaser must obtain the prior written approval of the Vendor. This consent can be withheld for any reason.**
33. If the Purchaser is a company the director or directors by signing the agreement personally guarantee to the Vendor compliance by the Purchaser.

DESIGN GUIDELINES

The Design Review process is intended to promote design cohesion and ensure homes and landscaping are completed in a timely fashion. It is not intended to be onerous or require all homes to be built to an expensive specification. The Design Guidelines may be amended from time to time at the Vendor's discretion to reflect changes in design and building trends and amendments to legislation affecting building approvals. The siting and design of the Purchasers home is required to be approved by the Hanley's Farm Design Reviewer (HFDR) before obtaining building permits. It is mandatory that all plans and other relevant drawings are submitted to the HFDR for approval. A summary of the guidelines includes:

1. **Only one dwelling may be built on any one lot. Where more than one kitchen and/or laundry is provided on any lot, there shall be deemed to be more than one dwelling.**
Note: This means that the lot can have no separate flats or units.
2. **Lots may not be further subdivided.**
3. **All building works (aside from accessory buildings) must be contained within the building envelope. The building envelope can be viewed on the Purchasers title. Applications can be made to vary the dimensions of the building envelope.**
4. Lots with more than one street boundary or which have a reserve boundary are classed as corner lots. The design controls surrounding positions of windows, balconies, and building materials for these lots will be given extra attention to ensure a desirable outcome is achieved.
5. Buildings are to be setback a minimum of 4.5 metres and maximum of 5.5 metres from the front boundary.
6. Garages located on the primary street frontage must be located a minimum of 5.5 metres from the

front boundary and be setback at least 0.5 metres behind the main façade of the dwelling.

7. Dwelling designs must be of a contemporary nature. The HFDR reserves the right to determine if a design meets these requirements.
8. Simple gable roofs are preferable. Roof pitches for primary dwellings should be between 20° and 40°.
9. To achieve design cohesion and minimise effects on the landscape, buildings are expected to be of predominantly recessive colours and relate to the surrounding environment (although some limited use of brighter colours is acceptable). Buildings are encouraged to use a variety of external materials.
- 10. Two dwellings of the same or overly similar front facade design shall not be built within three lots of the subject lot, this would include lots either side and opposite the Purchaser's lot. The final façade assessment decision will be at the discretion of the HFDR.**
11. Sheds and other detached accessory buildings (excluding garages) shall not exceed 12m² in area and 3.5m in height. They should not be visible from the street.
12. No satellite dishes are to be visible from the road.
13. Driveways must be fully constructed within three months of the issue of the code of compliance for the dwelling being issued and not exceed 4.5 metres in width at the street crossover and can taper to the maximum width of the garage door or doors.
14. No letterboxes can be erected without prior approval of the HFDR and must form part of the application for approval.
15. Unless constructed as part of an integrated housing development or part of the Display Village, and only with the prior approval of the HFDR, no fences shall be constructed along the front or street boundary, or within the primary frontage setback. For side and rear boundaries solid fencing in vertical palings or battens to a finished height of 1.8 metres above original ground level shall be the standard form of fencing.
16. Exterior items and equipment (such as rubbish bin and recycling storage areas) should be screened from the street and public view.
17. All external plumbing including spa pumps/motors are to be concealed from public view. Downpipes and gutters are exempt from this requirement.
18. Clothes lines and drying areas shall be located so that they are not visible to public viewing.
- 19. Construction of all dwellings must be completed within 12 months of work commencing. Front yard landscaping (and side yard landscaping for secondary boundaries on corner lots) is to be completed within three months of the completion of the dwelling and the remaining landscaping within six months.**
20. The purchaser is to provide a planting plan showing all landscaping in the front yard (i.e. within 6.5m of a road boundary).

LAND COVENANT

When the titles issue, there will be land covenants registered against the titles which require compliance with the following:

1. The Purchaser must comply with all covenants established for the development at all times.
2. The covenants will run with the land and bind successors in title.
3. **There is to be no occupation of dwellings until Code Compliance Certificates are issued.**
4. There are to be no trees planted that shall exceed 7.5 metres in height and no hedges within two metres of a boundary that shall exceed 1.2 metres in height.
5. **Buildings capable of being used as a dwelling shall not have a floor area in excess of 60% of the total area of the lot or less than 30% of the total area of the lot.**
6. **Plans must be approved by HFDR, and no changes are to be undertaken to the plans once approved.**
7. **No extensions alterations are to be made without the prior approval of HFDR.**
8. No fencing to the roads, reserves, or open space of greater than 1 metre in height.
9. There is a restriction on species of certain trees that will grow 1.8 metres in height.
10. No accessory buildings above 3.5 metres in height are to be built or be situated in between the dwelling and any access route or road.
11. There is to be parking for two cars per lot – at least one of which is to be inside a garage or carport.
12. **The first Purchaser of a lot or the owner of bare land other than the Vendor shall not sell the lot until a residential dwelling has been constructed on the lot and a code compliance certificate for that residential dwelling has been obtained.**

Note: This is unless the prior written consent of the Vendor has been given (as is the case with selling before settlement). This decision is at the sole and absolute discretion of the Vendor so can be withheld for any reason.

13. A lot must be used for residential purposes and not trading, industrial or commercial purposes. Residential dwelling for a home enterprise use as permitted under the District Plan is not in breach of this covenant.
14. **Construction to be complete within 12 months of commencement.**
15. **Only one dwelling per lot.**
16. No further subdivision permitted.
17. Grass or weeds are not permitted to grow more than 30 centimetres.
18. Services, utilities and pipes associated with the provision of services are to be located underground.
19. Not to permit the parking of any vehicles which do not have current warrant of fitness and registration in view of any dwelling.

20. The Purchaser cannot use a house for a cattery, piggery or boarding kennels.
21. There is to be no parking of trucks or large commercial vehicles within any lot within the development.
22. Any gas cylinders and washing lines are to be screened.
- 23. The Purchaser cannot object to any proposed development by the Vendor (including future stages), and written approval and support for planning proposals must be promptly given where requested.**
24. In the event that the Purchaser fails to observe and perform any covenant, the Vendor or Residents Association has the right to do whatever reasonably necessary to remedy such failure at the cost of the purchaser.
25. The liability of the Purchaser in respect of the covenants is limited to the obligations and liabilities that accrue during the Purchaser's time as registered proprietor and only in respect of that particular lot.

A number of the above conditions are standard clauses for this type of development. The exceptions that we highlight are those we have noted in **bold** print.

We stress that the above is purely a summary of the specific terms of the agreement, design controls and covenants. Purchasers should read the agreements in full as, upon signing, it will constitute an unconditional and binding agreement.

TODD & WALKER Law are a boutique law firm with offices in Queenstown, Frankton and Wanaka, providing clients with experienced, valued, pragmatic legal advice. We regularly act for clients who are purchasing properties in subdivisions and developments in the Queenstown Lakes Region, so we are familiar with the various complexities involved. For more information about our team and services, go to www.toddandwalker.com, or see our facebook page <https://www.facebook.com/toddandwalker>

Reminder:

- **For those Purchasers relying on Kiwisaver to pay their deposit it can take up to 10 working days to process an application. An application must contain all the required documentation which includes a signed agreement. Therefore, if a Purchaser is relying on Kiwisaver to pay their deposit there is the possibility that the application will not be processed within the time the deposit becomes due, and the Vendor may have the right to cancel the agreement.**
- **Generally, a pre-approved home loan from a bank is valid for three months. Therefore, it is important to be aware that some banks are unlikely to grant pre-approvals because title may not pass for up to three years.**

Should you have any queries concerning the terms of the agreement you should not hesitate to contact us as follows:

Graeme Todd graeme@toddandwalker.com or 0274 330457
 Pip Roberts pip@toddandwalker.com or 027 391 3752
 Michael Walker michael@toddandwalker.com or 027 418 6474