BETWEEN

THE PALMERSTON NORTH CITY COUNCIL

AND

THE MANAWATU GOLF CLUB (INCORPORATED)

AGREEMENT TO EXCHANGE LAND



PARTIES

- 1. THE PALMERSTON NORTH CITY COUNCIL ("PNCC")
- 2. THE MANAWATU GOLF CLUB (INCORPORATED) ("MGC")

BACKGROUND

- A. PNCC is the registered proprietor of the land described in Schedule 1 attached.
- В. MGC is the registered proprietor of the land described in Schedule 2 attached.
- PNCC wish to acquire part of the land described in Schedule 2 for reserve purposes. C.
- D. PNCC and MGC have agreed, subject to the conditions in clause 14 of this Agreement, to exchange parts of the land described in Background clauses A and B above in accordance with this Agreement and the parties now wish to enter into this Agreement to record the terms of the transaction.

OPERATIVE PROVISIONS

DEFINITIONS

- 1. The following definitions are used in this Agreement:
 - (a) "MGC" means The Manawatu Golf Club (Incorporated).
 - "PNCC" means The Palmerston North City Council. (b)
 - "Survey Office Plan" means the survey office plan to be prepared by PNCC's surveyor (c) in accordance with clause 17(a) of this Agreement.
 - "this Agreement" means this Agreement for Sale and Purchase. (d)
 - (e) "working day" means any day when trading banks in the Manawatu are open for business, however does not include Saturday or Sunday.

INTERPRETATION

- 2. In this Agreement:
 - Where the context permits, the singular includes the plural and vice versa. (a)
 - (b) References to any party means a party to this Agreement and includes the successors, executors, administrators and permitted assignees (as the case may be) of that party.
 - (c) References in this Agreement to clauses and schedules are references to clauses and schedules of this Agreement.

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- (d) Headings are for convenience only and shall not affect interpretation.
- (e) Where the context permits, references to a "person" include an individual, firm, company, corporation or incorporated body of persons, any public, territorial or regional authority, any government and any agency of any government or any such authority.

LAND TO BE EXCHANGED

- 3. The parties agree that:
 - (a) PNCC shall exchange with MGC certain land owned by PNCC, being part of the land described in Schedule 1 hereto, being 800 square metres more or less (subject to survey) and shown as Lot 5 on the Plan attached to this Agreement ("PNCC's Exchange Land") for part of the land described in Schedule 2 hereto, being 1,250 square metres more or less (subject to survey) and shown as Lots 2 and 4 on the Plan attached to this Agreement.
 - (b) MGC shall exchange with PNCC certain land owned by MGC, being part of the land described in Schedule 2 hereto, being 1,250 square metres more or less (subject to survey) and shown as Lots 2 and 4 on the Plan attached to this Agreement ("MGC's Exchange Land") for part of the land described in Schedule 1 hereto, being 800 square metres more or less (subject to survey) and shown as Lot 5 on the Plan attached to this Agreement.

VALUES

- 4. The parties agree that the value of PNCC's Exchange Land is \$1,200.00 plus GST (based on the figures and areas referred to in Schedule 3 attached).
- 5. The parties agree that the value of MGC's Exchange Land is \$169,675.00 plus GST, which consists of the following components (based on the figures and areas referred to in Schedule 4 attached):
 - (a) Land \$14,025.00 plus GST
 - (b) Compensation for Accretion (refer to clause 9) \$100,650.00 plus GST
 - (c) Compensation for Forestry \$55,000.00 plus GST
- 6. Subject to clause 7, in consideration of the difference in the values of PNCC's Exchange Land and MGC's Exchange Land, PNCC agrees to pay to MGC the difference between the values outlined in clauses 4 and 5 above, being \$168,475.00 plus GST (the "Settlement Sum"), which shall be paid in one lump sum in accordance with clause 19 of this Agreement.
- 7. Despite the values specified in clauses 4, 5 and 6 above, the parties acknowledge and agree that these values are based on indicative land areas and are therefore subject to change based on the final survey of the land prepared pursuant to clause 17(a) below and the areas defined in the final survey.

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GST

- 8. The parties acknowledge that, under the Goods and Services Tax Act 1985 ("GST Act"), the exchange of land is a taxable supply, and:
 - (a) the parties each separately warrant that they are a registered person;
 - (b) the parties acknowledge that the supply will be zero-rated for GST purposes under section 11(1)(mb) of the GST Act; and
 - (c) the parties each separately confirm, for the purposes of section 78F(2) of the GST Act, that, at settlement:
 - (i) they are acquiring the property supplied to them under this Agreement with the intention of using the property for making taxable supplies; and
 - (ii) they do not intend to use the property as a principal place of residence.

ACCRETION LAND

- 9. The parties acknowledge that the compensation for accretion referred to in clause 5(b) above relates to the fact that in acquiring MGC's Exchange Land, PNCC shall acquire rights to claim accretion for the area of land of approximately 12.2 hectares outlined in red on the plan attached to this Agreement (the "Accretion Land"), which has been valued at \$8,250.00 per hectare.
- 10. MGC acknowledges that upon PNCC acquiring MGC's Exchange Land, MGC will no longer have any right to make any application or claim for the Accretion Land.
- 11. MGC acknowledges and agrees that in the event PNCC makes any claim or application for accretion in respect of the Accretion Land, MGC shall support the application including, but not limited to, giving any supporting affidavits and signing any necessary documentation reasonably required by PNCC.
- The parties further acknowledge that the Accretion Land is a flood zone and part of MGC's 12. Exchange Land being acquired by PNCC forms a stop bank in respect of this flood zone.

FORESTRY

13. MGC acknowledges that upon PNCC acquiring MGC's Exchange Land, MGC will no longer have any right to make any application or claim for the trees and forestry located on the Accretion Land.

CONDITIONS

- 14. This Agreement is entirely conditional upon the following conditions being satisfied:
 - (a) MGC obtaining the approval of the membership of MGC, as required by the MGC rules, of the exchange of MGC's Exchange Land for PNCC's Exchange Land on the terms and conditions recorded in this Agreement within 20 Working Days of the date of this Agreement. This condition is inserted for the sole benefit of MGC.

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- (b) PNCC obtaining a Survey Office Plan for the exchange of land described in clause 3 of this agreement from a registered surveyor and PNCC being satisfied with such Survey Office Plan in all respects within 40 Working Days from the date of this Agreement. This condition is inserted for the sole benefit of PNCC.
- (c) PNCC obtaining a Council resolution authorising the exchange of PNCC's Exchange Land for MGC's Exchange Land on the terms and conditions recorded in this Agreement on or before 20 December 2019. This condition is inserted for the sole benefit of PNCC.
- (d) PNCC completing all legislative and regulatory matters relating to the exchange of PNCC's Exchange Land, which is currently owned by PNCC as recreation reserve land under the Reserves Act 1977, including, but not limited to the requirements of section 15 of the Reserves Act 1977, public consultation and Council and/or Ministerial approval, on or before 20 December 2019. This condition is inserted for the sole benefit of PNCC.
- 15. In the event that any of the above conditions are not satisfied by the respective dates specified, either party may by notice in writing to the other bring this Agreement to an end and neither party shall have any right or claim against the other.

PROCESS

- 16. The parties acknowledge that the exchange shall be given effect by Gazette notice under the section 15 of the Reserves Act 1977, for which an appropriate Survey Office Plan will need to be prepared and approved as to survey, together with a Gazette Notice giving effect to the exchange.
- 17. On this Agreement being executed by both parties, PNCC shall, with all due diligence:
 - (a) Instruct a surveyor to prepare a Survey Office Plan for the land, in accordance with the plan attached to this Agreement; and
 - (b) collate all necessary documentation required in order to complete the gazetting of the exchange. PNCC's solicitor shall arrange for the gazetting of the exchange.
- 18. MGC shall promptly on request by PNCC provide all necessary documentation required by PNCC in order for the gazetting of the exchange to take place, including, but not limited to, any mortgagee consent or partial discharge of mortgage in relation to MGC's Exchange Land, and any necessary consents to the gazetting, and do all things necessary to give effect to the terms of this Agreement.

PAYMENT OF SETTLEMENT SUM

- 19. The Settlement Sum shall be paid into the Trust Account of MGC's solicitor within five (5) working days of:
 - (a) The last of the conditions in clause 14 of this Agreement being satisfied; and
 - (b) PNCC's solicitor advising MGC's solicitor that it has collated all necessary documentation in order to complete the gazetting of the exchange; and

- (c) MGC's solicitor providing to PNCC's solicitor an undertaking that the Settlement Sum will be held undisbursed in the Trust Account of MGC's solicitor in the name of MGC until completion of the gazetting process.
- 20. PNCC shall be entitled to take possession of the MGC Exchange Land upon the Settlement Sum being paid.
- 21. MGC shall be entitled to take possession of the PNCC Exchange Land upon the Settlement Sum being received by MGC's solicitor.

FENCING

22. Neither party shall, either before or after settlement, erect any type of fencing or other wall or barrier along the boundary of MGC's Exchange Land and the balance of MGC's land. This clause shall not prevent MGC from maintaining, repairing, renewing or replacing any fencing which already exists along that boundary at the date of this Agreement, at MGC's sole cost.

MAINTENANCE OF GRASS ON STOP BANK

- 23. MGC agrees that after settlement MGC shall, at MGC's sole cost, be responsible for maintaining and mowing the grass on the MGC side of the stop bank neighbouring the balance of MGC's land and shall keep such area of grass in a tidy condition.
- 24. PNCC agrees that after settlement PNCC shall, at PNCC's sole cost, be responsible for maintaining and mowing the grass on top of the stop bank and the grass on the river side of the stop bank and shall keep such areas of grass in a tidy condition.

MGC CONTINUED USE OF STOP BANK

Despite the MGC side of the stop bank forming part of MGC's Exchange Land, which shall be acquired by PNCC, PNCC agrees that after settlement MGC shall be entitled to use the land on the MGC side of the stop bank neighbouring the balance of MGC's land for purposes relating to the operation of the MGC course. In the event of PNCC transferring the land referred to in this clause to any third party transferee, PNCC will ensure that the continuing rights of MGC under this clause are protected to the extent that any transferee will be contractually bound to honour the provisions of this clause.

Costs

- 26. PNCC shall meet all survey costs associated with this transaction together with all gazetting costs.
- 27. PNCC shall meets its own legal costs in respect of the negotiation, execution, and completion of this Agreement. PNCC shall meet MGC's legal costs in respect of the negotiation, execution, and completion of this Agreement up to a maximum of \$3,000.00 (including GST and disbursements).

NON FETTER

28. It is agreed by the parties that PNCC's position as territorial authority and administering body (pursuant to the Reserves Act 1977) will not be compromised by virtue of the fact that it is a party to this Agreement.

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LEGAL JURISDICTION

29. This Agreement shall be construed pursuant to the laws of New Zealand.

ENTIRE AGREEMENT

30. This Agreement constitutes the entire agreement between the parties with respect to its subject matter and shall supersede all and any previous discussions, representations, agreements or understandings.

ALTERATIONS AND VARIATIONS

31. No alteration to, deletion from or amendment to any of the provisions of this Agreement shall be binding on the parties unless it is agreed to by the parties and recorded in writing.

NOTICES

- 32. (a) Any notice or document required or authorised to be delivered or served under this Agreement may be delivered or served:
 - (i) In the manner provided within the Property Law Act 2007;
 - (ii) By facsimile;
 - (iii) E-mail;
 - (b) Any notice or other document will be treated as delivered or served and received by the other party as follows:
 - (i) Personal Delivery. On personal delivery; or
 - (ii) Post. Three (3) days after being posted by pre-paid registered post; or
 - (iii) E-mail. On completion of transmission.

For the purpose of this Agreement until changes are notified in accordance with clause 33 notice may be served using the notice details contained in the Notice Schedule hereto.

33. Any changes to the notice details of either party as recorded in the Notice Schedule hereto shall be notified in writing to the other by the party changing their notice details and such change shall not be effective until five (5) Working Days after the notification.

No WAIVER

- 34. No failure or delay by any party to exercise any power, remedy or right in relation to this Agreement shall:
 - (a) Prejudice, limit or affect or operate as a waiver of that power, remedy or right, or
 - (b) Be deemed to waive any default or breach of any obligation, liability or agreement by the other party;

and the exercise or partial exercise by any party of any power, remedy or right shall be without prejudice to that party's right to exercise that or any other power, remedy or right

at the same time (except insofar as the exercise of any power, remedy or right is inconsistent with the exercise of any other power, remedy or right) or in the future.

COUNTERPARTS

- 35. This Contract may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute the same instrument. Where a party executes such a counterpart copy and transmits the signed counterpart copy by e-mail or PDF to the other party then, for the purposes of this Contract:
 - (a) The transmission shall be deemed proof of signature of the original; and
 - (b) The signed counterpart shall be deemed an original.

Once a party has executed a counterpart, and each party has received a copy of the signed counterpart, that counterpart shall be deemed to be as valid and binding on the party executing it as if it had been executed by all parties.

SIGNING PARTIES

36. This Agreement shall not be binding until signed by the parties.

SIGNED for and on behalf of THE PALMERSTON NORTH CITY COUNCIL

Name:

Position: (EC

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THE COMMON SEAL of THE MANAWATU GOLF CLUB (INCORPORATED) was affixed in the

presence of:

Name:

Position:

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Position: Club Captain

SCHEDULE 1

(Background A)

(a) 1.1898 hectares more or less being Part Section 1678 Town of Palmerston North and being the land contained in Record of Title Identifier WNA4/989 (Wellington Registry) owned by the Palmerston North City Council for Recreation Reserve purposes.

SCHEDULE 2

(Background B)

- (a) 39.3908 hectares more or less being Part Lot 261-262 Deposited Plan 666 and Part Lot 1 Deposited Plan 1332 and Part Lot 2 Deposited Plan 6680 and Lot 2 Deposited Plan 19255 and Lot 2 Deposited Plan 26657 and Lot 4 Deposited Plan 6680 and Section 1679 Town of Palmerston North and being the land contained in Record of Title Identifier WNE3/701 (Wellington Registry) owned by The Manawatu Golf Club (Incorporated).
- (b) 3.4753 hectares more or less being Part Lot 3 Deposited Plan 19255 and Lot 2 Deposited Plan 71103 and being the land contained in Record of Title Identifier WN42B/585(Wellington Registry) owned by The Manawatu Golf Club (Incorporated).

SCHEDULE 3

(Clause 4)

| | Indicative Land Size (ha) | \$ p | er ha | Indica | ative lase Price |
|--------------------|------------------------------|------|--------|--------|---------------------|
| PNCC Exchange Land | | | | | |
| Lot 5 | 0.08 | \$ | 15,000 | \$ | 1,200 |
| Total Value | | | | \$ | 1,200 |

SCHEDULE 4

(Clause 5)

| | Indicative Land Size (ha) | \$1 | oer ha | hase Price |
|----------------------------|------------------------------|-----|--------|---------------|
| MGC Exchange Land | | | | |
| Lot 2 | 0.9 | \$ | 15,000 | \$ 13,500 |
| Lot 4 | 0.035 | \$ | 15,000 | \$ 525 |
| Compensation for Accretion | 12.2 | \$ | 8,250 | \$ 100,650 |
| Compensation for Forestry | | | | \$ 55,000 |
| Total Value | alas, di | | | \$ 169,675 |

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NOTICE SCHEDULE

(Clause 32)

PNCC

Palmerston North City Council

Private Bag 11034 Palmerston North

Contact Person:

Bryce Hosking - Property Manager

Contact Person Phone:

06 356 8199

Contact Person E-mail:

bryce.hosking@pncc.govt.nz

MGC

The Manawatu Golf Club (Incorporated)

19 Centennial Drive

Hokowhitu

Palmerston North

Contact Person:

Warren Collett – Club General Manager

Contact Person Phone:

0800 701 125

Contact Person E-mail:

gm@manawatugolfclub.co.nz



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Certificate of Title: Total Area: Local Authority;

The Manawatu Golf Club (Incorporated) & The Palmerston North City Council WHE3/701 & WH428/585 (NGC), WHA4/989 (PUCC)

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Manawatu Golf Course & River Walkway Palmerston North Palmerston North City Council Client & Site

Manawatu Golf Course & River Walkway: Proposed Boundary Adjustment & Area of Possible Accretion

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