

**CORONET PEAK, ALPINE VILLAS, QUEENSTOWN**  
**SUMMARY OF AGREEMENT FOR SALE AND PURCHASE**

The Coronet Peak, Alpine Villas, Arthurs Point, Queenstown (**Development**) is a proposed development located at 161 Arthurs Point Road, Queenstown. It consists of 54 two and three bedroom terrace homes.

Like many of the “off the plans” sale and purchase agreements we see in the region, the terms are written strongly in favour of the developer. In light of that, it is important for purchasers to be informed of the terms before entering into an unconditional agreement.

**TERMS OF THE AGREEMENT**

A summary of the terms of the Agreement (**Agreement**) are as follows:

1. While some of the standard Auckland District Law Society terms are used, a number of these have been altered or removed.
2. The vendor is Coronet Villas Limited, as trustee of the Coronet Villas Trust (**Vendor**).
3. The purchase price is GST inclusive.
4. A deposit that is 10% of the purchase price is payable as follows:
  - a. \$10,000.00 is payable on signing of the Agreement; and
  - b. the balance of the 10% is due on satisfaction of the purchaser’s solicitor’s approval clause.
5. The deposit is paid to the Vendor’s solicitor who must hold it as stakeholder until settlement has occurred or until the Agreement is validly cancelled (in which case it will be returned to you). You must pay the funds via our trust account.
6. *Settlement Date* – The balance of the purchase price is to be paid on the settlement date, which is 5 working days after we receive notice that the later of the following has occurred:
  - a. a new record of title has issued;
  - b. a code compliance certificate has issued; and
  - c. the new dwelling is practically complete.
7. You are deemed to have accepted the Vendor’s title in every respect once it issues and are prohibited from making any objections or requisitions to the title.

8. You are not entitled to cancel the agreement or any of its provisions 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 (**Residents' Association**) to administer the development.
9. *Purchaser conditions* – The Agreement is conditional on the purchaser's solicitor's approval of the terms of the Agreement by the 7<sup>th</sup> working day following the date of the agreement.
10. 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.
11. *Vendor condition* – The agreement is conditional upon the Vendor confirming on or before 31 March 2022 that the Development is feasible. The Vendor has the right to extend this timeframe for a further 3 months.
12. *Sunset date* – If settlement has not occurred by 31 March 2024, you have the right to cancel the Agreement, but to do so, you must provide notice in writing within 7 working days after this date.
13. *Force Majeure* – In the event that a Specified Event (as defined in the Agreement), such as restrictions imposed due to pandemics or epidemics, prevents the Vendor from commencing or continuing construction of the development or renders it impractical for the Vendor to commence or continue construction of the development, then the Vendor may by notice in writing to the purchaser advise of the Specified Event and cancel this agreement and neither party will have any right or claim against the other.
14. *Compliance with Statutes* – You must, upon receipt of a request from the Vendor, provide information relating to your residency and ability to purchase land in New Zealand. This is inserted for the benefit of the Vendor to ensure they are complying with a number of statutes such as the Overseas Investment Act 2005 and Foreign Account Tax Compliance Act 2010. We suggest you review clause 24 carefully as it includes provision for the Vendor providing your personal information to third parties.
15. *Purchasers' Undertakings* – We recommend you review clause 25 as, by signing the agreement, you are giving the Vendor a number of warranties and legal promises regarding your purchase. This goes beyond what we would usually see in a sale and purchase agreement.
16. *Subdivision* – The Agreement states the Property shall not be materially different from that shown on the preliminary plan attached to the Agreement without your approval. Further to this, the Agreement states:
  - a. You acknowledge that the final plan may contain variations from the preliminary plan reflecting the final area of the Property and other allotments and/or sections on the final plan. The Vendor is free to make and determine such variations and you cannot make any objection or requisition or claim for

compensation or an adjustment to the purchase price by reason of any such variation in the final plan *provided that the use of the Property by the Purchaser for residential purposes or the value of the Property is not materially affected.*

17. **Construction** – Prior to settlement and at its expense and with all reasonable speed, the Vendor shall complete construction of a new dwelling on the Property (**New Dwelling**):
  - a. in a good and proper workmanlike manner; and
  - b. in accordance with the plans and specifications attached to this agreement in Schedule 5 (**Plans and Specifications**); and
  - c. in accordance with the terms and conditions of the building and resource consents and any other requirements of any relevant authority.

If any materials specified are not reasonably procurable the Vendor may substitute other materials of similar quality and nature as are reasonably practicable.
18. **Settlement in full** – The Agreement sets out that you will settle in full on the settlement date and not demand any retention of funds.
19. **Defects after settlement** – You have 12 months after settlement to notify the Vendor of any defects at the Property, in which case the Vendor will rectify these at their cost. Refer to clause 30.4 – 30.7 for more information on what constitutes a defect.
20. **Measurements** – If the final area of the Property is 5% smaller than expected, you can cancel the agreement. You cannot cancel for any other deviations from the estimated size.
21. **Right of Inspection** – The procedure for a pre-settlement inspection is as follows:
  - a. The Purchaser (or their representative) may enter the Property on one occasion prior to settlement. The inspection must occur between the date of Practical Completion and 5 working days prior to settlement. You cannot access the Property prior to this time without the consent of the Vendor .
  - b. If you identify any issues at the pre-settlement inspection, you must give the Vendor notice no later than 2 working days prior to settlement.

Please contact the agent to arrange the inspection closer to settlement.
22. **Non-Objection** – You will not object to the completion of the Development and other works by the Vendor near the development. To reflect this, the Vendor will register a non-opposition covenant on the title on or prior to settlement. You are required to provide an Affected Parties' Approval (APA) for any consents or planning proposals the Vendor applies for at or near the Development.
23. **Assignment of warranties** – As soon as possible after settlement the Vendor will assign to you any guarantee and warranty it holds in respect of the chattels, fixtures and fittings.

24. *Purchaser variations* – You may request at your cost for the Vendor to make certain variations to the design of the Property or specifications. The Vendor is not obliged to accept the requests for variations.
25. *No caveat* – You are not allowed to register a caveat on the title for the Property to protect your interest.
26. *On sale* – You may on sell the Property prior to settlement with the permission of the Vendor. The new purchaser will need to enter into a deed of covenant drafted by the Vendor's solicitor, at your cost, stating they will meet all of your obligations under the Agreement.
27. *Power of attorney* – In consideration of the Vendor entering into this Agreement, you irrevocably nominate, constitute and appoint the Vendor or any nominee of the Vendor to be your true and lawful attorney for the purposes of executing all documents and plans and perform all acts, matters and things as may be necessary (without limitation) to discharge any caveat registered against the underlying land.

## COVENANT

28. Included in the Agreement is a copy of a draft land covenant to be registered on the titles for each of the properties in the Development. A land covenant may restrict the owner's ability to do certain things on the land or may require the owner to do certain things.
29. The covenant places restrictions and obligations on the Property (**Residential Lot**), the carpark purchased along with the Property (**Car Park Lot**), and the area of land that will be used for a driveway/accessway for the Development (**Access Lot**).
30. The land covenant imposes the following restrictions on owners' use of the Residential Lot:
  - a. The occupation and use of the Residential Lot by you or any tenant or invitee must be in a considerate manner and so as to not cause a nuisance or inconvenience to any registered owner or tenant.
  - b. You cannot hang any clothing, bedding or other articles on the outside or from the windows and/or balconies of a Residential Lot.
  - c. You cannot hang internal curtains (visible from outside the Property) other than with neutral linings and ensure that only curtains are visible from the exterior of the building and that blinds, awnings and other coverings are inside the curtain and not visible from the exterior of the building.
  - d. You are allowed to use the property for short term visitor accommodation. The vendor intends to obtain the resource consents to authorise such.
  - e. You shall not use nor permit the use of the Residential Lot for any purpose which may be illegal or injurious to the reputation of the developer or any of the other owners.

- f. You shall not use or permit the use the Residential Lot for the purposes of operation of a brothel or the provision of commercial sexual services or the operation of the business of prostitution within the meaning of those terms as contained in the Prostitution Reform Act 2003.
  - g. Notwithstanding any other provisions contained in this Covenant, you can only lease, licence or grant a right of occupation of the Residential Lot to a person or persons who will themselves physically occupy and reside in the Residential Lot.
31. Regarding the Car Park Lot, the covenant contains the following restrictions:
- a. You shall not use or permit the Carpark Lot to be used for any purpose other than for vehicular parking.
  - b. You must ensure the Carpark Lot is kept tidy and free of litter.
  - c. You shall not use the Carpark Lot or permit it to be used for storage.
  - d. You must ensure that any vehicle parked in the Carpark Lot is parked within the boundaries of the Carpark Lot.
32. The Covenant provides the following restrictions on the use and upkeep of the Access Lot:
- a. You acknowledges that it, along with all of the owners shall contribute equally to the costs associated with power, rubbish removal, gardening and maintenance in respect of the Access Lot.
  - b. The Access Lot cannot be used for parking.
  - c. You will not without the prior consent of the developer:
    - i. build or place any building, structure, fence, path, equipment or thing of a permanent nature anywhere on the Access Lot;
    - ii. plant any trees, shrubs or other vegetation on the Access Lot; or
    - iii. obstruct or interfere with the Access Lot or prevent it from being used by others.
  - d. You shall, in respect of the Access Lot:
    - i. keep the Access Lot in a clean, tidy and well-maintained state and ensure that any grass on the Property is regularly mown and maintained;
    - ii. keep any structures, lighting or other improvements placed or installed on the Access Lot in good working condition and repair, maintain and replace any such lighting, structures or other improvements as and when reasonably required; and
    - iii. keep and maintain the driveways, paths, grassed areas and gardens located in the Access Lot in a clean and tidy condition.

- e. You must not create any nuisance or annoyance to others (including, without limitation, any visitors or invitees) or to any other persons entitled to use the Access Lot.
  - f. You must not permit or allow any waste material, debris or rubbish to be left on or to accumulate on the Access Lot.
  - g. You shall ensure that all dogs are kept under strict control and supervision at all times whilst on the Access Lot.
  - h. You shall be responsible to indemnify the developer or Residents' Association in respect of any damage caused to the Access Lot, or any other property owned by those parties.
  - i. Other than for works undertaken in accordance with these covenants no building or construction is to be undertaken upon the Access Lot.
  - j. Certain works are allowed to be undertaken by the developer or Residents' Association on the Access Lot, as noted in the covenant.
33. If the owner does not comply with a land covenant, the person with the benefit of the land covenant can take enforcement action against the landowner who is in breach.

*We stress that the above is purely a summary of the terms of the agreement. Purchasers should read the Agreement in full and seek legal advice prior to signing it.*

*TODD & WALKER Law are one of Central Otago's leading law firms with offices in Queenstown and Wanaka. Australasian legal sector publication LawFuel recognised us as being one of New Zealand's six emerging legal firms and as... "a boutique law firm with a small firm culture capable of tackling big law jobs".*

*We regularly act for clients who are purchasing properties in subdivisions and developments in the Queenstown Lakes Region and we are familiar with the various complexities involved.*

*For more information about our team and services, go to [www.toddandwalker.com](http://www.toddandwalker.com). Should you have any queries concerning the terms of the agreement you should not hesitate to contact us as follows:*

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