

CLIENT & CUSTOMER ACKNOWLEDGEMENT

Sale & Purchase Agreement Details

Client / Vendor: Payne Developments Limited

Customer / Purchaser:

Property Address: 8 Magnolia Lane, Mosgiel

Licensee: Shane Robinson and Julie Robinson

Licensee Declaration

As licensee in relation to the above property sale ("the transaction"), I confirm pursuant to Section 136 of the Real Estate Agents Act 2008, that neither I nor any person related to myself as licensee will benefit financially from the transaction.

✕.....

Signed by the Licensee or authorised person

Date / /

Client/Customer Acknowledgements

The Client & Customer, prior to signing the agreement for sale and purchase relating to the property, acknowledge that the Agent:

- | | Customer
(Purchaser) | Client
(Vendor) |
|---|-------------------------|-------------------------------|
| 1. recommends that we seek legal advice and that a reasonable opportunity to obtain legal advice has been allowed by the Agent; | ✕..... | ✕..... |
| 2. recommends that we may need to, seek technical or other advice and information and that a reasonable opportunity to obtain this advice/information was provided; | ✕..... | ✕..... |
| 3. has provided us with a copy of the approved guide (attached) relating to sale and purchase agreements published by the Real Estate Authority. | ✕..... | ✕..... |
| 4. has made us aware of the Agent's in-house complaints and dispute resolution procedures (attached) and that a copy of this has been made available to us; | ✕..... | ✕..... |
| 5. has made us aware that we may access the Real Estate Authority's complaints process without first using the Agent's in-house procedures and that any use of the in-house procedures does not preclude the making of a complaint to the Real Estate Authority; | ✕..... | ✕..... |
| 6. For Overseas Investment Act consent purposes is the Customer (Purchaser): <ul style="list-style-type: none">• a New Zealand, Australian or Singaporean citizen or• a NZ residency visa holder; or• an Australian or Singaporean permanent resident who has lived in NZ for at least 183 days in the last 12 months and is a NZ tax resident? | Yes No | if 'No', OIA consent required |

Additional Acknowledgements

A soil test has been undertaken for the whole of the area/subdivision located at 219A Gladstone Road North. The report is attached and we recommend you seek legal/technical advice regarding this.

✕..... ✕.....

✕.....

Signed by the Customer/Purchaser

Date / /

✕.....

Signed by the Client/Vendor

Date / /

COMPLAINTS & DISPUTE RESOLUTION PROCEDURE

Pursuant to Rule 12 of the Real Estate Agents Act (Professional Conduct and Client Care Rules) 2012, all licensed Real Estate Agents are required to have a written in-house complaints and dispute resolution procedure. That procedure is set out below.

You do not have to use our complaints and resolution procedure. You may make a complaint directly to the Real Estate Agents Authority at any time. You can make a complaint to the Real Estate Agents Authority even if you choose to also use our procedures.

Our complaints and dispute resolution procedures are designed to provide a simple and personalized process for resolving any complaint you might have about the service you have received from our agency.

Step 1: Call or email the Manager:

Stephen Johnston
Office: 03 474 0526
Email: stephen.johnston@oatps.nz

Tell the Manager who you are complaining about and what your concerns are.
Let the Manager know what you would like done about your complaint.

Step 2: The Manager may ask you to put your complaint in writing so that he or she can investigate it.
The Manager will need a brief period of time to talk to the team members involved.
We promise to come back to you within 10 working days with a response to your complaint.
That response may be in writing.
As part of that response we might ask you to meet with members of our team to discuss the complaint and try and agree a resolution.

Step 3: If we are unable to come to an agreed resolution after a meeting, or if you don't wish to meet with us, then we will provide you with a written proposal to resolve your complaint.

Step 4: If you do not accept our proposal please try and advise us in writing within 5 working days.
You can, of course, suggest another way of resolving your complaint.

Step 5: If we accept your preferred resolution we will attempt to implement that resolution as soon as possible.
If we decline your preferred resolution we may invite you to mediate the dispute.

Step 6: If we agree to mediate the complaint but don't settle the complaint at mediation, or we do not agree to mediate the dispute then that will be the end of our process.

Remember

You can still make a complaint to the Real Estate Agents Authority in the first instance and even if you use these procedures you can still make a complaint to the Real Estate Agents Authority at any time.

The Real Estate Authority
C/- P O Box 25-371, Wellington 6146, New Zealand
Phone 0800 367 7322

Buying or selling your property?

New Zealand Residential Property
Sale and Purchase Agreement Guide



This guide tells you...

- what a sale and purchase agreement is
- what's in a sale and purchase agreement
- what happens after you sign the sale and purchase agreement
- what happens if you have a problem
- where to go for more information

Where to go for more information

This guide is available in other languages.
You can find translated copies of this guide
on rea.govt.nz and settled.govt.nz

The New Zealand Residential Property
Agency Agreement Guide is also available on
settled.govt.nz. The guide tells you more about
the agreement you sign with the agency
helping to sell your property

We welcome any feedback you have on
this publication.

The information in this guide was accurate
when published. However, the requirements
this information is based on can change at
any time. Up-to-date information is available
at rea.govt.nz.

Key things to know about sale and purchase agreements

- A sale and purchase agreement is a legally binding contract between you and the other party involved in buying or selling a property.
 - You must sign a written sale and purchase agreement to buy or sell a property.
 - You need to read and understand the sale and purchase agreement before you sign it.
 - Even if a standard sale and purchase agreement is being used, you should always get legal advice before you sign the agreement and throughout the buying and selling process.
 - You can negotiate some of the terms and conditions in a sale and purchase agreement.
 - You can include additional clauses, such as what to do if there are special circumstances.
- Your lawyer plays an important role in providing advice on what the sale and purchase agreement should say.

What a sale and purchase agreement is

A sale and purchase agreement is a legally binding contract between you and the other party involved in buying or selling a property. It sets out all the details, terms and conditions of the sale. This includes things such as the price, any chattels being sold with the property, whether the buyer

needs to sell another property first or needs a property inspection and the settlement date.

A sale and purchase agreement provides certainty to both the buyer and the seller about what will happen when.



New Zealand Residential Property Sale and Purchase Agreement Guide

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What's in a sale and purchase agreement

Your sale and purchase agreement should include the following things.

Basic details of the sale

Different sale methods like tender or auction might mean the sale and purchase agreement can look different, but all sale and purchase agreements should contain:

- the names of the people buying and selling the property
- the address of the property
- the type of title, for example, freehold or leasehold
- the price
- any deposit the buyer must pay
- any chattels being sold with the property, for example, whiteware or curtains
- any specific conditions you or the other party want fulfilled
- how many working days you have to fulfil your conditions (if there are any conditions)
- the settlement date (the date the buyer pays the rest of the amount for the property, which is usually also the day they can move in)
- the rate of interest the buyer must pay on any overdue payments (such as being late on paying the deposit or the remaining amount at the settlement date).

Check...

Always check your sale and purchase agreement with a lawyer before signing.

Buying or selling a property where the owner isn't able to participate, like a mortgagee sale or deceased estate, can mean the real estate professional has limited information about the property. It pays to allow for this when deciding what conditions the buyer and seller might need.

General obligations and conditions you have to comply with

The sale and purchase agreement includes general obligations and conditions that you will need to comply with. For example, these may include:

- access rights – what access the buyer can have to inspect the property before settlement day
- insurance – to make sure the property remains insured until the settlement date and outline what will happen if any damage occurs before settlement day
- default by the buyer – the buyer may have to compensate the seller if they don't settle on time, for example, with interest payments
- default by the seller – the seller may have to compensate the buyer if they don't settle on time, for example, by paying accommodation costs
- eligibility to buy property in New Zealand – people who have migrated to New Zealand may not be permitted to immediately buy property or may need to get consent from the Overseas Investment Office.

Your lawyer will explain these clauses to you.

Remember...

Before you sign a sale and purchase agreement, whether you're the buyer or the seller, the real estate professional must give you a copy of this guide. They must also ask you to confirm in writing that you've received it.

Specific conditions a buyer may include

Some buyers will present an unconditional offer, which means there are no specific conditions to be fulfilled. Some buyers will include one or more conditions (that must be fulfilled by a specified date) in their offer such as:

- title search – this is done by the buyer's lawyer to check who the legal owner of the property is and to see if there are any other interests over the property such as caveats or easements
- finance – this refers to the buyer arranging payment, often requiring bank approval for a mortgage or loan
- valuation report – a bank may require the buyer to obtain a valuation of the property (an estimate of the property's worth on the current market) before they agree to a loan
- Land Information Memorandum (LIM) – provided by the local council, this report provides information about the property such as rates, building permits and consents, drainage, planning and other important information
- property inspection – a buyer paying for an inspection provides an independent overview of the condition of the property rather than relying on an inspection that has been arranged by the seller

- engineer's or surveyor's report – similar to the above but more focused on the entire section and the structure of the property
- sale of another home – the buyer may need to sell their own home in order to buy another.

The real estate professional helps the buyer and the seller to include the conditions they each want. Even though the real estate professional works for the seller, they also have to deal fairly and honestly with the buyer. While they're not expected to discover hidden defects, they can't withhold information and must tell the buyer about any known defects with the property. If a buyer needs time to check a property for defects, including a property inspection condition may be important.



What happens after you sign the sale and purchase agreement

Signing the sale and purchase agreement is not the end of the sale or purchase process.

Both parties work through the conditions until the agreement is unconditional

A conditional agreement means the sale and purchase agreement has one or more conditions that must be met by a specified date and before the sale goes through.

The buyer pays the deposit. Depending on what the sale and purchase agreement says, the buyer may pay the deposit when they sign the agreement or when the agreement becomes unconditional. If the deposit is made to the real estate agency, it must be held in their agency's trust account for 10 working days before it can be released to the seller.

An agreement for sale and purchase commits you to buy or sell

Once you've signed the sale and purchase agreement and any conditions set out in it have been met, you must complete the sale or purchase of the property.

The length of time between the conditions being met and the settlement date varies. Settlement periods can be lengthy if the property hasn't been built yet or the sale and purchase agreement includes conditions for one party to buy or sell another property. The real estate professional has obligations to keep you informed of important updates that come up during this time.

Pre-settlement inspection

This is the chance for the buyer to check the property and chattels are in the same condition they were when the sale and purchase agreement was signed and to check that the seller has met any conditions, for example, there is no damage to walls or chattels haven't been removed from the property.

It's important to raise any concerns you find at the pre-settlement inspection with your lawyer and the real estate professional as soon as possible to allow enough time for an issue to be resolved. If it's less than 24 hours before settlement, the vendor may not be obligated to set things right.

Payment of a commission

Once the sale is complete, the seller pays the real estate professional for their services. The real estate agency usually takes the commission from the deposit they're holding in their trust account. The seller should make sure the deposit is enough to cover the commission. The real estate professional cannot ask the buyer to pay for their services if they have been engaged by the seller.

The buyer pays the rest

The buyer pays the remainder of the amount for the property on the day of settlement, usually through their lawyer.

Buying a tenanted property

If the property is tenanted, the agreement for sale and purchase should specify this. It may also contain a specific date for possession that may differ from the settlement date.

If the buyer requires the property to be sold with 'vacant possession', it is the seller's responsibility to give the tenant notice to vacate in accordance with the tenant's legal rights.

It is recommended that you seek legal advice if you are buying a property that is currently tenanted.

What happens if you have a problem

If something has gone wrong, first discuss your concern with the real estate professional or their manager. All agencies must have in-house procedures for resolving complaints.

If you can't resolve the issue with the real estate agency or you don't feel comfortable discussing it with them, you can contact the Real Estate Authority (REA). We can help in a number of ways if your complaint is about the real estate professional. For example, we can help you and the real estate professional or agency to resolve

the issue and remind them of their obligations under the Real Estate Agents Act 2008. When you contact us, we'll work with you to help you decide the best thing to do.

Call us on 0800 367 7322, email us at info@rea.govt.nz or visit us online at rea.govt.nz

About settled.govt.nz



Settled.govt.nz guides you through home buying and selling.

Buying or selling your home is one of the biggest financial decisions you will make. It's a complex and sometimes stressful process with potentially significant emotional and financial impacts if things go wrong.

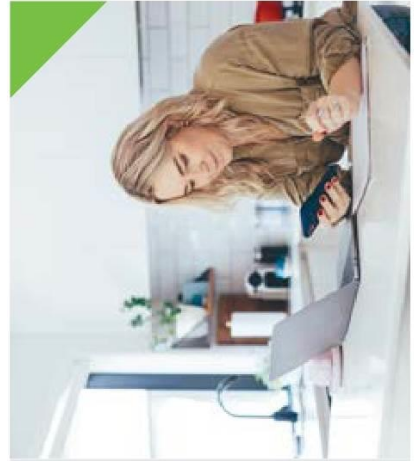
Settled.govt.nz provides comprehensive independent information and guidance for home buyers and sellers. You can find information about the risks and how they can impact you and get useful tips on how to avoid some of the major potential problems.

Settled.govt.nz will help to inform and guide you through the process from when you're thinking of buying or selling right through to when you're moving in or out. You'll find valuable information, checklists, quizzes, videos and tools. From understanding LIMs, to sale and purchase agreements, to when to contact a lawyer, **settled.govt.nz** explains what you need to know.

Settled.govt.nz is brought to you by the Real Estate Authority – Te Mana Papawhenua (REA).

For more information

For more information on home buying and selling, visit settled.govt.nz or email info@settled.govt.nz



About the Real Estate Authority – Te Mana Papawhenua (REA)

REA is the independent government agency that regulates the New Zealand real estate profession.

Our purpose is to promote and protect the interests of consumers buying and selling real estate and to promote public confidence in the performance of real estate agency work.

What we do

Our job is to promote a high standard of conduct in the real estate profession and protect buyers and sellers of property from harm.

• We provide independent information for people who are buying and selling property through our settled.govt.nz website.

• We provide guidance for real estate professionals and oversee a complaints process.

• We license people and companies working in the real estate industry.

• We maintain a Code of Conduct setting out the professional standards real estate professionals must follow.

• We maintain a public register of real estate professionals that includes information about disciplinary action taken in the last 3 years.

The Real Estate Agents Authority is a Crown agent, established under the Real Estate Agents Act 2008. The Real Estate Authority is the operating name of the Real Estate Agents Authority.

For more information

To find out more about REA, visit rea.govt.nz, call us on 0800 367 7322 or email us at info@rea.govt.nz



HAIL Advisory Note – 219A Gladstone Road North, Mosgiel

The property at 219A Gladstone Road North is currently undergoing subdivision into eight separate lots. The property is recorded on the Otago Regional Council Hazardous Activities and Industries List (HAIL) database as Verified HAIL site. The HAIL is a compilation of activities and industries that are considered to have the potential to cause soil contamination as a result of hazardous substance use, storage or disposal. A status of “Verified” means the activity has been confirmed, however these activities do not automatically mean contamination will be present on a property. The *Resource Management (National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health) Regulations 2011* (NES)¹ applies when specific activities occur on a HAIL site, including change of use, subdivision and soil disturbance.

The property is listed on the HAIL database as the Weather Master Insulation Company (HAIL.01732.01). The property previously contained a food processing factory from sometime in the early 20th century until the 1950s. The buildings were then occupied by an insulation company, and some of the buildings were used to store chemicals and equipment for an agricultural spraying contracting company for four years in the 1970s. From 1977, the factory was converted for use as a concrete water tank manufacturing plant before being demolished in 1985 when the land was converted to extensive gardens for the dwelling built at 219 Gladstone Road North. The property is recorded as having both underground and above ground fuel tanks. In addition, the land is covered with a 0.5 m deep layer of fill material (soils imported into the property rather than naturally occurring, primarily consisting of gravelly silt with minor inclusions of demolition waste and combustion residues).

A Detailed Site Investigation (DSI)² by Environmental Consultants Otago Limited (EC Otago) found elevated heavy metal concentrations in the site soils, in particular lead contamination at levels above the predicted background concentration based on the underlying geology. Cadmium and zinc are also above the background levels in some locations. However, the lead concentrations are generally below the guidelines protective of human health for residential land use with the exception of one sample of topsoil from one location. Traces of loose asbestos fibres (Chrysotile) were identified in samples of fill material from two location, although at levels below the human health criteria (<0.001%).

As a result of the past land use, and the lead contamination found in the fill material on the site, the following HAIL Categories apply to the land:

- Category A1 (Agrichemicals including commercial premises used by spray contractors for filling, storing or washing out tanks for agrichemical application) – low risk due to very low contaminant concentrations detected.
- Category A17 (Storage tanks or drums for fuel, chemicals or liquid waste) – low risk to the site. No sign of contamination from fuel tanks was detected and the fuel tanks are expected to have been removed in the 1970s. However, the original location of the fuel tanks is unknown, and it is possible that localised contamination or the tank remains on site.

¹ <http://www.mfe.govt.nz/land/nes-assessing-and-managing-contaminants-soil-protect-human-health/about-nes>

² EC Otago Ltd, 2021. *Detailed Site Investigation Report, 219 Gladstone Road.*

- Category E4 (Commercial concrete manufacture or commercial cement storage) – whilst concrete manufacture occurred on site for a period of almost 10 years, no contamination specific to the manufacturing of concrete was detected during the investigation and this activity poses a low risk to the site.
- Category G3 (Landfill sites) – widespread fill of approximately 0.5 m depth is present across the whole site with elevated lead concentrations detected within the fill. However, the majority of lead concentrations detected are below residential human health guidelines and pose a relatively low risk.

While lead contamination was found in the fill across the property the average concentration and calculated 95% upper confidence limit for lead were found to be below the *Residential* guidelines. The sampling results indicate that the site is highly unlikely to present a risk to human health under the proposed residential land use or during development works.

As part of the subdivision earthworks, the upper soils across the property have been stripped to bring the site to the required levels, with the soils stockpiled for additional sampling and analysis. All sampling has found elevated lead concentrations, within the range of 20 – 124 mg/kg compared to the guideline value of 210 mg/kg. The additional sampling confirms the results of the DSI and confirms the property is highly unlikely to present a risk to human health. No specific remediation or site management is required, however the property will remain on the HAIL database as a result of the known contamination. This means any future subdivision, change of use or earthworks that exceed the NES permitted activity limits (the disturbance of more than 25 m³ per 500 m², or the removal of 5 m³ per 500 m² per year) will require consent from the Dunedin City Council.

For reference, the pathways for human exposure to heavy metal contamination in soil (such as lead contamination) consist of ingestion of soil or consumption of produce grown in contaminated soils – lead absorption through the skin during contact with contaminated soil is insignificant. Careful washing to remove any soil from home grown fruit and vegetables will minimise the risks of eating contaminated soils, and maintaining a lawn cover across gardens with clean topsoil or mulch on flower beds reduces the possible exposure to contaminated soils. Plants grown in affected soil will take up low levels of lead into the leaves, fruit and vegetables. The guideline value for lead for residential land use assumes that 10% of produce may be home-grown, and this will not result in a risk to human health with lead concentrations below the guideline value. The concentrations of lead detected on the site are also below the rural residential guidelines which allow for up to 25% of produce to be home-grown.

If you have any questions, please feel free to contact me.

Yours sincerely,



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