

Riverside Estates

Covenants

Protective Covenants

Definitions

In this schedule, the following terms have the following definitions:

- “Access Roads” – access roads that branch off from the Main Access Road to each Residential Area
- “Architectural Committee” – the committee established under clause 4.1
- “Allotment” or “Lot” – any of the following individual lots or amalgamated lots specified on DP 365481 and having a separate certificate of title, including the total area of land in any such title:
 - Lot 1 – lot 1
 - Lot 2 – lot 2
 - Lot 3 – lot 3
 - Lot 4 – lots 4 and 20
 - Lot 5 – lots 5 and 14
 - Lot 6 – lots 6 and 15
 - Lot 7 – lots 7 and 16
 - Lot 8 – lots 8 and 17
 - Lot 9 – lots 9 and 18
 - Lot 10 – lots 10 and 19
 - Lot 11 – lot 11
 - Lot 12 – lot 12
 - Lot 13 – lot 13
- the “Constitution” – the constitution of Riverside Estates Ltd
- the “Developer” - Riverside Joint Venture Ltd
- the “Estate” – the land at Hardings Road, Marlborough which has been subdivided and developed as lots 1 - 20 DP 365481
- “Lot Owner” – the registered owner from time to time of any of any Lot at the Estate
- “Main Access Road” – the road marked ‘A’ on DP 365481 running from the main entrance along the eastern side of the Estate, being part of Lot 13
- “MDC” – the Marlborough District Council
- “REL” – Riverside Estates Limited, a duly incorporated company which is intended to manage viticultural activities as contemplated under clause 2 below

- “Residential Area” – each of the areas marked CC, DD, EE, FF, GG, HH, II, JJ, KK, LL, MM and NN respectively on DP 365481 each being an area within a Lot which is not Vineyard Area
- “Vineyard” – all of the Vineyard Areas at the Estate
- “Vineyard Area” – all and any vineyard area (including all headlands and siderows) on each Lot at the Estate.

1. Vision

- 1.1 The Developer of the Estate has a very clear vision as to how the Estate should look and feel. This set of Covenants has been put in place not to hinder property owners but to enhance the viticultural lifestyle and protect the site and investment of those living within the Estate. The Estate will be developed as an exclusive lifestyle environment that is in keeping with the river, wetland and viticultural aspects of the site. To achieve this, all facets of design, materials and landscaping must fit within the vision, as set out in this covenant.

2. Riverside Estates Ltd

- 2.1 REL is intended to operate and run the viticultural activities at the Estate. REL will own and service all viticultural improvements on all Vineyard Areas, including all vines, posts, wires, pumping and irrigation equipment. Ownership in all such viticultural improvements and all crop from such vines is hereby reserved to REL.
- 2.2 REL owns Lot 13 which includes the Main Access Road, wetland and recreational areas.
- 2.3 REL will ensure all commonly held areas such as the wetland, main access roads, river margins, and main entrance way are maintained to a high standard.
- 2.4 REL is responsible for entering into contracts for management and labour services as it deems necessary for the efficient and cost effective running of the Vineyard.
- 2.5 REL is responsible for entering into grape supply contracts with wineries or other such organisations to maximise the long term return to its shareholders.
- 2.6 The Owner of each Lot will own a percentage of the shares of REL as set out in clause 3.1 of the Constitution.
- 2.7 Following sale by the Developer of all of Lots, Lot Owners will be entitled to elect a board of Directors as contemplated under the Constitution.
- 2.8 Shares in REL are tied to each Lot as contemplated under the Constitution, such shareholdings generally reflecting the area of each Lot relative to the total area of all Lots (excluding Lot 13). Subject to the Constitution, no share in REL may be sold and or traded in any way other than in conjunction with the sale and purchase of the relevant Lot.

- 2.9 Any profits after all viticultural activities and site maintenance have been paid for and future cash flow requirements are taken into consideration, will be distributed by REL back to Lot Owners as shareholders.
- 2.10 On completion of the development and subsequent sale of all of the Lots as contemplated under clause 28 below, REL (by its Directors) will take on the role of ensuring all Lot Owners abide by the covenants set out in this document.

3. Land use

- 3.1 REL is a commercial vineyard operator. As such, it has an integrated management system that will be measured on a three tier system:
- Return on investment – Profit / loss
 - Environmental impact
 - Human and community impact

It is intended that REL will make a return on investment, and also will minimise any negative effect on the environment, Lot Owners and the surrounding community.

- 3.2 REL is entitled to maintain (and, as necessary, replace) vines and other vineyard improvements on all Vineyard Areas. No Lot Owner may use, remove, alter, prune, spray or otherwise interfere with any vineyard improvement on any Vineyard Area without the express written permission of REL or its nominee. REL is responsible for complying with its health and safety obligations and contractual requirements to third parties in relation to the Vineyard.
- 3.3 Notwithstanding clause 3.2 above, should REL want to permanently remove a significant area of vines (being more than 10% of any plantings (measured by area) within a single Lot), a majority of at least 75% of REL shareholder votes must support such a land use change.
- 3.4 REL is entitled to unrestricted access to all Vineyard Areas for the purposes of operating the Vineyard. Lot Owners must be aware that there are certain activities that may result in some noise or activity outside what some urban dwellers may consider normal. These may include:
- Weed and vine spraying both early morning and evening
 - Mowing and tractor activities
 - Grape harvesting can occur throughout the night
 - Bird scaring
- As contemplated under clause 2.7 above, Lot Owners will have the opportunity to be part of the directorship of REL. Operational hours and guidelines may be set to ensure the impact of vineyard activities on the Estate and surrounding community is kept to an acceptable standard.
- 3.5 Vineyard spraying is a necessary part of commercial viticultural activities. REL is a member of the 'Sustainable Wine Growers' scheme that trains and promotes vineyard operators to use only approved sprays in a sustainable and environmentally sensitive

manner. REL will advise all Lot Owners by email or fax or otherwise in writing in advance of any spraying activities.

4. Architectural Committee

- 4.1 An Architectural Committee will be convened by the Developer. The Committee will be responsible for viewing all plans, before approval is granted by the Developer.

5. Approval Process

- 5.1 In order to achieve all objectives within this document, this Land Covenant will be registered against each title within the subdivision. The covenant is binding on all Lot Owners and their successors in title.
- 5.2 No structure may be erected on any Lot without first obtaining the written consent of the Developer or its nominee.
- 5.3 In requesting such consent, the relevant Lot Owner shall provide full plans (including site plan) and specifications for the proposed structure. Consent may not be unreasonably withheld. However, the Developer shall have the absolute right to refuse consent in the event the plans and specifications do not comply with any provision of this covenant.
- 5.4 The floor area of each dwelling must be a minimum of 250 square meters including garaging. Any dwelling on any Lot must be placed in the relevant Residential Area.
- 5.5 Any dwelling on any Lot shall have a value at the date of issue of the building consent in respect thereof of not less than the sum \$X (including GST and including chattels) calculated in accordance with the following formula:

$$\frac{A}{B} \times \$400,000.00 = \$X$$

B

where A is the New Zealand Consumers Price Index (Housing Group) published by the New Zealand Department of Statistics ("the Index") for the quarter ended immediately prior to the date of issue of the building consent and B is the Index for the quarter ended immediately prior to 1 October 2005 provided that if the New Zealand Department of Statistics ceases to calculate or publish the Index or if it materially changes the basis of calculating the Index then the Developer may substitute for the Index an alternative index which in the sole opinion of the Developer most closely reflects changes in building costs in the Marlborough Region

- 5.6 In the early stages of planning, discussing a house or landscape plan is encouraged and welcomed by the Developer.
- 5.7 The Developer shall have 14 days, from the date upon which the request for consent is lodged, (accompanied with all the necessary plans, specifications and other information) within which to grant or decline consent. This 14-day period may

be extended by the Developer if clarification or further information is required from the Lot Owner.

- 5.8 A refundable \$2,000 builders bond will be payable to the Developer (or its nominee) before the final approval is given. This bond will be refunded when the project is complete and the Developer is satisfied that all services, roads, kerbing and landscaping have been reinstated to good condition, and all provisions of the relevant plans and specifications have been met.
- 5.9 Information to be supplied shall include the following:-
- A Site Plan
 - Floor Plan
 - Elevations of all sides
 - Cross section indicating the roof pitch
 - Schedule of external colours being used
 - Schedule of materials being used (including colours to be used in each of the external walls, roof, fencing, out buildings, window frames).
 - Outline of any proposed fencing and material being used
 - Plan showing the entrance way and material being used
 - Plan showing any permanent paving and materials
- 5.10 Only one dwelling is permitted on each Allotment. The dwelling house must not be a relocated, or a relocatable building, or kitset house. A sleep out or home stay accommodation is acceptable however it must be in keeping with the other structures and be no more than 40% of the main dwelling in size.
- 5.11 The issuing of written consent by the Developer, or its nominee does not in itself give any express or implied warranty or guarantee that the plans or construction details meet any statutory or regulatory building standard that may be in force. The Lot Owner must seek any MDC resource consent and/or building consent required in the normal way prior to construction.

6. Occupation

- 6.1 The dwelling must not be occupied until MDC has issued a certificate of code compliance, nor until the Lot Owner has completed an entrance way and driveway to the dwelling.
- 6.2 A landscape plan must be completed by the Lot Owner and delivered to the Developer within 3 months of occupation.
- 6.3 The Residential Areas at the Estate are intended to be a residential environment, and the residential nature of the land must be maintained as such. No business (other than REL viticultural activities) can be operated from any Allotment that:
- Involves heavy traffic movements
 - Creates more than 8 (in / out) vehicle movements per 24 hour period

- Creates noise levels in excess of MDC residential zoning allowance
- Creates light levels at night that are obtrusive to other Lot Owners
- Creates any odour that is obtrusive to other Lot Owners
- Is in conflict with REL viticultural activities
- Is potentially dangerous or may have potentially harmful effects to other Lot Owners, surrounding community or the environment of the Estate in general.

7. **Pets & Livestock**

7.1 No livestock may be kept within Lots 1 – 9, 12 or 14 - 20, or within the area to the south of the stop bank within Lots 10 & 11.

7.2 Lots 10 & 11 may have domesticated livestock to the north of the stop bank, provided that:

- Animals are well cared for
- They pose no threat to other residents using the recreational reserve that adjoins those lots
- They do not have any negative effect on the wetland environment on Lot 13
- Any fencing required in addition to the fencing already in place is to the cost and maintenance of the relevant Lot Owner
- The stocking ratio to land area is sufficiently low that the relevant land does not become pugged in wet conditions
- In potential flood conditions, stock is removed to off-site grazing before any flooding occurs
- Animals must not create noise levels in excess of MDC residential zoning allowance
- Animals must not create any odour that is obtrusive to other residents
- Such animals must not conflict with REL viticultural activities
- Livestock must not be potentially dangerous or have potentially harmful effects to other Lot Owners, surrounding community or the environment of the Estate in general.

7.3 As this is essentially a rural area surrounded by farms and small holdings, all pets must be kept within the residential allotment, they must be well cared for, not allowed to roam outside the residential allotment. Owners are encouraged to utilise the Lot 13 recreational reserve to walk dogs. However, Lot Owners must remove faeces and ensure their dogs do not pose a threat to any other Lot Owners or their pets.

The number of pets kept within each Lot is limited to:

- 2 Dogs (and litter until weaning) and/or
- 2 Cats (and litter until weaning)

8. Siting of Structures and Roads

- 8.1 No building nor other structure nor any landscaping built or carried out by any Lot Owner may interfere with the viticultural activities carried out on the Vineyard. This includes exclusion areas of:
- Clear access of 10 metres from the end of each vine row for headlands
 - Clear access of 5 metres from the side of each vine row for siderows
- 8.2 Roads & pathways may be constructed within this headland and siderow exclusion area, however this must be done so as to allow vineyard tractors, mowers, weed and vine spraying, and grape harvester's ability to operate. REL or its contractors are not liable for any damage caused to any Lot Owner's roads, driveways or pathways within this exclusion area due to undertaking normal viticultural activities.
- 8.3 No structure can be erected within 8 metres of any stop bank. This is a requirement of the MDC to allow for the service and upgrading of the stop bank.
- 8.4 No septic tank, effluent treatment nor overflow can be installed with 30 metres of any waterway or water bore.
- 8.5 No dwelling may be constructed on Lot 13. This area is set aside as a Recreational Reserve for the use of all Lot Owners. An amenity building for viticultural activities will be constructed on Lot 13 to the south of the stop bank.
- 8.6 No building or structure may be erected to the north of the stop bank running through Lots 10 – 13, nor on the riverside of the stop bank adjacent to Lots 1 – 9, unless written authority to do so is given by REL. Note: Even if REL provides such authority, building consent will also be required from MDC.
- 8.7 The Developer will install Access Roads on each Lot to the entrance of each Residential Area to a design and specification set by the Developer. On completion of the Access Road and initial sale of the Lot by the Developer, the ownership and cost of maintenance of the Access Road will pass to the Lot Owner. Any maintenance cost thereafter for Access Roads that give access to two or more Lots will be born by those Lot Owners on an equal basis.

9. Storm Water & Soak Pits

- 9.1 Soak pits for storm water disposal are required for Lots 1 – 9, 14 – 18 and 20, and shall have a minimum base area of 10 m² with a depth 1.2m.
- 9.2 For Lots 10, 11, 12 and 13, storm water will be disposed of via a piping system and sump (to be installed by the Developer to the boundary of Lots 10, 11 and 12), and then pumped to the wetland area. (No effluent can be disposed of via this system.)

10. Effluent

- 10.1 Each Lot must have its own on site domestic waste treatment system to be provided by the relevant Lot Owner in relation to any dwelling. The septic tank

system shall be designed and constructed to meet the requirements NZS 1547:2000, 'On-Site Domestic Wastewater Management'. All Lots must install a waste treatment system to the same standard and capacity that is detailed in clause 2.4 of the engineers report dated April 2004 referred to in clause 3 of the MDC subdivision consent U041064.

- 10.2 No septic tank, effluent treatment nor overflow can be installed with 30 metres of any waterway or water bore. Note: Lot 2 has a water bore that supplies all of the water for the Estate.
- 10.3 Each Lot Owner must enter into an annual service contract with an appropriately qualified service company to monitor and ensure the wastewater system is operational and maintained. Any maintenance that is required must be undertaken immediately at the cost of the Lot Owner.

11. Water supply

- 11.1 All Lots will be supplied by a reticulated water scheme sourced from the well situated on Lot 2. MDC has issued REL a permit to draw water from the well (Resource Consent U041064).
- 11.2 The water is pumped from the well on Lot 2 to two 35,000 litre storage tanks situated on Lot 13. The servicing of the residential water system to each Residential Area will be the responsibility of REL.
- 11.3 Each Lot is entitled to at least 2000 litres of water per day at a regulated flow rate of approximately 2.8 litres per minute. All Lots will have a water meter supplied by the Developer so usage can be monitored.
- 11.4 The potability of the water supply system shall be tested monthly by REL, and results will be advised to all Lot Owners.
- 11.5 All Lot Owners shall obtain their water from the reticulated scheme. Lot Owners shall not apply for individual water rights via a domestic well, nor take water from the Opawa River.
- 11.6 Each Lot Owner is required to install a domestic water pressure system in relation to any dwelling on the Lot.
- 11.7 Irrigation for the Vineyard is via a separate pump and system from the residential water reticulation system. The water is sourced from the same well located on Lot 2.

12. Building Foundations

- 12.1 Lots 1 to 9 are considered suitable lots for buildings constructed in accordance with the foundation requirements of NZS 3604: 1999 (subject to the building code as it applies from time to time).
- 12.2 For Lots 10, 11 and 12, specific foundation design carried out by a Chartered Engineer is will be required when the building footprint has been determined.

13. Building Heights

- 13.1 No building on any Lot may be constructed more than 2 storeys or 7.5 metres in height (measured from the natural ground level) unless otherwise agreed by the Developer in advance.

14. Building Materials

- 14.1 No second hand building materials are to be used on the exterior of any construction, unless approved by the Developer in advance.
- 14.2 Exterior walls shall be clad with:
- Natural stone
 - Stucco
 - Plaster
 - Modern brick or block products
 - Natural timber products (wood fibre planks or boards may only be used in place of weatherboards; provided they are used in a manner that will create a natural traditional timber appearance. No Hardiplank or weather sheet look is acceptable) or
 - Such other building materials as approved by the Developer.

15. Roofing

- 15.1 Roofing material shall be either:
- Concrete or clay tiles
 - Slate, cedar or bitumen shingles
 - Painted long run steel
 - Decramastic tiles
 - Such other material as approved by the Developer

16. Guttering

- 16.1 All gutters and down pipes must be either hidden or at least painted to match the colour of the dwelling.
- 16.2 No white PVC guttering or down pipes are to be used.

17. Landscaping, Fencing & Gates

- 17.1 It not envisaged that perimeter fencing will be required within any Lot. However, fencing and or screen planting to screen service areas is encouraged. The Residential Areas have been designed to be large enough and of sufficient distance apart to allow an open design that maximises the river, viticultural and hill views that are part of the Estate.

- 17.2 Screen planting should be used between adjacent Lots. However a boundary fence between adjacent Residential Areas no greater than 1.8 metres in height, measured vertically from the natural ground level is allowed; provided that the design must be approved by the Developer.
- 17.3 No fence may be built of corrugated iron, sheet or panel steel, un-textured flat fibrolite, Hardi Flex, plywood, or of post and wire fencing. Second hand or demolition materials may not be used, unless the second hand materials are of an aesthetic nature and have been approved by the Developer in advance.
- 17.4 No fence, hedge or gateway may be erected that will in REL's reasonable opinion interfere with the normal viticultural activities of REL within the Estate. This includes the exclusion areas detailed in clause 8.1 above.
- 17.5 The Developer is not required to contribute to the cost of fencing, other than that referred to in paragraphs 17.6, and 17.7.
- 17.6 The Developer will erect post & wire fencing to the north of the Stop Bank on the boundaries where lot 13 adjoins Lots 10 & 11. The maintenance cost will be shared equally between adjoining Lot Owners and REL.
- 17.7 The Developer will erect a post & wire fence 10 meters to the East of the viticultural plantings to the North of the stop bank in lots 11 & 12. The maintenance cost will be shared equally between adjoining Lot Owners and REL.

18. Driveways

- 18.1 No dwelling on any Lot may be occupied until the driveway over the relevant Residential Area to the dwelling is completed. This means that no driveway should be left with dirt, metal or low quality aggregate surface.
- 18.2 All driveways shall be constructed to the full width (no 'car tracks' are permitted).
- 18.3 Driveways shall be constructed using any of the following materials:-
- Concrete
 - Stencilled or Exposed Aggregate Concrete
 - Cobblestones
 - Pavers
 - Hot mix
 - Or of a design and specification similar to the access driveway installed by the Developer.

19. Parked Vehicles

- 19.1 Each Lot Owner shall ensure that no caravans, campervans, house buses, boats, trailers or trade commercial vehicles under their control shall be parked outside their Residential Area or where such items may interfere with the normal viticultural activities of the Estate.

20. Basements

- 20.1 The basement of any dwelling is to be fully enclosed prior to the dwelling being occupied.

21. Landscaping

- 21.1 All landscaping shall be completed by the Lot Owner substantially in accordance with a landscape plan to be submitted to the Developer within 3 months of occupation of the relevant dwelling.
- 21.2 Prior to, during, and after construction, all landscaping areas must be maintained in a clean and tidy manner, with all grass mowed so as not to exceed 10cm in height.
- 21.3 No excavation material, rubbish or builders waste or materials are to be deposited on any adjoining Lots.
- 21.4 Any damage which may be done to the Estate landscaping, irrigation, curbs, roads or Vineyard whilst the construction process is taking place, must be repaired by the Lot Owner responsible for this damage.
- 21.5 No hedges are to be grown higher than 1.8 metres.
- 21.6 No pinus radiata or cedus macrocarpa shall be grown within any Lot.
- 21.7 All landscaping must be in keeping with the open plan feel of the Estate. Large specimen trees are allowed (subject to approval), however these must not unduly shade or reduce adjoining Lot Owners' views.

22. Signage

- 22.1 No signage indicating a business is permitted, unless written approval is given by REL. This will not be unreasonably withheld.
- 22.2 No Real Estate Agents or "For Sale" signs are to be erected on any vacant or empty Lot at any time, except during development stages of the subdivision on a properly constructed plan of the subdivision showing all Lots and those still available for sale. This will be controlled by the Developer.

23. Ancillary Structures

- 23.1 All ancillary structures on any Lot, shall be constructed using the same or similar building materials as the dwelling on that Lot.
- 23.2 No antenna, satellite dish, solar panels, glass-house, tunnel house or like structure should be constructed or placed in such a way that they give a reflection or glare which creates a nuisance to other Lot Owners.
- 23.3 No fixture shall be attached to any building on any Lot that in the opinion of the Developer or REL is obtrusive.

24. Lighting

- 24.1 All lighting must be low key and not obtrusive to other Lot Owner.

25. Exercise of Discretions

25.1 Where any of the covenants in this document require the exercise of a subjective discretion, the judgement of the Developer or its nominee shall be final and

26. Breach of Covenants

26.1 Where any Lot Owner commits a breach of any covenant and that breach is ongoing, the Developer or its nominee shall be authorised to enter upon the Lot and to take such steps as may be necessary and/or expedient, for the purpose of remedying the breach. Any costs incurred by the Developer or its nominee in remedying any breach shall be recoverable from the Lot Owner as a debt payable upon demand, and shall bear interest accruing at a rate of 2% per month from the date of the demand, until the date of payment.

27. Construction Guidelines and Controls

27.1 A detailed schedule outlining the Construction Guidelines and Controls, along with a Construction Bond Agreement (in such forms as approved by the Developer) may be obtained from the Developer. The Construction Guidelines and Controls are binding on Lot Owners, and the Bond must be completed before any construction plans will be approved.

28. Expiry

28.1 The rights and obligations of the Developer to enforce these covenants shall terminate when the Developer ceases to be an owner of any and all Lots in the Estate. From that date onwards, the right to enforce any covenant shall then be vested in REL.