

Application No. (s) 200310141
Decision No. (s) 200420034

(Please quote in all future
correspondence in this matter.)

16 September 2004

Bryce Jack
Macalister Todd Phillips Bodkins
P O Box 653
QUEENSTOWN

Dear Mr Jack

**APPLICANT – LANGE (ROBERT JOHN AND EILEEN REGINA) OF
SWITZERLAND**

- 1 Thank you for your letter of 13 June 2003.

INTERPRETATION

- 2 Where a term defined in the Overseas Investment Act 1973 (the Act) or the Overseas Investment Regulations 1995 (the Regulations) appears in this document, that term shall have a corresponding meaning.
- 3 Applicant includes any nominee of the applicant.

DECISION

- 4 We refer to your letter of application dated 13 June 2003 which outlines the proposed overseas investment (the investment) by the Applicant. Consent has been granted under the Regulations to:

acquire 16,830 hectares of Crown Pastoral Lease situated at Motatapu Station, Wanaka being Pastoral Lease OT386/61 (Otago Registry).

CONDITIONS OF CONSENT

- 5 Consent has been granted subject to the following conditions:
- (a) this consent will lapse if the property, specified securities or land has not been acquired and transferred [or business has not been established] by 16 September 2005;
 - (b) the Applicant or their agent must notify the Commission in writing as soon as practicable and no later than 16 September 2005 advising whether the investment proceeded. If the investment proceeded the notice must include:
 - (i) the date of settlement;

- (ii) final consideration paid (including any GST payable and including the amount of the consideration that is attributable to the unimproved value of any land acquired);
- (iii) the structure by which the acquisition was made (for example, advise whether a nominee of the applicant acquired the property); and
- (iv) any other information which would aid the Commission in its function to monitor overseas investment in New Zealand.

If available, please provide copies of Certificates of Title and transfer documents where applicable.

- (c) every individual with a 25 percent or more beneficial interest in the overseas investment, or where the Applicant is not an individual, the individuals exercising control over the Applicant (as the case may be) must continue to meet the eligibility criteria specified in section 14A(2)(a)-(c) [or section 14B(2)(a)-(c) as applicable] of the Act.

- (d) That the Applicants must:

- (i) Undertake and complete the farm development programme within three years from the date of settlement of the purchase of the properties in accordance with the farm development programme set out in the reports dated 17 October 2003 from Hamilton Booker Associates and Cook Adam & Co and thereafter continue to farm the properties in accordance with the farming strategy outlined by Hamilton Booker Associates in its report. Due to delays in determining the applications, in assessing whether projected milestones have been achieved, the Commission will deem the "June 2004" projections in the Cook & Co report to be "June 2005" projections, and so forth. The implementation of the farm development programme by the Applicants must include the following items of expenditure:

- (1) The construction of a new woolshed and sheep yards at Highland Creek at a cost of not less than xxxxx
- (2) The construction of new shearers' quarters at a cost of not less than xxxx
- (3) The upgrading of staff quarters at the homestead at a cost of not less than xxxx
- (4) The construction of new staff housing at the homestead or the purchase of property or properties in Wanaka for staff housing at a cost of not less than xxxx
- (5) The construction of new fencing at a cost of not less than xxxxx
- (6) Pasture development over xxxx hectares of the properties at a cost of not less than xxxx
- (7) The upgrading and construction of roading and access trails at a cost of not less than xxxxx
- (8) The upgrading and replacement of the irrigation system at a cost of not less than xxxxx

- (9) The upgrading of the Highland Creek and Roses Terrace roading and the upgrading of the airstrip at a cost of not less than xxxx;
- (10) The completion (within twelve months of the date of settlement of purchase of the properties) of the research and mapping of the properties and a final conservation plan for the properties, such plan to include a comprehensive inventory and "baseline" assessment of the key ecological and other values of the properties, a detailed concept plan and an ongoing management strategy, at a cost of not less than xxxx;
- (11) The implementation of the final conservation plan at a cost of not less than xxxxx;
- (ii) As specified in the Heads of Agreement entered into by the Applicants and the Department of Conservation (Heads of Agreement):
- (1) Construct a public tramping track and associated facilities (including huts);
 - (2) Make payment of the donations to the Department of Conservation totalling xxxxx over five years; and.
 - (3) Open the through route and huts to public use no later than Easter 2006.

The cost of construction of the public tramping track and associated facilities (refer paragraph 5(d)(ii)(1) above) is to be not less than xxxxx

- (iii) Make available to Land Information New Zealand and to the Department of Conservation a final copy of the conservation plan referred to in paragraph 5(d)(i)(10) above, within three months of its completion;
- (iv) Within 12 months of the date of settlement of the purchase of the properties, enter into written covenants with the Department of Conservation in relation to the land more or less over 1,100 metres and the catchment areas defined or to be defined under the Heads of Agreement. The Department of Conservation covenants must be on terms reasonably consistent with the terms set out in the Heads of Agreement. Once the written covenants are entered into do everything in their control to allow the Crown to register those covenants against the land including facilitating completion of the necessary surveys and plans showing the covenant areas;
- (v) Provide a written progress report to the Commission within 28 days of each 30 June and 31 December in each year. The first progress report is to be provided for the (broken) period ending 31 December 2004 and the last progress report is to be provided for the six month period ending 30 June 2009. Each progress report must detail progress made in implementing the farm development programme/conservation plan, the tramping track and associated facilities, including expenditure incurred, the status of the conservation covenants and any other information that would assist the Commission in determining whether the proposed benefits to the properties are accruing;

- (vi) Provide a copy of the financial statements for the farm properties to the Commission for the farm within 3 months of the end of each financial year, with the first financial statements to be provided to be for the (broken) period ending 30 June 2005 and the last financial statements to be provided to be for the period 30 June 2009;
- (vii) Provide written evidence to the Commission by no later than 31 March 2008 that the farm development programme has been completed;
- (viii) In relation to any marginal strips created or existing on the properties, not hinder or prejudice the purposes in section 24C of the Conservation Act 1987, including the rights of members of the public to have access along the strips;
- (ix) In relation to the public mountain bike race referred to in clause 21 of the Heads of Agreement, if the Applicants are unable after reasonable effort to find an organiser for the event, to immediately notify the Department of Conservation of that fact, and request the Department of Conservation to organise or find an organiser for the event;
- (x) Only commence construction of the Applicants' house property once:
 - (1) Farm development programming. The cattle have been removed from the properties and contractors engaged to commence some of the development projects.
 - (2) Conservation plan. A contractor has commenced the research and mapping of the properties.
 - (3) Tramping track. The applicants have done everything in their control to progress the establishment of the track including:
 - 1. Consulting with the Department of Conservation regarding the formation and construction of the track;
 - 2. Making application to Land Information New Zealand pursuant to the Crown Pastoral Land Act for consent to form the walking track and making application to have the appropriate easements for the track and huts registered;
 - 3. Seeking consent from Land Information New Zealand and the relevant local authorities to construct the track and construct and alter the huts;
 - 4. If time permits, expediting other steps once the easement(s) have been formalised and the consents obtained, such as letting a contract for constructing the huts or marking the track; and
 - (4) The Applicants have reported in writing to the Commission indicating that these matters have been progressed.

6 This consent does not eliminate the need for the Applicant to comply with other New Zealand legal requirements.

REPORTING REQUIREMENTS

- 7 If the investment proceeds the Applicant or their agent must:
- (a) report in writing to the Commission providing evidence of compliance with:
 - (i) condition 5(c) in this letter no earlier than 17 March 2005 and no later than 16 September 2005; and
 - (ii) condition 5(d) in this letter, by the various dates specified in that condition.
- 8 The Applicant must also, if required by the Commission, provide this information at any subsequent time;
- (a) notify the Commission in writing within 28 days of ceasing to be an overseas person; and
 - (b) notify the Commission in writing within 28 days of selling any land (or specified securities in a land-owning entity) which this letter grants them consent to acquire.
- 9 This information is sought for the purpose of compiling statistical information about overseas investment in New Zealand and to monitor compliance with the conditions of this consent.

SANCTIONS

- 10 Please note that the Act contains sanctions for breaching the Regulations, failing to comply with conditions of consent and failing to provide information required by the Commission.

PUBLIC INFORMATION

- 11 The Commission produces a publicly available record of all decisions made under the Regulations.
- 12 The Official Information Act 1982 contains reasons for withholding information, including unreasonable prejudice to commercial position (section 9(2)(b)(ii) of that Act). After considering the provisions of that Act, the Commission is of the view that the information which should be released in respect of your application is set out on the attached form.
- 13 The Commission acknowledges your request for confidentiality (if any) in respect of the application. If you are of the opinion that some of the information contained on the attached form is incorrect or should be withheld in terms of the Official Information Act 1982, please write to me **within 10 working days** of the date of this letter setting out:
- (a) the information which you consider should be withheld; and
 - (b) explaining how the Applicant's commercial position would be prejudiced and why that prejudice would be unreasonable.

- 14 Please find enclosed a GST receipt for the application fee you have paid or note that one will be forwarded to you shortly under separate cover.

Yours sincerely

Annelies McClure
Manager Applications

Released Under the Official Information Act

Application No. (s) 200310143
Decision No. (s) 200420035

(Please quote in all future
correspondence in this matter.)

16 September 2004

Bryce Jack
Macalister Todd Phillips Bodkins
P O Box 653
QUEENSTOWN

Dear Mr Jack

**APPLICANT – LANGE (ROBERT JOHN AND EILEEN REGINA) OF
SWITZERLAND**

- 1 Thank you for your letter of 13 June 2003.

INTERPRETATION

- 2 Where a term defined in the Overseas Investment Act 1973 (the Act) or the Overseas Investment Regulations 1995 (the Regulations) appears in this document, that term shall have a corresponding meaning.
- 3 Applicant includes any nominee of the applicant.

DECISION

- 4 We refer to your letter of application dated 13 June 2003 which outlines the proposed overseas investment (the investment) by the Applicant. Consent has been granted under the Regulations to:

acquire 7,901.8918 hectares of Crown Pastoral Lease situated at Mt Soho Station, Wanaka being Pastoral Lease OT15B/734 (Otago Registry).

CONDITIONS OF CONSENT

- 5 Consent has been granted subject to the following conditions:
- (a) this consent will lapse if the property, specified securities or land has not been acquired and transferred [or business has not been established] by 16 September 2005;
 - (b) the Applicant or their agent must notify the Commission in writing as soon as practicable and no later than 16 September 2005 advising whether the investment proceeded. If the investment proceeded the notice must include:
 - (i) the date of settlement;
 - (ii) final consideration paid (including any GST payable and including the amount of the consideration that is attributable to the unimproved value of any land acquired);

- (iii) the structure by which the acquisition was made (for example, advise whether a nominee of the applicant acquired the property); and
- (iv) any other information which would aid the Commission in its function to monitor overseas investment in New Zealand.

If available, please provide copies of Certificates of Title and transfer documents where applicable.

- (c) every individual with a 25 percent or more beneficial interest in the overseas investment, or where the Applicant is not an individual, the individuals exercising control over the Applicant (as the case may be) must continue to meet the eligibility criteria specified in section 14A(2)(a)-(c) [or section 14B(2)(a)-(c) as applicable] of the Act.
- (d) That the Applicants must:
 - (i) Undertake and complete the farm development programme within three years from the date of settlement of the purchase of the properties in accordance with the farm development programme set out in the reports dated 17 October 2003 from Hamilton Booker Associates and Cook Adam & Co, and thereafter continue to farm the properties in accordance with the farming strategy outlined by Hamilton Booker Associates in its report. Due to delays in determining the applications, in assessing whether projected milestones have been achieved, the Commission will deem the "June 2004" projections in the Cook & Co report to be "June 2005" projections, and so forth. The implementation of the farm development programme by the Applicants must include the following items of expenditure:
 - (1) The construction of a new woolshed and sheep yards at Highland Creek at a cost of not less than xxxxx
 - (2) The construction of new shearers' quarters at a cost of not less than xxxxx
 - (3) The upgrading of staff quarters at the homestead at a cost not less than of xxxxx
 - (4) The construction of new staff housing at the homestead or the purchase of property or properties in Wanaka for staff housing at a cost of not less than xxxxx
 - (5) The construction of new fencing at a cost of not less than xxxxxx
 - (6) Pasture development over xxxxxx hectares of the properties at a cost of not less than xxxxxx
 - (7) The upgrading and construction of roading and access trails at a cost of not less than xxxxx
 - (8) The upgrading and replacement of the irrigation system at a cost of not less than xxxxxx
 - (9) The upgrading of the Highland Creek and Roses Terrace roading and the upgrading of the airstrip at a cost of not less than xxxxxxxx

(10) The completion (within twelve months of the date of settlement of purchase of the properties) of the research and mapping of the properties and a final conservation plan for the properties, such plan to include a comprehensive inventory and "baseline" assessment of the key ecological and other values of the properties, a detailed concept plan and an ongoing management strategy, at a cost of not less than xxxxxx

(11) The implementation of the final conservation plan at a cost of not less than xxxxxx

(ii) As specified in the Heads of Agreement entered into by the Applicants and the Department of Conservation (Heads of Agreement):

- (1) Construct a public tramping track and associated facilities (including huts);
- (2) Make payment of the donations to the Department of Conservation totalling xxxxxx over five years; and
- (3) Open the through route and huts to public use no later than Easter 2006.

The cost of construction of the public tramping track and associated facilities (refer paragraph 5(d)(ii)(1) above) is to be not less than xxxxxx

(iii) Make available to Land Information New Zealand and to the Department of Conservation a final copy of the conservation plan referred to in paragraph 5(d)(i)(10) above, within three months of its completion;

(iv) Within 12 months of the date of settlement of the purchase of the properties, enter into written covenants with the Department of Conservation in relation to the land more or less over 1,100 metres and the catchment areas defined or to be defined under the Heads of Agreement. The Department of Conservation covenants must be on terms reasonably consistent with the terms set out in the Heads of Agreement. Once the written covenants are entered into do everything in their control to allow the Crown to register those covenants against the land including facilitating completion of the necessary surveys and plans showing the covenant areas;

(v) Provide a written progress report to the Commission within 28 days of each 30 June and 31 December in each year. The first progress report is to be provided for the (broken) period ending 31 December 2004 and the last progress report is to be provided for the six month period ending 30 June 2009. Each progress report must detail progress made in implementing the farm development programme/conservation plan, the tramping track and associated facilities, including expenditure incurred, the status of the conservation covenants and any other information that would assist the Commission in determining whether the proposed benefits to the properties are accruing;

(vi) Provide a copy of the financial statements for the farm properties to the Commission for the farm within 3 months of the end of each financial year, with the first financial statements to be provided to be

for the (broken) period ending 30 June 2005 and the last financial statements to be provided to be for the period 30 June 2009;

- (vii) Provide written evidence to the Commission by no later than 31 March 2008 that the farm development programme has been completed;
- (viii) In relation to any marginal strips created or existing on the properties, not hinder or prejudice the purposes in section 24C of the Conservation Act 1987, including the rights of members of the public to have access along the strips;
- (ix) In relation to the public mountain bike race referred to in clause 21 of the Heads of Agreement, if the Applicants are unable, after reasonable effort to find an organiser for the event, to immediately notify the Department of Conservation of that fact, and request the Department of Conservation to organise or find an organiser for the event;
- (x) Only commence construction of the Applicants' house property once:
 - (1) Farm development programme: The cattle have been removed from the properties and contractors engaged to commence some of the development projects;
 - (2) Conservation plan: A contractor has commenced the research and mapping of the properties;
 - (3) Tramping track: The applicants have done everything in their control to progress the establishment of the track including:
 - 1. Consulting with the Department of Conservation regarding the formation and construction of the track;
 - 2. Making application to Land Information New Zealand pursuant to the Crown Pastoral Land Act for consent to form the walking track and making application to have the appropriate easements for the track and huts registered;
 - 3. Seeking consent from Land Information New Zealand and the relevant local authorities to construct the track and construct and alter the huts;
 - 4. If time permits, expediting other steps once the easement(s) have been formalised and the consents obtained, such as letting a contract for constructing the huts or marking the track; and
 - (4) The Applicants have reported in writing to the Commission indicating that these matters have been progressed.

6 This consent does not eliminate the need for the Applicant to comply with other New Zealand legal requirements.

REPORTING REQUIREMENTS

7 If the investment proceeds the Applicant or their agent must:

- (a) report in writing to the Commission providing evidence of compliance with:
 - (i) condition 5(c) in this letter no earlier than 17 March 2005 and no later than 16 September 2005; and
 - (ii) condition 5(d) in this letter, by the various dates specified in that condition.

8 The Applicant must also, if required by the Commission, provide this information at any subsequent time;

- (a) notify the Commission in writing within 28 days of ceasing to be an overseas person; and
- (b) notify the Commission in writing within 28 days of selling any land (or specified securities in a land-owning entity) which this letter grants them consent to acquire.

9 This information is sought for the purpose of compiling statistical information about overseas investment in New Zealand and to monitor compliance with the conditions of this consent.

SANCTIONS

10 Please note that the Act contains sanctions for breaching the Regulations, failing to comply with conditions of consent and failing to provide information required by the Commission.

PUBLIC INFORMATION

11 The Commission produces a publicly available record of all decisions made under the Regulations.

12 The Official Information Act 1982 contains reasons for withholding information, including unreasonable prejudice to commercial position (section 9(2)(b)(ii) of that Act). After considering the provisions of that Act, the Commission is of the view that the information which should be released in respect of your application is set out on the attached form.

13 The Commission acknowledges your request for confidentiality (if any) in respect of the application. If you are of the opinion that some of the information contained on the attached form is incorrect or should be withheld in terms of the Official Information Act 1982, please write to me **within 10 working days** of the date of this letter setting out:

- (a) the information which you consider should be withheld; and
- (b) explaining how the Applicant's commercial position would be prejudiced and why that prejudice would be unreasonable.

- 14 Please find enclosed a GST receipt for the application fee you have paid or note that one will be forwarded to you shortly under separate cover.

Yours sincerely

Annelies McClure
Manager Applications

Released Under the Official Information Act



COPY

Decision

Consent has been granted to **Soho Property Limited**, or a 100% subsidiary of **Soho Property Limited** (the Applicant), giving effect to a transaction which will result in:

- An overseas investment in sensitive land, being the Applicant's acquisition of a leasehold interest in 8,579.1409 hectares of land at Glencoe Station, Crown Terrace, Waiarua.

(the Investment)

Consent is granted subject to the following conditions:

Statutory Conditions of Consent

Section 28 of the Overseas Investment Act 2005 (the Act) provides that it is a condition of every consent, whether or not it is stated in the consent; that

- (a) The information provided by each applicant to the regulator or the relevant Minister or Ministers in connection with the application is true and correct at the time it was provided; and
- (b) Each consent holder must comply with the representations and plans made or submitted in support of the application and notified by the regulator as having been taken into account when the consent is approved, unless compliance should reasonably be excused.

For the purposes of section 28, the Overseas Investment Office has taken into account the following information:

- (a) The Applicant's letters dated 20 March 2009, 24 March 2009, 25 March 2009, 20 July 2009, 24 August 2009, 2 September 2009 and 15 September 2009, emails of 1 April 2009, 24 November 2009, 1 December 2009 and 2 December 2009 and all attachments annexed to those letters and emails (where applicable) which were submitted to the Overseas Investment Office in support of the application by the Applicant to acquire the investment and related assets.

Special Conditions

1. The consent will lapse if the Investment has not been acquired by and transferred to the Applicant within twelve months of the date of consent;

2. The Applicant must notify the Overseas Investment Office in writing as soon as practicable, and no later than twelve months from the date of consent, whether settlement of the acquisition of the Investment took place. If settlement of the acquisition of the Investment did take place, the notice must include:

- (a) the date of settlement;
- (b) final consideration paid (plus GST, if any);

- (c) the structure by which the acquisition was made, and whether an associate of the Applicant acquired the Investment;
 - (d) where applicable, copies of transfer documents and settlement statements; and
 - (e) any other information that would aid the Overseas Investment Office in its function to monitor conditions of consent.
3. The Applicant, or the individuals with control of the Applicant, must:
- (a) continue to (and in the case of individuals with control of the Applicant, collectively) have business experience and acumen relevant to the Investment;
 - (b) continue to demonstrate financial commitment to the Investment;
 - (c) continue to be of good character; and
 - (d) not become an individual of the kind referred to in section 7(1) of the Immigration Act 1987.
4. The Applicant must report in writing to the Overseas Investment Office providing evidence of compliance with condition 3 no earlier than six months from the date of consent and no later than twelve months after the date of consent.
5. The Applicant must undertake and complete the farm development programme within three years from the date of settlement of the purchase of the properties in accordance with the farm development programme set out in the report dated 25 February 2009 from Hamilton Booker Associates. The implementation of the farm development programme by the Applicant must include the following items of expenditure:
- (a) the eradication and control of pests \$80,000;
 - (b) improved access to the land and tracks \$100,000;
 - (c) the clearing of weeds \$100,000;
 - (d) pasture cultivation and fencing \$300,000;
 - (e) fencing the flat areas in the upper Soho Valley down into the Soho Basin area \$220,000;
 - (f) fencing and over-sowing the lower warm faces above the cultivated areas \$100,000;
 - (g) fencing the steep scrub-infested/degraded areas \$250,000;
 - (h) eradication of wilding trees and other unwanted flora \$150,000;
 - (i) construction of an implement shed/workshop/staff quarters \$70,000;
 - (j) construction of sheep yards \$15,000; and
 - (k) construction of management accommodation \$60,000.
6. The Applicant must provide a written report to the Overseas Investment Office within three months of the end of each financial year (30 June), with the last report to be provided in respect of the twelve month period to 30 June 2014. The first report must cover the period from the date of settlement to 30 June 2010. Each report must include the following matters:
- (a) a comparison of actual stock levels, and income and expenditure with the forecast figures provided by WHK Cook Adam Ward Wilson (and an explanation as to why (if applicable) forecasts have not been met);

- (b) the number of FTEs employed on the property;
- (c) the amount of capital expenditure expended on the items set out in condition 5; and
- (d) any other information that would assist the Overseas Investment Office in determining that the proposed benefits are being delivered.

7. The Applicant must, within 48 months of the date of consent:

- (a) Establish or procure the establishment of public access easements needed in respect of the routes marked (1) to (5) on the map of Glencoe Station attached to the letter of 29 October 2009 from the Wakatipu Trails Trust to the Overseas Investment Office (the Walkways), subject to the consent of the Commissioner of Crown Lands (under section 89 of the Land Act 1948). The New Zealand Walking Access Commission (Commission) has advised that it will give consideration to the Walkways taking the form of easements in gross in favour of the Commission for the purpose of creating walkways under the Walking Access Act 2008. It is acknowledged that the exact routing of the Walkways has yet to be determined until further work is done, and that the Applicant and the Commission will use best endeavours to agree the details of the Walkways;
- (b) seek the consent of an appropriate public authority (expected to be either the Queenstown Lakes District Council or the Department of Conservation) to be the controlling authority for the Walkways;
- (c) at its cost in all respects, arrange for the survey of the Walkways, the registration of easements over the titles to the land required in relation to the Walkways, and to the extent necessary form the tracks to the Back Country Adventurer standard specified by "Standards New Zealand" standard HB 8630: 2004) and signpost the tracks (obtaining any necessary consents from the Commissioner of Crown Lands under the Crown Pastoral Land Act 1998 in this regard); and
- (d) provide a written report to the Overseas Investment Office providing evidence of compliance with this condition.

8. The Applicant must upgrade the track over Glencoe Station used by the Motatapu Icebreaker event to the same standard and condition as the track currently used on Motatapu and Mt Soho Stations.

9. The Applicant must prepare a Conservation Management Plan for the property utilising appropriate local experts and professionals, including the Department of Conservation. The Applicant must invite the Department of Conservation to make recommendations for the Conservation Management Plan to align the Conservation Management Plan with the Department of Conservation's objectives. A copy of the Conservation Management Plan must be provided to the Overseas Investment Office no later than 12 months after the date of consent.

10. The Applicant must notify the Overseas Investment Office within 28 working days if the Applicant

- (a) or any person in which the Applicant has, or had at the time of the offence or contravention, a 25% or more ownership or control interest, commits an offence or contravenes the law (whether convicted or not); or
- (b) ceases to be an overseas person; or
- (c) sells the Investment.

Monitoring Conditions of Consent

For the purpose of monitoring conditions of consent, the Overseas Investment Office may, under section 38 of the Act, require the Applicant to provide information or documents, or both, that are specified in the notice. Under section 40 of the Act, the Overseas Investment Office may also require the Applicant to provide a statutory declaration verifying the extent to which the Applicant has complied with the conditions of consent, and, if the Applicant is in breach of a condition or conditions, the reasons for the breach and the steps the Applicant intends to take to remedy the breach.

Sanctions

The Act provides for civil and criminal sanctions for breaching the Act, failing to comply with conditions of consent and failing to provide information required by the Overseas Investment Office. The Overseas Investment Office has an obligation to investigate and act upon alleged and suspected breaches of the Act.

General

A reference to the "Overseas Investment Office" in this Notice includes a reference to the regulator (as defined by the Act).

Dated at Wellington this 10th day of December 2009

Amelia Longuet - Team Leader Applications
Overseas Investment Office



**Notice of Decision
Case: 201020095**

Decision

Consent has been granted to **Soho Property Limited**, or a 100% subsidiary of **Soho Property Limited** (the Applicant), giving effect to a transaction which will result in:

- An overseas investment in sensitive land, being the Applicant's acquisition of a crown pastoral lease in 22,211.1843 hectares of land at 1127 Skippers Rd, Queenstown.

(the Investment)

Consent is granted subject to the following conditions:

Statutory Conditions of Consent

Section 28 of the Overseas Investment Act 2005 (the Act) provides that it is a condition of every consent, whether or not it is stated in the consent, that

- (a) The information provided by each applicant to the regulator or the relevant Minister or Ministers in connection with the application is true and correct at the time it was provided; and
- (b) Each consent holder must comply with the representations and plans made or submitted in support of the application and notified by the regulator as having been taken into account when the consent is granted, unless compliance should reasonably be excused.

For the purposes of section 28, the Overseas Investment Office has taken into account the following information:

- (a) The Applicant's letters dated 11 November 2010 and correspondence dated 12 November 2010, 15 November 2010, 18 November 2010, 21 November 2010, 15 November 2010, 18 November 2010, 20 December 2010, 22 December 2010, 19 January 2011, 17 May 2011, 27 May 2011, 7 May 2011, 13 June 2011, 14 June 2011, 16 June 2011, 20 June 2011, 21 June 2011, 22 June 2011 and 23 June 2011 and all attachments annexed to those letters (where applicable) which were submitted to the Overseas Investment Office in support of the application by the Applicant to acquire the investment and related assets.

Special Conditions

Consent is granted subject to the following conditions:

1. The consent will lapse if the Investment has not been acquired by and transferred to the Applicant within twelve months of the date of consent.
2. The Applicant must notify the Overseas Investment Office in writing as soon as practicable, and no later than twelve months from the date of consent, whether settlement of the acquisition of the Investment took place. If settlement of the acquisition of the Investment did take place, the notice must include:
 - (a) the date of settlement;
 - (b) final consideration paid (plus GST, if any);

- (c) the structure by which the acquisition was made, and whether an associate of the Applicant acquired the Investment;
 - (d) where applicable, copies of transfer documents and settlement statements; and
 - (e) any other information that would aid the Overseas Investment Office in its function to monitor conditions of consent.
3. The individuals with control of the Applicant must:
- (a) continue to be of good character; and
 - (b) not become an individual of the kind referred to in section 15 or 16 of the Immigration Act 2009.
4. The Applicant must notify the Overseas Investment Office within 28 working days if the Applicant:
- (a) or any person in which the Applicant has, or had at the time of the offence or contravention, a 25% or more ownership or control interest, commits an offence or contravenes the law (whether convicted or not); or
 - (b) ceases to be an overseas person; or
 - (c) sells the Investment.
5. The Applicant must report in writing to the Overseas Investment Office providing evidence of compliance with condition 3 no earlier than six months from the date of consent and no later than twelve months from the date of consent.
6. The Applicant must, provided it has been granted all necessary approvals without the imposition of unreasonable conditions undertake and complete the farm development programme within three years from the date of settlement of the purchase of the property in accordance with the farm development programme outlined in Appendix M to the Application. The implementation of the farm development programme by the Applicant must include the following items of expenditure:
- (a) wilding eradication \$950,000 (including GST);
 - (b) cultivation, track infrastructure and fencing \$1,000,000 (including GST);
 - (c) construction of a farm building with lockup workshop and storage facility \$75,000 (including GST);
 - (d) construction/renovation of three huts \$170,000 (including GST); and
 - (e) stockyards \$18,000 (including GST).
7. Subject to the prior consent of the Commissioner of Crown Lands being obtained, the Applicant will grant the following easements in favour of the New Zealand Walking Access Commission (NZWAC) over the land:
- (a) An easement providing for walking access over the Hayes Creek Track;
 - (b) An easement providing for walking access over that part of the Big Hill Walking Track that is not on a legal road;
 - (c) An easement providing for walking, horseback and cycling access over Long Gully track;
 - (d) An easement providing for walking access over Green Gate pack track. NZWAC must consult with the Applicant and with New Zealand Historic Places Trust (NZHPT) regarding the terms and conditions on which possible horseback access over the Green Gate pack track may be granted, given the concerns of both the Applicant and the NZHPT

about possible damage to the track and archaeologically significant areas near the track;

- (e) An easement providing for walking access over the Deep Creek to Coronet Creek pack track. NZWAC must consult with the Applicant and with NZHPT regarding the terms and conditions on which possible horseback access over the Deep Creek to Coronet Creek may be granted, given the concerns of both the Applicant and the NZHPT about possible damage to the track and archaeologically significant areas near the track;
- (f) An easement providing for walking access over the Ridge route between Coronet Peak and Arrowtown, via Brow Peak;
- (g) An easement providing for walking access over the Stockyard Creek route;
- (h) An easement providing for walking access along Bush Creek;
- (i) An easement providing for walking access over the Sawpit Gully Track;
- (i) An easement providing for walking access over the Macetown Miners (Dry Access) Track;
- (j) An easement providing for walking, horseback, cycling and 4WD access over those parts of Macetown Road which are not on legal road on Coronet Peak Station;
- (k) An easement providing for walking access over the Advance Peak Pack Track.

8. The Applicant will:

- (a) arrange and bear the cost of the survey and registration of the Big Hill Track; and
- (b) co-operate to minimize the costs of NZWAC by seeing whether the same surveyor who will undertake work for the Applicant (as contemplated in (a) above in relation to the Big Hill Track), can, as part of that project, undertake work for NZWAC and thereby minimize costs for NZWAC's surveys.

9. To the extent that any of the tracks referred to in paragraph 7 require upgrading, the Applicant will upgrade those tracks to the Back Country Adventurer Standard specified by Standards New Zealand – standard HB 8630 : 2004, at its cost. In particular, this condition will apply to the Big Hill Track, Bush Creek and the Sawpit Gully Track. The Bush Creek/Sawpit Gully Track will be re-aligned where necessary and formed on a suitable gradient at the Applicant's cost.

10. Before commencing the wilding eradication programme referred to in paragraph 6(a), the Applicant must consult with NZHPT regional archaeologist Dr Matthew Schmidt to establish whether and when an independent archaeologist must be consulted to agree a process of wilding removal that minimizes as far as reasonably possible any damage to archaeological and historic sites on the land.

11. The Applicant must enter into negotiations within three months of the date of acquisition of the Investment with NZHPT, to allow NZHPT to register heritage covenants over selected archaeological and historic sites identified by way of numerical reference and shown as such in the Historic Values section of the Conservation Resources report – January 2006 and shown on Significant Historic Values Map 4.2.5. The Applicant must also work with the NZHPT to develop an appropriate management approach for the archaeological and historic sites with the aim of providing appropriate public access though historic/recreation opportunities for walkers and possibly cyclists.

12. The Applicant must provide a written report to the Overseas Investment Office within three months of the end of each financial year (30 June), with the first report being for the period ended 30 June 2012 and the last report to be provided in respect of the twelve month period to 30 June 2015. Each report must include the following matters:

- (a) an analysis of stock levels;
- (b) the number of FTEs employed on the property;
- (c) the amount of capital expenditure expended on the items set out in condition 6;
- (d) The extent to which the requirements in conditions 7 to 11 inclusive have been met; and
- (e) any other information that would assist the Overseas Investment Office in determining that these conditions have been met.

Monitoring Conditions of Consent

For the purpose of monitoring conditions of consent, the Overseas Investment Office may, under section 38 of the Act, require the Applicant to provide information or documents, or both, that are specified in the notice. Under section 40 of the Act, the Overseas Investment Office may also require the Applicant to provide a statutory declaration verifying the extent to which the Applicant has complied with the conditions of consent, and, if the Applicant is in breach of a condition or conditions, the reasons for the breach and the steps the Applicant intends to take to remedy the breach.

Sanctions

The Act provides for civil and criminal sanctions for breaching the Act, failing to comply with conditions of consent and failing to provide information required by the Overseas Investment Office. The Overseas Investment Office has an obligation to investigate and act upon alleged and suspected breaches of the Act.

General

A reference to the "Overseas Investment Office" in this Notice includes a reference to the regulator (as defined by the Act).

Dated at Wellington this 27th day of June 2011

Peter Hill
Research and Support Officer
Overseas Investment Office