

# AUGUSTA FOREST PARTNERSHIP

## MINUTES OF THE FOREST VISIT MEETING HELD AT THE NAPIER WAR MEMORIAL CENTRE AND THE PROPERTY ON SATURDAY 29<sup>th</sup> APRIL 2017 AT 8.30AM

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### PRESENT

Roger Dickie (No 31) Ltd (in attendance by Proxy by Margaret Prince)

### ATTENDING

Roger Dickie, William Dickie, Richard Bourne & Grant Moore (Roger Dickie (NZ) Ltd), Steve Bell, Rory Bennison, Richard Airey & Paul Van der Voort (Forest Management (NZ) Ltd), Jeff Whitlock & Margaret Prince (Markhams Waverley Ltd), Edward Dickie (Harvest Logistics) & Richard Spong (Convenant).

### APPOINTMENT OF CHAIRMAN

Nominations were called for the position of Chairman for this meeting

R Dickie(by proxy) / Roger Dickie (No 31) Ltd (in attendance by Proxy Margaret Prince) / THAT R Dickie be appointed Chairman for this meeting. CARRIED

### APOLOGIES & PROXIES

Apologies were received from A & P Foote, A Macpherson, B & L Gibson, Cambria Forestry Ltd, C Willmer, C Kidd, Emandar Ltd, G Jones & M Hunt, H Ransom-Boyd, John Kelsey Forestry Ltd, J Mitchell, The Jay Family Trust, J Jansen & J Kroon, The Lepperdale Trust, L Hawkens, M Stanton, M Steinhauser, M Irwin, P Wilkins.

Proxies were held for the above named, establishing a quorum for the meeting.

Roger Dickie (as proxy) / Roger Dickie (No 31) Ltd (in attendance by Proxy by Margaret Prince) THAT the apologies and proxies be sustained. CARRIED

### MINUTES

The minutes of the 2016 General Meeting had been circulated.

Roger Dickie (as proxy) / Roger Dickie (No 31) Ltd (in attendance by Proxy by Margaret Prince) THAT the minutes be confirmed. CARRIED

### ARISING FROM MINUTES

Nil

### REPORTS AND FINANCIAL ACCOUNTS

The reports from Roger Dickie, Forest Management (NZ) Ltd, PF Olsen's 2017 Tree Crop Valuation and the 2017 Draft Financial Statements were tabled and discussed.

Roger Dickie advised that the audited financial statements will be distributed at the AGM and in the unlikely event there are any changes from the draft accounts, partners will be advised.

### PUBLIC LIABILITY INSURANCE

Roger Dickie (as proxy) / Roger Dickie (No 31) Ltd (in attendance by Proxy by Margaret Prince) THAT Public Liability Insurance be effected for \$10 million. CARRIED

### ADMINISTRATION

Roger Dickie (as proxy) / Roger Dickie (No 31) Ltd (in attendance by Proxy by Margaret Prince) THAT the Managers' remuneration be at a rate of \$370 (GST excl.) per month. CARRIED

### BUDGET

Roger Dickie (as proxy) / Roger Dickie (No 31) Ltd (in attendance by Proxy by Margaret Prince) THAT the Budget Cashflow Statement for the year to 28<sup>th</sup> February 2018 be approved subject to any shortfall from the Investment Fund to pay the Insurance premium being covered by the sale of NZUs. CARRIED

## **RESOLUTION 1**

Roger Dickie (as proxy) / Roger Dickie (No 31) Ltd (in attendance by Proxy by Margaret Prince) THAT the Manager have authority to sell liability free New Zealand Units as deemed appropriate.

CARRIED

## **RESOLUTION 2**

Roger Dickie (as proxy)/ Roger Dickie (No 31) Ltd (in attendance by Proxy by Margaret Prince) THAT funds earned from the sale of NZUs be held in an interest bearing account and be used to meet future partnership operating expenses as required.

CARRIED

## **GENERAL BUSINESS**

### **ETS**

Roger spoke in regard to the ETS saying NZU's were currently trading around the \$17 mark. He said no one knows what the future may bring and as per the resolutions presented he believes it prudent to sell additional NZU's. Of all the partners in the group only 3 had voted against the resolutions. Roger commented the market is quite thin and the NZU's would take time to sell. The strategy will be to drip feed into the market in parcels and pro rata between the partnerships.

### **Cyclone Cook**

Roger advised that there had been some limited damage in a few of the forests around Napier and they will be making an insurance claim. He continued, over all, we had been very lucky that the cyclone tracked faster and further east than originally forecast and the severe winds had not lasted long.

### **Post Harvest**

With more and more forests approaching harvest Richard advised there will be another 'Harvest and Beyond' conference held in Napier on October 28<sup>th</sup>. An often asked question is, "What happens after harvest"? and this will be covered at the conference. However he confirmed that the land will be replanted to maintain the asset value. Richard advised a scenario that is finding favour with many is to pre-fund the next rotation so there are no further inputs required. This would allow partners to leave a totally unencumbered fully funded legacy to their beneficiaries. Those wanting to exit could offer their share to those who are keen to continue or on the secondary market.

If on the other hand the majority vote to sell the newly planted forest, then with pre-funding the forest is funded until such time as a buyer can be found.

Meeting closed.

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Chairman

Augusta Forest 2017