Morgans PROPERTY ADVISORS

COMMERCIAL | RESIDENTIAL | RURAL

ASSET VALUATION

PUKEKAKA STATION LIMITED

693 PUKEOKAHU ROAD, TAIHAPE

VALUER: **S A JONES**

EFFECTIVE DATE: **30 JUNE 2014**

3 Bell Street
PO Box 178, Wanganui 4540
P (06) 347 8448
F (06) 347 8447
E admin@morganval.co.nz
www.morgans.co.nz

VALUATION SUMMARY

CLIENT'S NAME:
Pukekaka Station Limited
c/- Roger Dickie Limited
P O Box 43
WAVERLEY 4544

Attention: Michelle O'Neill

INTRODUCTION:

In July 2013 we (Morgans Property Advisors) made a full inspection of the farm property, verified/updated the base information held on the property and provided an abbreviated report.

Following recent email instructions from Pukekaka Station Limited we have re-inspected the property on 14 May 2014, quantified changes that have been made over the last twelve months, inspected the main improvements, and now provide our updated assessment for Asset Valuation Financial Reporting purposes, again in an abbreviated format. This report does not purport to meet with the minimum reporting standards of NZIV nor International Valuation Standards (IVS). We do however advise that a fully complaint report can be made available in the future should you so require.

VALUATION (30 JUNE 2014):

Six Million Four Hundred and Fifty Thousand Dollars ($6,450,000) exclusive of GST (if any), and exclusive of any timber which may exist on the property.

BRIEF DESCRIPTION:

A larger scale, high altitude hill country sheep and beef property with a good balance of easy/steeper contoured land. The property includes two occupied dwellings, the investor's house, worker's cottage, shearers' quarters, a recently renovated woolshed/covered yards complex, general farm buildings, water supply, fencing and good standard of tracking as main improvements.

Location is both sides of Pukeokahu Road, some 26 km east of Taihape Township in an area traditionally regarded as being 'summer safe', the eastern boundary following the Rangitikei River.

Main changes to the property since the 2013 report completed by Ken Pawson include the extension to the lane system from the sheds towards the flats (both tracking and fencing), the improvements to the water system (new piping and troughs), and the demolition of some redundant buildings (construction of yards in these areas). Additional repairs and maintenance fencing has been carried out where required.

Stock policy was substantially affected by the 2013 summer drought, but with a kind winter and good management the stock numbers have been restored to pre drought figures, and production is likely to be reinstated.

Overall, management appears above average. Stock appeared in good condition and the land/improvements generally well maintained.

PURPOSE OF VALUATION:
Asset Valuation for Financial Reporting Purposes

DATE OF INSPECTION:
14 May 2014

VALUER'S NAME:

pp

S A (Tony) Jones
Registered Valuer, ANZIV, MPINZ,
B. Com, Post Grad. Dip Com (Val)

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1.0 LEGAL AND STATUTORY DETAILS

LEGAL DESCRIPTION:

Title Ref	Title Area (ha)	Legal Description
Identifier 412631	744.7467	Lot 2 DP 403792 and Section 53 Block XIV Pukeokahu Survey District and Lot 1 DP 10698 and Lot 1 DP 17683
Identifier 317249	136.5000	Lot 2 DP 379034
Identifier WN277/283	101.1714	Section 26 Block XIII Pukeokahu Survey District
Identifier WN24D/775	83.0617	Section 56 Block XIII Pukeokahu Survey District
Identifier WN24B/977	37.8128	Section 55 Block XIII Pukeokahu Survey District
TOTAL	**1103.2926 ha**	

REGISTERED PROPRIETOR: Pukekaka Station Limited.

ENCUMBRANCES: Apart from three titles being subject to various statutes (Section 5, Coal Mines Act, Section 8 Mining Act and Section 59 Land Act, see titles appended for details) there is a right to construct and operate a radio repeater station registered over part of Identifier 412631 (site located above main woolshed).

RESOURCE MANAGEMENT: Zoned "Rural" under the operative Rangitikei District Council's Planning Scheme. We confirm the current use as being a permitted activity under this scheme.

ZONING EFFECT: No adverse effects. The land is developed to highest and best use as a rural site.

2.0 IMPROVEMENTS

MANAGER'S DWELLING:
Built 1979 and extended 2001. Fibrolite and iron construction. Now provides a well maintained family home with en-suite bathroom, timber deck, and a carport attached.

Curtilage includes a 2008 built three bay 'American Barn' design garage, and general landscaping/water supply etc. Well set for views over the farm, quite sheltered from the southerly weather.

Average/good overall condition.

CASEYS' DWELLING:
Built around 1955 and relocated to the present site around 2003. Weatherboard and iron construction. Provides a basic standard, three bedroom dwelling with a larger front deck.

Curtilage includes a double garage with attached 'boot room', porch, layout/drive/water supply etc.

Average only condition. Some work required but presentation has been improved for the employment of a new shepherd.

INVESTOR'S DWELLING:
Built around 1955 and added to in 1997. Weatherboard and iron construction. Now provides casual/rustic style accommodation to visiting investors. Four bedrooms accommodation, open plan living and large front deck.

Curtilage is limited to an attached carport, driveway, basic layout and water supply etc.

Average only condition, new PVC spouting. Presentation average to good.

WORKER'S COTTAGE:
Estimated built mid 1960's and providing basic, two bedroom accommodation. Not in use.

Curtilage includes an attached carport, driveway, lean-to rear shelter and water supply etc.

Fair only condition.

WOOLSHED/COVERED YARDS:

An older style 5 stand shed which was upgraded in 2012/2013, now providing a modern standard, very functional five stand shed with attached covered yards/store rooms etc.

Upgrade included re-cladding of most walls, re-roof, new roof trusses, new chipboard wool-room floor, rewiring etc.

Average/good functional condition.

OTHER BUILDINGS:

Include the stables/implement shed photographed, shearers' quarters, tractor shed and implement sheds near the woolshed, an obsolete deer handling shed, killing sheds various smaller sheds/kennels etc.

STOCK HANDLING FACILITIES:

Include the Te Pari design steel cattle yards with loading ramp, extensive outside/covered yards at the woolshed and a recently upgraded set of sheep and cattle yards (part covered) on the lower flats along with smaller sets of docking yards/holding paddocks around the property.

Overall a good standard of stock handling facilities.

OTHER IMPROVEMENTS:

Includes subdivision fencing (to an estimated 85 main paddocks) of mostly good stock-proof condition and including areas of deer fencing. Also a good network of part metalled surface farm tracks/laneways (extended) and water supply (with some new piping and tanks). We understand around 50 ha of the property is serviced by the Erewhon Community Scheme with the balance being on-farm supply of good quality. In addition there is the farm airstrip and associated concrete fertiliser bunker (uncovered), metal surface track access to same.

3.0 THE LAND

Considered typically strong Taihape hill country with the close proximity to the Ruahine Ranges normally providing reliable rainfall even throughout the summer months. Notwithstanding droughts seem to be an ever increasing concern, again being dry from January through to April this year.

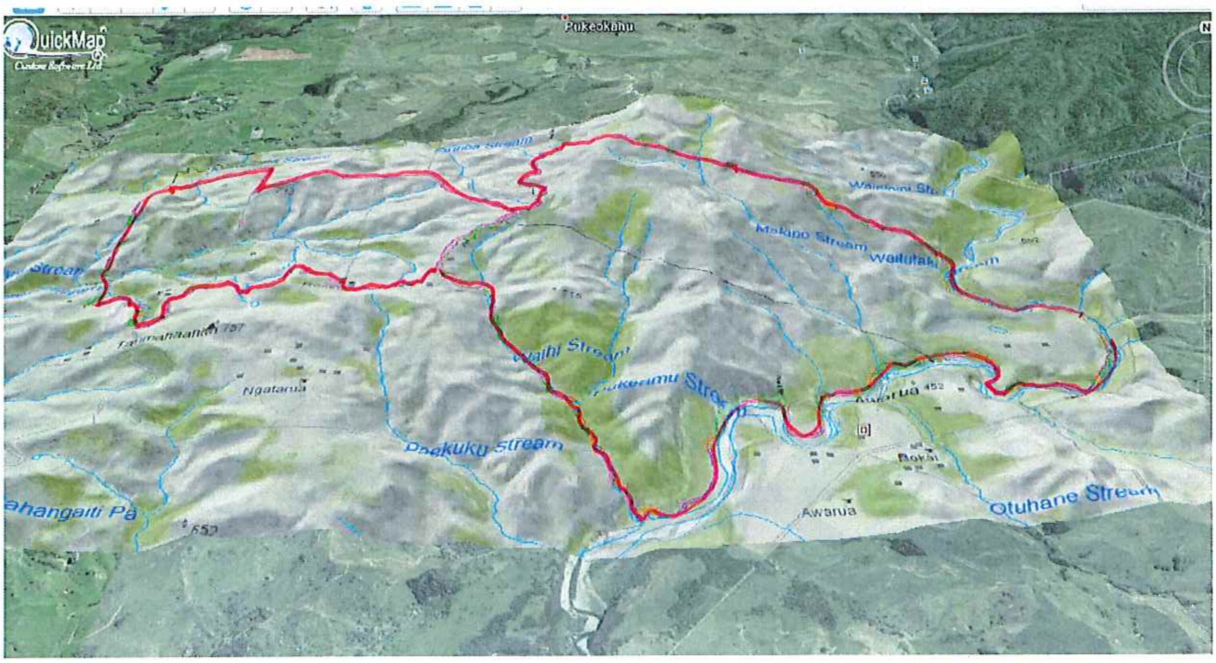
As noted, the property lies both sides of Pukeokahu Road with the land on the north west of the road providing the easier contours with a very useful area of around 80 ha nearest the road being described as flat to easy rolling. Land beyond, on this side of the road, is steeper but still only 'easy/medium' hill contours.

To the south east of the road there is a body of steeper contoured land with easy, cultivated pockets/tops then falling in altitude to the Rangitikei River which provides the length of the south eastern boundary. Much of this, and the south west boundary, is flanked by steep-sided bluff band steep hills in bush. These areas, along with two main pockets of bush nearer the woolshed, provide an estimated area of 175 ha 'waste' country, providing on our estimate some 928 effective hectares. Altitude of the productive land ranges from around 450 metres ASL to just over 920 metres ASL.

The best contoured land is located at the lower end of the property with three main areas of terrace flats near the Rangitikei River. We note some stone influence in these flats but doubt that this would impact significantly on the overall workability, though one paddock is used for winter feeding due to the stone influence.

Fertiliser has been applied in the form of DAP, providing 30 units of phosphorus and 20 units of nitrogen. Soil tests are taken from the cropped areas, with additional fertilizer and usually lime applied as part of the re-grassing program. 2012 fertility tests showed a good level of fertility to the flats, the hills good but slightly more variable (as would be expected).

Some 20-25 ha per annum is forage cropped with a Swede/Choumolia mix (then back to pasture).



4.0 MARKET CONSIDERATIONS

There appears some early signs of a resurgence in the rural markets after several years of uncertainties and stagnation.

The returns from sheep and beef are holding at quite reasonable levels which could well see increased activity in these markets. Over the past six months some of the longer standing listings have been sold and new dry-stock properties to the market are attracting an encouraging degree of interest, this right through from the smaller one man units to larger stations.

Noticeable features and anticipated trends associated with the market are outlined below:

- Increased levels of market activity within the dairy sector
- Likely indirect positive impact on dry-stock properties and grazing rates increase and land is sought after for dairy support
- The differentiation between the good and less sought after properties is now quite marked
- Typically a lag period between when 'traditional' dairy areas (Taranaki/Waikato) experience market movement and when the same movement is experienced locally
- Sheep/beef/arable interests under-pinning the market for easy country
- Forestry/carbon interests re-surfacing in the hill country markets and underpinning the values of breeding/grazing blocks
- Lingering debt-aversion post the 2008 GFC
- Likely increase in supply of farms to the market as values trend upwards
- A proportion of listings still being under forced/semi forced circumstances
- More emphasis within the markets on the earning capacity of the properties

5.0 SALES EVIDENCE

Address	Sale Date	Sale Price	Land Area (ha)	Comment
POHONUI RD, AND TAHEKE RD	Dec-13	$5,600,000	1450	Sale of 'Taheke' a pure hill country property some 38 km north west of Hunterville and 34km south west of Taihape. Formerly 3 separate properties i.e. three sets of farm buidlings, includes three reasonably modest houses, 3 woolsheds etc. Good stock handling facilities and subdivided (part with electric) to 41 main paddocks. Land is essentially all medium/steep papa hills with around 42 ha subject to forestry rights. Understood to have been wintering 14,500 SU. R.V. $4,763,500. After allowing some 750,000 estimated price paid for improvement, land analyses to $3,300 per ha land value overall. **Comparison:** Inferior to the subject, a location that sees less demand, the land steeper and less productive.
POHONUI ROAD, KOEKE, HUNTERVILLE	Mar-13	$6,750,000	1,595	Sale of a larger sheep/beef breeding/grazing property some 30 km north west of Hunterville Township. Includes a modest three bedroom cottage (separate to main farm property), an older 5 stand woolshed and recently constructed covered yards as main improvements. Also featured extensive lengths of new tracking, fencing and laneways. Includes around 77 ha fragmented (9 parcels) of stream flats, 70 ha of flat to easy/hummocky country, around 20 ha of bush/gorges etc and balance of steep papa hill, mostly clean. Reported carrying around 13,000 stock units however this seems high for the class of country. Provides for $520 per stock unit. **Comparison:** Retained from the sales last year. Of comparable/larger scale yet less improved (just one very basic dwelling) and without the extent of easier contours that the subject has. A reasonable indication to the value with a tradeoff between factors.

Burrell Rd	Jan-13	$4,500,000	1438	Sale of a large hill country property approx half way up the Parapara Highway. Includes an attractive 1990's built Lockwood homestead plus two other homes along with 2 x woolshed/covered yards complexes. Includes around 125 ha of flat to easy country and 48 ha of pines etc. County bridge access. Understood carrying around 12,000 SU. **Comparison:** Again, similar scale but 'weaker' country. Locally known as an unforgiving property and had been on the market for an extended period of time. Overall considered a lesser property to the subject.
Kimbolton Road	May-14	$ 4,600,000	870	A hill country block located north of Kimbolton, quite high altitude, summer safe country. Land includes around 73 ha easier contour, rest medium steep, some very steep. Effective area 755 ha, parts retired, around 44 ha pines. Over capitalised with buildings, two modest dwellings, woolshed and yards, implement sheds. Dissected by the road. Carrying capacity of around 7500 SU, sale price equating to 613 per SU. **Comparison:** Quite a difficult property that was said to be harder to sell. Considered inferior to the subject property, less easy contoured land, hill blocks in inferior pasture, and carrying less stock units. Standard of improvements inferior.
Allen Rd, Te Kuiti	Apr-12	$6,400,000	898	A large scale, predominantly easy contoured property located near Bennydale, some 42 km south east of Te Kuiti. Includes a modest two storey (4 bedrooms, two bathrooms) homestead, a five stand woolshed/covered yards complex and 5 bay implement shed as main improvements. Well farmed, well fertilised and well set-up as one-man operation (races etc). Includes around 700 ha of flat to easy rolling volcanic ash contour, 118 ha of steeper hills and balance of 80 ha being bush/scrub etc both sides of central streams. Reported as carrying 8,100 stock units, considered slightly under-stocked. Altitude ranges between 490 and 700 m ASL. Sale price included some 140 big bales of hay. **Comparison:** A more distant location and an older sale. Some similarities however in scale, run of country etc.

Mangaohane Station	Mar-14	$ 24,000,000	4839	We understand the property has sold at the assessed level. A large scale iconic sheep and beef breeding fattening station located north east of the Taihape, beside the Rangitikei River and rising up on to the Ruahine Ranges. Extensively developed through cropping, fencing and a good water scheme. Some 1100 ha of flat to easy contoured land, 2650 ha medium hill, 590 ha steeper river faces and gullies, around 132 ha pines, balance in bush/river cliffs etc, said to now be running 44,000 SU. Good range of improvements including three dwellings, woolshed and covered yards, etc. Our analysis has the sale price equating to $4,960 per ha or $545 per SU, land value at $4,070 per ha or $448 per SU. **Comparison:** This is a significant sale of a quality large holding, not really comparable to the subject property yet shows the level of interest in this area or large holdings. Of interest are the values per unit measure given the size of the property.
Koraenui Road, Hunterville	Nov-13	$7,600,000	1229	Sale of a forestry block, the majority planted over the last few years. Medium steep hill country, a series of ridges with a steep gully dissecting a large portion, bridge access only. Main improvements include a modest dwelling, large woolshed with covered yards, tracking (includes a bridge). Our assessed value of land and improvements is $3,540,000, equating to $2,880 per ha. **Comparison:** An inferior property, the land more difficult and steeper. Again showing the underpinning by the forestry sector.
Ngaruru Rd, Marton	Apr-13	$4,250,000	874	Sale of a good clean, breeding unit at the end of a metalled county road some 12 km north of Marton Township. Main improvements include a good woolshed and covered yards, typical other improvements (no dwelling). Includes around 70 ha valley flat/easy country with the balance being mostly medium, part steeper clean sandstone hills. On our estimated carrying capacity (7,000 SU) analyses to around $607 per SU. **Comparison:** Less improved than the subject and with weaker country. Again retained from last year, was showing the start of the strengthening market.

6.0 VALUATION DETAILS

The valuation methodology assesses the Freehold alone on the following assumptions:

	Yes	No
• The property is held as a long term investment.	✓	
• The property has long term development potential.	✓	
• The property is held for community/amenity purposes.		✓
• The property is held for disposal.		✓
• The property is being occupied primarily by the owner.	✓	

In undertaking our valuation we have primarily relied on the **direct sales comparison approach** that interprets the evidence of recent market sales transactions of comparable properties in terms of the characteristics of the subject property being valued to derive a market value. Comparisons have been made on the basis of Total Valuer per ha, Land Value per ha, Total Value per productive unit (typically stock units of kg Milk Solids), Land Value per productive unit and as a final check (lesser reliance), Assessed Value against Rateable Value.

In determining the Market Value of the subject property we have considered (amongst others) the following factors:

- Location
- Age, condition, design and utility of the improvements
- Recent sales for similar rural properties
- Value level and likely buyer profile
- Current market conditions

In assessing our values consideration has been given to not only the historical sales evidence at our disposal but also to anecdotal evidence to determine where the market may have settled on the effective date of valuation.

After taking all relevant factors into consideration we assess the market value as follows:

Homestead	194.00	sq m	)	
Carport	28.00	sq m	)	
Deck	25.00	sq m	)	
				$235,000
Curtilage				
Steelbuilt Garage	80.00	sq m	)	
Layout, Power/Driveway etc			)	
Domestic Water and Septic			)	
				$ 47,000
Investors House	131.00	sq m	)	
Carport	38.00	sq m	)	
Deck	36.00	sq m	)	
				$ 77,000
Curtilage				$ 10,000
Caseys Dwelling	100.00	sq m		
Deck	50.38	sq m		
				$101,000
Curtilage				$ 31,000
Farm Buildings				
Mens Quarters	62.60	sq m	)	
Attached Carport	21.00	sq m	)	
Shed in paddock	17.36	sq m	)	
Implement shed/stables	90.00	sq m	)	
Killing shed etc		sq m	)	
Shearers Quarters	98.00	sq m	)	
Attached porch	22.00	sq m	)	
Woolshed	434.55	sq m	)	
Concrete apron	12.85	sq m	)	
Covered yards	504.00	sq m	)	
Tractor Shed	59.22	sq m	)	
Attached open lean-to	25.20	sq m	)	
Workshop	81.00	sq m	)	
Deer shed	85.40	sq m	)	
Haybarn and other buildings			)	
				$253,000

Other Farm Improvements				
Water supply		)		
Tracking and crossings		)		
Sheep yards		)		
Cattle yards		)		
Conventional fencing		)		
			$470,000	
Total Value of Improvements				$1,224,000
Land				
Flat to easy rolling at front close to road	80.00	hectares)		
Elevated easy country	40.00	hectares)		
Back flats, fully developed	35.00	hectares)		
Easy medium contoured clean hills	613.00	hectares)		
Steeper hills	160.00	hectares)		
Steep sidlings/gorges and bush etc	175.00	hectares)		
Total	1103.00	hectares)		
				$5,200,000
Market Value Land and Buildings				$6,424,000
Plus	Chattels (carpets, drapes, light fittings etc) and woolshed plant etc			$ 26,000
TOTAL MARKET VALUE				$6,450,000

Analysis	$	5,848	Capital Value per ha
	$	2,367	Capital Value per acre
	$	4,714	Land Value per ha
	$	1,909	Land Value per acre
	$	645	Capital Value per Stock Unit
	$	520	Land Value per Stock Unit

This valuation provides our assessment of the market value. Market value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

7.0 CERTIFICATION

EXPERIENCE

The principal signatory has a minimum of five years experience in valuing the subject class of asset, has all appropriate qualifications and registrations enabling them to practice as a valuer and has not been subject at any stage to disciplinary action by the relevant professional governing body.

The signatory has no direct or indirect pecuniary or other interests in the property being valued, and is not aware of any other potential conflicts of interest.

PROFESSIONAL INDEMNITY COVER

We certify that Pawson Property Solutions Limited hold professional negligence insurance yet only for an amount not less than 15% of the subject valuation assessment.

8.0 VALUATION DEFINITIONS

The valuation is made under the appropriate Australia and New Zealand Property Standards and the NZ equivalent to International Accounting Standard 16, *Property, Plant and Equipment* (NZ IAS 16).

Fair Value (or Market Value) is the estimate amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Each element of the definition of Market Value has its own conceptual framework and can be defined as follows:

i. "The estimated amount..." refers to a price, normally in terms of money, upon which the Market Value transaction should be based. It is measured as the most probable price for the asset considering all other elements of the definition, rather than a price inflated or deflated by special or unusual creative financing unless such financing sets market levels, or special considerations or concessions granted by anyone associated with the sale.

ii. "...an asset should exchanged..." refers to the fact that the valuation of an asset is an estimate or forecasted amount rather than an actual sale transaction. It is the price at which the market expects that a transaction would occur in keeping with other elements of the definition.

iii. "...on the date of valuation..." specifies that the estimated value is time specific. Because markets and market conditions are subject to continual change, a properly rendered valuation is appropriate as of that point in time, but may not be appropriate at another time.

iv. "...between a willing buyer and a willing seller..." recognizes the basic market condition: there must be a buyer and a seller for a market to be identified. In usual market circumstances, a sufficient number of buyers and sellers are available, and in a Market Value estimate are assumed to have typical market knowledge and an understanding of the uses for which the asset has been created and how it can be best employed. In instances where either buyers or sellers are limited in number, a restricted market condition may exist, in which case the Valuer must deal with such circumstances in accordance with special provisions referred to in these standards.

v. "...in an arms length transaction..." eliminates from consideration a transaction in which the relationship of the parties or other special dealings would establish a transaction that is not typical of others within the valued property's market. A Market Value transaction is one in which each part operates independently of the other.

vi. "...wherein the parties had each acted knowledgeably and prudently..." presumes that both the buyer and the seller are reasonably informed and that both will act in a way which demonstrates their knowledge of the property, its markets, and normal alternatives that are available to each party. Each will act for self-interest using that knowledge.

vii. "...and without compulsion..." establishes a market situation in which each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

9.0 ASSUMPTIONS AND NOTES

- Where this property is occupied primarily by the owner, or held for community amenity purposes then this valuation has been made on the basis of the property's existing use and value to the business of the owner.
- Where the property's Alternative Use value differs materially, a separate value is assessed as Net Realisable Value. In this case not applicable.
- The property has been valued as if free and clear of any mortgages, debenture or other charge against the property.
- No allowance has been made for any liability for taxation which may arise on disposal of the property, nor any allowance for any capital based Government grants or investment allowances which may apply if the property was being built at the date of valuation.

10.0 SPECIAL COMMENTS

- Current photographs are attached.
- Comparable sales analysis sheets are also attached.
- Some reliance has been placed on data as collected by the previous valuer, Russ Goudie. Where practical however we have verified the data and have made changes where necessary.
- Non Publication: Neither the whole nor part of this valuation certificate may be reproduced (except reference thereto by way of a note to the annual accounts) in any published documents, circular or statement nor published in any way without the Valuer's written approval of the form and context in which it may appear.
- Limitation of Use: This valuation has been prepared solely for the purpose and for the person(s) stated overleaf and the Valuer shall not be liable to any other person(s) using this certificate for any other purpose whatsoever (e.g. insurance, mortgage lending, sale and purchase etc), without prior reference to the Valuer who reserves the right to prepare a separate valuation report on such basis as considered appropriate for such purposes, and /or person(s).

11.0 COMPLIANCE STATEMENT

We can confirm that:

- The statements of fact presented in this report are correct to the best of the Valuer's knowledge
- The analyses and conclusions are limited only by the reported assumptions and conditions
- The Valuer's fee is not contingent upon any aspect of the report
- The Valuer has no interest in the subject property
- The Valuer has satisfied professional education requirements
- The Valuer has experience in the location and category of the property being valued
- The Valuer has made a personal inspection of the property
- No-one, except those specified in the report, has provided professional assistance in preparing the report

12.0 STATEMENT OF GENERAL VALUATION POLICIES

This valuation and all valuation services are provided by Pawson Property Solutions Limited solely for the use of the addressee. Pawson Property Solutions Limited does not and shall not assume any responsibility to any person other than the client for any reason whatsoever including breach of contract, negligence (including negligent misstatement) or willful act of default of itself or others by reason of or arising out of the provision of this valuation or valuation services. Any person, other than the client, who uses or relies on this valuation does so at their own risk. This valuation has been completed for the specific purpose stated in this report. No responsibility is accepted in the event that this report is used for any other purpose.

We have made no survey of the property and its boundaries and assume no responsibility in connection with such matters. Unless otherwise stated it is assumed that all improvements lie within the Title boundaries. Any sketch, plan or map in this report is included to assist the reader in visualising the property and should not be relied upon as being definitive.

This report has been prepared for valuation purposes only and is not intended to be a structural, geotechnical or environmental survey. No enquiries in respect of any property, or of any improvements erected thereon, has been made for any sign of timber infestation, asbestos or other defect, whether latent, patent or structural.

In preparing this report and unless otherwise stated services to the property have not been tested nor have we researched Local Authority records to ascertain requisitions affecting the property.

No environmental audit has been undertaken but indications are that the property has no apparent detrimental considerations under the Resource Management Act 1991.

This report is relevant as at the date of preparation and to circumstances prevailing at the time. However, within a changing economic environment, returns on investment and values can be susceptible to variation - sometimes over a relatively short time scale. We therefore strongly recommend that before any action is taken involving acquisition, disposal, borrowing, restructuring, or any other transaction that you consult us.

Pawson Property Solutions Limited has a policy of not contracting out of the provisions of the Consumer Guarantees Act. Accordingly, where there is any conflict between any statement in this report and Consumers Guarantees Act 1993, the latter shall prevail.

We confirm that Pawson Property Solutions has no financial interest or otherwise in the subject property and that there is no relationship with the Vendor, Purchaser or any agents.

MORGANS PROPERTY ADVISORS

29 MAY 2014

ATTACHMENTS

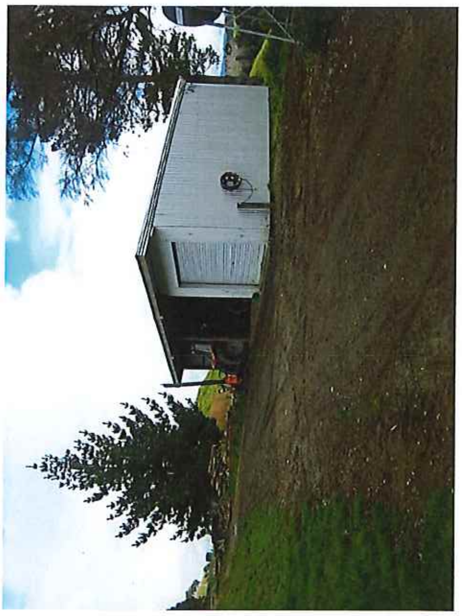
- Photos of Subject Properties
- Comparable Sales Analysis Sheets
- Copies of Title Identifiers
- Location Plans

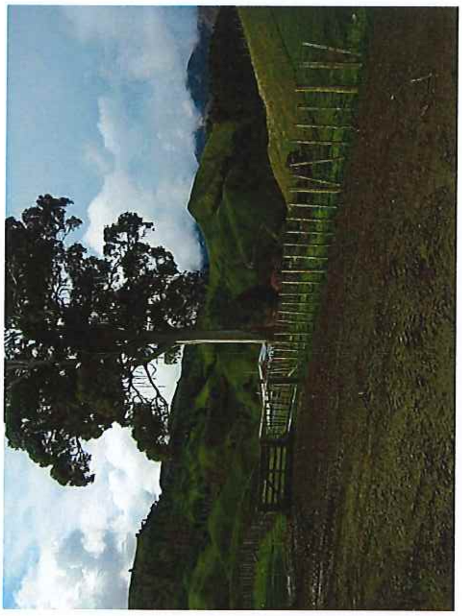












RURAL SALES ANALYSIS

Morgans Property Advisors (Wanganui)

Address	Pohonui Rd, and Taheke Rd					
Parties	John Taylor/Colin Cashmore					
Sale Date	Dec-13					
Land Area	1,450.00 ha					
Advised Sale Price					$	5,600,000
Estimated Value of Chattels/Plant					$	15,000
Allow for Timber/Fonterra Shares/Other					$	-
Estimated Price Paid for Improvements					$	750,000
Analysed Land Sale Price					$	4,835,000
Average Analysed Land Sale Price per ha		$	3,334	per ha		
Production	14,500 SU	$	386	SP per SU (net of trees/stock etc)		
		$	333	LV per SU		
Roll Capital Value		$	4,763,500			
Ratio			1.18	(SP/RV)		

<u>Apportioned as follows:</u>

1408 ha	Medium/steep papa hills, part scattered scrub.	@	$	3,374	per ha =	$	4,749,986		
42 ha	Hills in pines (subjec to forestry rights)	@	$	2,024	per ha =	$	85,014		
1450 ha Total								$	4,835,000

Sale of 'Taheke' a pure hill country property som 38 km north west of Hunterville and 34km south west of Taihape. Formerly 3 separate properties i.e. three sets of farm buidlings, includes three reasonably modest houses, 3 woolsheds etc. Good stock handling facilities and subdivided (part with electric) to 41 main paddocks. Land is essentially all medium/steep papa hills with around 42 ha subject to forestry rights. Understood to have been wintering 14,500 SU. R.V. $4,763,500. After allowing some 750,000 estimated price paid for improvement, land analyses to $3,300 per ha land value overall.

RURAL SALES ANALYSIS

Morgans Property Advisors (Wanganui)

Address	**Pohonui Road, Koeke, Hunterville**
Parties	Orr/Cashmore
Sale Date	Mar-13
Land Area	1,595.00 ha

Advised Sale Price				$	6,750,000
Estimated Value of Chattels/Plant				$	12,000
Allow for Timber/Fonterra Shares/Other				$	-
Estimated Price Paid for Improvements				$	950,000
Analysed Land Sale Price				$	5,788,000
Average Analysed Land Sale Price per ha		$	3,629 per ha		
Production	13,000 SU	$	519 SP per SU (net of trees/stock etc)		
		$	445 LV per SU		
Roll Capital Value		$	6,240,000		
Ratio			1.08 (SP/RV)		

Apportioned as follows:

77 ha	Mangapapa Flats	@	$	7,757	per ha =	$	597,301	
27 ha	Flat to easy	@	$	7,757	per ha =	$	209,443	
43 ha	Easy Hummocky	@	$	5,818	per ha =	$	250,168	
1428 ha	Steep clean papa hills	@	$	3,297	per ha =	$	4,707,816	
20 ha	Steep in bush etc	@	$	1,164	per ha =	$	23,271	
1595 ha Total								$ 5,788,000

Sale of a a larger sheep/beef breeding/grazing property some 30 km north west of Hunterville Township. Inlcudes a modest three bedroom cottage (separate to main farm property) an older 5 stand woolshed and recently constructed covered yards as main improvements. Also featured extenstive lengths of new tracking/fencing/laneways. Includes around 77 ha fragmented (9 parcels) of stream flats, 70 ha of flat to easy/hummocky country, around 20 ha of bush/gorges etc and balance of steep papa hill, mostly clean. Reported carrying around 13,000 stock units.

RURAL SALES ANALYSIS

Morgans Property Advisors (Wanganui)

Address	110 Burrell Rd
Parties	Truebridge/?
Sale Date	Jan-13
Land Area	1,438.00 ha

Advised Sale Price			$	4,500,000
Estimated Value of Chattels/Plant			$	20,000
Allow for Timber/Fonterra Shares/Other			$	40,000
Estimated Price Paid for Improvements			$	850,000
Analysed Land Sale Price			$	3,590,000
Average Analysed Land Sale Price per ha	$	2,497 per ha		
Production 10,000 SU	$	450 SP per SU (net of trees/stock etc)		
	$	359 LV per SU		
Roll Capital Value	$	4,375,000		
Ratio		1.03 (SP/RV)		

Apportioned as follows:

125 ha	Flat/easy country	@	$	5,688	per ha =	$	710,947		
1245 ha	Med/steep hills	@	$	2,275	per ha =	$	2,832,414		
48 ha	Steep hills in trees	@	$	853	per ha =	$	40,951		
20 ha	Waste	@	$	284	per ha =	$	5,688		
1438 ha Total								$	3,584,312

Sale of a large hill country property approx 1/2 way up the Parapara Highway. Includes an attractive 1990's built Lockwood homestead plus two other homes along with 2 x woolshed/covered yards complexs. Includes around 125 ha of flat to easy country and 48 ha of pines etc. County bridge access. Understood carrying around 12,000 SU.

RURAL SALES ANALYSIS

Morgans Property Advisors (Wanganui)

Address	Kimbolton Road
Parties	Nesdale to
Sale Date	May-14
Land Area	870.00 ha

Advised Sale Price	$	4,600,000
Estimated Value of Chattels/Plant	$	25,000
Allow for Timber/Fonterra Shares/Other	$	-
Estimated Price Paid for Improvements	$	1,200,000
Analysed Land Sale Price	$	3,375,000

Average Analysed Land Sale Price per ha		$	3,879	per ha
Production	7,500 SU	$	613	SP per SU (net of trees/stock etc)
		$	450	LV per SU
Roll Capital Value		$	4,790,000	
Ratio			0.96	(SP/RV)

Apportioned as follows:

73 ha	Cultivatable	@	$	8,725	per ha =	$	636,957	
682 ha	Medium hills	@	$	3,926	per ha =	$	2,677,837	
115 ha	Unproductive	@	$	524	per ha =	$	60,206	
870 ha Total								$ 3,375,000

A hill country block located north of Kimbolton, quite high altitude, summer safe country. Land includes around 73 ha easier contour, rest medium steep, some very steep. Effective area 755 ha, parts retired, around 44 ha pines. Over capitalised with buildings, two modest dwellings, woolshed and yards, implement sheds. Dissected by the road. Carrying capacity of around 7500 SU, sale price equating to 613 per SU.

RURAL SALES ANALYSIS

Morgans Property Advisors (Wanganui)

Address	**Allen Rd, Te Kuiti**
Parties	Meyer to Oliver
Sale Date	Apr-12
Land Area	898.00 ha

Advised Sale Price	$	6,400,000
Estimated Value of Chattels/Plant	$	25,000
Allow for Timber/Fonterra Shares/Other	$	5,000
Estimated Price Paid for Improvements	$	735,000
Analysed Land Sale Price	$	5,635,000

Average Analysed Land Sale Price per ha		$	6,275	per ha
Production	8,100 SU	$	790	SP per SU (net of trees/stock etc)
		$	696	LV per SU
Roll Capital Value		$	6,400,000	
Ratio			1.00	(SP/RV)

Apportioned as follows:

700 ha	Part flat, mostly easy	@	$	7,056	per ha =	$	4,939,269	
118 ha	Steeper hills	@	$	4,939	per ha =	$	582,834	
80 ha	Bush/scrub covered	@	$	1,411	per ha =	$	112,898	
898 ha Total								$ 5,635,000

A large scale, predominantly easy contoured property located near Bennydale, some 42 km south east of Te Kuiti. Includes a modest two storey (4 bedrooms, two bathrooms) homestead, a five stand woolshed/covered yards complex and 5 bay implement shed as main improvements. Well farmed, well fertilised and well set-up as one-man operation (races etc). Includes around 700 ha of flat to easy rolling volcanic ash contour, 118 ha of steeper hills and balance of 80 ha bing bush/scrub etc both sides of central streams. Reported as carrying 8,100 stock units, considered slightly under-stocked. Altitude ranges between 490 and 700 m ASL. Sale price included some 140 big bales of hay.

RURAL SALES ANALYSIS

Morgans Property Advisors (Wanganui)

Address	**Mangaohane Station**
Parties	Bull/?
Sale Date	Mar-14
Land Area	4,839.00 ha

Advised Sale Price			$	24,000,000
Estimated Value of Chattels/Plant			$	50,000
Allow for Timber/Fonterra Shares/Other			$	-
Estimated Price Paid for Improvements			$	4,250,000
Analysed Land Sale Price			$	19,700,000
Average Analysed Land Sale Price per ha	$	4,071 per ha		
Production 44,000 SU	$	545 SP per SU (net of trees/stock etc)		
	$	448 LV per SU		
Roll Capital Value	$	22,200,000		
Ratio		1.08 (SP/RV)		

Apportioned as follows:

1100 ha	Flat/Easy	@	$	7,952 per ha =	$	8,746,985	
2650 ha	Medium hills	@	$	3,578 per ha =	$	9,482,527	
590 ha	Medium Steep	@	$	1,988 per ha =	$	1,172,891	
132 ha	Forestry	@	$	596 per ha =	$	78,723	
367 ha	Balance Land	@	$	596 per ha =	$	218,873	
4839 ha Total							$ 19,402,404

We understand the property has sold at the reported level. A large scale iconic sheep and beef breeding fattening station located north east of the Taihape, beside the Rangitikei River and rising up on to the Ruahine Ranges. Extensively developed through cropping, fencing and a good water scheme. Some 1100 ha of flat to easy contoured land, 2650 ha medium hill, 590 ha steeper river faces and gullies, around 132 ha pines, balance in bush/river cliffs etc, said to now be running 44,000 SU. Good range of improvements including three dwellings, woolshed and covered yards, etc. Our analysis has the sale price equating to $4,960 per ha or $545 per SU, land value at $4,070 per ha or $448 per SU.

RURAL SALES ANALYSIS

Morgans Property Advisors (Wanganui)

Address	**Ngaruru Rd, Marton**
Parties	Galpin to ?
Sale Date	Apr-13
Land Area	874.00 ha

Advised Sale Price		$	4,250,000
Estimated Value of Chattels/Plant		$	10,000
Allow for Timber/Fonterra Shares/Other		$	-
Estimated Price Paid for Improvements		$	325,000
Analysed Land Sale Price		$	3,915,000
Average Analysed Land Sale Price per ha	$ 4,479 per ha		
Production 7,000 SU	$ 607 SP per SU (net of trees/stock etc)		
	$ 559 LV per SU		
Roll Capital Value	$ 3,070,000		
Ratio	1.38 (SP/RV)		

Apportioned as follows:

70 ha	Broken valley	@	$	8,294	per ha =	$	580,614	
804 ha	Mixture of medium, part steeper, mostly clean hills	@	$	4,147	per ha =	$	3,334,386	
874 ha Total								$ 3,915,000

Sale of a good clean, breeding unit at the end of a metalled county road some 12 km north of Marton Township. Main improvements include a good woolshed and covered yards, typical other improvements (no dwelling). Includes around 70 ha valley flat/easy country with the balance being mostly medium, part steeper clean sandstone hills. On our estimated carrying capacity (7,000 SU) analyses to around $607 per SU.

COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952

Search Copy

R.W. Muir
Registrar-General
of Land

Identifier	**412631**
Land Registration District	**Wellington**
Date Issued	04 August 2008

Prior References
WN963/64

Estate	Fee Simple
Area	744.7467 hectares more or less
Legal Description	Lot 2 Deposited Plan 403792 and Section 53 Block XIV Pukeokahu Survey District and Lot 1 Deposited Plan 10698 and Lot 1 Deposited Plan 17683

Proprietors
Pukekaka Station Limited

Interests

Subject to Section 59 Land Act 1948

Subject to a right (in gross) to construct and operate a radio repeater station over part marked A on DP 403792 in favour of Her Majesty The Queen created by Transfer B103256.1 - 20.8.1990 at 11.59 am

6943418.3 Mortgage to Bank of New Zealand - 11.7.2006 at 9:00 am

Title Diagram ct 412631
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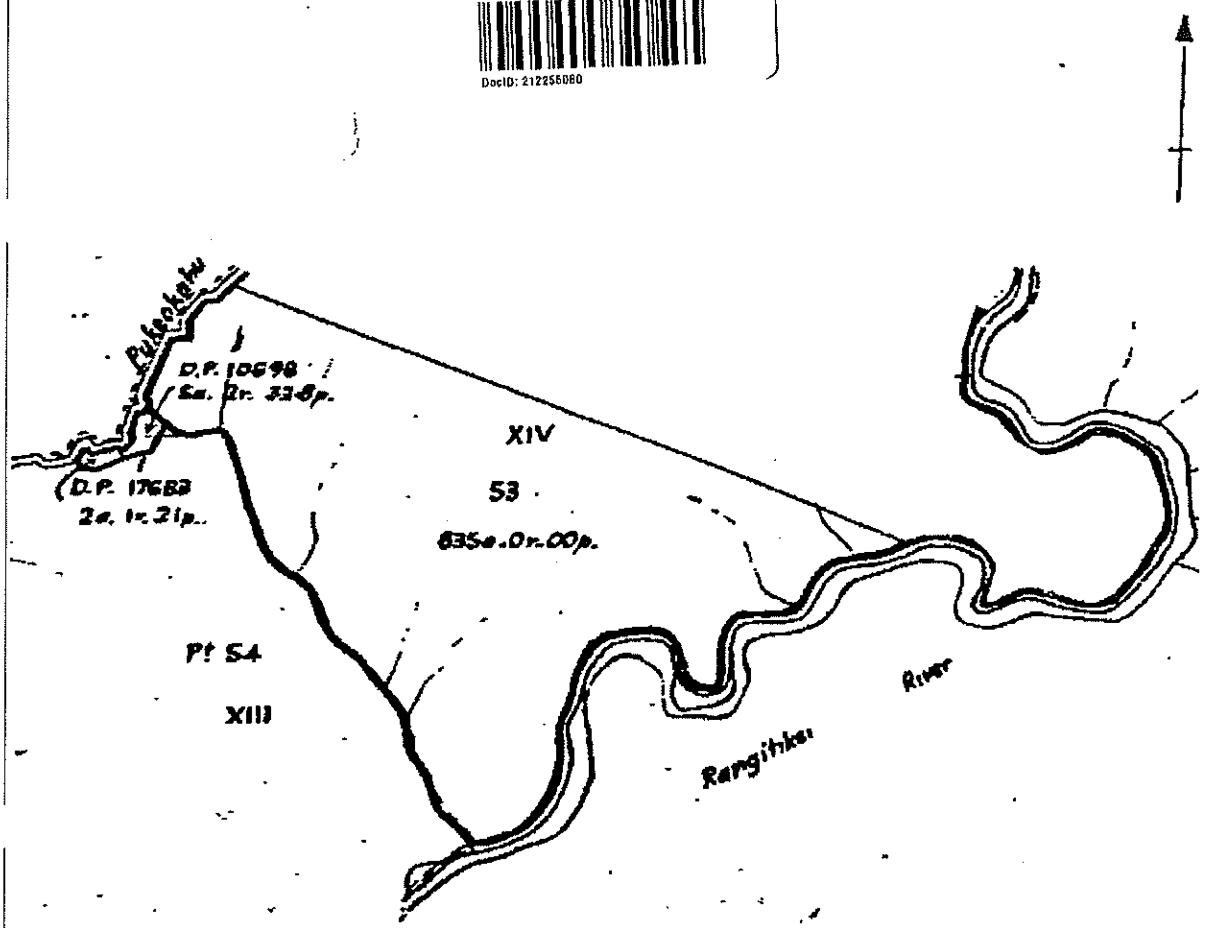
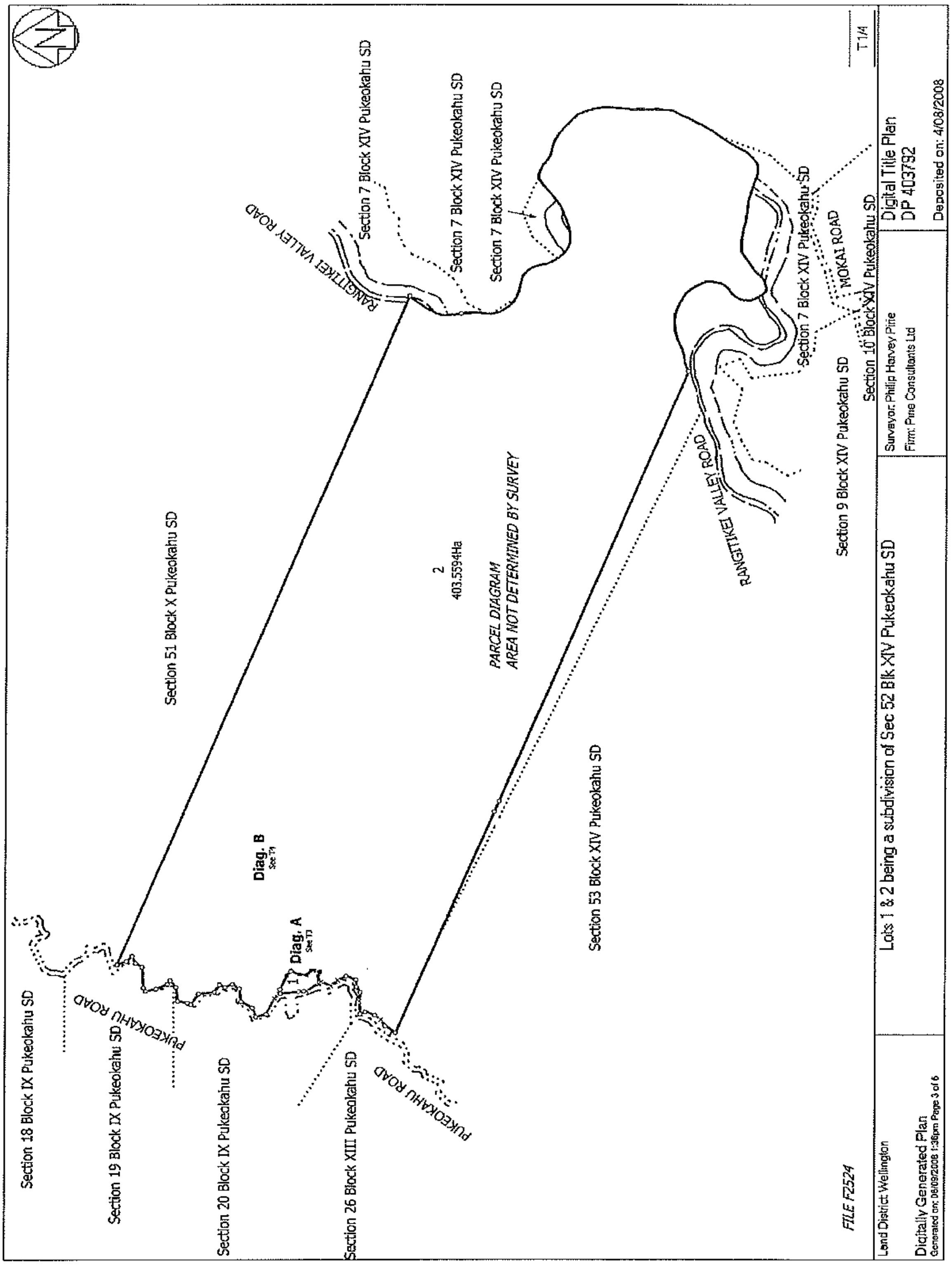
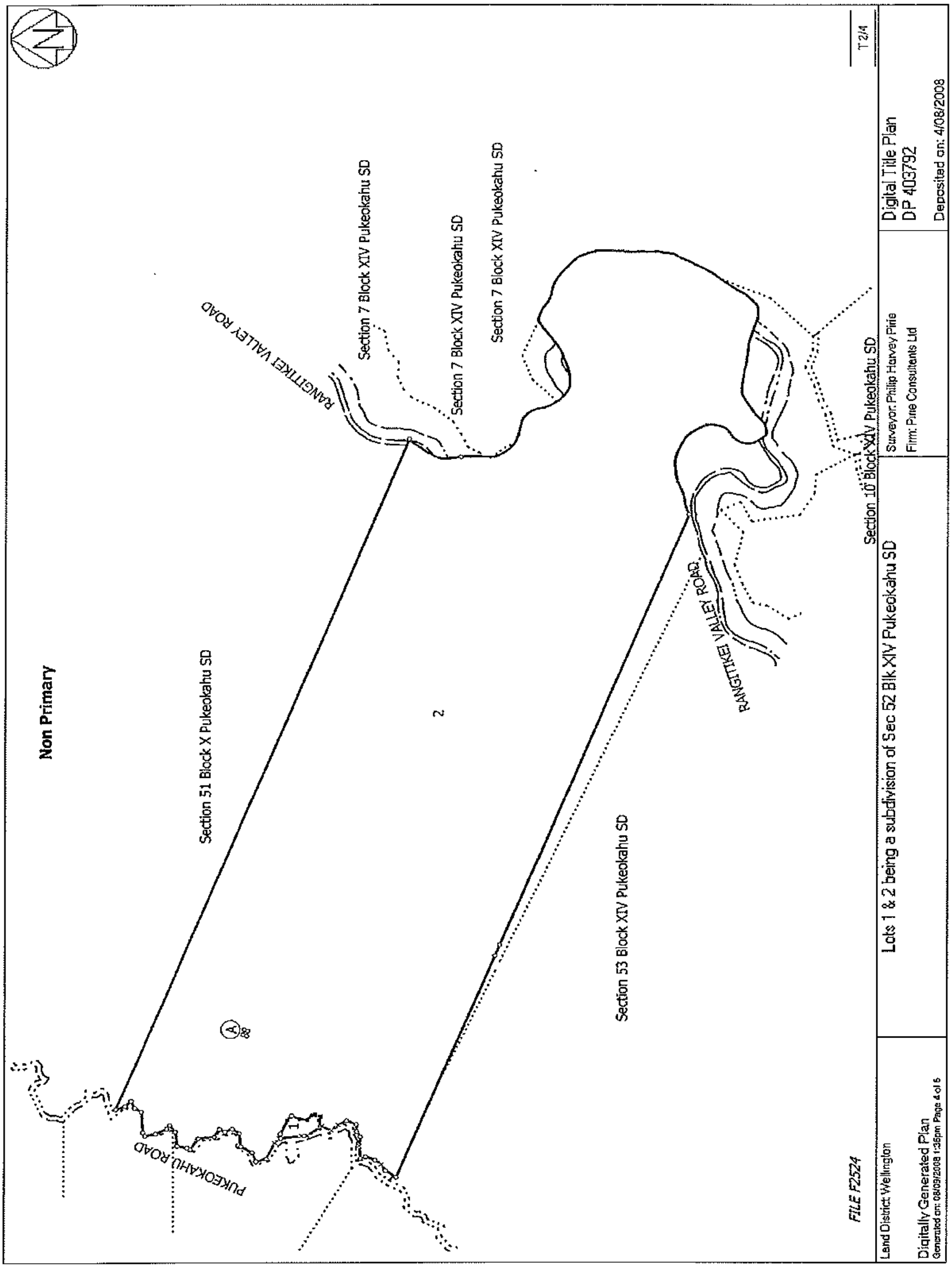
DocID: 212255080

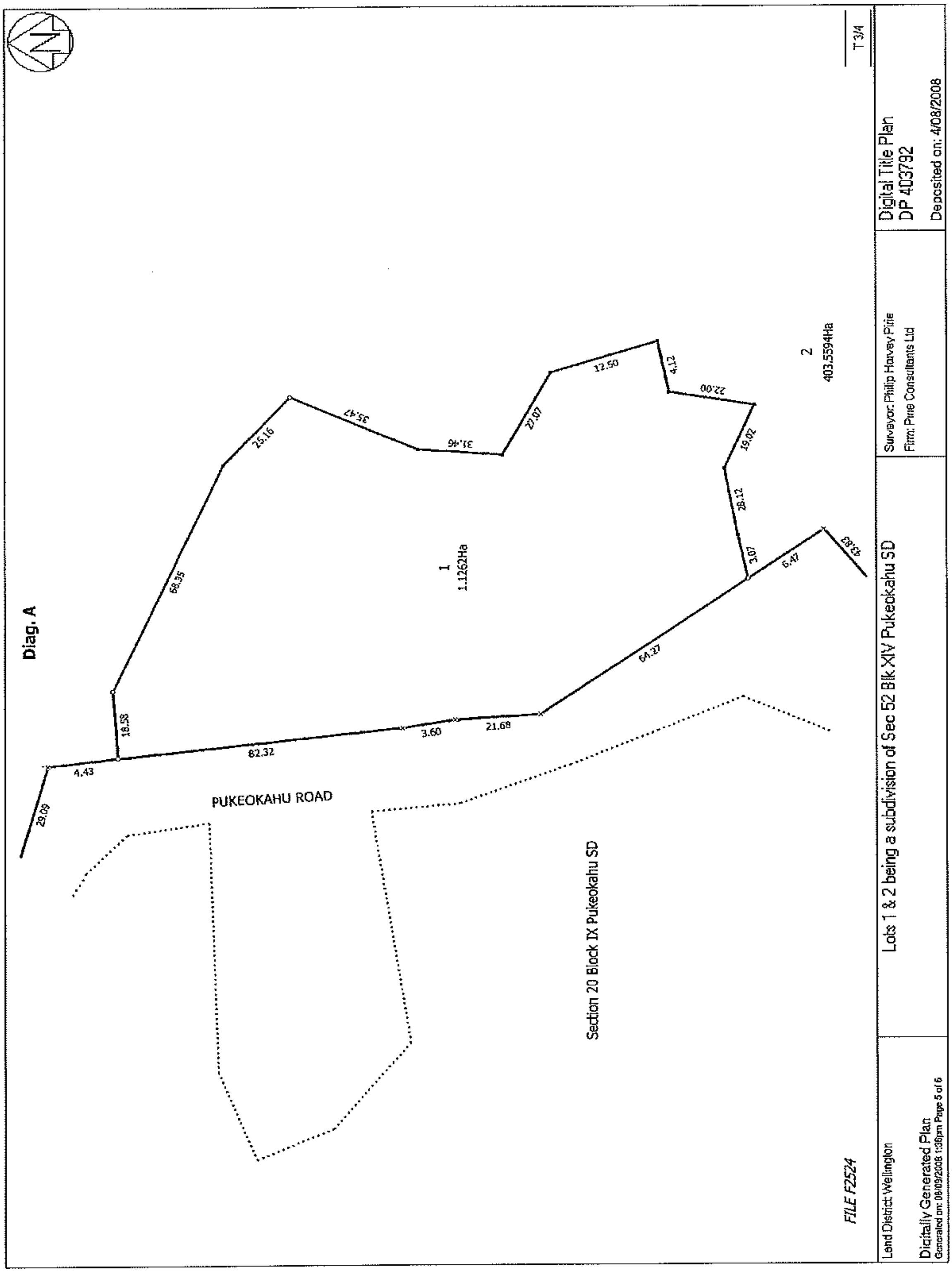


Identifier **412631**




Non Primary
Section 51 Block X Pukeokahu SD
Section 53 Block XIV Pukeokahu SD
Section 7 Block XIV Pukeokahu SD
Section 7 Block XIV Pukeokahu SD
Section 7 Block XIV Pukeokahu SD
Section 10 Block XIV Pukeokahu SD
RANGITIKEI VALLEY ROAD
RANGITIKEI VALLEY ROAD
PUKEOKAHU ROAD
2
1
A
T2/4
FILE F2524
Lots 1 & 2 being a subdivision of Sec 52 Blk XIV Pukeokahu SD
Land District: Wellington
Digitally Generated Plan
Generated on: 08/09/2008 1:35pm Page 4 of 5
Surveyor: Philip Harvey Pirie
Firm: Pirie Consultants Ltd
Digital Title Plan
DP 403792
Deposited on: 4/08/2008

Identifier **412631**



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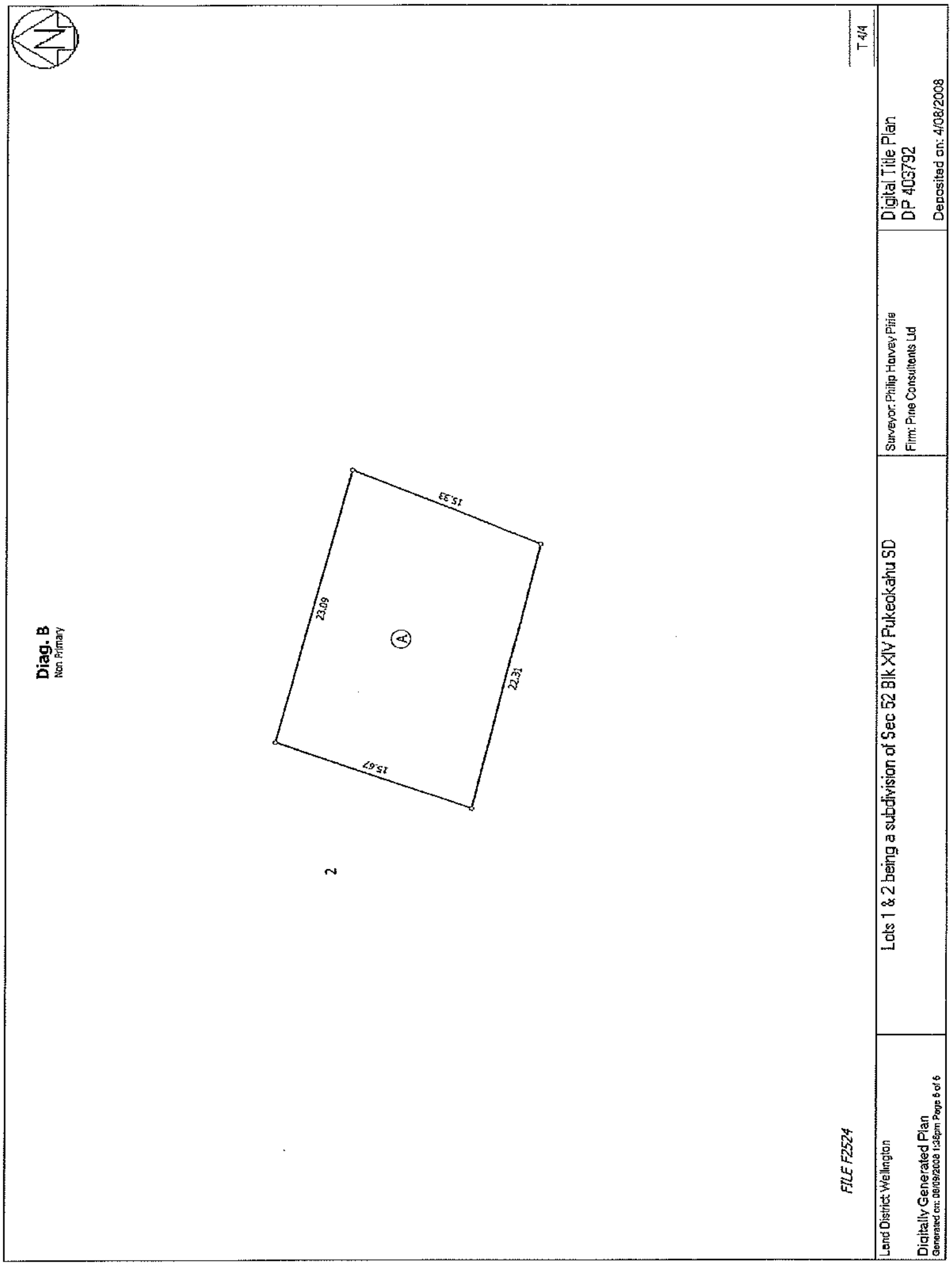


COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952

Search Copy

R.W. Muir
Registrar-General
of Land

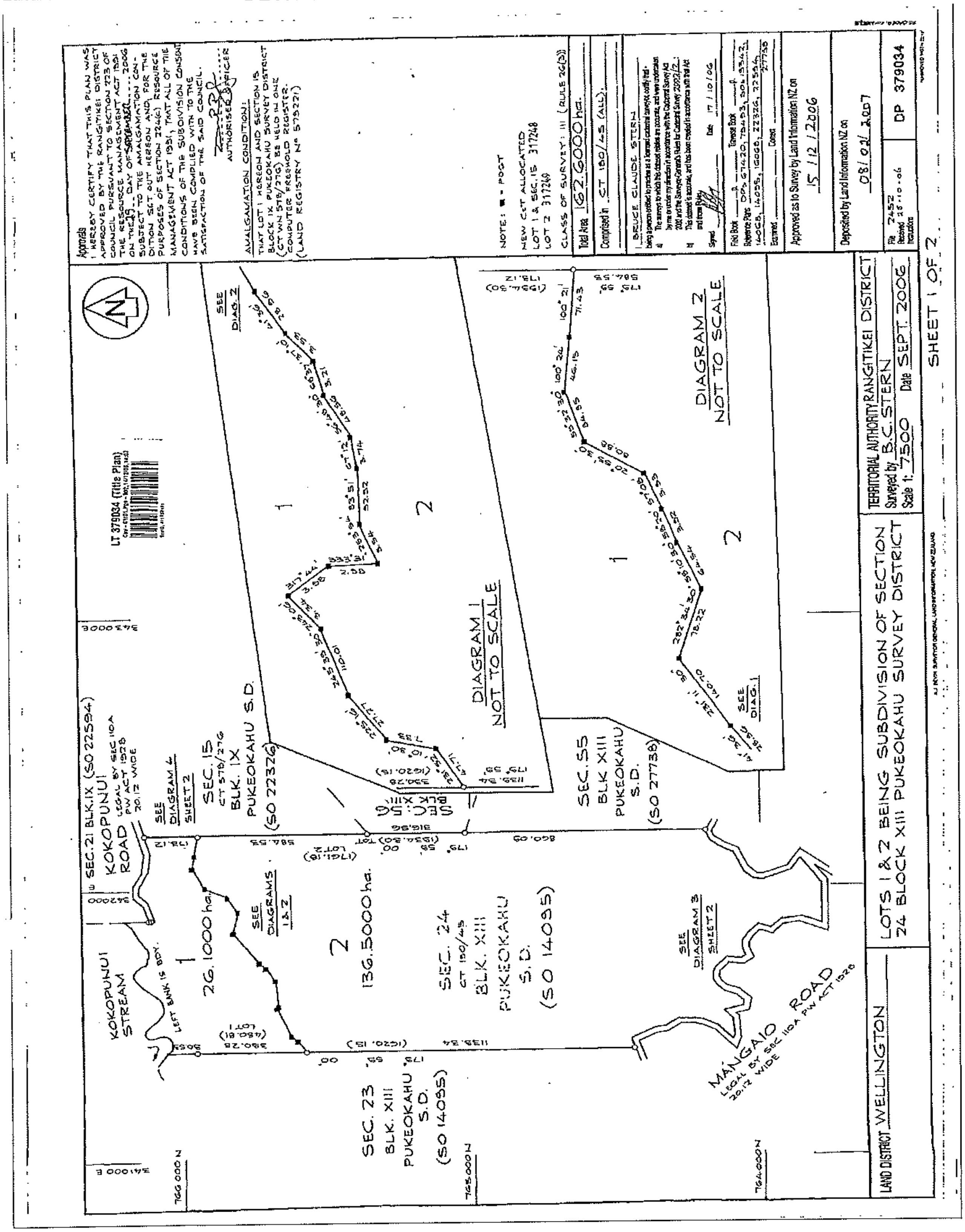
Identifier **317249**
Land Registration District **Wellington**
Date Issued 08 February 2007

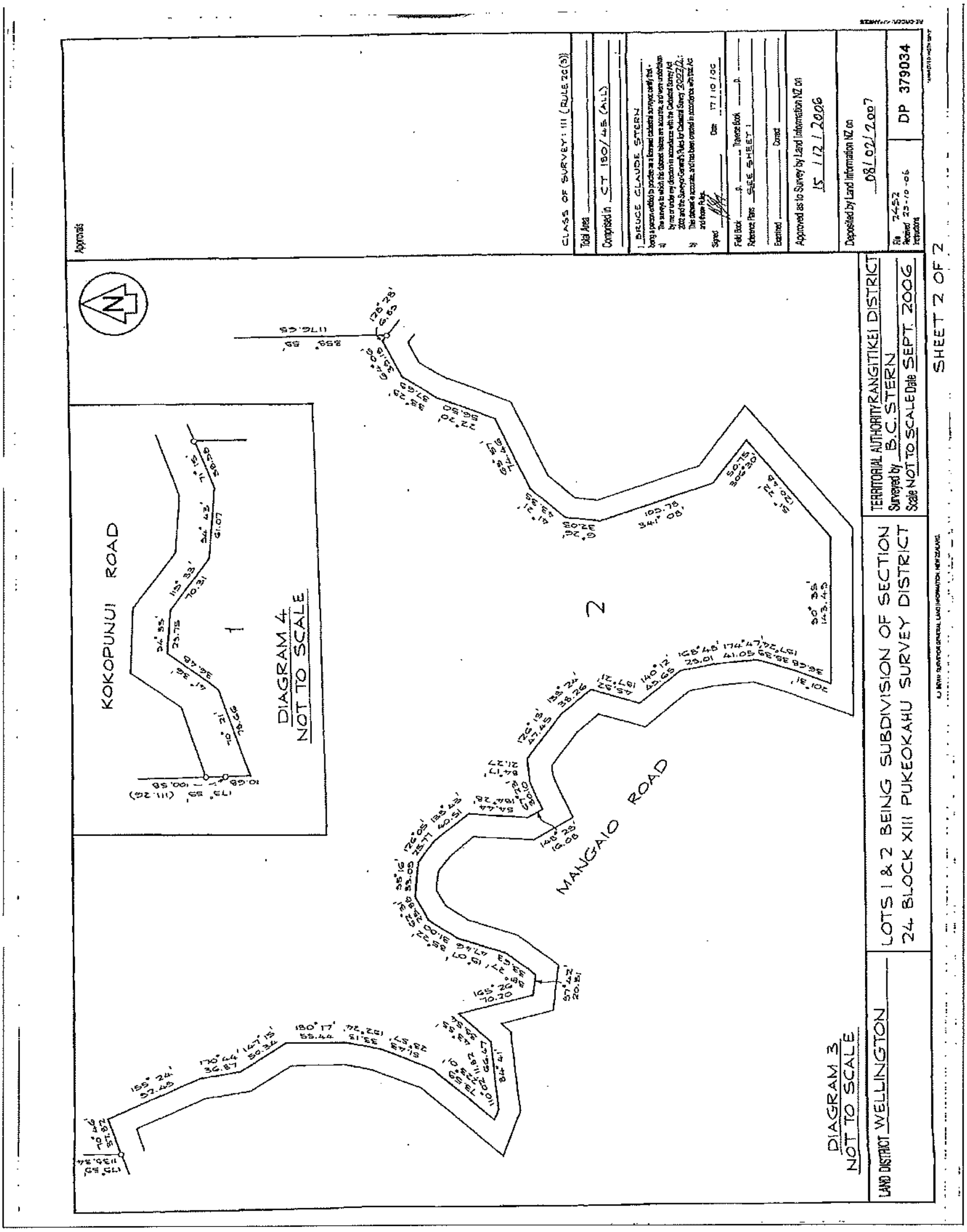
Prior References
WN180/45

Estate	Fee Simple
Area	136.5000 hectares more or less
Legal Description	Lot 2 Deposited Plan 379034

Proprietors
Pukekaka Station Limited

Interests
8519589.1 Mortgage to Bank of New Zealand - 29.7.2010 at 11:03 am


Approvals
I HEREBY CERTIFY THAT THIS PLAN WAS APPROVED BY THE RANGITIKEI DISTRICT COUNCIL PURSUANT TO SECTION 223 OF THE RESOURCE MANAGEMENT ACT 1991 ON THE 29 DAY OF SEPTEMBER 2006 SUBJECT TO THE AMALGAMATION CONDITION SET OUT HEREON AND, FOR THE PURPOSES OF SECTION 224(c) RESOURCE MANAGEMENT ACT 1991, THAT ALL OF THE CONDITIONS OF THE SUBDIVISION CONSENT HAVE BEEN COMPLIED WITH TO THE SATISFACTION OF THE SAID COUNCIL.
AUTHORISED OFFICER
AMALGAMATION CONDITION:
THAT LOT 1 HEREON AND SECTION 15 BLOCK IX PUKEOKAHU SURVEY DISTRICT (CT WN 578/276) BE HELD IN ONE COMPUTER FREEHOLD REGISTER. (LAND REGISTRY Nº 575221)
LT 379034 (Title Plan)
SEC. 21 BLK. IX (SO 22594)
KOKOPUNUI STREAM
KOKOPUNUI ROAD
LEGAL BY SEC 110A PW ACT 1928 20.12 WIDE
LEFT BANK IS BDY.
1
26.1000 ha.
SEE DIAGRAMS 1 & 2
2
136.5000 ha.
SEE DIAGRAM 4 SHEET 2
SEC. 15
CT 578/276
BLK. IX
PUKEOKAHU S.D.
(SO 22326)
SEC. 23
BLK. XIII
PUKEOKAHU S.D.
(SO 14095)
SEC. 24
CT 150/45
BLK. XIII
PUKEOKAHU S.D.
(SO 14095)
SEC. 56 BLK XIII
SEC. 55
BLK XIII
PUKEOKAHU S.D.
(SO 27738)
SEE DIAGRAM 3 SHEET 2
MANGAIO ROAD
LEGAL BY SEC 110A PW ACT 1928 20.12 WIDE
766 000 N
765 000 N
764 000 N
341000 E
342000
343000 E
DIAGRAM 1
NOT TO SCALE
SEE DIAG. 2
DIAGRAM 2
NOT TO SCALE
SEE DIAG. 1
NOTE: ■ = POST
NEW CT ALLOCATED
LOT 1 & SEC. 15 317248
LOT 2 317249
CLASS OF SURVEY: III (RULE 26(3))
Total Area 162.6000 ha.
Comprised in CT 150/45 (ALL).
I, BRUCE CLAUDE STERN
being a person entitled to practise as a licensed cadastral surveyor, certify that -
a) The surveys to which this dataset relates are accurate, and were undertaken by me or under my direction in accordance with the Cadastral Survey Act 2002 and the Surveyor-General's Rules for Cadastral Survey 2002/2;
b) This dataset is accurate, and has been created in accordance with that Act and those Rules.
Signed
Date 17 / 10 / 06
Field Book
Traverse Book
Reference Plans DPs 67420, 75453, SOs 13542, 14068, 14095, 16068, 22326, 22594, 27738
Examined
Correct
Approved as to Survey by Land Information NZ on
15 / 12 / 2006
Deposited by Land Information NZ on
08 / 02 / 2007
File 2452
Received 25-10-06
Instructions
DP 379034
LAND DISTRICT WELLINGTON
LOTS 1 & 2 BEING SUBDIVISION OF SECTION 24 BLOCK XIII PUKEOKAHU SURVEY DISTRICT
TERRITORIAL AUTHORITY RANGITIKEI DISTRICT
Surveyed by B.C. STERN
Scale 1: 7500
Date SEPT. 2006
SHEET 1 OF 2


CLASS OF SURVEY: III (RULE 2C(3))
Comprised in CT 180/45 (ALL)
I, BRUCE CLAUDE STERN
DP 379034
SHEET 2 OF 2
LAND DISTRICT WELLINGTON
LOTS 1 & 2 BEING SUBDIVISION OF SECTION 24 BLOCK XIII PUKEOKAHU SURVEY DISTRICT
TERRITORIAL AUTHORITY RANGITIKEI DISTRICT
Surveyed by B.C. STERN
Scale NOT TO SCALE Date SEPT. 2006
KOKOPUNUI ROAD
DIAGRAM 4 NOT TO SCALE
MANGAIO ROAD
DIAGRAM 3 NOT TO SCALE

COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952

Search Copy

R.W. Muir
Registrar-General
of Land

Identifier	**WN277/283**
Land Registration District	**Wellington**
Date Issued	20 April 1921

Prior References

WA 4/127 WNPR8958

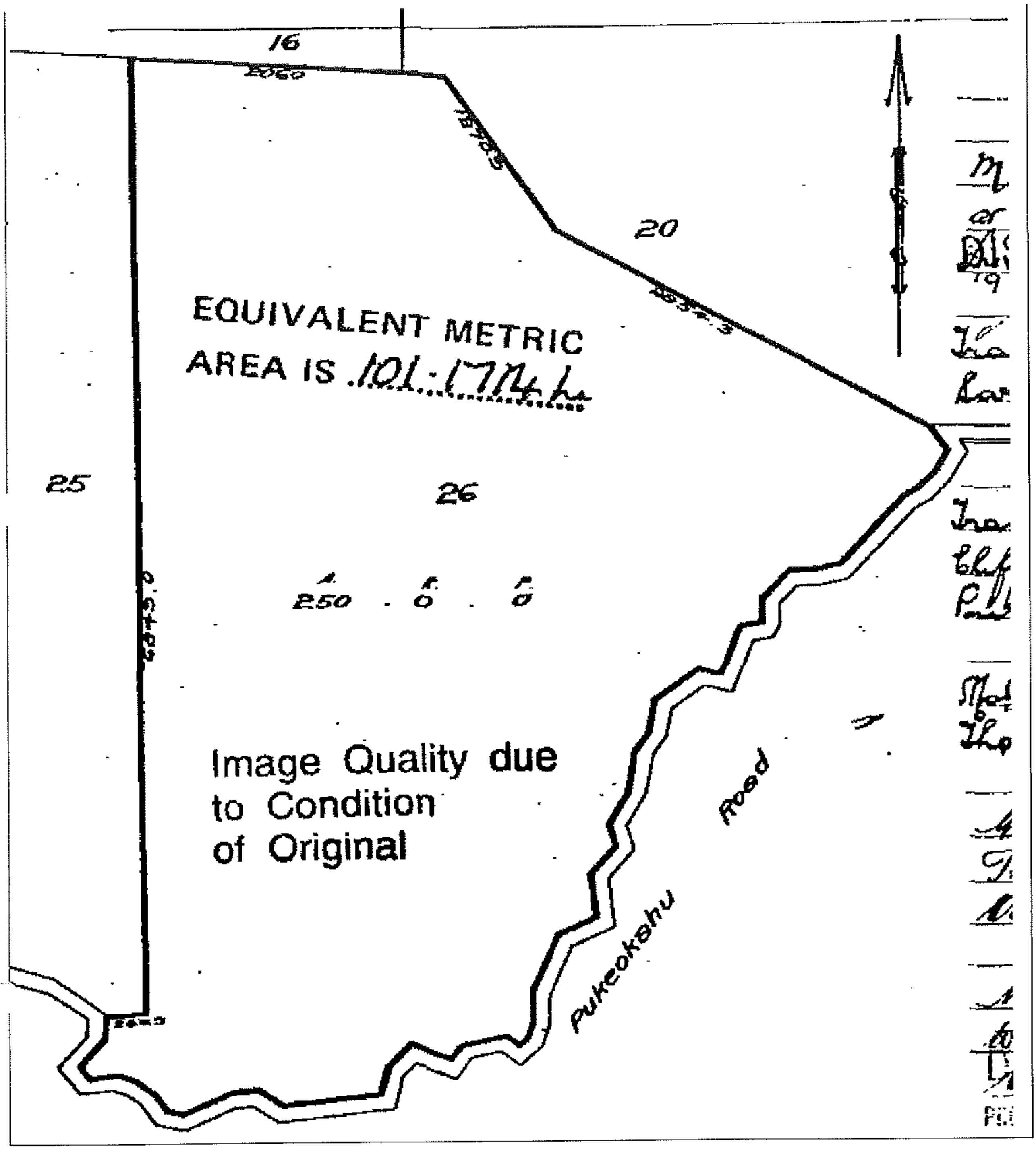
Estate	Fee Simple
Area	101.1714 hectares more or less
Legal Description	Section 26 Block XIII Pukeokahu Survey District

Proprietors

Pukekaka Station Limited

Interests

6943418.3 Mortgage to Bank of New Zealand - 11.7.2006 at 9:00 am


16
20
25
26
EQUIVALENT METRIC
AREA IS 101.1774 ha
A. R. P.
250 . 0 . 0
Image Quality due
to Condition
of Original
Pukeokahu Road

COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952

Search Copy

R.W. Muir
Registrar-General
of Land

Identifier **WN24D/775**
Land Registration District **Wellington**
Date Issued 14 November 1983

Prior References
WN7C/876

Estate	Fee Simple
Area	83.0617 hectares more or less
Legal Description	Section 56 Block XIII Pukeokahu Survey District

Proprietors
Pukekaka Station Limited

Interests

Subject to Section 8 Mining Act 1971
Subject to Section 5 Coal Mines Act 1979
6943418.3 Mortgage to Bank of New Zealand - 11.7.2006 at 9:00 am

COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952

Search Copy

REGISTRAR-GENERAL OF LAND
NEW ZEALAND

R.W. Muir
Registrar-General
of Land

Identifier **WN24B/977**
Land Registration District **Wellington**
Date Issued 19 July 1983

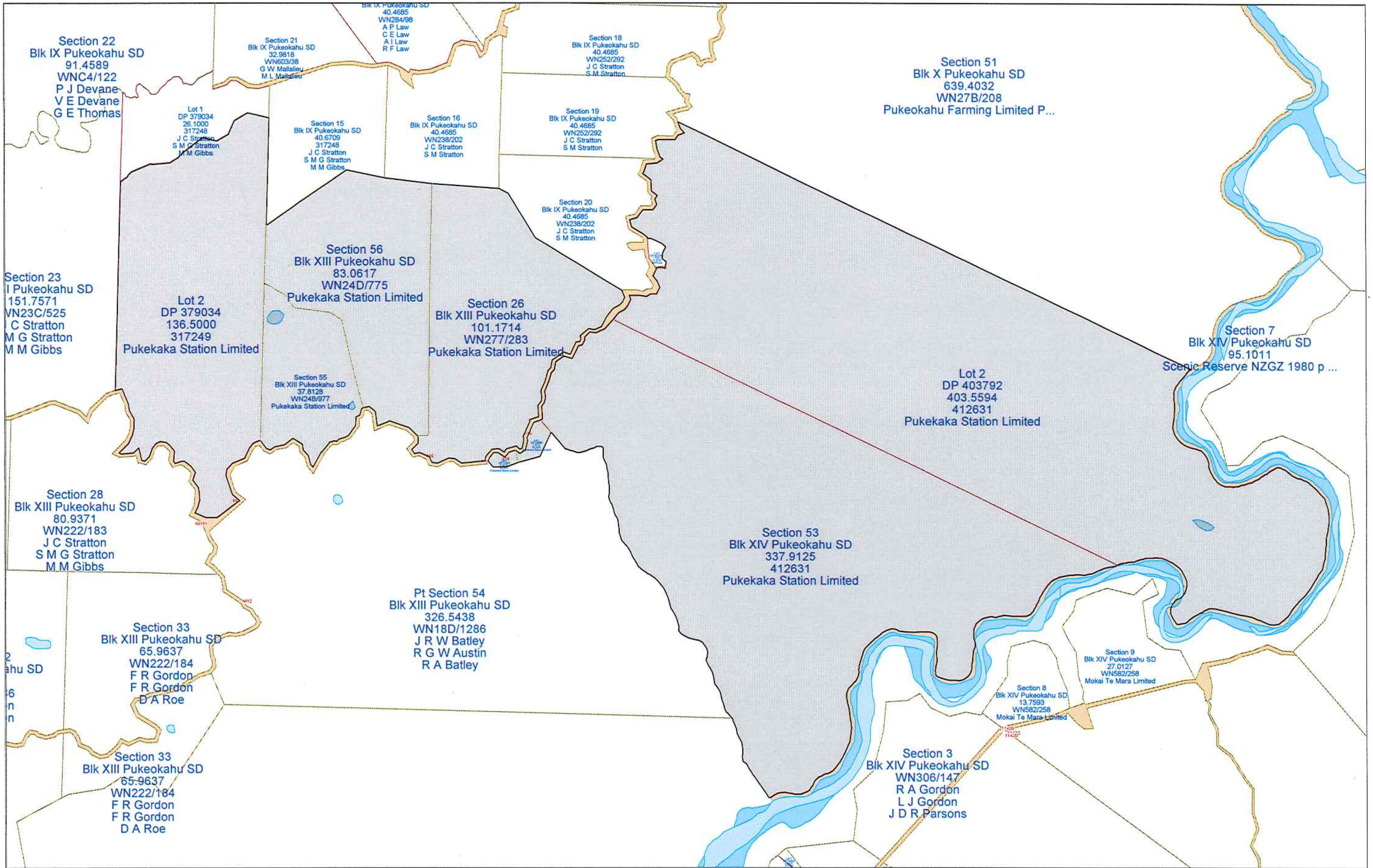
Prior References
WNPR7C/875

Estate	Fee Simple
Area	37.8128 hectares more or less
Legal Description	Section 55 Block XIII Pukeokahu Survey District

Proprietors
Pukekaka Station Limited

Interests

Subject to Section 8 Mining Act 1971
Subject to Section 5 Coal Mines Act 1979
8519589.1 Mortgage to Bank of New Zealand - 29.7.2010 at 11:03 am



QuickMap
Custom Software Ltd

0 500 1000 1500 2000 2500 3000 3500m

Any person wishing to rely on the information shown on this map must independently verify the information

Scale 1:26248 Topographical and Cadastral map derived from LINZ data. Printed: 12/05/2014 14:36.

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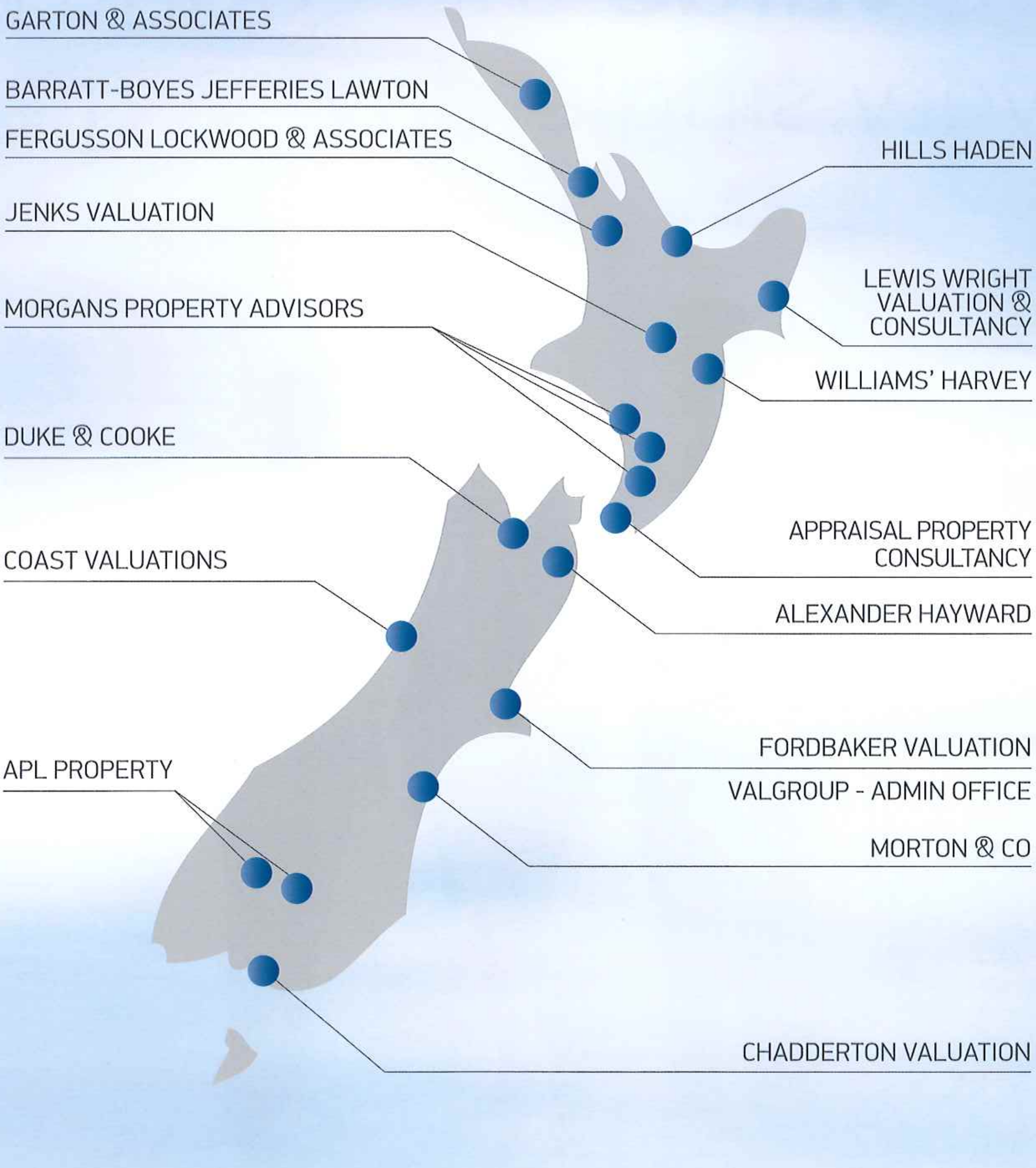

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