LOGANSTONE
PROPERTY ■ INFRASTRUCTURE ■ VALUATION

File Ref: 3364

21 January 2014

Roger Dickie New Zealand Limited
PO Box 43
Waverly 4544

Attention: Roger Dickie

RE: Market Valuation – Tamrin Farm Holdings Limited – Support Block
488 Thornbury Waimatuku Road, Thornbury, Southland

Further to instructions received we inspected the above property on 15 January 2014 in order to assess the market value for finance and equity assessment purposes.

Attached is a full market report and description of the property together with a summary of the valuation rationale and calculations.

Thank you for your instruction, should you require any further advice, do not hesitate to contact us.

Yours faithfully
LOGAN STONE LTD

Grant Barron
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Reviewed:

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1401-3385FULL PASTORAL

Tamrin Farm Holdings Limited – Support Block
488 Thornbury Waimatuku Road
Thornbury
Southland

Market Valuation prepared for:

Roger Dickie New Zealand Limited
PO Box 43
Waverly 4544

Attention: Roger Dickie

As at 15 January 2014

LOGANSTONE
PROPERTY ▪ INFRASTRUCTURE ▪ VALUATION

EXECUTIVE SUMMARY

Property Address:	488 Thornbury Waimatuku Road, Thornbury, Southland
Brief Description:	A 71.2442 hectare pastoral unit currently utilised for dairy support. Situated in the Thornbury district of Central Southland which from a pastoral perspective location is regarded as good. Climate is suited for current land use. The land is of flat to undulating contour with deep heavy soils. Cover comprises predominantly pasture or winter feed crops found in good heart. Overall layout is good being subdivided into 22 paddocks with internal stock lane. Reticulated water supply. Two hay barns. Stock facilities include cattle yards. Overall a good quality dairy support block in a long established dairy locality. Estimated carrying capacity under average efficient management is 1250 stock units (17.5 su / ha). Highest and best use under current market sentiments is as a dairy support block.
Instructing Party:	Roger Dickie
Registered Proprietor:	Tamrin farm Holdings Limited
Purpose of Report:	To assess the market value for prospectus and finance purposes.
Reliant Parties:	Roger Dickie Developments Limited
Date of Inspection:	15 January 2014
Date of Valuation:	15 January 2014
Interest Valued:	Freehold land and improvements.
Key Assumptions:	The key assumptions are based on the transactions that have occurred in Southland for pastoral properties over recent times. The basis of valuation is market value based on a willing seller/willing buyer concept with a marketing window of three to four months. We refer you to our full valuation report attached to this executive summary.
Factors influencing value:	Location and proximity to dairy milking platforms, soils and contour, buoyant real estate market
Land Value Assessments:	$2,170,000
Residential Improvements:	$0
Productive Buildings:	$7,000
Other Improvements:	$93,000
Market Value:	$2,270,000
Valuer:	Grant Barron, Registered Valuer B Com (Ag) VFM, MBA, ANZIV, MPINZ
Reviewed by:	Jay Sorensen, Registered Valuer B Appl Sc (Rural Val) Agr Bus, MPINZ, ANZIV

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1.0.1 Further to your instructions we inspected the subject property on 15 January 2014 in order to assess the market value for prospectus and finance purposes.

Property Conclusions

1.0.2 A 71.2442 hectare pastoral unit currently utilised for dairy support. Situated in the Thornbury district of Central Southland which from a pastoral perspective location is regarded as good. Climate is suited for current land use. The land is of flat to undulating contour with deep heavy soils. Cover comprises predominantly pasture or winter feed crops found in good heart. Overall layout is good being subdivided into 22 paddocks with internal stock lane. Reticulated water supply. Two hay barns. Stock facilities include cattle yards. Overall a good quality dairy support block in a long established dairy locality. Estimated carrying capacity under average efficient management is 1250 stock units (17.5 su / ha). Highest and best use under current market sentiments is as a dairy support block.

2.0 VALUATION CONCLUSIONS

2.0.1 When assessing the market value of the subject property we have considered the property features and compared the sales of other properties that have transacted recently and have adjusted those sales to reflect the location, standard of improvements, plantings, and productive capacities compared to the subject property.

2.0.2 The subject property is located in a long recognized dairy district. As such there are a number of close proximity dairy platforms which would be interested in the block as a cut and carry and grazing unit. Given the heavy soils and flat contour the block would create good interest if offered to the market.

2.0.3 The subject property was purchased in an agreement dated October 2013 for $2,100,000 plus GST.

2.0.4 Dairy support properties have been selling in the vicinity of $28,000 to $35,000 per hectare land value $1,500 - $2,200 per stock unit equivalent.

2.0.5 Location, climate and productive ability have the main impact on value. Properties that are small scale tend to sell at higher per stock unit and per hectare values as competition for these properties is more intense due to the smaller capital requirement required.

2.0.6 In assessing the value of the property we have undertaken an analysis of the property in the market particularly looking at the strengths and weaknesses specific to this property and how this relates to the wider market and economic conditions prevailing at date of the valuation and over the short term that may influence the demand and value levels.

Strengths & Opportunities	Weaknesses & Threats
➢ Location and proximity to dairy platforms	➢ Wetness of soils during winter
➢ Flat to undulating deep soils	➢ Buoyant rural real estate market
➢ Popular size	➢ Uncertainty of boundary by 2nd hay barn

3.0 MARKET VALUATION

3.0.1 After examining all factors and subject to the overriding conditions we conclude the market value of the property as at 15 January 2014 is:

TWO MILLION TWO HUNDRED AND SEVENTY THOUSAND DOLLARS
($2,270,000)

Apportioned as follows:

Value of Improvements		
– Residential Improvements	$0	
– Productive Buildings	$7,000	
– Other Improvements	$93,000	
		$100,000
Land Value		$2,170,000
Market Value		$2,270,000

The above valuation assessment is plus Goods and Services Tax (if any).

3.0.1 Unit analysis

Area	71.2442 ha	(70 ha effective pasture)
Stock Units	1250	(17.5 su/ha)
Land Value	$30,459/ha	$1,736/su
Current Market Value	$31,862/ha	$1,816/su

3.0.2 See attached worksheet and the appendices for full valuation workings.

4.0 OVERRIDING CONDITIONS

- Our valuation is subject to the attached Statement of General Valuation Policies.
- This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not

accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three months from the date of the valuation, or such earlier date if you become of aware of any factors that have any effect on the valuation. Unless otherwise stated our assessments are made in New Zealand Dollar currency.

5.0 DISCLAIMER

5.0.1 Logan Stone Ltd prohibits the publication of this report in whole or in part, or any reference thereto, or to the valuation figures contained therein, or to the names and professional affiliations of the valuer, without the written approval of the valuer as to the form and context in which it is to appear.

5.0.2 Our valuation has been completed in compliance with International Valuation Standard framework. International Valuation Standards IVS 101 – *Scope of Work,* International Valuation Standard IVS 102 – *Implementation*, International Valuation Standard IVS 103 – *Reporting*. We confirm that:

- The statements of fact presented in the report are correct to the best of the Valuer's knowledge;
- The analysis and conclusions are limited only by the reported assumptions and conditions;
- The Valuer has no interest in the subject property;
- The Valuer's fee is not contingent upon any aspect of this report;
- The valuation was performed in accordance with an ethical code and performance standards;
- The Valuer has satisfied professional educational 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;
- The Valuer holds an Annual Practicing Certificate; and
- No one except those specified in the report, has provide professional assistance in preparing the report.

5.0.3 Should you require any further advice, do not hesitate to contact us.

Yours faithfully
LOGAN STONE LTD

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6.0 VALUATION METHODOLOGY

6.0.1 The valuation has been completed in accordance with the International Valuation Standard framework. International Valuation Standards IVS 101 – *Scope of Work,* International Valuation Standard IVS 102 – *Implementation*, International Valuation Standard IVS 103 – *Reporting*, International Valuation Standard IVS 310 – *Valuation of Property Interests for Secured Lending*, Property Institute of New Zealand Valuation Guidance Note 1 - *Valuation Procedures for Real Property*, Guidance Note 2 - *Valuations for Mortgage and Loan Security Purposes*, Guidance Note 10 – Valuation *of Agricultural Properties*. The only departure from the above is that the IVS 1 – Scope of Works is prepared in an abbreviated form initially and confirmed within the Valuation.

Highest and Best Use

6.0.2 Highest and Best Use for the land is that use that is practically feasible, legally permissible and supported by market demand. It is that particular property use that indicates the highest likely competitive price for the real estate at a particular time. Determination of the property's current highest and best use is a necessary precursor of market value assessment.

6.0.3 We determine the highest and best use of the subject property to be as a dairy support pastoral unit.

Market value is defined as:

6.0.4 "*Market Value is the estimated amount for which a property should be exchanged 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 knowledgeable, prudently and without compulsion*."

6.0.5 In considering the willing buyer/willing seller definition we have determined that the marketing period in the present market conditions would be three to four months. This time period considers the wider economic and more specific market drivers that are occurring in this and the wider primary sectors at date of the valuation report.

6.1 Land Value

6.1.1 Land Value is determined by sales of property that have no or limited improvements contained on them. Where sales of this type are low in volume, sales of partially or fully developed properties, or listings, are analysed to derive a base land value. When there is a paucity of sales information from specific locations information is drawn from other locations to allow analysis to occur to derive a base land value. This base land value is then further analysed to the varying land classes or soil types, whichever approach the market is using to determine the value of the land at that time for the sector and location where the market activity is occurring. Further analysis is undertaken at a more cursory level on productive based measures i.e. stock units, kg milk solids, tonnes or quantities of fruit per hectare or by total property. This consideration has less weighting placed upon it due to the large variation that can occur due to management capability and capital utilised.

Consideration is given to the deemed "average efficient" production levels that have been analysed for each sale and the subject property.

6.1.2 Based on the above approach the sales analysis indicates that properties in this locality have land values within the following range as a base land value. These land values are for the productive component only and exclude any lifestyle or building right premium that may be paid above the underlying productive component. If the property contains any lifestyle or building right premium this is then added to these underlying productive values. This approach is consistent with the approach adopted when analysing sales.

Land Type	Sale Value Range	Subject Property
Deep Central Southland	$24,000 - $35,000/ha	$30,500/ha

6.1.3 We have adopted a value at the mid to upper range due to the location and proximity to dairy platforms, and general appearance and presentation of the land at inspection.

6.2 Improvements

6.2.1 When undertaking the assessment of the improvements contained on the property we have considered two methodologies:

Replacement Cost Approach

6.2.2 We have summated our estimate of the cost to replace the buildings and other improvements less an appropriate allowance for depreciation to reflect the unexpired portion of the economic life due to physical depreciation, functional obsolescence and any relevant external or environmental factors so as to arrive at a value. This approach is termed the Cost or Depreciated Replacement Cost Approach. This approach is often used as a fall back approach or for specialised assets when sales or other market derived information is not available.

Sales Approach

6.2.3 The Added Value Approach is derived from analysis of sales with apportionment of the improvement value based on the various improvement components or individual building values. It is a variation of the sales approach. This approach determines the added value of the buildings and other improvements to the property as determined by the current market situation and completed sales. It considers the value of the building improvements and other improvements based on utility and functionality they add to the property and how the market is reflecting those features at that time.

6.2.4 The Net Rate approach is based on the analysis of sales. The analysis considers the component parts of the improvements i.e. rate per m2 of building, rate per metre of fencing, rate per tree/vine etc. These rates are then applied back to the subject property and the various improvements contained on that property to provide an additional approach to value of the improvements.

6.2.5 The combination of these approaches forms the basis of the improvement value assessment, with priority and more weighting placed on market based information.

Improvements Comment

6.2.6 There are no dwellings.

6.2.7 Productive farm buildings are adequate for hay or plant storage.

6.2.8 Fencing and subdivision are adequate.

6.2.9 Farm water supply is good

6.2.10 Races and layout are good.

6.2.11 Cattle Yards are adequate.

6.3 Market Evidence

6.3.1 The valuation has been determined by comparison to known sales of similar properties initially in this locality but also further a field if required. These sales have been fully analysed into the various components that they contain with adjustments then made for size, floor areas, age and condition of improvements, location and date of sale.

6.3.2 Our observation is the current pastoral property market for Southland is driven by dairy land use with per hectare and per stock unit values diminishing depending on the highest and best use as outlined in the below table. Please note the value guide is for larger parcels of land which do not have 'special values' attached due to being adjoining land purchases etc and there will be exceptions outside the value range due to location factors.

Average Land Value range per hectare	Highest & Best Land Use	Characteristics
$35,000 to $25,000	Dairy Conversion	Good quality soils and shape in reliable rainfall areas or have irrigation. Generally over 120 to 280 hectares unless purchased in conjunction with adjoining land. Recognised dairy locations
$35,000 to $23,000	Dairy Support Cut & Carry	Easy contour blocks within 10 km of dairy platforms suitable for making and carting of supplements back to dairy units. Tend to be smaller area properties
$20,000 to $12,500	Dairy cow winter grazing properties	Free draining soils. Often these soils are less productive especially during summer as they dry out due

		to their lighter soil type characteristics
$20,000 to $7,000	Dairy Grazing – young stock	Heavier soils, often with rolling contour that are not suited to heavy cattle during winter
$113,50000 to $5,500	Sheep / beef / deer	These properties do not generally appeal for dairy grazing due to size, contour, weed or location
$1,000 to $2,500	Forestry	Steep, poor soils marginal for stock and often with weed issues. Limited recent sales in Southland
$100 to $400	Non effective bush etc	Marginal areas best left undeveloped. May have pre 1990 forest ETS implications. Normally associated with part of a larger property.

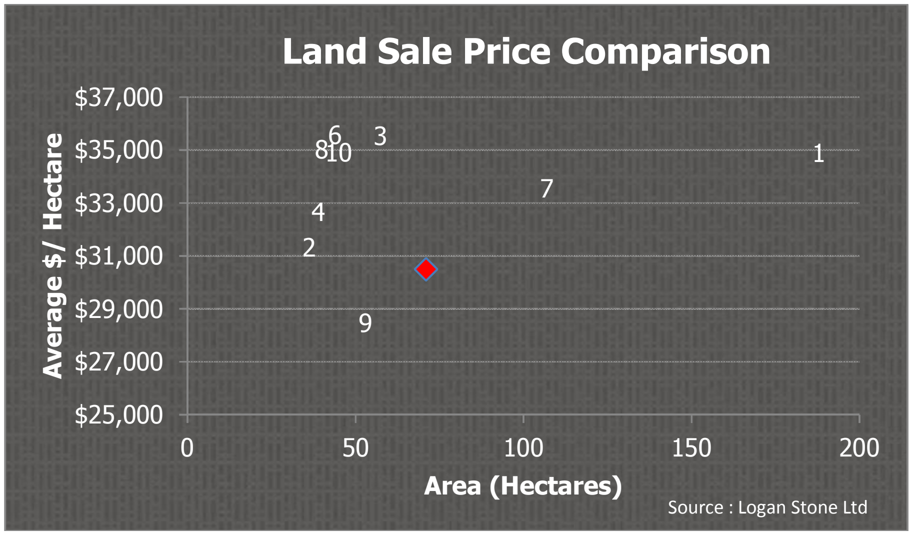
6.3.3 It is our opinion the subject property highest and best land use currently lies in the dairy support land use with a bias towards the dairy support cut and carry range due to location, soils and contour. We therefore look to recent sales with similar land use, size, contour and location.

6.3.4 From the available market evidence, the following transactions are considered to be the most relevant to the subject property. The following information is information that is publicly available. Further information is likely to be held by Logan Stone on the analysed property. This information is often collected from inspections and valuations have been provided to us on a confidential basis and is not deemed to be public and therefore cannot be reproduced within this document. The Sale Price includes land and improvements and household and farm chattels if any, the Sale Price per hectare is the Sale Price divided by the title area, while the Land Value per hectare is the productive land value exclusive of the lifestyle component, if any, over the total area. The production is our estimate of carrying capacity under average efficient management.

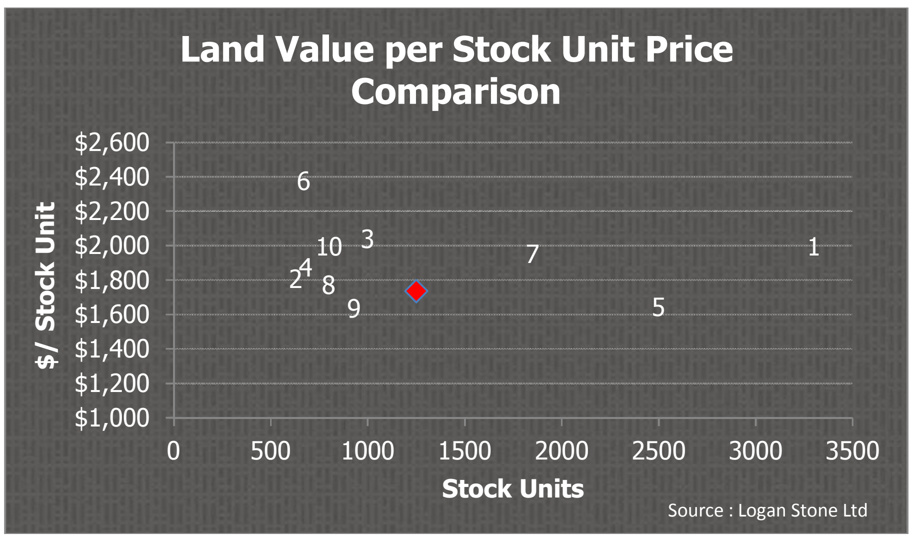
6.4 Comparable Sales

6.4.1 Attached to the appendices is a comparable sales summary which are recent sales that we have relied on in establishing the market value of the subject property. We have made comment as to the relationship between the sale property and the subject property. We are also aware the subject property has been purchased in an agreement dated October 2013 for $2,100,000 plus GST.

6.4.2 The below graph shows the relationship of the land value component on a per hectare basis of the subject property in relation to the comparable sales. The numbers are references to the comparable sales and the red diamond is our assessment of the subject property.



6.4.3 The below graph shows the relationship of the land price component on a per stock unit basis of the subject property in relation to the comparable sales. The numbers are references to the comparable sales and the red diamond is our assessment of the subject property.



6.4.4 The above sales support the per stock unit that has been assessed for the subject property.

6.5 Plant and Equipment

6.5.1 The valuation of the property excludes all items of plant and equipment unless specifically stated otherwise within this report.

7.0 EMISSION TRADING SCHEME

7.0.1 Our valuation is made on the following basis in relation to ETS obligations based on information supplied:

- There are no pre 1990 forests associated with the property which will attract deforestation liabilities
- The property is not registered as a participant under the Climate Change Response Act 2002
- If, on the provision of further information, confirming areas, status or liabilities are different from our above assessments, Logan Stone reserves the right to alter the valuation assessment accordingly.

8.0 MARKET COMMENTARY

8.0.1 The pastoral sector, i.e. sheep and beef and dairy support and grazing, property market in Southland has been relatively steadily improving in recent times with the number of sales improving over those experienced during 2009 to 2012 period.

8.0.2 The rural property market peaked in mid 2008. As a result of the global financial crisis there was an immediate slow down in the volume of property sales and those sales that were conducted during the 2009/2010 period were at significantly lower levels with a number having some duress due to finance constraints. The 2010 / 2011 season was very favourable financially for both dairy and pastoral land uses and stronger interest for land reappeared. Although interest in land improved, sale prices did not increase significantly mainly due to a more cautious rural credit environment. The improving farm gate returns for dairy in the 2013/14 season has seen strong interest in pastoral land acquisition from this sector.

8.0.3 The rural property market continues to be largely dominated and driven by the dairy sector and associated land uses in the Southland and South Otago regions. There has been considerable expansion of dairy units throughout Otago and Southland (The effective hectares in dairy production in Southland have risen from 100,658 ha in 2002 to 185,592 ha in 2012 and in the Otago from 51,853 ha to 77,099 ha over the same period (Source: LIC)). There is a 'rule of thumb' that for each hectare that goes into a dairy milking platform a further hectare is required for dairy support and grazing. This demand places pressure on properties suitable for dairy grazing and as a consequence properties of lesser desirability and stronger contour were pushed up in price as the availability of quality flat free draining grazing properties diminished. There was also a flow on effect with sheep farmers selling out at higher levels for dairy conversion etc. which released considerable capital and these sellers became strong purchasers of larger sheep units in more outlying areas also pushing prices up.

8.0.4 Dairy land use continues to dominate the Southland rural land market especially for dairy support and grazing blocks, either with good scale or in close proximity to recognized dairy locations. However some competition is coming from sheep and beef land use for some property classes not.

8.0.5 At the time of writing forecast farm gate returns especially for pastoral properties appear to be improving by recent historical levels. Interest rates are at favourable low levels and rural lending institutions are back competing for new lending opportunities. Overall a reasonably sound outlook for the rural sector long term but with some short term volatility.

8.0.6 However climate risk, changing Regional Council regulations and high farm cost inflation will impact on purchasers decision making and ability to borrow when looking to invest in the rural sector.

9.0 PROPERTY DETAILS

9.2 Legal Description

9.2.1 We refer to the attached Computer Freehold Registers ("titles") at Appendix B contained within the Southland Land Registration District. To summarise:

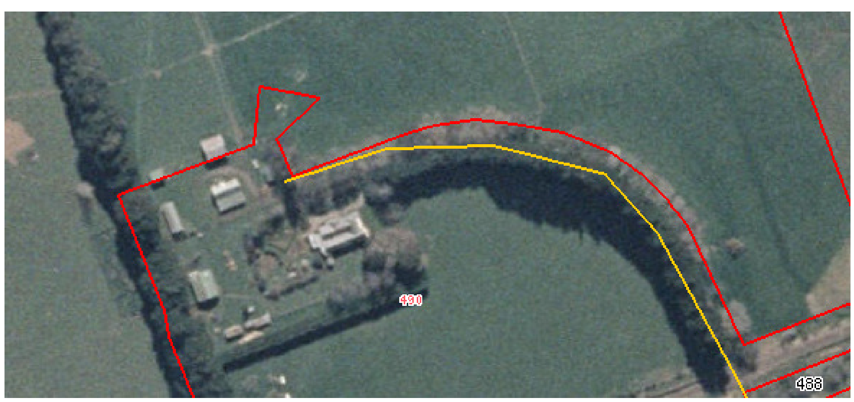
Registered Proprietor	Description	Title Identifier	Area (ha)	
Tamrin Farm Holdings Limited	Lot 1 Deposited Plan 14706	SL11C/939	52.2707	ha
Tamrin Farm Holdings Limited	Lot 2 Deposited Plan 8791 and Lot 2 Deposited Plan 388349	353547	18.9735	ha
		Total Land Area	**71.2442**	**ha**
Tenure	Freehold – Estate in Fee Simple			

9.2.2 The following interests or registrations are deemed to be of relevance when considering the property from a valuation perspective. Any material impact of these interests have been taken into account in our valuation assessment.

- Easements – Drainage and Rights of Way both servient and dominant. See Titles attached.

9.2.3 Any user of this report should note there is a metalled track adjacent to the cattle yards which crosses the railway line to Thornbury Waimatuku Road. This is not registered as being legal access.

9.2.4 At inspection there was also some uncertainty over whether a hay barn in the eastern corner is included in the property. From our available maps we conclude that the hay barn is included as per the attached aerial outline;



9.3 Resource Management

9.3.1 Zoned Plains under the Rural designation of the Southland District Council District Plan. Present use permitted.

9.3.2 Resource consents from Environment Southland are required for dairy milking land use for effluent discharge, taking of ground water for milking shed purposes, construction of storage ponds and if applicable taking of water for irrigation.

9.3.3 Resource Consents are personal property and are legally not tied to the land. In some instances they can be sold or transferred separately from the land. Most Resource Consents have an expiry date and new Resource Consents need to be applied for prior to expiry. There is no guarantee Resource Consents will be renewed or if renewed could be subject to variation. The valuation undertaken in this report is made on the basis that the Resource Consents used on the property, as at the date of inspection, will be transferred with the property in their entirety. We also assume they are being complied with. If this is not the case Logan Stone Ltd reserves the right to reassess the value without these Resource Consents.

9.3.4 Environment Southland is altering the rules for obtaining consents for new dairy land use. Initially, effective from the 14th April 2012, under a transitional regime the use of land for new dairy farming will be a discretionary activity. Further information can be obtained on www.es.govt.nz. The intention is to supersede the transitional rule with a replacement rule later in the year.

9.3.5 To obtain resource consents, the key determinant will be based around the 'soil versatility rating' which categorizes the soil types described by Topoclimate South Data Sheets under 'Intensive Pasture'. Soil versatility ratings have four categories, with each category being weighted as follows;

Soil Versatility Weighting	High	Moderate	Limited	Unsuitable
Weighting	1	10	30	50

9.3.6 Each soil type for the property is identified and estimated as a % of the property area and a total 'Soil Versatility Score' is established. This soils versatility score determines the Farm Plan Category which determines the level of information and plans required to be provided and undertaken by the applicant.

Soils Versatility Score	1 to 12	13 to 24	25 to 35	36 to 50
Farm Plan Category Requirements	Category 1 Farm Plan (P1) Standard Farm management Plan plus any property specific standards	Category 2 Farm Plan (P2) Standard Farm management Plan that includes Tier 1 practices where appropriate to the property plus any property specific standards	Category 3 Farm Plan (P3) Standard Farm management Plan that includes Tier 1 and Tier 2 practices where appropriate to the property plus any property specific standards	Category 4 Farm Plan (P4) May not be granted; will have a unique farm response plan

Tier 1	Tier 2
Nutrient management plans	Wintering cows in herd shelters
Optimum soil test P	Wintering in herd shelter plus restricted grazing of pastures in autumn
Stock exclusion from streams and wetlands	Limiting N fertilizer use
Tracks and lanes sited away from streams & lane run off diverted to land	Substituting N-fertilised pasture with low N feeds
Sediment Traps	Tile drain amendments
Improved management of FDE (storage; low rate and low depth application)	Use of nitrification inhibitors
Facilitating the development of natural wetlands	Grass buffer strips
	Wintering off stock
	Alum to pasture
	Alum to grazed cropland
	Strategic winter grazing of forage crops
	Restricted grazing of cropland
	Restricted grazing of pasture
	Low solubility P fertiliser

9.3.7 In essence the higher the soil versatility of the property (i.e. the lower the Soil Versatility Score), the easier and probably less costly it will be to get consents for new dairy land use.

9.3.8 While the current transitional rule applies to new dairy land use only and does not apply to existing dairy units, it is possible, in the future, the above Soil Versatility Score may influence the renewal or variation of existing dairy unit consents. This is a potential risk that may affect the market value which users of this report may need to consider.

9.3.9 We estimate the Soils Versatility Score of the subject property as;

Soils	Approx % of Farm	Versatility Rating	Versatility Weighting	Score
Waimatuku	50%	Moderate	10	5
Mokotua	45%	Moderate	10	4.5
Dacre	5%	Moderate	10	0.5
Total				**10**
Farm Plan Category				P1

9.3.10 Refer to above tables for P1 requirements. Resource Consents

There are no Resource Consents currently pertaining to this property.

9.4 Rating Valuation

The Rateable Values assessed as at 1 September 2012:				
Property	***Land Area (ha)***	***Value of Improvements***	***Land Value***	***Capital Value***
50 Limestone Plains Road, Thornbury	52.2707	$25,000	$1,425,000	$1,450,000
488 Thornbury Waimatuku Road, Thornbury	18.9735	$10,000	$520,000	$530,000
Total	**71.2442**	**$35,000**	**$1,945,000**	**$1,980,000**

The above assessment has been undertaken in accordance with the Ratings Valuation Act 1998 and is based on mass appraisal techniques for use primarily by local authorities for rating. In many cases the property has not been inspected in determining this assessment and does not represent the market value in many instances.

9.5 Rates

For the 2012/2013 Year (GST inclusive):		
Property Address	***Land Area (ha)***	***Southland District Council***
50 Limestone Plains Road, Thornbury	52.2707	$2,173.46
488 Thornbury Waimatuku Road, Thornbury	18.9735	$573.71
Total	**71.2442**	**$2,747.17**

10 LOCATION & CLIMATE

10.1 Locality

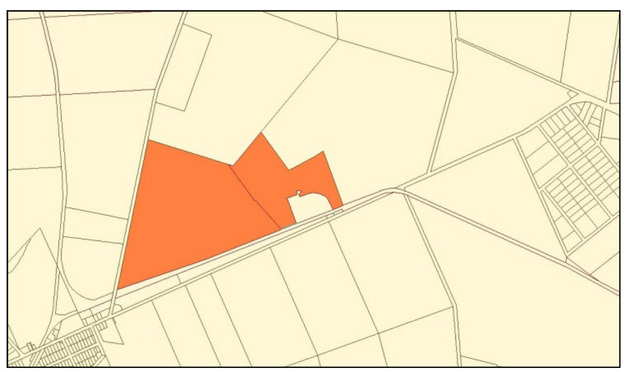
10.1.1 The property is situated in the Thornbury district of Southland. Nearby properties are dairy milking platforms, dairy support, sheet and beef, small rural holdings & lifestyle.

10.1.2 Overall a well serviced rural locality being in fair proximity to Invercargill.

10.1.3 Dairy support blocks and dairy platforms in this location are regarded as having a good location factor.

10.1.4 Distances to services are as follows:

Service/Amenity	Location	Approx Distance	
Power and telephone are connected.			
Primary School	Thornbury	1	kms
Secondary School	Riverton	12	kms
Main Centre	Invercargill	32	kms
Fertiliser Works	Awarua	41	kms
Dairy factory (Fonterra)	Edendale	55	kms



10.2 Climate

10.2.1 The Thornbury district experiences a cool temperate climate which is generally suited for intensive pastoral farming such as dairy.

Rainfall Average	Approximately 1000 to 1100 mm per annum
Main Rainfall Months	Spring, summer, autumn
Hazardous Conditions	Normally minimal but can occur
Frost Factor	Generally not severe but can occur from April to October
Snow Frequency	Can occur but generally will not lie long.
Prevailing Winds	Westerly and southerly quarters

10.2.2 Summer rainfall is normally reliable.

11 LAND

11.0.1 The property has been developed as a dairy support unit with the main features pertaining to the land summarised as follows:

11.1 Shape & Workability

11.1.1 The property has an overall irregular shape with predominantly flat to undulating contour. It is well laid out for utilisation as a dairy support block. A stream dissects the property which is crossed by two bridges.

11.1.2 We have made no cadastral survey of the property and unless otherwise stated assume that all improvements lie within the Computer Freehold Register boundaries. No guarantee is given that the land is not subject to statutory rights not recorded on the relevant Computer Freehold Register and not apparent from normal inspection of the property. We assume no responsibility in connection with such foregoing matters.

11.2 Soils

11.2.1 A soil survey has not been carried out on the property although the soils are described on the Environment Southland website by Topoclimate South and are shown as being:

Soil Type	Approx Area	Description	
Waimatuku	50%	Deep silt loams, moderately well to well drained with deep rooting depth. Moderately high water holding capacity and seldom dry out. Subsoil is dense and be slow draining.	
Mokotua	45%	Deep silt loams which are strongly mottled and imperfectly to poorly drained. High water holding capacity which seldom dry out.	

Dacre	5%	Deep silty loams with poor drainage which seldom dry out.	

11.2.2 The above soil profile photos are not taken on the property but are provided by Topoclimate South as indicative soil profiles.

11.2.3 The above soil types are recognized soils and are well suited to seasonal dairy production and dairy support.

11.2.4 Subsurface drainage is necessary to improve utilisation of pastures.

11.3 Aspect

11.3.1 The property contains a predominantly south aspect.

11.3.2 The following is an estimate of the contour.

Contour Description	Approx Area	ha
Flat	35	ha
Undulating	36	ha
Title Area	**71**	**ha**

11.3.3 Overall the contour is regarded as good for dairy support land use.

11.4 Archaeological

11.4.1 Archaeological sites are present throughout the area and are not always officially recorded. Under the New Zealand Historic Places Act 1993 consent must be obtained to damage, destroy or modify archaeological sites such as for the creation of a house site or track or for land cultivation. Our valuation has been assessed on the basis that there are none on the land.

11.5 Altitude

11.5.1 The altitude is 40 metres above sea level.

11.6 Erosion

11.6.1 There is no evidence of erosion of any major significance to the property.

11.7 Drainage

11.7.1 The subject property is likely to have considerable sub surface drainage in the form of tiles and moles. Continued maintenance of these drainage systems is required allow improved utilisation of pastures.

11.8 Weeds and Pests

11.8.1 The property is relatively free of weeds with no weeds being of any economic significance.

11.8.2 No major pests were identified at inspection.

11.9 Subdivision

11.9.1 The property is subdivided into 22 main paddocks.

11.9.2 Internal fences are conventional dairy tanilised wooden post with 2-3 electric wires. Internal fencing was found to be in good condition overall.

11.9.3 The level subdivision for utilisation as a dairy grazing unit is good.

11.9.4 Boundary and road fences are conventional post and wire or netting, found in good condition.

11.10 Fertiliser

11.10.1 No soil tests provided. Pasture condition suggests good soil fertility levels.

11.11 Environmental Issues

11.11.1 We were advised by the current owners that there is no known or recorded site contamination or environmental issues relating to the subject land.

11.11.2 The Local Authorities are not currently releasing contaminated site information to the public. As at date of inspection, we were not made aware of any potential hazards which may influence the value of the property, such as an in-ground fuel tank and open rubbish dumps.

11.11.3 Historically pastoral properties used fertiliser with traces of DDT. As a result DDT is common in soils. Also traditional sheep dips used chemicals that have left residues around dips and drainage pens.

11.11.4 No DDT tests have been provided and we base our valuation on levels being satisfactory for a dairy unit. We recommend any intending purchaser make their offer conditional on a satisfactory DDT test.

11.11.5 If information is provided which alters this assumption then Logan Stone reserves the right to amend the valuation figure.

11.11.6 Based on the current and historic information we advise the requirement for an environment audit is unnecessary.

11.11.7 While due care has been taken to note any contamination liability, our investigations have been undertaken for valuation purposes only, and this report does not constitute an environmental audit. Unless otherwise stated no account has been taken of the effect on value due to contamination or pollution.

11.12 Flooding

11.12.1 The subject property is not known to have a serious flooding issue. However, the Southland District Plan maps indicate part of the flatter areas are prone to inundation.

12 UTILISATION

12.0.1 The subject property is currently utilised as a dairy grazing block for making of supplements and grazing of stock including watering of dairy cows.

12.1 Cover

12.1.1 At date of inspection the cover of the property was estimated to be as follows:

Cover Description	Approx Area	(ha)
Winter feed	15	ha
Pasture	55	ha
Lanes, trees, buildings etc	1.2	ha
Title Area	**71.2**	**ha**

12.1.2 Overall pastures were found to be in generally good heart, comprising a good level of dairy pasture species.

12.1.3 Pasture age is understood to be under 5 years.

12.1.4 The overall effective pasture platform area is estimated at 70 hectares.

12.2 Production

12.2.1 The property is currently run as a dairy support/grazing block and no production figures have been provided. District stocking rates for this level of development on these soil types would be in the vicinity of 15 to 17.5 stock units per hectare.

13 BUILDING IMPROVEMENTS

13.1 Hay Barn

Design and Construction

Year Built (Additions):	1960s
Floor Area:	86m^2
Framing:	Steel
Roof:	Corrugated Iron
Condition/Adequacy	While this is not intended to be a structural report, being inspected for valuation purposes only, the building was found in fair condition.

13.2 Hay Barn

Design and Construction

Year Built (Additions):	1960
Floor Area:	69m^2
External Cladding:	Iron
Roof:	Iron
Condition/Adequacy	While this is not intended to be a structural report, being inspected for valuation purposes only, the building was found in fair condition.

13.3 Cattle Yards

Wooden post and rail. While this is not intended to be a structural report, being inspected for valuation purposes only, the building was found in fair condition.

13.4 Bridges

Two providing access across Stream.

13.5 Water Supply

13.5.1 Water for stock purposes is provided from a bore. Reticulated to large, round dairy troughs at one per paddock.

13.5.2 We have not carried out water quality or quantity tests on the property's water supply. Our valuation has therefore been assessed on the basis that the existing water supply is both reliable and of sufficient quantity and quality for the present use. Should this prove to be incorrect we reserve the right to re-assess our valuation.

13.6 Access

13.6.1 The property has good access with road frontage from Limestone Plains Road and Thornbury Waimatuku Road plus internal races. Access is limited by a stream running through the property which has two bridges to provide access. Note previous comment on access across adjoining land. The adjoining railway line needs to be crossed for access to the north eastern corner.

13.7 Stock Races and Driveways

13.7.1 There are approximately 800 metres of metalled stock races.

13.8 Shelter

13.8.1 There are limited internal shelter belts on the property. Some boundary lines have shelter.

13.8.2 Shelter provided is fair.

APPENDIX A

STATEMENT OF GENERAL VALUATION POLICIES

1. Our responsibility in connection with this valuation report is limited to the person to whom the report is addressed and we disclaim all responsibility to any other party without reference to us.
2. This report may not be reproduced, in whole or in part, without our prior written approval.
3. This report has been prepared for the purpose stated in the report and may be relied upon for that purpose only. Assumptions made in the preparation of the report are as expressly stated in the report or set out below.
4. Where it is stated in the report that information has been supplied to us by another party, this information is believed to be reliable but we cannot accept responsibility if this should prove not to be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of records and examination of documents or by enquiry from Government or other appropriate departments.
5. We have made no survey of the property and unless otherwise stated assume that all improvements lie within the Computer Freehold Register boundaries. No guarantee is given that the land is not subject to statutory rights not recorded on the relevant Computer Freehold Register and not apparent from normal inspection of the property. We assume no responsibility in connection with such foregoing matters.
6. We do not carry out investigations on site in order to determine the suitability of ground conditions and services, nor do we undertake environmental or geotechnical surveys. Unless notified to the contrary, our valuations are on the basis that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas or other noxious substances.
7. Unless otherwise stated our report is subject to there being no detrimental registration(s) affecting the land other than those appearing on the Computer Freehold Register(s) valued in this report. Such registrations may include Wahi Tapu registrations and Historic Places Trust registrations.
8. We have not obtained from the territorial authority a Land Information Memorandum. Our valuation has been made on the basis that such Memorandum if obtained would not have disclosed information which would have affected adversely our opinion of the market value of the property.
9. No environmental audit has been undertaken, although contaminants present on the site and obvious to us on inspection may have been noted in the report. No warrant is given, or is to be implied, in this report that the property is free from contaminants.
10. While in the course of inspection due care is taken to note building defects, no structural survey has been made and no undertaking is given about the absence of rot, termite or pest infestation, deleterious substances such as asbestos or calcium chloride or other hidden defects. We can give no guarantee as to outstanding requisitions in respect to the subject building.
11. In preparing the valuation it has been assumed hot and cold water systems, electrical systems and other devices, fittings and conveniences as are in the building to be in proper working order and functioning for the purpose for which they were designed.
12. Where a property is leased, this report records the nature of the information supplied. That information has been accepted and relied upon at face value. It has been assumed that the information supplied is complete and accurate, and that the lease is fully enforceable.
13. Unless otherwise stated in our report our valuation is on the basis that the property complies with the Building Act 1991, Health and Safety in Employment Act 1992, Evacuation of Buildings Regulations 1992 and Disabled Persons Community Welfare Act 1975 or that the legislation has no significant impact on the value of the property.
14. We certify that Logan Stone Limited holds professional indemnity insurance.
15. Our assessments are expressed in New Zealand Dollar currency.

APPENDIX B

Computer Freehold Registers

COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952

Search Copy

R.W. Muir
Registrar-General
of Land

Identifier	**353547**
Land Registration District	**Southland**
Date Issued	10 October 2007

Prior References
SL11C/938

Estate	Fee Simple
Area	18.9735 hectares more or less
Legal Description	Lot 2 Deposited Plan 8791 and Lot 2 Deposited Plan 388349

Proprietors
Tamrin Farm Holdings Limited

Interests

Subject to a right of way over part Lot 2 DP 8791 as shown on DP 8791 and a drainage easement (1.0 m wide) over part Lot 2 DP 8791as shown on DP 8791 specified in Easement Certificate 280855 - 8.5.1974 at 11:05 am

Appurtenant to Lot 2 DP 388349 is a right of way specified in Easement Certificate 255819.2 - 10.2.1998 at 11:24 am

The easements specified in Easement Certificate 255819.2 are subject to Section 243 (a) Resource Management Act 1991

Subject to Section 241(2) Resource Management Act 1991 (affects DP 388349)

Subject to a right of way over part Lot 2 DP 388349 marked A and a right of way over part Lot 2 DP 8791 marked B all on DP 388349 created by Easement Instrument 7571298.2 - 10.10.2007 at 9:00 am

The easements created by Easement Instrument 7571298.2 are subject to Section 243 (a) Resource Management Act 1991

7812680.1 Mortgage to ANZ National Bank Limited - 4.6.2008 at 1:23 pm

7842376.1 Mortgage to Robert Benjamin Simpson and Mervyn Douglas West - 10.6.2008 at 9:00 am

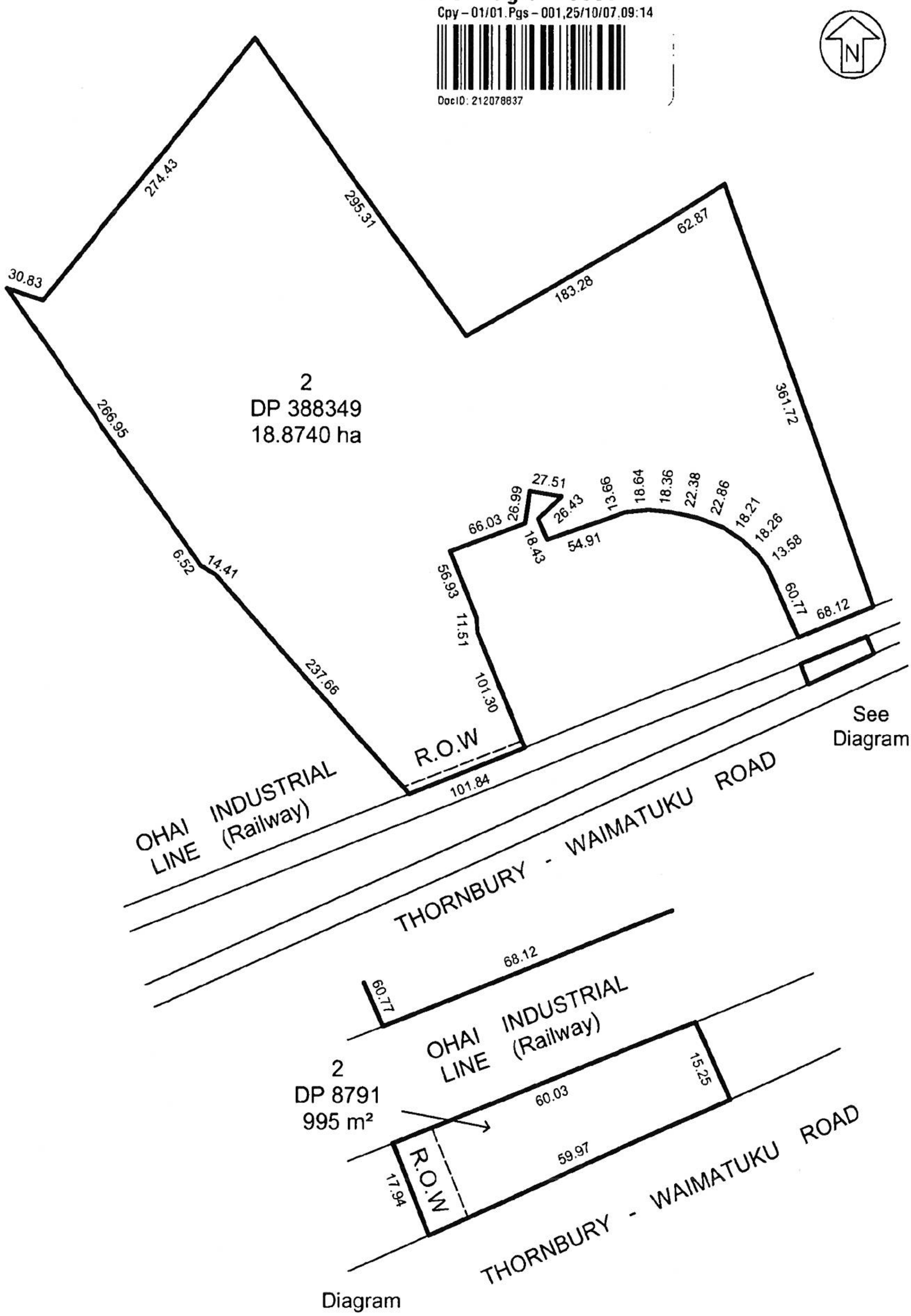
7842376.2 Mortgage to Robert Benjamin Simpson - 10.6.2008 at 9:00 am

8018316.1 Variation of Mortgage 7842376.2 - 5.12.2008 at 9:00 am

Title Diagram 353547

Cpy - 01/01. Pgs - 001,25/10/07.09:14

DocID: 212078837



Total area: 18.9735 ha

COMPUTER FREEHOLD REGISTER
UNDER LAND TRANSFER ACT 1952

Search Copy

R.W. Muir
Registrar-General
of Land

Identifier **SL11C/939**
Land Registration District **Southland**
Date Issued 10 February 1998

Prior References
SL4A/447

Estate Fee Simple
Area 52.2707 hectares more or less
Legal Description Lot 1 Deposited Plan 14706

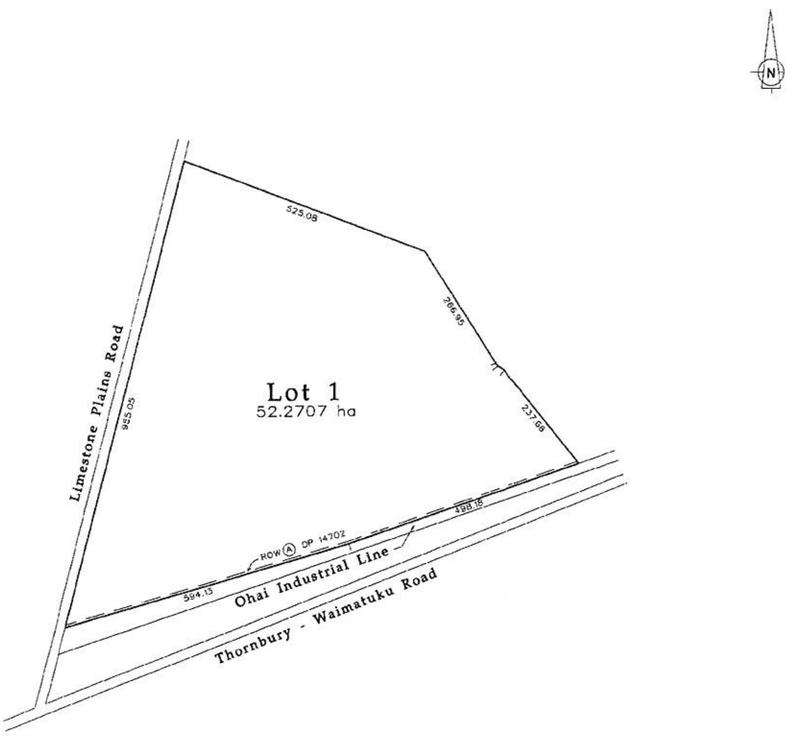
Proprietors
Tamrin Farm Holdings Limited

Interests

255819.2 Easement Certificate specifying the following easement - 10.2.1998 at 11.24 am

Type	Servient Tenement	Easement Area	Dominant Tenement	Statutory Restriction
Right of way	Lot 1 Deposited Plan 14706 - herein	A DP 14702	Lot 1 Deposited Plan 14702 - CT SL11C/938	

7812680.1 Mortgage to ANZ National Bank Limited - 4.6.2008 at 1:23 pm
7842376.1 Mortgage to Robert Benjamin Simpson and Mervyn Douglas West - 10.6.2008 at 9:00 am
7842376.2 Mortgage to Robert Benjamin Simpson - 10.6.2008 at 9:00 am
8018316.1 Variation of Mortgage 7842376.2 - 5.12.2008 at 9:00 am



New CT Allocated	
Lot 1	CT 11C/939

Parcel	Formerly	CT Ref
Lot 1	Pt Lot 1 DP 5277	4A/447

Deduced Total Area 52.2707 ha

Approved for CT Diagram Purposes Only

Deputy Chief Surveyor

Deposited for CT Diagram Purposes Only
This 10th. day of February

Assistant Land Registrar

LAND DISTRICT SOUTHLAND
Survey Blk. & Dist. VII Jacobs River Hd
NZMS 261 Sheet E46

Plan of Lot 1 for CT Diagram Purposes

TERRITORIAL AUTHORITY SOUTHLAND DISTRICT
Prepared by TERRALINK NZ LIMITED
Scale Proportional Date 20 October 1997

Drawn by
Checked by KH

DP 14706

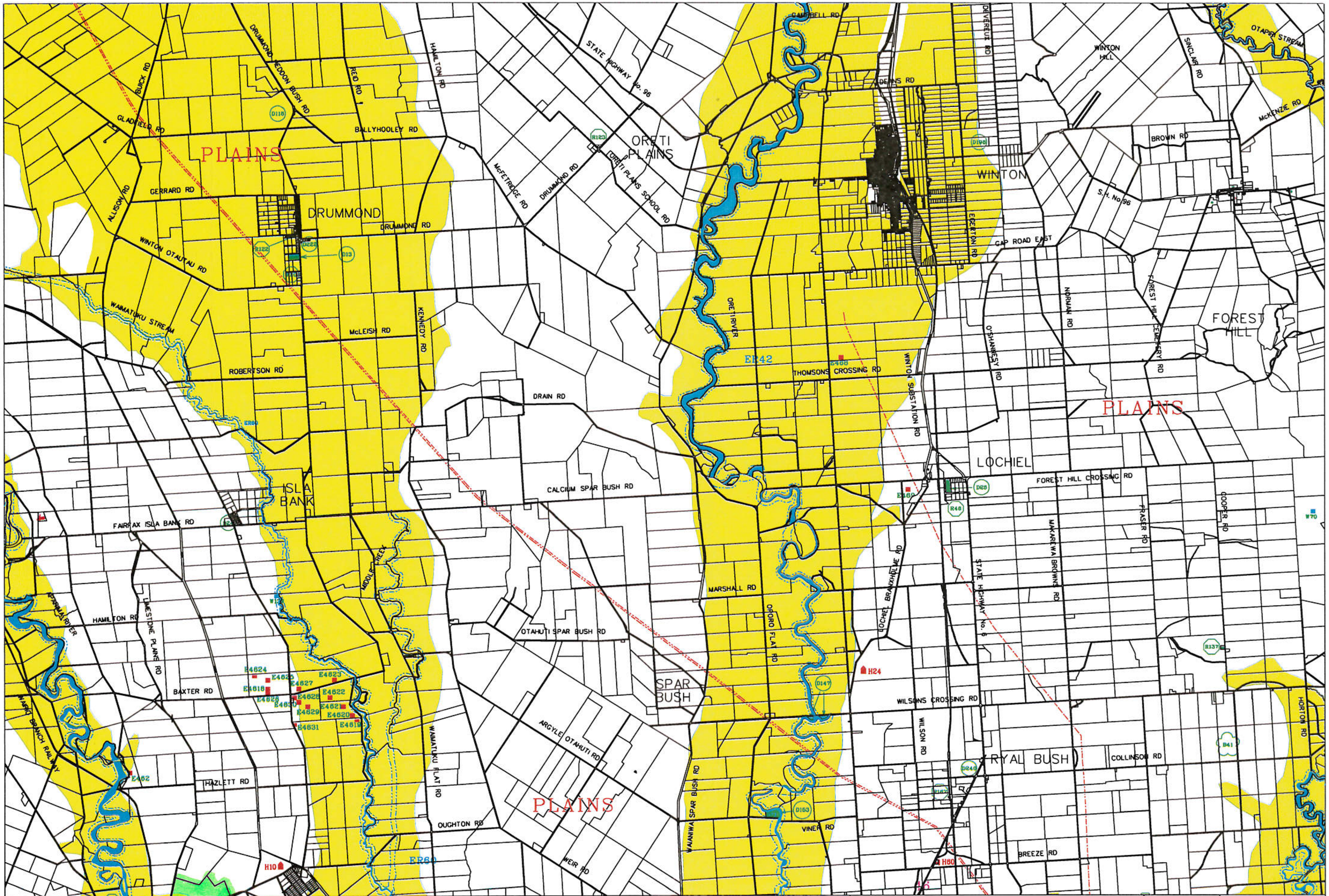
"Approved LM 94/14"

A.J. BEVIN , SURVEYOR GENERAL , LAND INFORMATION NEW ZEALAND

A2 A3 A3 A2

APPENDIX C

District Plan Map



RURAL RESOURCE AREAS

SOUTHLAND DISTRICT PLAN

Southland District Council

Produced by Southland District Council G.I.S.
Design File Reference - DP29.DGN

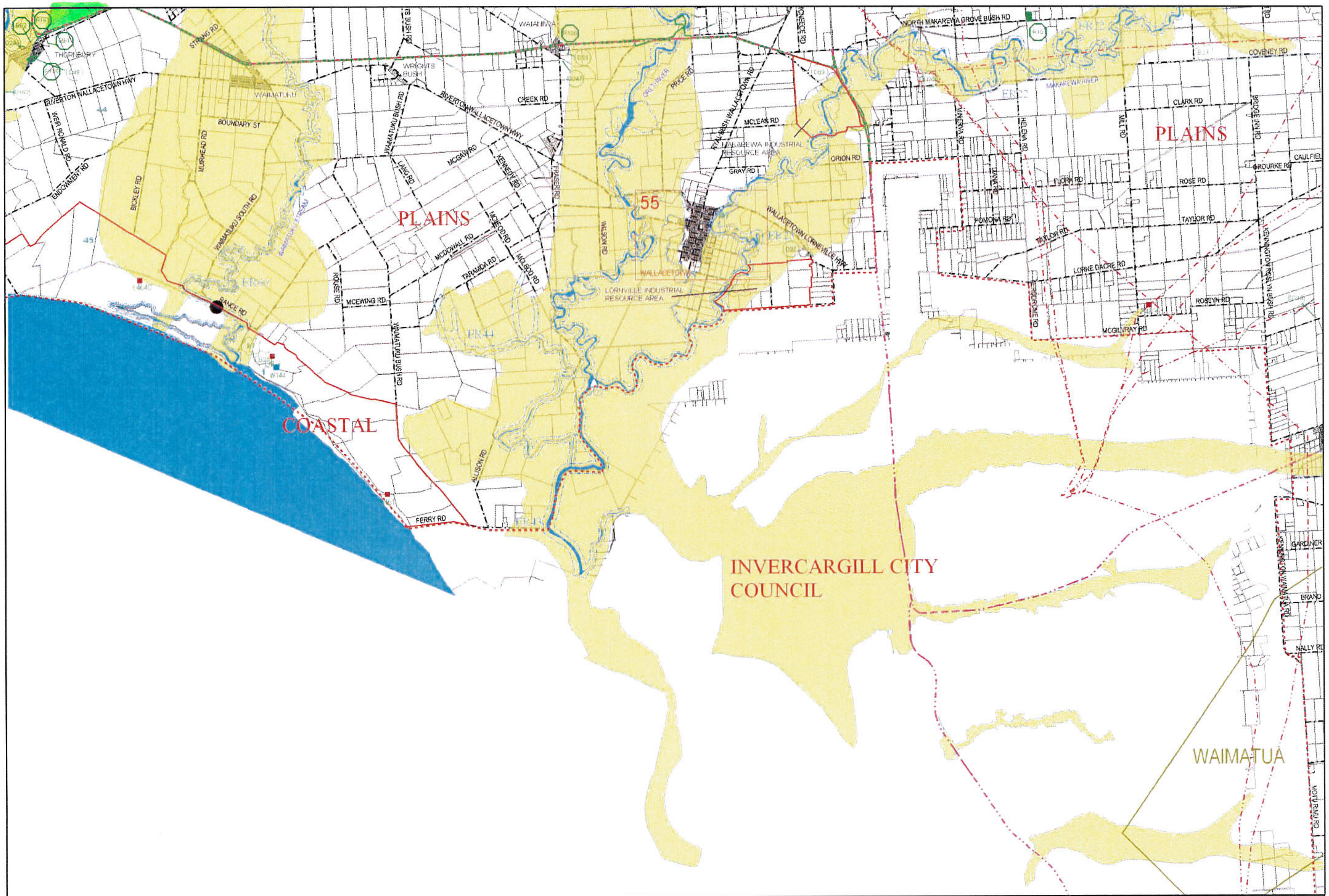
0 0.5 1 2 3 4 5 km

SCALE 1 : 75000

AS AT 1 AUGUST 1995

Source : DOSLI DCDB

23	24	25
28	29	30
32	33	33



People First
Southland District Council
Te Rohe Pōtae O Murihiku

RURAL RESOURCE AREAS

SOUTHLAND DISTRICT COUNCIL

Prepared by the SDC Property & Spatial Department
G:\GIS\Geoworkspaces\Resource_Management\District_Plan\ResourcesAreas.gws

0 1 2 3 4 5
kilometres

SCALE 1 : 75000

AS AT 01 AUGUST 1995

28	29	30
32	33	34
--	36	36

APPENDIX D

Valuation Worksheet

Valuation Worksheet for: Roger Dickie New Zealand Limited - Support Block **Date of Inspection:** 15/01/2014

Matter: 3364

Area	CT	ha
	SL11C/939	52.2707
	353547	18.9735
	Total	71.2442
	Effective	

Ewes	1	0		
Hgts	0.7	0		
R&K	1	0		
Cows	6	0		
Calves	4	0		
Cattle	5	0		
Hinds	2	0	su/ha	su/eff ha
Total		0	0.00	#DIV/0!
Average Efficient for Valuation		1250	17.55	#DIV/0!

Land Class	Area	su/ha	
Heavy flat to undulating	71	17.5	1242.5
			0
			0
			0
		Total	1242.5

QV	ref	Land	Imps	Capital	Area
Date					
01.09.12	30530.13802	520,000	10,000	530,000	18.9735
	30530.13801	1,425,000	25,000	1,450,000	52.2707
	Total	1,945,000	35,000	1,980,000	71.2442

Valuation

Land	Description	Area	Unit Price	Provisional	Final		per ha	per su	Relationship to QV
Heavy Central Southland Flat		71.2442	$30,500	$2,172,948					
				$0					
				$0					
				$0					
				$0					
Total		71.2442		$2,172,948	$2,170,000	$2,170,000	$30,459	$ 1,736	1.12

Improvements

Fencing	No Pdks	Av pdk size	Area	Rate						
	22	3.2	71.2442	$350	$24,935					
					$0					
Water Supply			71	$375	$26,625					
Races & Lanes			800	$20	$16,000					
Shelter			1	$5,000	$5,000					
Bridges			1	$15,000	$15,000					
Total Paddock Improvements					$87,560	$88,000	$88,000			
Paddock Value							$2,258,000	$31,694	$1,806	

	Age	Condition	Quantity	Rate			
Hay Barn	1990s	G	69	$50	$3,450	$3,000	
Hay Barn	1960s	F	86	$50	$4,300	$4,000	
Cattle Yards			1	$5,000	$5,000	$5,000	
					$0		
					$0		
					$0		
					$0		
					$0		
					$0		
					$0		
					$0		
					$0		
					$0		
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					$0		
					$0		
					$0		
					$0		
					$0		
					$0		
					$0		
					$0		
					$0		
					$0		
Total Buildings					$12,750	$12,000	$12,000

Total Improvements	$100,000			2.86
Total Land & Improvements	$2,270,000	$31,862	$ 1,816	1.15
Household Chattels	$0			
Farm Chattels	$0			
		per ha	per su	
Total Market Value	$2,270,000	$ 31,862	$ 1,816	

APPENDIX E

Comparable Sales Evidence

Local Authority	District	Address	Property Type	Sale Date	Area (ha)	Stock Units	SU/ha	Sale Price	SP/ha	SP / SU	LV/ha	LV/ SU	Comments	Relationship to subject property
1	Waimatuku	7 Endowment Road	Fat	2/10/2013	188.9428	3300	17.5	$ 7,150,000	$ 37,842	$ 2,167	$ 34,931	$ 2,000	Good quality property with flat contour and predominantly Edendale soils. Purchased as dairy support. Potential conversion.	Better soils.
2	Wrights Bush	528 Riverton Wallacetown Road	Fin	29/10/2013	36.36	630	17.3	$ 1,260,000	$ 34,651	$ 2,000	$ 31,351	$ 1,810	Dairy support block. Dacre and Mokotua soils.	Smaller. Similar.
3	Tussock Creek	Collinson Rd	Gra	24/10/2013	57.50	1000	17.4	$ 2,320,000	$ 40,349	$ 2,320	$ 35,566	$ 2,045	Flat contour with excellent shelter to nearly all paddocks. Good range of farm buildings and a well presented 1960s home	Smaller. Better location..
4	Heddon Bush	Boyle Rd	Gra	6/09/2013	39.08	680	17.4	$ 1,328,000	$ 33,982	$ 1,953	$ 32,702	$ 1,879	Bare land adjoining dairy unit	Lighter soils. Smaller
5	Pebbly Hill	425 Hedgehope Block Roa	Conversion	30/08/2013	168.6	2500	14.8	$ 4,200,000	$ 24,911	$ 1,680	$ 24,437	$ 1,648	Purchased for dairy conversion. Rolling to flat contour. Partly raced and watered.	Inferior contour and location.
6	Branxholme	109 Turkey Bush Road	Gra	14/08/2013	44.8	670	15.0	$ 1,665,000	$ 37,165	$ 2,485	$ 35,603	$ 2,381	Good location with good soils.	Better location
7	Seaward Downs	165 Trig Road	Dai	1/09/2013	107.8	1850	17.2	$ 3,996,360	$ 37,072	$ 2,160	$ 33,593	$ 1,957	Dairy unit purchased by neighbour as support block	Better
8	Dacre	68 Old Dunedin Rd	Fat	8/10/2013	40.5	800	19.8	$ 1,550,000	$ 38,272	$ 1,938	$ 35,062	$ 1,775	Dairy support block. Good flat soils.	Better soils and location
9	Waimatuku	339 Paulins Bush Rd	Gra	12.12	53.5	930	17.4	$ 1,601,000	$ 29,908	$ 1,722	$ 28,500	$ 1,641	Bare land next to dairy farm. Some sheds	Similar. Older sale. Market has improved
10	Wallacetown	400 Ryall Bush - Wallacetown Road	Fat	24.12.12	45.78	800	17.5	$ 1,639,950	$ 35,822	#DIV/0!	$ 34,949	$ 2,000	Bare land. Top quality soils.	Smaller. Better
		Subject Property Assessment			71.2	1250	17.5	$ 2,270,000	$ 31,862	$ 1,816	$ 30,459	$ 1,736		