

# VALUATION REPORT

Commercial

Address: 8 Paerangi Place  
Tauriko  
Tauranga

Instructed By: Pacific Property Fund Limited

**Report Date: 8 May 2019**



<sup>®</sup> **Preston**  
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National Property Consultants

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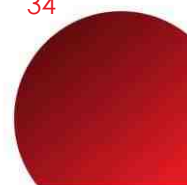
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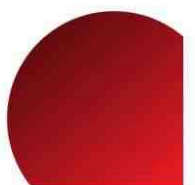
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## Executive Summary

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This executive summary must be read in context of and in conjunction with the full valuation report of which this executive summary forms part. All comments, terms and conditions contained in the full valuation report relate directly to this Executive Summary.



|                               |  |
|-------------------------------|--|
| <b>Property Address:</b>      | 8 Paerangi Place<br>Tauriko<br>Tauranga  |
| <b>Instructed By:</b>         | Pacific Property Fund Limited<br>c/- Property Managers Group<br>P O Box 3034<br>Tauranga 3140  |
| <b>Other Reliant Parties:</b> | Pacific Property Fund Limited<br>c/- Property Managers Group<br><br>ASB Bank Limited   |
| <b>Borrower:</b>              | Pacific Property Fund Limited  |
| <b>Purpose of Valuation:</b>  | To determine market value of the subject property for first mortgage security, financial reporting as at 31 March 2019 and capital raising purposes.   |
| <b>Basis of Valuation:</b>    | Market Value – Subject to existing lease   |
| <b>Brief Description:</b>     | The subject property is a large industrial development, that provides a factory, a two level office and amenities block, a cold store, canopy and generous onsite carparking and manoeuvrability areas. It is situated to the northern side of Paerangi Place, one property west of its roundabout intersection with Kennedy Road and Taurikura Drive and forms part of the Tauriko Business Estate. |

|                                  |  |
|----------------------------------|--|
| <b>Tenancy Particulars:</b>      | Kiwi Nutraceuticals Limited have signed an Agreement to lease over the premises which reflects a term of 10 years that commenced 1 November 2018 with one further renewal option of 10 years. The lease is struck on a net basis. The base contract rent is \$530,159 pa plus GST. In addition to this rent is a Net Asset Rent of \$63,432 pa plus GST. Rent reviews apply to the base rent only and are fixed at a 2.75% increase on an annual basis as well as to market on a 5 yearly basis. |
| <b>Land Area:</b>                | 7,437 m <sup>2</sup>   |
| <b>Lettable Building Area:</b>   | 4,066 m <sup>2</sup> (including Canopy)  |
| <b>Registered Proprietor:</b>    | Pacific Property Fund Limited  |
| <b>Zoning:</b>                   | Tauriko Industry zone under the Tauranga City Plan   |
| <b>Last Sale:</b>                | According to Property Guru the subject property sold in December 2017 for \$9,250,000 plus GST (if any). Since the time of this sale, there has been a change of tenant and a change of lease terms.   |
| <b>Assessed Interest:</b>        | Freehold   |
| <b>Valuation Approaches:</b>     | Capitalisation Approach and Discounted Cashflow Approach   |
| <b>Date of Inspection:</b>       | 10 April 2019  |
| <b>Date of Valuation:</b>        | 31 March 2019  |
| <b>Financial Reporting Date:</b> | 31 March 2019  |

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|                      |   |
|----------------------|---|
| <b>Market Value:</b> | <b>\$8,700,000</b><br><b>(Eight Million and Seven Hundred Thousand Dollars)</b> |
|                      | The above value is prepared on the basis of plus GST (if any)                   |

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**Critical Assumptions:** Refer Critical Assumptions section of this report.

**Valuer:**



Signature of Valuer/Director: on behalf of  
**PRP Tauranga**  
**Phillip Diggelmann, BCom (VPM), MPINZ ANZIV**  
**Director, Registered Valuer**

**Counter Signature:**



Signature of Check Valuer: on behalf of  
**PRP Tauranga**  
**Dylan Barrett, BBS (VPM) ANZIV, MPINZ**  
**Director, Registered Valuer**

"I, the counter signatory, hereby confirm that I have reviewed the valuation & working papers in the capacity of an internal peer reviewer and am satisfied that the opinion of value contained in the valuation has been reached based on reasonable grounds. The opinion of value expressed in this report, however, has been arrived at by the primary signatory acting as the Valuer in accordance with instructions given".

## SWOT Analysis

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### **Strengths & Opportunities:**

- Located in the Tauriko Business Estate, being a desirable alternative to the Mount Maunganui industrial area
- Secured by a long-term lease of 9.59 years
- Fixed annual rental increases of 2.75%
- Attractive modern building
- Bank guarantee for the tenant in place
- Current market conditions
- Amortizing rent for the Net Assets providing additional cashflow

### **Weaknesses & Threats:**

- Value quantum limiting purchasing pool
- Weakening market conditions in the short to medium term
- Interest rates rises
- Tenant vacating the building or not meeting their obligations under the lease
- Specialised nature of the building

## 1 Introduction – Scope of Works

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### 1.1 Instructions

|                           |  |
|---------------------------|--|
| PRP File Reference:       | 3016276  |
| Instructed By:            | Pacific Property Fund Limited<br>c/- Property Managers Group<br>P O Box 3034<br>Tauranga 3140  |
| Other Reliant Parties:    | Pacific Property Fund Limited<br>c/- Property Managers Group<br><br>ASB Bank Limited   |
| Borrower:                 | Pacific Property Fund Limited  |
| Property Address:         | 8 Paerangi Place<br>Tauriko<br>Tauranga  |
| Purpose of Valuation:     | To determine market value of the subject property for first mortgage security, financial reporting as at 31 March 2019 and capital raising purposes. |
| Date of Inspection:       | 10 April 2019  |
| Date of Valuation:        | 31 March 2019  |
| Financial Reporting Date: | 31 March 2019  |

This Valuation has been prepared for, and may be used by Pacific Property Fund Limited, to meet its financial reporting requirements in accordance with New Zealand International Financial Reporting Standards NZ IFRS 13 and New Zealand International Accounting Standards NZIAS 40.

This valuation is also subject to certain assumptions and stipulations, including a determination of the Highest and Best Use adopted in determining the Fair Value, which are documented within the Report.

The Valuation is also undertaken in accordance with *The Australia and New Zealand Valuation and Property Standards* and *International Valuation Standards*, and all related applicable Standards and Guidance Notes.

### 1.2 Liability to Third Parties and Purpose

This Valuation Report is prepared solely for the party to whom it is addressed and for the purpose stated in the report. PRP Tauranga disclaims any responsibility and will not accept any liability to any other party whether using the report for the specific purpose stated or otherwise.

### 1.3 GST Assumption

Unless otherwise stated, all financial information and valuation calculations and assessments in this report are on the basis of plus GST (if any).



## 1.4 Valuation Definitions

### **Market Value Definition:**

In accordance with the International Valuation Standards 2017, the definition of market value is as follows:

*"The estimated amount for which an interest in real property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."*

### **Fair Value Definition:**

In accordance with NZ IFRS 13, the definition of Fair Value is as follows:

*"Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market as the measurement date under current market conditions (i.e an exit price) regardless of whether that price directly observable or estimated using another valuation technique."*

## 1.5 Qualifications

This valuation report is provided subject to the assumptions, disclaimers and limitations detailed throughout this report and to those included within the Terms and Conditions section of this report.

## 1.6 Compliance Statement

This valuation has been performed in accordance with the International Valuation Standards 2017 and we confirm that:

- The signing valuer has prepared the valuation report for and on behalf of PRP;
- The valuer has concluded an objective and unbiased opinion of value;
- The valuer has no material connection or involvement with the subject or the party commissioning the assignment;
- The valuer is competent to undertake a valuation assignment. No one, except those specified herein has provided professional assistance in preparing this report.

## 2 Critical Assumptions

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Our valuation is made on the basis of the following critical assumptions:

- a) The valuation figures shown in this report are based on the assumption that the structural integrity of the improvements and the underlying land is sound.

As Valuers, we are not qualified to assess the structural integrity of the improvements, nor the stability, load bearing capacity or integrity of the land and we accordingly give no warranty in this regard.

- b) Our valuation assumes all appropriate consents and permits have been obtained.
- c) We have been provided with a signed copy of the Agreement to Lease and have been advised that the agreement is now unconditional. Our valuation proceeds on the basis the terms and conditions set out in the lease provided are unconditional and the Deed of Lease will replicate those terms and conditions. If this is found to be otherwise, we reserve the right to reconsider our valuation assessment.

### 3 Site Details

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#### 3.1 Location

##### **Physical Location:**

The subject property is situated to the northern side of Paerangi Place, one property west of its roundabout intersection with Kennedy Road and Taurikura Drive and forms part of the new Tauriko Business Estate.

Taurikura Drive is the main ingress into the Tauriko Business Estate linking Takitimu Drive and the toll road at its northern end connecting the wider city area.

A feature of the Tauriko Business Estate is its easy access into the central city and Mount Maunganui via Takitimu Drive. Further, there is easy access via State Highway 29 to Hamilton and surrounding districts. The property is approximately eight to nine kilometres from the central city and port, with Mount Maunganui CBD a further five to six kilometres.

##### **Surrounding Development:**

Surrounding development within the immediate vicinity of the subject property comprises predominantly new build industrial facilities, with a number of vacant industrial sections remaining.

The following map illustrates the position of the subject property within Tauriko Business Estate:



### 3.2 Land Description

| SITES & SERVICES |  |
|------------------|--|
| Shape:           | Near square  |
| Topography:      | Near level   |
| Site Area:       | 7,437 m <sup>2</sup>                                 |
| Street Frontage: | 87.07 metres (approximately)                         |
| Site Depth:      | 85.53 metres (approximately)                         |
| Access:          | Dual vehicle access is available from Paerangi Place |
| Services:        | All typical services appear to be connected.         |

The following plan shows the approximate legal boundaries of the site in relation to adjoining sites.



### 3.3 Site Contamination

We note as per our online enquiry with Tauranga MAPI, the subject site is not registered as a HAIL (Hazardous Activities and Industries List) site. We are not environmental experts, nor do we know the extent of contamination (if any). Our valuation therefore assumes that the site is free from elevated levels of contamination and we have therefore made no allowance in our valuation for site remediation. However, if this is a concern to the lender, then further investigation may be required.

### 3.4 Legal Details

Title details are summarised as follows:-

| TITLE IDENTIFIER                       | LEGAL DESCRIPTION   | LAND AREA                  |
|--|---|----------------------------|
| 738376                                 | Lot 295 Deposited Plan 498493   | 2,437 m <sup>2</sup>       |
| 756405                                 | Lot 297 Deposited Plan 503167   | 5,000 m <sup>2</sup>       |
| <b>TOTAL LAND AREA:</b>                |   | <b>7,437 m<sup>2</sup></b> |
| Registered Proprietor:                 | Pacific Property Fund Limited   |                            |
| Registered Interests:<br>(Both Titles) | <p>There are various interests registered on the titles, including Land Covenants, Surrender of Land Covenants, Easement Instruments and Easement Certificates. We have taken all of the registered interest into account for our valuation.</p> <p>A registered interest we note is Certificate 10840324.4 pursuant to Section 77 Building Act 2004. Both computer freehold registers are subject to the condition opposed under Section 75 (2) which refers both Computer Freehold Registers must be held as one given building layout.</p> |                            |

We attach a copy of the Record Of Title searches (refer Appendices).

### 3.5 Planning

Town Planning details, which we have obtained from online sources, are summarised below:

| PLANNING              |   |
|-----------------------|---|
| Local Authority:      | Tauranga City Council   |
| Zoning:               | Tauriko Industry under the Tauranga City Plan   |
| Zone Description:     | <p>The purpose of the Tauriko Industry Zone is to provide for industrial activities, while addressing landscape, servicing and design issues specific to this zone. Within the zone a specific emphasis is placed on people being able to meet their daily needs within the local community. This is supported by placing an emphasis on achieving integration with the Pyes Pa West residential area, and providing for small-scale convenience retail sufficient to meet the needs of employees within the zone.</p> <p>The maximum height of any building or structure in this zone is 16 metres. This reduces as one approaches the rural zone.</p> <p>The rules specific to the Tauriko Industry Zoned include streetscape regulations and sensitivity zone boundaries. We note that retail and offices within the zone shall be limited to 25% of the gross leasable floor area with a maximum of 100m<sup>2</sup>.</p> |
| Permitted Activities: | <p>Truck yards, workshops and warehouses are all permitted uses within the zone. We note that general retailing and offices are not permitted unless ancillary to the existing use.</p> <p>The current use appears to conform with the current zoning and our valuation proceeds on this basis.</p>   |
| Heritage Notations:   | None known however unlikely.  |

The following plan shows the zoning of the property and the adjoining sites.



### 3.6 Rating Valuation

The latest rating valuations for the subject property as at 1 July 2018 are as follows:

| ADDRESS          | LAND VALUE  | IMPROVEMENTS VALUE | CAPITAL VALUE | RATES (INCL GST) |
|------------------|-------------|--------------------|---------------|------------------|
| 8 Paerangi Place | \$2,660,000 | \$6,700,000        | \$9,360,000   | \$20,804.18      |

The above values are for rating purposes only and do not necessarily reflect current market value and or sentiment.

## 4 Improvements

### 4.1 Property Description

#### General Description:

The property was constructed in 2017 and comprises a large industrial development, that is effectively divided in two buildings that are connected by way of a drive thru canopy.

The main building is located to the north eastern corner of the site and provides a factory and a two level office and amenities block.

The smaller building is located towards the eastern boundary and provides a cold store.

A drive thru canopy connecting the buildings provides all weather access and free flow of products.

There are other tenant owned improvements onsite which form part of 'the Net Assets' and are treated as part of a separate agreement as per Section 31 of the Agreement to Lease. Refer to Appendix E for a list of these assets.

#### Construction:

| COMPONENT      | CONSTRUCTION MATERIAL   |
|----------------|---|
| Foundation     | Concrete  |
| Floor          | Concrete to ground level and assumed timber to first floor components   |
| Structure      | Steel lean-to main frame structure and light weight steel to office with timber secondary framing   |
| External Walls | The main building comprises precast concrete to boundary walls and corrugated colour steel exterior cladding to the balance<br>The coldstore comprises EPS Panel to all elevations with some concrete block to the eastern boundary |
| Joinery        | Aluminium framed  |
| Roofing        | The main building comprises profile metal roof over mesh<br>The coldstore comprises EPS Panel   |
| Floor Finishes | Vinyl to ablutions and carpet tile to balance office area   |
| Wall Linings   | Plasterboard to office block  |

#### Accommodation:

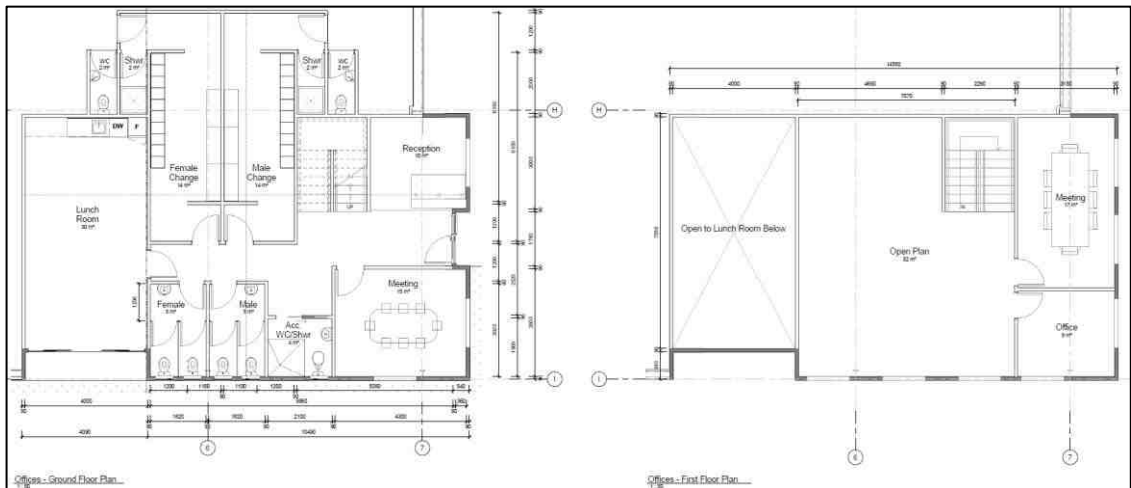
##### Main Building

The factory features a lean to roof with a stud height of circa 5.65 metres at the knee rising to circa 8.15 metres at the apex. Two full height roller doors are located along the eastern side and provides direct access to the canopy with a new roller door located along the southwestern elevation.

Situated adjacent the eastern side of the factory is a large canopy with a lean to roof profile and drive thru access.







**Other Improvements:**

Other landlord owned improvements included in the overall development are boundary fencing, hot bitumen sealed driveway and car park areas including 44 carparks and some minor landscaping.

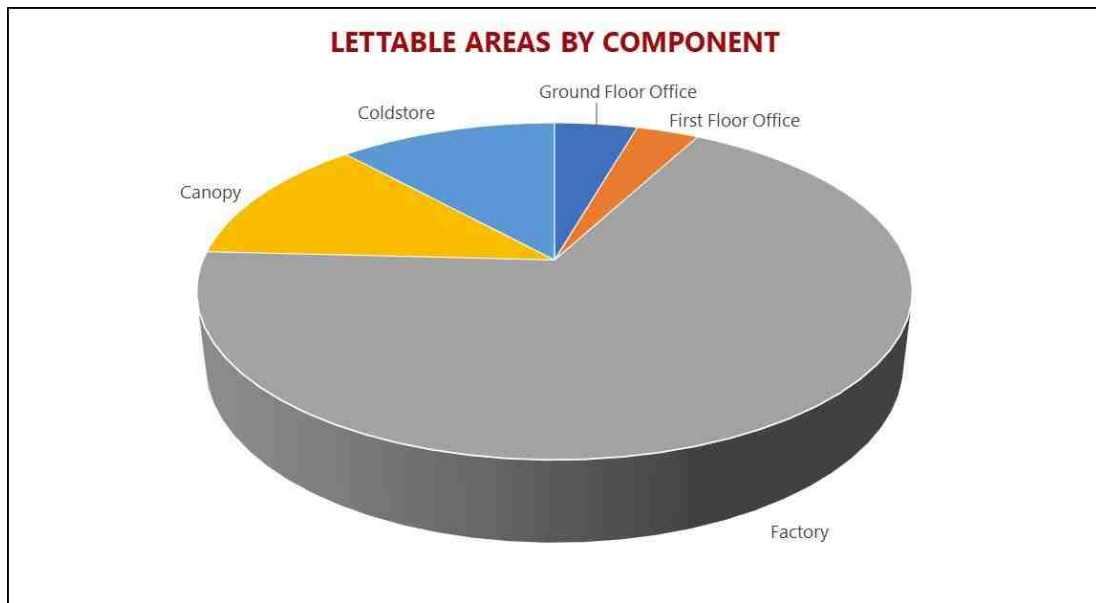
**4.2 Floor Areas**

We have been provided with surveyed floor areas for the subject property, which appear to have been measured in accordance with PCNZ/PINZ Guidelines for Measurement of Rentable Areas – Industrial Premises.

The following refers:

| COMPONENT                   | LETTABLE AREA (sqm) |
|-----------------------------|---------------------|
| Factory                     | 2,783.9 sqm         |
| Office                      | 292.2 sqm           |
| Canopy                      | 507.6 sqm           |
| Cold/Coolstore              | 482.7 sqm           |
| <b>Total Lettable Area:</b> | <b>4,066.4 sqm</b>  |

To this report, we have appended the surveyed measurement of rentable area.



#### 4.3 Building Act 2004

##### **Earthquake Prone Building Policy Compliance:**

An "earthquake-prone building" is a structure that is less than one-third of the current new building standard (NBS) for earthquake strength design.

Given the new build nature of the subject property, we have assumed the property has an earthquake strengthening rating of no less than 100% NBS.

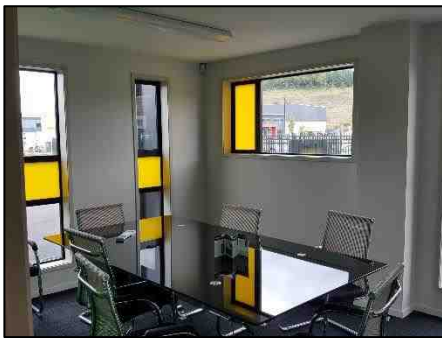
##### **Building Act Compliance Schedule:**

The Building Act 2004 introduced changes to the compliance schedule and building warrant of fitness regime.

The compliance schedule lists the building's specified systems and the inspection, maintenance and reporting procedures needed to keep them in good order.

As per our onsite inspection, it appears the current Building Warrant of Fitness expires on 29 August 2019.

4.4 Photographs





## 5 Occupancy Details

### 5.1 Lease Summary

We have been provided with a copy of the signed Agreement to Lease for the property. We have assumed a Deed of Lease will be signed and contain the same terms and conditions as the provided Agreement to Lease. The critical terms and conditions are summarised below:

| LEASE DETAILS         |  |
|-----------------------|--|
| Premises              | All of the property at 8 Paerangi Place  |
| Lessor                | Pacific Property Fund Limited  |
| Lessee                | Kiwi Nutraceuticals Limited  |
| Lease Memorandum      | Agreement to Lease (Signed)  |
| Commencement Date     | 1 November 2018  |
| Lease Term            | Ten (10) years   |
| Rights of Renewal     | One (1) further option of ten (10) years   |
| Contract Rental       | Base Rent \$530,159.00   |
|                       | <u>Net Asset Rent</u> \$63,432.36  |
|                       | Total Contract Rent \$593,591.36   |
|                       | The above is per annum and plus GST (if any)   |
| Rental Reviews        | Base rent only – Annual 2.75% increase with 5 yearly market reviews, to which ever is the greater  |
| Outgoing Contribution | Net lease  |
| Permitted Use         | Industrial   |
| Rental Rebate         | For the period 1 November 2018 to 30 April 2019, a rent rebate of \$115,079 plus GST. As of the date of valuation, one month's worth (\$19,180) of rebate is remaining.  |
| Bank Guarantee        | Clause 20 – The bank guarantee shall be for an amount equal to 12 months annual rent and outgoings plus GST  |
| Lease of Net Assets   | The tenant shall pay a separate lease for the Net Assets (Net Assets Lease). The Net Assets lease shall be based on the GST-exclusive cost of the Net Assets, being \$400,000 (i.e \$500,000 for the Gross Assets minus \$100,000 for the kiwifruit puree), amortised at an interest rate of 10% per annum over the initial 10-year term of the lease. This produces a monthly Net Assets Lease payment of \$5,286.03 plus GST per month or alternatively \$63,432.36 per annum. |

| LEASE DETAILS, continued     |   |
|------------------------------|---|
| Landlord Fixtures & Fittings | <p>External fence with 2 x powered security gates, tarseal and concrete surfaces, Sikafloor 264 floor coating, wear slab for cool/cold store dual operation, water reticulation into the warehouse, strip drains in warehouse, suspended cable trays, forklift charging stations, emergency washdown items, interceptor,/holding tank for contaminant containment, roller and rapid riser doors, refrigeration 1 – 15kw chiller plant, refrigeration 2 – 25kw freezer plant, containerised plat room for cool/cold store, 3 x 30,000 litre tanks plus control weir and pumps, water tank &amp; pumps, underground 25,000 litre holding tank, plus dual pump stations, and wall &amp; ceiling insulation panelling in cool/cold stores.</p> <p>Fire protection system including emergency lighting<br/>                     Electrical infrastructure<br/>                     Generic lighting, including Hibay lighting<br/>                     Suspended ceiling in office area<br/>                     Staffroom kitchen<br/>                     6 x Hi-wall air condition units<br/>                     Extraction fans in amenities areas<br/>                     Fixed floor coverings in offices and amenities areas<br/>                     Security system</p> |
| Net Assets                   | <p>A detailed list of the Gross Assets acquired from the liquidation of New Zealand Specialty Kiwifruit Products Limited has been appended to this report. The Net Assets exclude the Kiwifruit Puree.</p>  |

## 5.2 Lease Expiry Analysis

As at the date of valuation, the property had a remaining lease term certain of 9.59 years providing long term lease security.

### 5.3 Operating Expenses

We have not been provided with an operating expense budget for the subject property. However, in the lease it is estimated to total \$61,896 per annum plus GST or alternatively, \$15.0 per sqm. For valuation modelling purposes we have searched current council rates charges and compared the provided budget with market benchmarks. This total aligns with our expectation and accordingly, we have adopted the same for the purposes of this valuation.

### 5.4 Contract Rental Analysis

PRP's analysis of the net base contract rent is summarised in the table below:

| <b>COMPONENT</b>                          | <b>GLA<br/>(SQM)</b> | <b>\$PSM/PW</b> | <b>CONTRACT RENT<br/>\$PA</b> |
|---|----------------------|-----------------|-------------------------------|
| <b><u>Kiwi Nutraceuticals Limited</u></b> |                      |                 |                               |
| Ground Floor Office                       | 183.1                | \$185.00        | \$33,874                      |
| First Floor Office                        | 138.2                | \$185.00        | \$25,567                      |
| Factory                                   | 2,783.9              | \$120.00        | \$334,068                     |
| Canopy                                    | 507.6                | \$60.00         | \$30,456                      |
| Coldstore                                 | 482.7                | \$220.00        | \$106,194                     |
| <b>Total</b>                              | <b>4,095.5</b>       | <b>\$129.45</b> | <b>\$530,159</b>              |
| <b>OVERALL TOTAL</b>                      | <b>4,096</b>         | <b>\$129.45</b> | <b>\$530,159</b>              |

In addition to the above base rental is the Net Asset Rent of \$63,432.36 pa, being the cost of the net assets amortised at an interest rate of 10%.

## 6 Market Comment

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### 6.1 General Market Comment

Over recent years the Reserve Bank has reduced the OCR in line with inflationary pressures and to help put downward pressure on the New Zealand dollar value. Earlier in this process retail lending rates reduced correspondingly and whilst good for businesses, it put upward pressure on property values. The more recent reductions have not triggered the same response in retail lending rates however, borrowers have enjoyed a low interest rate environment for some time now. Going forward it would appear that stability is of importance to the Reserve Bank and little change in the OCR is predicted. The retail banking industry however, is suggesting some interest rate rises and lending criteria is now somewhat tighter.

### 6.2 Investment Market Comment

In recent years, demand for commercial/industrial property, throughout the wider Tauranga area has been strong, especially for well located property.

Recent investment sales for prime property up to around \$4,000,000, secured by long-term leases to recognised tenants, generally reflect a lower yield within a range of 4.50% - 6.00%. Less secure, but still considered well located property, tends to sell in a yield range of 6.00% - 7.00%, with the more limited market for higher priced property causing further upward pressure on yield rates.

Less attractive property, by virtue of its type and/or location, generally takes longer to sell and needs to show a higher yield of at least 7.50%. This is due to more limited demand and investors remaining risk adverse.

Investors have demonstrated that most of the time they appropriately assess value in relation to risk. Higher risk is generally reflected in a higher yield, increasing rates by some 2% to 4%. In saying this, properties sold by way of the competitive auction sale process, often achieve prices higher than generally expected.

Yield rates in Tauranga tend to be lower than other major centres in New Zealand. We believe this is a result of strong city and regional investor demand and outside investors perceiving the wider city to be an attractive growth area, providing longer term investment security.

In summary, location, building quality, tenant and lease terms, are of prime concern to the investment market. Reasonably strong economic conditions and strong population growth over recent times has increased demand for accommodation and put upward pressure on commercial and industrial rents.

### 6.3 Tauriko Industrial Land Comment

Generally speaking, demand for industrial land in Tauriko has increased over recent times and this location is now considered to be a desirable and affordable alternative to Mount Maunganui. In particular, there is good owner occupier opportunity for businesses that do not need to be physically close to the Port of Tauranga. Tenants are also attracted to this area because of limited choice and relatively high industrial rental rates in other parts of the city.

In our opinion, Tauriko is a much needed industrial development and given acceptable economic market conditions, we believe demand for land in the future will be sufficient to give developments economic viability. Over the short to medium term there are limited acceptable options and we believe value escalation is inevitable. However, the sensitivity of affordability will play a significant role, which is the case in Mount Maunganui. There, land values have escalated to a point where a growing number of business are unable to pay the rent or ownership cost to enable economic development viability.

Demand for industrial land in Tauriko has increased significantly in recent months, to a point where it has now outstripped supply. There is now limited land available in Tauriko and land values have escalated significantly.



## 7 Market Rent Assessment

### 7.1 Industrial Rental Evidence

We have considered a range of industrial rental evidence within comparable locations, those considered of most relevance are summarised below:

| ADDRESS                            | TENANT                      | COMPONENT                       | AREA (SQM) | RENTAL RATE | DATE   | ANNUAL RENTAL |
|------------------------------------|-----------------------------|---------------------------------|------------|-------------|--|---------------|
| Confidential<br>Mount Maunganui    | Confidential                | Office/Reception                | 708.5      | \$280.24    | 2019   | \$760,000     |
|                                    |                             | Workshop                        | 1,020.5    | \$150.00    | Agreement to Lease<br>(Net Effective Rent Shown) |               |
|                                    |                             | Store                           | 199.5      | \$120.00    |  |               |
|                                    |                             | Wash Bay                        | 201.5      | \$160.00    |  |               |
|                                    |                             | Dangerous Goods Store           | 30.4       | \$120.00    |  |               |
|                                    |                             | Canopies                        | 643.0      | \$100.00    |  |               |
|                                    |                             | Additional Yard                 | 5,650.0    | \$45.00     |  |               |
|                                    |                             | 10t Gantry                      | 2          | \$15,000    |  |               |
| Confidential<br>Tauriko            | Confidential                | Warehouse                       | 1,536.7    | \$110.00    | Oct-18   | \$446,413     |
|                                    |                             | Ground Floor Office             | 304.8      | \$200.00    | New Lease  |               |
|                                    |                             | First Floor Office              | 304.8      | \$200.00    |  |               |
|                                    |                             | Canopy                          | 182.0      | \$60.00     |  |               |
|                                    |                             | Additional Land                 | 3,880.0    | \$37.25     |  |               |
| 77 Paraone Koikoi<br>Tauriko       | Fabworx                     | Ground Floor Office             | 143        | \$155.00    | Jun-18   | \$77,500      |
|                                    |                             | Warehouse                       | 553.6      | \$99.84     | New Lease  |               |
|                                    | Scaffold Systems NZ Limited | Ground Floor Office             | 146.5      | \$155.00    | Jun-18   | \$112,500     |
|                                    |                             | Warehouse                       | 853.9      | \$105.16    | New Lease  |               |
| 185 Taurikura Drive<br>Tauriko     | Flip Out Gym                | Warehouse                       | 1,458.7    | \$110.15    | May-18   | \$229,500     |
|                                    |                             | Partitioned Ablutions           | 80.5       | \$160.00    | Renewal  |               |
|                                    |                             | Mezzanine Floor Excl. Stairwell | 80.5       | \$105.00    |  |               |
|                                    |                             | Party Room Area                 | 105.4      | \$160.00    |  |               |
|                                    |                             | Café                            | 127.5      | \$190.00    |  |               |
|                                    |                             | Outdoor Courtyard               | 49.0       | \$50.00     |  |               |
|                                    |                             | Additional Land                 | 131.8      | \$30.00     |  |               |
| Confidential<br>Tauriko            | Confidential                | Warehouse                       | 13,442     | \$94.98     | Mid 18   | \$1,500,000   |
|                                    |                             | Office                          | 350.0      | \$148.00    | Agreement to Lease                               |               |
|                                    |                             | Canopy                          | 3,766.0    | \$40.00     |  |               |
|                                    |                             | Access Land                     | 1,818.0    | \$11.00     |  |               |
| 114 Taurikura Drive<br>Tenancy One | Bakels Edible Oils          | Coolstore                       | 970.0      | \$285.00    | -  | \$345,000     |
|                                    |                             | Freezer                         | 127.0      | \$392.52    | Commencing                                       |               |
|                                    |                             | Canopies                        | 275.0      | \$50.00     |  |               |
|                                    |                             | Load Out Room                   | 33.0       | \$150.00    |  |               |
| Tenancy Two                        | Bakels Edible Oils          | Warehouse                       | 1,734.5    | \$90.05     | -  | \$180,000     |
|                                    |                             | Canopy                          | 793.6      | \$30.00     | New Lease  |               |
| Tenancy Three                      | Brett Marsh Transport       | Workshop                        | 141.0      | \$110.00    | Dec-17   | \$117,274     |
|                                    |                             | Ground floor office             | 84.0       | \$165.00    | New Lease  |               |
|                                    |                             | Mezz Office                     | 25.9       | \$155.00    |  |               |
|                                    |                             | Mezz Lunchroom                  | 55.5       | \$155.00    |  |               |
|                                    |                             | Loading Bay                     | 241.0      | \$70.00     |  |               |
|                                    |                             | Truck Wash                      | 142.0      | \$95.00     |  |               |
|                                    |                             | Exclusive yard                  | 1,800.0    | \$24.96     |  |               |
| 98 Paerangi Place<br>Tauriko       | Doherty Transport           | Warehouse                       | 1,043.0    | \$104.11    | Jul-17   | \$150,000     |
|                                    |                             | Office & Amenities              | 267.2      | \$155.00    | Agreement to Lease                               |               |
| 58 Paerangi Place<br>Tauriko       | Just Signs                  | Warehouse                       | 472.4      | \$99.45     | Feb-17   | \$65,000      |
|                                    |                             | Ground Floor Office             | 67.1       | \$150.00    | Agreement to Lease                               |               |
|                                    |                             | First Floor Office              | 53.1       | \$150.00    |  |               |

The above evidence indicates a rate range of \$90.05 - \$110.15 per sqm for large warehouse space, with exceptions. The lower end of the range pertains to more dated leases and property's offering inferior quality space. The more recent lettings tend to reflect a range of \$100.0 – \$110.0 per sqm. Taking into account the characteristics of the subject property, we are of the opinion an appropriate rental would lie towards the upper end of this range.

Office rates tend to reflect a rate range of \$145.0 - \$165.0 per sqm with exceptions. The final rate is primarily determined by size and quality of the accommodation. We consider the subject to lie towards the upper end of this range.

The general rule of thumb when determining the size of the surplus yard area is to double the building(s) footprint and deduct this from the useable land area. The residual amount is considered to be surplus. In applying this calculation to the subject, we do not consider there to be any surplus yard.

## 7.2 Cool/Cold Store Rental Evidence

In addition to the above evidence, we have also given consideration to a range of cool/coldstore rental evidence both locally and from other major centres. Those considered of most relevance are summarised below:

| LOCATION                             | COMPONENT                  | AREA        | RENTAL RATE | DATE                                     | ANNUAL RENTAL |
|--------------------------------------|----------------------------|-------------|-------------|--|---------------|
| CONFIDENTIAL                         | Factory                    | 2,783.9     | \$120.00    | Nov-18<br>Commencing                     | \$530,159     |
|                                      | Office                     | 321.3       | \$185.00    |  |               |
|                                      | Canopy                     | 507.6       | \$60.00     |  |               |
|                                      | Coldstore                  | 482.7       | \$220.00    |  |               |
| 114 Taurikura Drive<br>Tauriko       | Coolstore                  | 970.0       | \$285.00    | Nov-17<br>Lease Variation                | \$345,000     |
|                                      | Coldstore                  | 127.0       | \$392.52    |  |               |
|                                      | Canopies                   | 275.0       | \$50.00     |  |               |
|                                      | Load Out Room              | 33.0        | \$150.00    |  |               |
| Auckland<br>Confidential             | Plant Room                 | 83.0        | -           | Jun-17<br>New Lease                      | \$696,420     |
|                                      | Main Office                | 740.0       | \$120.00    |  |               |
|                                      | Control Office & Amenities | 169.0       | \$155.00    |  |               |
|                                      | Mezzanine Floor            | 78.0        | \$100.00    |  |               |
|                                      | Chiller                    | 3,187.0     | \$177.64    |  |               |
|                                      | Canopy                     | 150.0       | \$50.00     |  |               |
| 23 Dunlop Road, Waharoa<br>Waikato   | Coldstore                  | 21,863.0 m3 | \$27.76     | Feb-17<br>Renewal                        | \$822,800     |
|                                      | Loading Bays               | 2,460.0     | \$50.00     |  |               |
|                                      | Canopies                   | 965.0       | \$45.00     |  |               |
|                                      | Office & Amenities         | 330.0       | \$150.00    |  |               |
| 69 Aerodrome Road<br>Mount Maunganui | Offices                    | 557.7       | \$150.00    | Jan-17<br>New Letting<br>Related parties | \$1,742,000   |
|                                      | Carport                    | 16.8        | \$55.00     |  |               |
|                                      | Packhouse                  | 1,202.0     | \$95.00     |  |               |
|                                      | Workshop                   | 59.0        | \$90.00     |  |               |
|                                      | Canopy                     | 3,654.9     | \$55.50     |  |               |
|                                      | Warehouse Canopy           | 2,104.0     | \$55.50     |  |               |
|                                      | Older coolstores           | 6,415.0     | \$128.21    |  |               |
|                                      | Coolstore 2016             | 699.0       | \$185.00    |  |               |
|                                      | CA Coolstore               | 1,480.6     | \$176.48    |  |               |
| Forklift station                     | 75.0                       | \$70.00     |             |  |               |

| LOCATION                       | COMPONENT               | AREA        | RENTAL RATE | DATE   | ANNUAL RENTAL              |
|--------------------------------|-------------------------|-------------|-------------|--------|----------------------------|
| Auckland<br>Confidential       | Offices                 | 216.0       | \$170.00    | Aug-16 | \$531,134<br>New Lease     |
|                                | Freezer                 | 673.0       | \$250.00    |        |                            |
|                                | Chiller                 | 250.0       | \$220.00    |        |                            |
|                                | ELA                     | 500.0       | \$220.00    |        |                            |
|                                | Dry Store               | 917.0       | \$116.83    |        |                            |
|                                | Dock Canopy             | 221.0       | \$55.00     |        |                            |
|                                | Plant Room              | 59.0        | -           |        |                            |
|                                | Yard                    | 960.0       | \$23.00     |        |                            |
|                                | Canopy                  | 360.0       | \$55.00     |        |                            |
| Auckland<br>Confidential       | Dispatch Office         | 41.0        | \$115.00    | Aug-16 | \$1,880,019<br>Rent Review |
|                                | Chiller A & B           | 1,447.0     | \$170.00    |        |                            |
|                                | Plant Room              | 39.0        | -           |        |                            |
|                                | Drivers Amenity         | 197.0       | \$155.00    |        |                            |
|                                | Office                  | 369.0       | \$185.00    |        |                            |
|                                | Freezer                 | 2,234.0     | \$235.00    |        |                            |
|                                | ELA                     | 1,006.0     | \$140.00    |        |                            |
|                                | Breezeway Canopy        | 2,043.0     | \$55.00     |        |                            |
|                                | Warehouse Canopy        | 700.0       | \$50.00     |        |                            |
|                                | Warehouse               | 4,150.0     | \$107.74    |        |                            |
|                                | Chiller                 | 1,039.0     | \$225.00    |        |                            |
|                                | Office Addition         | 119.0       | \$180.00    |        |                            |
| Generator                      | 1.0                     | \$15,000.00 |             |        |                            |
| 17 Station Road<br>Te Puke     | Chillers                | 77.2        | \$124.89    | Jun-16 | \$15,000<br>New Lease      |
|                                | Loading Dock            | 33.1        | \$35.00     |        |                            |
|                                | Yard Allowance - Sealed | 420.0       | \$10.00     |        |                            |
| 120 Henderson Road<br>Hastings | Office                  | 81.0        | \$136.00    | Feb-16 | \$1,188,000<br>New Lease   |
|                                | Dwelling Cottage        | 200.0       | \$44.00     |        |                            |
|                                | Smart Fresh             | 140.0       | \$120.00    |        |                            |
|                                | Amenities & Staff       | 50.0        | \$136.00    |        |                            |
|                                | Smart Fresh             | 140.0       | \$120.00    |        |                            |
|                                | Entrance Pods           | 23.0        | \$115.00    |        |                            |
|                                | Car Parks               | 13.0        | \$8.00      |        |                            |
|                                | Warehouse               | 1,937.0     | \$70.00     |        |                            |
|                                | Stage 2 Coolstore       | 2,640.0     | \$110.00    |        |                            |
|                                | Stage 1 Coolstore       | 6,380.0     | \$105.00    |        |                            |
|                                | Forklift Charge         | 33.0        | \$75.00     |        |                            |
|                                | Entrance Pods           | 45.0        | \$115.00    |        |                            |
|                                | Dwelling                | 350.0       | \$44.00     |        |                            |

As can be seen, the evidence above has been analysed on either a rate per square metre or on a per cubic metre basis. Whilst not shown above, where known, we have analysed the evidence under both scenarios.

We note on a rate per sqm basis, the rental rate can vary greatly. This is primarily, due to differing stud heights having an impact on the cubic capacity of the buildings.

On a cubic capacity basis, coldstores commensurate to the subject generally reflects a rental value range \$27.50 - \$30.00 per cubic metre with exceptions. We consider this approach to provide the most appropriate market rent.

We have estimated cubic capacity of the coldstores from floor plans provided and check measurement taken onsite.

Whilst we have applied more weighting to the cubic metre approach, for valuation modelling purposes this has been displayed as a rate per sqm.

### 7.3 Market Rental Conclusions

As per the rationale discussed above, we have assessed the market rental as detail below;

| COMPONENT                                 | GLA<br>(SQM)   | CONTRACT RENT<br>\$PSM/PW<br>\$PA | NET MARKET RENT<br>\$PSM/PW<br>\$PA | RENT<br>VARIANCE | DIFF<br>%     |
|---|----------------|-----------------------------------|-------------------------------------|------------------|---------------|
| <b><u>Kiwi Nutraceuticals Limited</u></b> |                |                                   |                                     |                  |               |
| Ground Floor Office                       | 183.1          | \$185.00<br>\$33,874              | \$160.00<br>\$29,296                | -\$4,578         | -14%          |
| First Floor Office                        | 138.2          | \$185.00<br>\$25,567              | \$160.00<br>\$22,112                | -\$3,455         | -14%          |
| Factory                                   | 2,783.9        | \$120.00<br>\$334,068             | \$110.00<br>\$306,229               | -\$27,839        | -8%           |
| Canopy                                    | 507.6          | \$60.00<br>\$30,456               | \$60.00<br>\$30,456                 | \$0              | 0%            |
| Coldstore                                 | 482.7          | \$220.00<br>\$106,194             | \$185.00<br>\$89,300                | -\$16,895        | -16%          |
| <b>Total</b>                              | <b>4,095.5</b> | <b>\$129.45<br/>\$530,159</b>     | <b>\$116.57<br/>\$477,393</b>       | <b>-\$52,766</b> | <b>-10%</b>   |
| <b>OVERALL TOTAL</b>                      | <b>4,096</b>   | <b>\$129.45<br/>\$530,159</b>     | <b>\$116.57<br/>\$477,393</b>       | <b>-\$52,766</b> | <b>-10.0%</b> |

We have assessed the net market base rental to be \$477,393 pa being plus GST and operating expenses. Overall, we consider the current contract rental to be above market by \$52,766 pa or alternatively 10.0%.


## 8 Sales Evidence

### 8.1 Investment Sales Evidence


In order to assess the market value of the subject property, we have considered a range of investment sales within the wider Tauranga area. We have summarised those of relevance as follows:


| PROPERTY                            | SALE DATE | SALE PRICE   | INITIAL YIELD | EQUIVALENT YIELD | MARKET YIELD | IRR    | FLOOR AREA (SQM FLOOR AREA) | RATE PER SQM | WALT |
|-------------------------------------|-----------|--------------|---------------|------------------|--------------|--------|-----------------------------|--------------|------|
| 87 Paerangi Place<br>Tauranga       | Feb-19    | \$2,360,000  | 4.32%         | 4.31%            | 4.31%        | 5.50%  | 698                         | \$3,381      | 8.0  |
| 49-51 The Strand<br>Tauranga        | Feb-19    | \$6,995,000  | 5.03%         | 5.06%            | 5.08%        | 6.125% | 918                         | \$7,620      | 7.2  |
| 47 Paerangi Place<br>Tauranga       | Sep-18    | \$5,400,000  | 4.62%         | 5.17%            | 5.26%        | 6.28%  | 2,268                       | \$2,381      | 6.6  |
| 52 Whakakake Street<br>Tauriko      | Aug-18    | \$4,225,000  | 5.82%         | 5.82%            | 5.82%        | 6.51%  | 2,317                       | \$1,823      | 0.6  |
| 94 Second Avenue<br>Tauranga        | Mar-18    | \$9,800,000  | 6.44%         | 6.34%            | 6.23%        | 7.75%  | 1,670                       | \$5,868      | 11.1 |
| 265 Cameron Road<br>Tauranga        | Feb-18    | \$8,065,000  | 5.95%         | 6.16%            | 6.18%        | 6.75%  | 2,100                       | \$3,840      | 5.7  |
| 82 Newton Street<br>Mount Maunganui | Dec-17    | \$6,525,000  | 5.51%         | 5.88%            | 5.94%        |        | 3,774                       | \$1,729      | 2.6  |
| 152 Eleventh Avenue<br>Tauranga     | Dec-17    | \$5,000,000  | 6.17%         | 6.85%            | 7.10%        | 7.25%  | 1,217                       | \$4,108      | 1.1  |
| 306 Cameron Road<br>Tauranga        | Dec-17    | \$41,673,000 | 6.49%         | 6.54%            | 6.54%        | 7.50%  | 7,989                       | \$5,216      | 5.0  |
| 114 Taurikura Drive<br>Tauriko      | Dec-17    | \$10,330,000 | 6.22%         | 6.22%            | 6.22%        | 7.50%  | 3,313                       | \$3,118      | 8.2  |
| 9 Koromiko Street<br>Judea          | Nov-17    | \$4,000,000  | 6.12%         | 6.12%            | 6.12%        | 7.00%  | 2,448                       | \$1,634      | 4.4  |
| 98 Paerangi Place<br>Tauriko        | Aug-17    | \$3,085,000  | 5.35%         | 5.23%            | 5.15%        | 6.13%  | 1,310                       | \$2,355      | 10.0 |
| 24 Paerangi Place<br>Tauriko        | Jul-17    | \$3,575,000  | 6.27%         | 5.56%            | 5.53%        | 6.50%  | 1,407                       | \$2,541      | 3.7  |

As can be seen, the above evidence typically reflects an equivalent yield range of 4.31% - 6.34% with exceptions. We discuss the sales evidence in more detail overleaf.


| 87 PAERANGI PLACE, TAURANGA   |   | FEBRUARY 2019  | \$2,360,000 |
|---|---|--|-------------|
| Initial Yield:  | 4.32%   |  |             |
| Equivalent Yield:   | 4.31%   |  |             |
| Market Yield:   | 4.31%   |  |             |
| IRR   | 5.50%   |  |             |
| \$/SQM of Floor Area:   | \$3,383/m <sup>2</sup>  |  |             |
| WALT:   | 8.0 yrs   |  |             |
| <p>This recently constructed industrial property within the Tauriko Business Estate provides high stud warehousing with ground and first floor office accommodation. It is situated on a 2,833m<sup>2</sup> site with a useable effective land area of 1,810m<sup>2</sup>. The site is sealed and secured and benefits from approximately 600m<sup>2</sup> of surplus yard.</p> <p>The property sold with a new 8 year lease in place, agreed Feb 2019 and providing a net passing income of \$102,000 per annum plus GST and outgoings. Rent reviews are two yearly to CPI +1% with market reviews at renewal and the lease has a hard ratchet clause.</p> |   |  |             |
| <b>Comparison:</b>  | <p>This property is in close proximity to the subject but provides more generic accommodation at a more affordable price quantum. Having said that, we are of the opinion this sale is an outlier and provides superior yield parameters.</p> |  |             |

| 47 PAERANGI PLACE, TAURIKO  |  | SEPTEMBER 2018   | \$5,400,000 |
|---|--|--|-------------|
| Initial Yield:  | 4.62%  |  |             |
| Equivalent Yield:   | 5.17%  |  |             |
| Market Yield:   | 5.26%  |  |             |
| IRR:  | 6.28%  |  |             |
| Floor Area:   | 2,268m <sup>2</sup>  |  |             |
| \$/sqm of floor area:   | \$2,381/m <sup>2</sup>   |  |             |
| WALT:   | 6.6 yrs  |  |             |
| <p>This is an industrial building constructed in 2016 that provides warehouse and office accommodation together with canopy and onsite car parking. The building is currently configured to cater for two individual industrial tenancies. The building is constructed upon a 3,988m<sup>2</sup> parcel of land affording dual frontages to Paerangi Place and Taurikura Drive within the Tauriko Business Estate.</p> <p>The property is currently occupied by two tenants, namely, Allied Pickford and iLine Construction Limited. Both leases have yearly rent reviews being a combination of either CPI + 2.5% or to market and having a full ratchet provision. Both leases are struck on a net basis. The first CPI + 2.5% review is due November 2018.</p> |  |  |             |
| <b>Comparison:</b>  | <p>This property is located within proximity to the subject property and provides comparable quality accommodation albeit less specialised. The property provides similar review terms but with inferior lease security. We consider this property to set superior yield parameters due to the property offering a more generic accommodation as well as the added benefit of being leased to two tenants potentially hedging against full vacancy risk.</p> |  |             |

| 52 WHAKAKAKE STREET, TAURIKO  |  | AUGUST 2018  | \$4,225,000 |
|---|--|--|-------------|
| Initial Yield:  | 5.82%  |  |             |
| Equivalent Yield:   | 5.82%  |  |             |
| Market Yield:   | 5.82%  |  |             |
| IRR:  | 6.51%  |  |             |
| Est. Land Value:  | \$1,500,000  |  |             |
| Improvement Value:  | \$1,176/m <sup>2</sup>   |  |             |
| WALT:   | 0.6 yrs  |  |             |
| <p>This property was built in 2016 and comprises of a high stud manufacturing warehouse facility with nine roller doors, ground and first floor offices, 5-tonne gantry crane and large secure concrete yard with two accessways onto Whakakake Street.</p> <p>The total site is 7,752m<sup>2</sup> but approximately 3,452 m<sup>2</sup> is planted bank area to stop debris from affecting the property. This leaves 4,300m<sup>2</sup> of useable land area.</p> <p>This property was owner occupied but has allowed for a maximum 7 month flexible lease term to suit the particular requirements of the new owner.</p> |  |  |             |
| <b>Comparison:</b>  | <p>This property provides inferior accommodation albeit less specialised. It has inferior lease security and review terms, however we consider it to be attractive to the owner occupier market. The property falls into a more affordable price bracket and we consider this sale to set superior yield parameters.</p> |  |             |

| 82 NEWTON STREET, MOUNT MAUNGANUI   |   | DECEMBER 2017  | \$6,525,000 |
|---|---|--|-------------|
| Initial Yield:  | 5.51%   |  |             |
| Equivalent Yield:   | 5.88%   |  |             |
| Market Yield:   | 5.94%   |  |             |
| Est. Land Value:  | \$5,465,000   |  |             |
| Improvement Value:  | \$281/m <sup>2</sup>  |  |             |
| WALT:   | 2.6 yrs   |  |             |
| <p>This property is located on the western side of Newton Street with approximately 143 metres of road frontage. It comprises a high stud bulk retail storage with ground floor and first floor offices and amenities. It sold with a weighted average lease term remaining of 2.6 years providing short term lease security. The site has an underlying potential for redevelopment.</p> |   |  |             |
| <b>Comparison:</b>  | <p>This property provides inferior accommodation with inferior lease security but in a superior location with superior profile. The value of this property value is largely unpinning by its high underlying land value. Overall, we consider this sale to set superior yield parameters.</p> |  |             |

| 114 TAURIKURA DRIVE, TAURIKO   |   | DECEMBER 2017  | \$10,330,000 |
|--|---|--|--------------|
| Initial Yield:   | 6.22%   |  |              |
| Equivalent Yield:  | 6.22%   |  |              |
| Market Yield:  | 6.22%   |  |              |
| IRR:   | 7.50%   |  |              |
| \$/SQM of Floor Area:  | \$3,118/m <sup>2</sup>  |  |              |
| WALT:  | 8.2 yrs   |  |              |
| <p>This is a large industrial property that has been constructed in stages between 2012 – 2015 and benefits from a high profile corner position. The improvements provide a mix of cool-store, dry storage, offices, canopies and sealed yard areas.</p> <p>The property is fully leased by two tenants, however held under separate 3 leases. The property sold with a WALT of 8.2 years. Rent reviews are mix of CPI, CPI + 1% and market.</p> |   |  |              |
| <b>Comparison:</b>   | <p>This property is located in a slightly superior position. However, it provides slightly shorter-term lease security, whilst the improvements are similar in terms of speciality and type of accommodation provided, the improvements are slightly older and have been constructed in stages to meet current tenant requirements. Overall, we consider this sale to be the most comparable, albeit slightly inferior.</p> |  |              |

| 9 KOROMIKO STREET, JUDEA   |  | NOVEMBER 2017  | \$4,000,000 |
|--|--|--|-------------|
| Initial Yield:   | 6.12%  |  |             |
| Equivalent Yield:  | 6.12%  |  |             |
| Market Yield:  | 6.12%  |  |             |
| IRR:   | 7.00%  |  |             |
| \$/SQM of Floor Area:  | \$1,634/m <sup>2</sup>   |  |             |
| WALT:  | 4.4 yrs  |  |             |
| <p>A modern industrial building constructed in 1971 with substantial alterations and additions in 2007, situated on a 4,553m<sup>2</sup> industrial land holding in Judea. The property sold fully leased to NZ Windows Limited with a WALT of 4.4 years deriving an annual passing income of \$244,863. In our opinion, the property was slightly over rented at the time of sale. The building has a 67% NBS seismic rating.</p> |  |  |             |
| <b>Comparison:</b>   | <p>This property is located in an inferior location with inferior lease term remaining. However, this is offset by the value quantum of the subject. Overall, we consider this to set a slightly inferior yield.</p> |  |             |



| 98 PAERANGI PLACE, TAURIKO  |                        | JULY 2017   | \$3,085,000 |
|---|------------------------|---|-------------|
| Initial Yield:  | 5.35%                  |   |             |
| Equivalent Yield:   | 5.23%                  |   |             |
| Market Yield:   | 5.15%                  |   |             |
| IRR:  | 6.13%                  |   |             |
| \$/SQM of Floor Area:   | \$2,355/m <sup>2</sup> |   |             |
| WALT:   | 10.0 yrs               |   |             |
| <p>This property is a recently completed high spec industrial building sold fully leased to Doherty Couplers and Attachments. The property sold with a recently executed 10 year lease term at \$150,000 per annum plus an additional improvements rent of \$15,000 per annum with two yearly CPI + 1% per annum rental increases starting in 2020 and market reviews upon renewal.</p> |                        |   |             |
| <b>Comparison:</b>  |                        | <p>This property is located a short distance from the subject and provides good tenant security over a similar lease term. The subject provides favourable review terms, however in our opinion this is offset by the value quantum of the subject. Overall, we consider this to set a sharper yield due to the good reputation of the tenant and slightly less specialised nature of the improvements.</p> |             |

| 24 PAERANGI PLACE, TAURIKO   |                        | JULY 2017  | \$3,575,000 |
|--|------------------------|--|-------------|
| Initial Yield:   | 6.27%                  |    |             |
| Equivalent Yield:  | 5.56%                  |  |             |
| Market Yield:  | 5.53%                  |  |             |
| IRR:   | 6.50%                  |  |             |
| \$/SQM of Floor Area:  | \$2,541/m <sup>2</sup> |  |             |
| WALT:  | 3.7 yrs                |  |             |
| <p>This property is a recently completed development comprising a multi-unit industrial building providing four small to medium sized industrial units varying in size from 185 sqm to 532 sqm. Each unit is configured to provide near rectangular shaped open plan warehouse together with office and amenities accommodation.</p> |                        |  |             |
| <b>Comparison:</b>   |                        | <p>This property is located in a similar location albeit inferior profile. It has less attractive rent review terms and shorter lease security than the subject. However, this is offset by it being in a more affordable value quantum and the high level of demand for this size and style of accommodation provided. Overall, we consider it to set a superior yield.</p> |             |

## 8.2 Sales Evidence Conclusions

In concluding valuation input parameters, we have particularly taken note of the following:

- Located in the new Tauriko Business Estate, being a desirable alternative to the Mount Maunganui industrial area
- Tenant covenant and lease term remaining of 9.59 years
- Quality of the tenant
- Value quantum limiting purchasing pool
- Favourable review terms of annual 2.75% increase plus 5 yearly market reviews
- Size and quality of the accommodation provided
- Current market conditions

## 9 Valuation Approach

### 9.1 Introduction

To establish our opinion of the property's market value, we have considered its Highest and Best use and adopted both the Income Capitalisation Approach and Discounted Cashflow Approach methods of valuation.

We consider that these approaches provide the most reliable indication as to the market value for the subject property.

Each approach is considered below:-

### 9.2 Capitalisation Approach

Under this approach the net income is capitalised into perpetuity from valuation date, at an appropriate capitalisation rate. The adopted capitalisation rate reflects the nature, location and financial profile of the property together with current market criteria, as evidenced by the sales previously detailed.

Overall, we consider the appropriate capitalisation rate for the subject property to lie in the range of 5.75% - 6.25%, accordingly we have adopted a midpoint of 6.00%. To this we have made appropriate adjustments for any over and under renting, the present value of the Net Asset Rent over the initial lease term of 10 years and the remaining Rental Rebate until April 30.

The following refers:

| <b>CAPITALISATION APPROACH</b>         | <b>MARKET<br/>RENT (\$PA)</b> | <b>CONTRACT<br/>RENT (\$PA)</b> |
|--|-------------------------------|---------------------------------|
| <b>INCOME</b>                          |                               |                                 |
| Total Net Rent From Occupied Tenancies | \$477,393                     | \$530,159                       |
| <b>FULLY LEASED NET INCOME</b>         | <b>\$477,393</b>              | <b>\$530,159</b>                |
| Capitalisation Rate                    | 6.00%                         | 6.00%                           |
| <b>CAPITALISED VALUE</b>               | <b>\$7,956,542</b>            | <b>\$8,835,975</b>              |
| <b>CAPITAL ADJUSTMENTS</b>             |                               |                                 |
| Remaining Rental Rebate                | -\$19,180                     | -\$19,180                       |
| NPV of Net Asset Rent Cashflow         | \$458,479                     | \$458,479                       |
| Present Value of Rental Reversions     |                               | -\$591,070                      |
| Present Value of Over/Under Rentals    | \$288,363                     |                                 |
| <b>TOTAL CAPITAL ADJUSTMENTS</b>       | <b>\$727,663</b>              | <b>-\$151,770</b>               |
|  | \$8,684,205                   | \$8,684,205                     |
| <b>ADOPTED MARKET VALUE</b>            | <b>\$8,685,000</b>            | <b>\$8,685,000</b>              |

### 9.3 Discounted Cashflow Approach

The discounted cashflow analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected internal rate of return, rental growth, sale price of the property at the end of the investment horizon, costs associated with the initial purchase of the property and also its disposal at the end of the investment period.

Having regard to these factors, we have carried out a discounted cashflow analysis over a ten-year investment horizon in which we have assumed that the property is sold at the commencement of the eleventh year of the cashflow.

We have undertaken our Discounted Cash Flow Analysis based on the following parameters;

- A 10 year investment horizon;
- Average rental growth over the 10 year period at 1.50% per annum;
- Annual capital expenditure of 1% of gross income;
- A general refurbishment allowance of \$30.0 per square metre (in today's dollars) over the total floor area of the building in Year 10;
- Remaining Net Asset Rental Income of \$63,432 per annum until year 10;
- A discount rate of 8.25% based on our analysis of recent sales and having consideration towards the characteristics and risk profile of the property;
- A terminal yield of 7.25%;

Provided overleaf is our Discounted Cashflow Analysis;

| VALUATION PERIOD                 | 1                | 2                | 3                | 4                | 5                | 6                | 7                | 8                | 9                | 10               | 11                 |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| YEAR ENDING                      | Apr-20           | Apr-21           | Apr-22           | Apr-23           | Apr-24           | Apr-25           | Apr-26           | Apr-27           | Apr-28           | Apr-29           | Apr-30             |
| <b>CASHFLOW FORECASTS</b>        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                    |
| Annual Base Rent                 | \$536,190        | \$550,935        | \$566,086        | \$581,653        | \$597,649        | \$614,084        | \$630,971        | \$648,323        | \$666,151        | \$684,470        | \$703,293          |
| Net Asset Rental Income          | \$63,432         | \$63,432         | \$63,432         | \$63,432         | \$63,432         | \$63,432         | \$63,432         | \$63,432         | \$63,432         | \$63,432         | \$63,432           |
| <b>TOTAL INCOME</b>              | <b>\$599,622</b> | <b>\$614,367</b> | <b>\$629,518</b> | <b>\$645,085</b> | <b>\$661,081</b> | <b>\$677,516</b> | <b>\$694,403</b> | <b>\$711,755</b> | <b>\$729,583</b> | <b>\$747,902</b> | <b>\$703,293</b>   |
| <b>LESS</b>                      |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                    |
| Remaining Rental Rebate          | \$19,180         | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                |
| <b>NET INCOME</b>                | <b>\$580,443</b> | <b>\$614,367</b> | <b>\$629,518</b> | <b>\$645,085</b> | <b>\$661,081</b> | <b>\$677,516</b> | <b>\$694,403</b> | <b>\$711,755</b> | <b>\$729,583</b> | <b>\$747,902</b> | <b>\$703,293</b>   |
| <b>CAPITAL ADJUSTMENTS</b>       |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                    |
| Leasing Commissions              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$46,169         | \$0                |
| Capital Expenditure (% Income)   | \$5,996          | \$6,144          | \$6,295          | \$6,451          | \$6,611          | \$6,775          | \$6,944          | \$7,118          | \$7,296          | \$7,479          | \$7,033            |
| Lessors Works/Make Good          | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0                |
| Future Refurbishment Allowance   | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$0              | \$122,865        | \$0                |
| <b>TOTAL CAPITAL ADJUSTMENTS</b> | <b>\$5,996</b>   | <b>\$6,144</b>   | <b>\$6,295</b>   | <b>\$6,451</b>   | <b>\$6,611</b>   | <b>\$6,775</b>   | <b>\$6,944</b>   | <b>\$7,118</b>   | <b>\$7,296</b>   | <b>\$176,513</b> | <b>\$7,033</b>     |
|                                  |                  |                  |                  |                  |                  |                  |                  |                  | Terminal Yield   | 7.25%            | \$9,693,560        |
|                                  |                  |                  |                  |                  |                  |                  |                  |                  | Commission       | 1.75%            | -\$169,637         |
|                                  |                  |                  |                  |                  |                  |                  |                  |                  | Legal            |                  | -\$12,117          |
| <b>NET CASHFLOW</b>              | <b>\$574,446</b> | <b>\$608,224</b> | <b>\$623,223</b> | <b>\$638,635</b> | <b>\$654,471</b> | <b>\$670,741</b> | <b>\$687,459</b> | <b>\$704,638</b> | <b>\$722,288</b> | <b>\$571,389</b> | <b>\$9,511,806</b> |

| <b>CAPITAL ADJUSTMENTS</b>              |           |           |  |
|---|-----------|-----------|--|
| Vacancy & Bad Debts Allowance           |           | 0.0%      |  |
| Capital Expenditure (% of Gross Income) |           | 1.0%      |  |
| Lessors Works/Make Good Allowance       | \$15 /sqm |           |  |
| Future Building Refurbishment Allowance | Year 10   | \$30 /sqm |  |

| <b>SENSITIVITY ANALYSIS</b> |       |                |                    |             |
|-----------------------------|-------|----------------|--------------------|-------------|
|                             |       | Terminal Yield |                    |             |
|                             |       | 7.00%          | 7.25%              | 7.50%       |
| Discount Rate               | 8.00% | \$9,030,000    | \$8,870,000        | \$8,720,000 |
|                             | 8.25% | \$8,880,000    | <b>\$8,720,000</b> | \$8,575,000 |
|                             | 8.50% | \$8,730,000    | \$8,575,000        | \$8,435,000 |

## 10 Valuation Summary

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Having regard to the above approaches and the available market evidence, we have reconciled the property's current market value as at 31 March 2019 to be:

| <b>VALUATION SUMMARY</b>     |                      |                    |
|------------------------------|----------------------|--------------------|
| Capitalisation Approach      | Adopted Value:       | \$8,685,000        |
|                              | Capitalisation Rate: | 6.00%              |
| Discounted Cashflow Approach | Adopted Value:       | \$8,720,000        |
|                              | Discount Rate:       | 8.25%              |
|                              | Terminal Yield:      | 7.25%              |
| <b>ADOPTED MARKET VALUE</b>  |                      | <b>\$8,700,000</b> |
| Passing Initial Yield:       |                      | 6.09%              |
| Equivalent Market Yield:     |                      | 5.99%              |
| Market Yield:                |                      | 5.49%              |
| Capital Value Rate (\$psqm): |                      | \$2,124            |

The above valuation is plus GST (if any).

## 11 Previous Sale/Contract For Sale

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According to Property Guru the subject property sold in December 2017 for \$9,250,000 plus GST (if any). We note, the property has since had a tenant change together with new lease terms.

## 12 Mortgage Recommendation

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With recognition of the specialised features for some of the property components/fit-out, together with the Bank Guarantee noted in the Agreement of Lease, we consider the property to offer suitable security for the advancement of mortgage funds.

Our valuation and mortgage recommendation does not in any way purport to confirm the ability of a mortgagor to meet the financial commitments associated with any such mortgage.

## 13 Terms and Conditions

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### Explanation

1. The following terms and conditions are the standard terms and conditions that apply to all Valuations or the Valuation Services or consultancy services and Services provided by PRP Tauranga
2. These terms and conditions form part of the appointment of PRP Tauranga by the Client to provide the Services.
3. The Valuation and all Valuation Services are provided by PRP Tauranga subject to these Terms and Conditions;

### Definitions

4. The following definitions apply to these Terms and Conditions and the provision of our Valuations, Valuation Services and Services:-

Client shall mean **Pacific Property Fund Limited**

'Confidential information' means information that:

- (a) Is by its nature confidential;
- (b) Is designated by Us as confidential;
- (c) You know or ought to know is confidential; and
- (d) Includes, without limitation:
  - (i) Information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services; and
  - (ii) The Quotation which We have provided to You.

'Date Of Valuation' means, in relation to any Valuation, Valuation Services, Services or consultancy services or advice, the date of preparation of our report or the specific date as at which our opinions are stated to apply (the Relevant Date).

'Director' means a Director noted on the New Zealand Companies Office records for PRP Tauranga

'Fee' means the amount agreed to be paid for the Services by You as set out in the Quotation.

'Parties' means You and/or Us as the context dictates.

'Quotation' means the written quote provided by Us in relation to the Services.

'Relevant Date' means the specific date that our opinion is stated to apply where we are instructed to value at a specific date other than the date of inspection.

'Services' means the Valuation, Valuation Services, asset management, property management, facilities management or consultancy services or advice provided by Us pursuant to these Terms and Conditions and the Quotation.

"Valuation" shall include a Valuation, Valuation services, or feasibility study, made or given in relation to any real or personal property, freehold or leasehold property, asset, liability or item or items of plant and machinery, proposed development, infrastructure, carbon, water or native title property right, business, fixtures, fittings or other property;

"Valuation Services", shall include any oral or written advice, opinion, recommendation or statement communicated to the Client by Us consequent upon or incidental to the request for a Valuation;

"Valuer" means the individual valuer that has undertaken the valuation or valuation services;

'We', 'Us', 'Our (s)' means PRP Tauranga, our employees, contractors, servants and agents;

'You', 'Your' means the Client engaging Us to perform the Valuation, Services or Valuation Services;

### Your Obligations

5. You warrant that the instructions and subsequent information supplied by You contain a full and frank disclosure of all information that is relevant to Our provision of the Valuation, Valuation Services or Services. You also accept all risk and any loss that might occur should you withhold any relevant information from Us.
6. You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Valuation, Valuation Services or Services are provided with the authority of the authors of those reports.
7. You authorise and licence Us to incorporate Your intellectual property within Our report(s).
8. The Valuation and all Valuation Services are provided by Us solely for the use of the Client. You will not release any part of Our valuation or consultancy report or its substance to any third party without the written consent of one of Our Directors. Such consent will be provided at Our absolute discretion and on such conditions as We may require including that a copy of these Terms and Conditions must be provided to such third party. This clause shall not apply to persons noted as recipients in Your prior instruction to Us or in the Quotation provided. You are obligated to provide any such recipient with a copy of these Terms and Conditions.
9. If You release any part of the valuation or consultancy advice or its substance with Our written consent, You agree: a) to inform the other person of the terms of our consent; and b) to compensate Us if You do not do so. We have no responsibility to any other person even if that person suffers damage as a result of any other person receiving this Valuation, Valuation Services, Services or consultancy advice.
10. You are agree that We do not and will not assume any responsibility to any person other than the Client for any reason whatsoever including, without limiting the generality of the foregoing, for breach of contract, negligence (including negligent mis-statement) or wilful act or default of itself or others by reason of or arising out of the provision of the Valuation, Valuation Services or Services and notwithstanding that any damages have been suffered or incurred by that person as a result of the provision of this Valuation or those Valuation Services to the Client or the use of either of them (or any part of either of them) by the Client for any purpose whatsoever;
11. You must pay our Fees within 14 days of the date of a correctly rendered invoice, unless otherwise dealt with in the Quotation. Fees that remain unpaid for a period of 30 days or more will attract an administration charge of 2% of the total of the invoice calculated per month or part thereof.
12. You agree that We reserve the right to reconsider or amend the Valuation, Valuation Services, Services or consultancy advice, or the Fee set out in Our Quotation to You, if we identify information or facts that were not provided to Us in the at the time of quoting that reveal that the task is much greater than we initially anticipated from the information you provided. In such circumstances, once We have identified additional issues that



necessitate additional work, we will advise you of the additional fees for additional time required to complete the task.

13. You agree that neither the whole nor any part of Our Valuation or the substance of any of Our Valuation Services or Services may be communicated to any third party (whether by way of inclusion in a document, circular, statement, prospectus, Product Disclosure Statement (PDS), public offer document or otherwise) without first obtaining the written consent of one of Our Directors. Neither the whole nor any part of Our valuation report or Valuation Services report or any reference to it may be included in any published document, circular or statement, prospectus, Product Disclosure Statement (PDS), public offer document, nor published in any way, without written approval by one of Our Directors as to the form and context in which our Valuation or Valuation Services may appear. Notwithstanding the foregoing, the Client agrees that in the event that it does communicate to a third party the whole or any part of this Valuation or the Valuation Services it shall also communicate to that third party these Terms and Conditions. Furthermore You agree to indemnify Us in the event of any failure so to do;
14. You agree that every right, immunity, exemption and limitation or liability in these terms and conditions shall continue to have its full force and effect in all circumstances notwithstanding any breach of contract or the Terms and Conditions hereof by Us or any person entitled to the benefit of these Terms and Conditions;
15. You agree that if any provision or any part of a provision hereof is unenforceable for any reason whatsoever, such unenforceability shall not affect any other part of such provision or any other provision of these Terms and Conditions;

#### Intellectual Property

16. All Our intellectual property contained within any advice We provide, remains Our property. We only grant you licence to use Our intellectual property to carry out the purpose for which the advice was provided.

#### Property or Valuation Circumstance Specific Qualifications, Assumptions and Conditions Precedent within our reports




17. We are providing You with our professional opinion as valuers. Our opinion is usually provided by way of a valuation report. That report will set out a number of important qualifications, assumptions and conditions precedent which We may need to make, in addition to these Terms and Conditions, relative to the circumstances of the particular property or properties (real or personal property) under consideration.
18. You agree to read these qualifications, assumptions and conditions precedent carefully, and understand that if the assumptions that we have made or relied on are circumstances that do not prevail or eventuate, or are found later to be inaccurate, Our opinion as to value may be materially different. You agree to solely bear the risk in relation to any loss you might suffer, should this occur.
19. The qualifications, assumptions, and conditions precedent that We make will usually depend on the circumstances of the property being valued and are made in relation to matters that We do not have expertise to verify or We cannot verify information provided to Us within the time required to complete the valuation. These will be set out in detail in the Valuation, Valuation Service report or Services report that We provide to You.
20. These qualifications, assumptions and conditions precedent typically will relate to:-
  - (a) Land contamination and environmental risk;
  - (b) Town Planning Information;
  - (c) Town Planning and Development Controls and Consents;
  - (d) Title including Notifications on Title such as Easements, Caveats, Restrictions and other dealings;
  - (e) Building Areas;

- (f) Building Structural Integrity;
  - (g) Building compliance with the New Zealand Building Code;
  - (h) Pest Infestation;
  - (i) Leases, Licences and Tenancies;
  - (j) Plant and Equipment within Buildings;
  - (k) The veracity of and sources of Sales and Letting Information and Transaction
  - (l) The nature of forecasting, future value assessment and discounted cash flow analysis;
  - (m) The basis of Value where access to the property is restricted; and
  - (n) Whether or not the property has been completed where a development.
21. You agree that we will include property specific qualifications, assumptions and conditions precedent within Our reports as circumstances require. Furthermore, You agree that it is Your responsibility to carefully read and consider these qualifications, assumptions and conditions precedent and discuss them with Us if they cause You any concern.

#### Executive Summary

22. That Our executive summary in Our Valuation or Valuation Services Report must be read in context of and in conjunction with the full valuation report of which this executive summary forms part. All comments, terms and conditions contained in the full valuation report and Quotation relate directly to this Executive Summary.

## Appendix A Computer Freehold Register Search

|   |  |  |
|---|--|--|
|    | <b>RECORD OF TITLE<br/>UNDER LAND TRANSFER ACT 2017<br/>FREEHOLD<br/>Search Copy</b> | <br><br>R. W. Muir<br>Registrar-General<br>of Land |
| <b>Identifier</b>   | <b>756405</b>  |  |
| <b>Land Registration District</b>   | <b>South Auckland</b>  |  |
| <b>Date Issued</b>  | 25 July 2017   |  |
| <b>Prior References</b>   |  |  |
|   | 696311   |  |
| <b>Estate</b>   | Fee Simple   |  |
| <b>Area</b>   | 5000 square metres more or less  |  |
| <b>Legal Description</b>  | Lot 297 Deposited Plan 503167  |  |
| <b>Registered Owners</b>  |  |  |
|   | Pacific Property Fund Limited  |  |
| <b>Interests</b>  |  |  |
| Appurtenant to the part formerly Lot 2 DP 311911 are rights to transmit electricity specified in Easement Certificate B290590.3 - 16.8.1995 at 2:17 pm  |  |  |
| The easements specified in Easement Certificate B290590.3 are subject to Section 243 (a) Resource Management Act 1991   |  |  |
| Appurtenant to the part formerly Lot 2 DP 311911 is a right to transmit electricity created by Easement Instrument 5467956.2 - 24.1.2003 at 9:00 am   |  |  |
| Land Covenant in Easement Instrument 9356511.7 - 24.4.2013 at 3:32 pm   |  |  |
| Land Covenant in Easement Instrument 9487919.3 - 21.8.2013 at 3:15 pm   |  |  |
| Land Covenant in Easement Instrument 9487919.4 - 21.8.2013 at 3:15 pm   |  |  |
| 10191126.12 Surrender of Land Covenant in Easement Instrument 9487919.3 as to part Lots 9, 270, 276, 277, 278 and 279 DP 482860 in CT 614913 - 21.9.2015 at 3:11 pm                               |  |  |
| 10191126.13 Surrender of Land Covenant in Easement Instrument 9487919.4 as to part Lots 9, 270, 276, 277, 278 and 279 DP 482860 in CT 614913 - 21.9.2015 at 3:11 pm                               |  |  |
| Land Covenant in Easement Instrument 10230154.1 - 23.10.2015 at 1:30 pm   |  |  |
| 10840324.2 Consent Notice pursuant to Section 221 Resource Management Act 1991 - 25.7.2017 at 4:01 pm   |  |  |
| 10840324.4 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS 738376 ) - 25.7.2017 at 4:01 pm |  |  |
| 10840324.4 Subject to Section 81(2) and 81(3) Building Act 2004 (affects 738376 ) - 25.7.2017 at 4:01 pm  |  |  |
| Subject to a right (in gross) to drain water over part marked D on DP 503167 in favour of Tauranga City Council created by Easement Instrument 10840324.5 - 25.7.2017 at 4:01 pm                  |  |  |
| The easements created by Easement Instrument 10840324.5 are subject to Section 243 (a) Resource Management Act 1991   |  |  |
| 11014048.4 Mortgage to Bank of New Zealand - 31.1.2018 at 4:44 pm   |  |  |
| <i>Transaction Id</i>   |  | <i>Search Copy Dated 4/04/19 10:38 am, Page 1 of 2</i>   |
| <i>Client Reference</i>   | mboswell001  | <i>Register Only</i>   |





**RECORD OF TITLE  
UNDER LAND TRANSFER ACT 2017  
FREEHOLD  
Search Copy**



R. W. Muir  
Registrar-General  
of Land

**Identifier** 738376  
**Land Registration District** South Auckland  
**Date Issued** 22 February 2017

**Prior References**  
679948

|                          |                                 |
|--------------------------|---------------------------------|
| <b>Estate</b>            | Fee Simple                      |
| <b>Area</b>              | 2437 square metres more or less |
| <b>Legal Description</b> | Lot 295 Deposited Plan 498493   |

**Registered Owners**  
Pacific Property Fund Limited

**Interests**

Appurtenant to part formerly Lot 2 DP 311911 are rights to transmit electricity specified in Easement Certificate B290590.3 - 16.8.1995 at 2:17 pm

The easements specified in Easement Certificate B290590.3 are subject to Section 243 (a) Resource Management Act 1991

Appurtenant to part formerly Lot 2 DP 311911 is a right to transmit electricity created by Easement Instrument 5467956.2 - 24.1.2003 at 9:00 am

Land Covenant in Easement Instrument 9356511.7 - 24.4.2013 at 3:32 pm

Land Covenant in Easement Instrument 9487919.3 - 21.8.2013 at 3:15 pm

Land Covenant in Easement Instrument 9487919.4 - 21.8.2013 at 3:15 pm

10191126.1 Consent Notice pursuant to Section 221 Resource Management Act 1991 - 21.9.2015 at 3:11 pm

10191126.12 Surrender of Land Covenant in Easement Instrument 9487919.3 as to Lots 9, 270, 276, 277, 278 and 279 DP 482860 - 21.9.2015 at 3:11 pm

10191126.13 Surrender of Land Covenant in Easement Instrument 9487919.4 as to part Lots 9, 270, 276, 277, 278 and 279 DP 482860 - 21.9.2015 at 3:11 pm

Land Covenant in Easement Instrument 10230154.1 - 23.10.2015 at 1:30 pm

10840324.4 CERTIFICATE PURSUANT TO SECTION 77 BUILDING ACT 2004 THAT THIS COMPUTER REGISTER IS SUBJECT TO THE CONDITION IMPOSED UNDER SECTION 75(2) (ALSO AFFECTS 756405 ) - 25.7.2017 at 4:01 pm

10840324.4 Subject to Section 81(2) and 81(3) Building Act 2004 (affects 756405 ) - 25.7.2017 at 4:01 pm

11014048.4 Mortgage to Bank of New Zealand - 31.1.2018 at 4:44 pm

*Transaction Id*  
*Client Reference* mboswell001

*Search Copy Dated 4/04/19 10:39 am, Page 1 of 2*  
*Register Only*

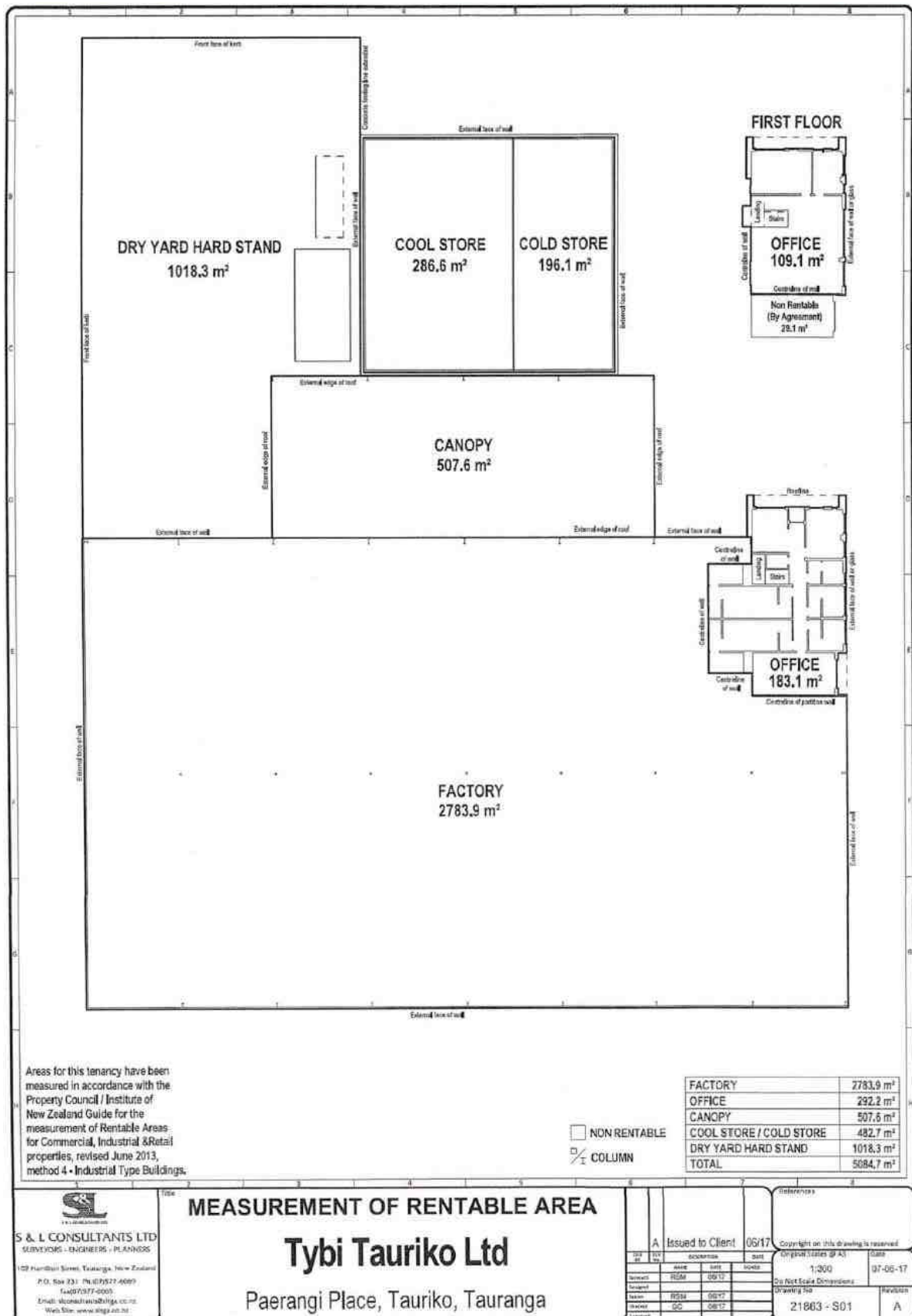
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Transaction Id  
Client Reference mboowell001

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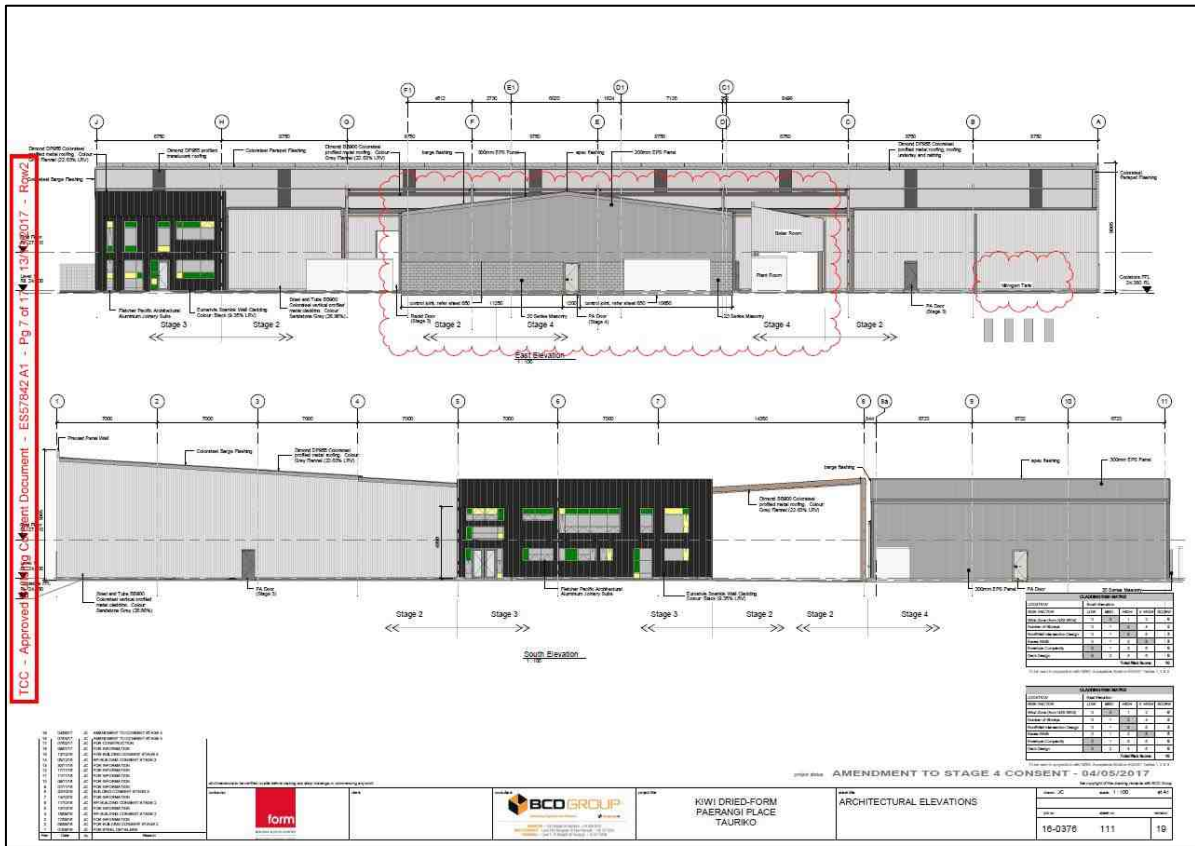
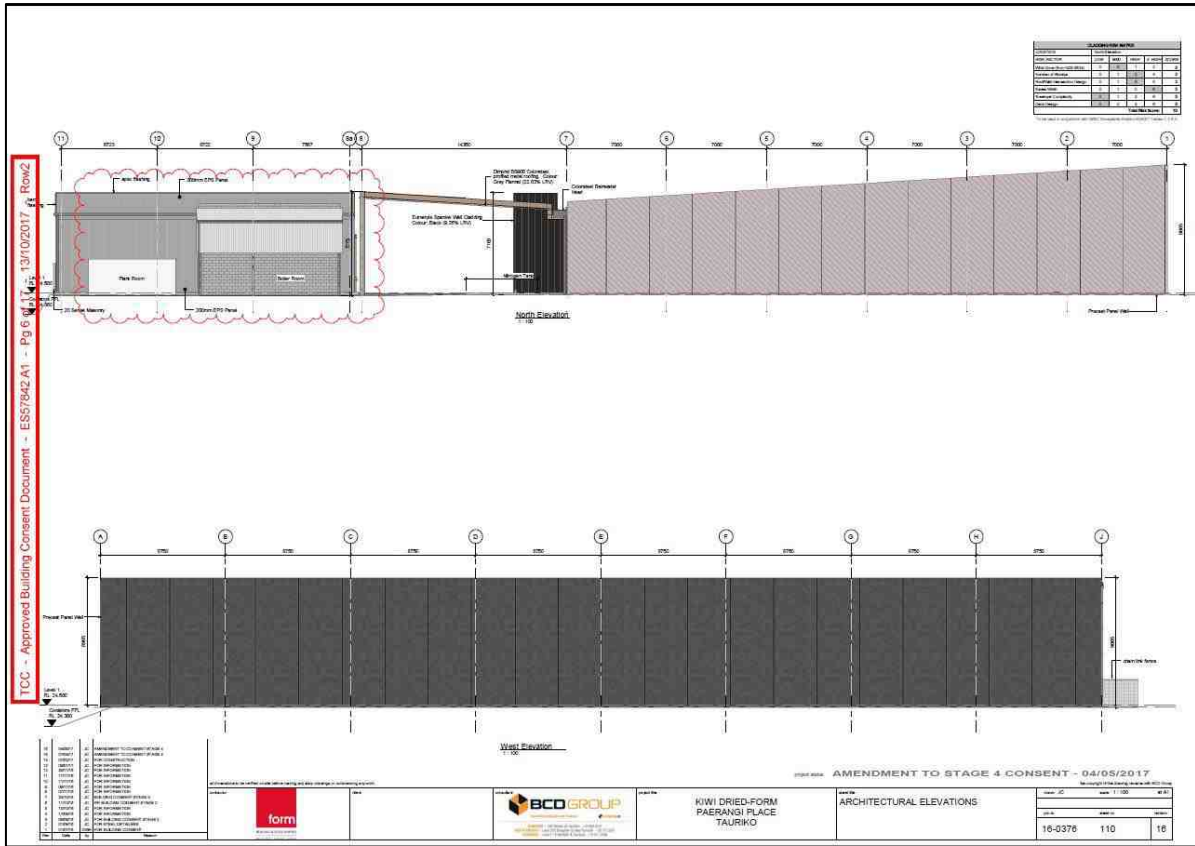
Appendix B Surveyed Measurement of Rentable Area



Appendix C Floor Plans









Appendix D Outline Specifications

Outline Specification

PROPOSAL CLARIFICATIONS

GENERAL CLARIFICATIONS

- a) We have made no allowances for consents, fees or levies payable to local and or central government authorities.
- b) We require free, unimpeded and suitable access to the site at all times.
- c) We have made no allowances for upgrades in infrastructure works such as pumps, transformers etc. It is assumed that all infrastructure has suitable capacity for this development.
- d) The percentages to be applied on all variations / additions – they are as follows:
  - a. Design fee – 5.50%
  - b. On-site overheads – 6.00%
  - c. Off-site overheads and profit – 7.00%
- e) We have assumed the existing ground has good bearing capacity. We have therefore allowed for shallow foundations only.
- f) We have made no allowances for the removal of contaminated material, underground obstructions or rerouting underground unidentified services.
- g) No allowances made for the boiler room.
- h) No allowances has been made in cost and programme for works associated to the BRL 1 and BRL 2.
- i) All works including services have been allowed for to the boundary.
- j) Progress payments to be made on all design work.

COOLSTORE

- 1 Site Preparation**
  - i. Bulk cut of topsoil to maximum of 200mm deep.
  - ii. Detailed dig of foundations and slab preparation only.
  - iii. Shallow foundations on good ground allowed for.
- 2 Substructure**
  - i. Maximum 150thick conventional concrete slabs and footings, including formwork and reinforcement jointing systems
  - ii.
- 3 Frame**
  - i. Structural Steel frame throughout with 5m portal knee height
  - ii. Shop primer finish
  - iii. Structural steel allowance to suit Glycol based refrigerant system. Other refrigerant systems may require additional steelwork.
- 4 Structural Walls**
  - i. 150thick precast concrete panel – Raw finish
  - ii.
- 5 Upper Floors**
  - i. No allowance.
  - ii.
- 6 Roof**
  - i. 150thick insulated panel in metalcraft profile to roof and associated flashings
  - ii. Coloursteel gutters and PVC downpipes

- 7 Exterior Walls and Exterior Finish**
  - i. 125thick insulated panel (EPS) in metalcraft profile and all compenry for coolstore walls
- 8 Windows and Exterior Doors**
  - i. Manual sliders allowed for in 125thick EPS panel
- 9 Stairs and Balustrades**
  - i. No allowance.
- 10 Interior Walls**
  - i. No allowance
- 11 Interior Doors and Windows**
  - i. No allowance
- 12 Floor Finishes**
  - i. No allowance
- 13 Wall Finishes**
  - i. No allowance
- 14 Ceiling Finishes**
  - i. No allowance
- 15 Fittings and Fixtures**
  - i. No allowance
- 16 Sanitary Plumbing and Gas**
  - i. No allowance
- 17 Heating, Ventilation and air conditioning**
  - i. A provisional amount of \$450/m2 of coolstore area based on a Glycol system for refrigeration and electrical for refrigeration.
  - ii. Containerised plant room allowed for in above rate.
- 18 Fire Services**
  - i. We have allowed for a type 3 or 4 fire system that is activated by heat or smoke detectors and manual call points, a fire alarm panel and brigade connection.
  - ii. We have made no allowances for integrating the fire protection with other building services which are over and above the building code.
- 19 Electrical and Data Services**
  - i. 1 main switchboard for mechanical and electrical designations – 400amp.
  - ii. Lighting to meet building code standards only
  - iii. Emergency lighting as per building code standards only

|                |  |
|----------------|--|
| <b>20</b>      | <b>Vertical Transportation</b>   |
| i.             | No allowance   |
| <b>21</b>      | <b>Special Services</b>  |
| i.             | We have made no allowance for building management systems.                                       |
| <b>22</b>      | <b>Drainage</b>  |
| i.             | No allowance   |
| <b>23</b>      | <b>External Works</b>  |
| i.             | No allowance   |
| <b>24</b>      | <b>Sundries</b>  |
| i.             | No signage allowed for.  |
| ii.            | No racking system specified. Therefore to be completed by others.                                |
| iii.           | No allowance for fall arrest systems. Client to take care of any maintenance requirements.       |
| <b>OFFICES</b> |  |
| <b>1</b>       | <b>Site Preparation</b>  |
| i.             | Bulk cut of topsoil to maximum of 200mm deep.  |
| ii.            | Detailed dig of foundations and slab preparation only.   |
| iii.           | Shallow foundations on good ground allowed for.  |
| <b>2</b>       | <b>Substructure</b>  |
| i.             | Maximum 150thick conventional concrete slabs and footings, including formwork and reinforcement. |
| ii.            | Jointing systems.  |
| <b>3</b>       | <b>Frame</b>   |
| i.             | Lightweight steel frame structure allowed for.   |
| ii.            | Shop primer finish only  |
| <b>4</b>       | <b>Structural Walls</b>  |
| i.             | No allowance.  |
| <b>5</b>       | <b>Upper Floors</b>  |
| i.             | No allowance – SINGLE LEVEL.   |
| <b>6</b>       | <b>Roof</b>  |
| i.             | .55gauge roofing on netting and underlay   |
| ii.            | Coloursteel gutters and PVC downpipes.   |
| iii.           | Insulation to meet building code.  |

|           |   |
|-----------|---|
| <b>7</b>  | <b>Exterior Walls and Exterior Finish</b>   |
| i.        | Paint finish Monotek sheet cladding on cavity batten, on building wrap on insulation and timber framing |
| <b>8</b>  | <b>Windows and Exterior Doors</b>   |
| i.        | Residential suite aluminium windows and doors with opening capability for natural ventilation.          |
| <b>9</b>  | <b>Stairs and Balustrades</b>   |
| i.        | No allowance – SINGLE LEVEL.  |
| <b>10</b> | <b>Interior Walls</b>   |
| i.        | Timber framed, plasterboard linings, level 4 stopping and paint finish                                  |
| <b>11</b> | <b>Interior Doors and Windows</b>   |
| i.        | Hollow core doors and standard door hardware allowed for five offices.                                  |
| ii.       | Push/Pull plate, hardware and level lockset   |
| <b>12</b> | <b>Floor Finishes</b>   |
| i.        | Standard mid-range vinyl to ablutions   |
| ii.       | Standard carpet tile floor coverings  |
| <b>13</b> | <b>Wall Finishes</b>  |
| i.        | Included elsewhere  |
| <b>14</b> | <b>Ceiling Finishes</b>   |
| i.        | Suspended grid and tile ceiling   |
| <b>15</b> | <b>Fittings and Fixtures</b>  |
| i.        | Toilet partitions – maximum 5 toilets and 3 urinals   |
| ii.       | Grab rail   |
| iii.      | Kitchenette   |
| iv.       | Toilet roll holders   |
| v.        | Door stops  |
| vi.       | Mirrors   |
| vii.      | Tile splashback at kitchenette  |
| <b>16</b> | <b>Sanitary Plumbing and Gas</b>  |
| i.        | Hot and Cold water reticulation   |
| ii.       | 130l Hot water cylinder   |
| iii.      | Sanitary fittings and fixtures to suit 5 toilets  |
| iv.       | Incoming water supply   |
| v.        | Taps and control valves   |
| vi.       | Watermain connection  |
| vii.      | External hose taps  |
| <b>17</b> | <b>Heating, Ventilation and air conditioning</b>  |
| i.        | 4off Hi wall air conditioning   |
| ii.       | Extract fans to ablutions areas   |

|                  |                                     |   |
|------------------|-------------------------------------|---|
| <b>18</b>        | <b>Fire Services</b>                | We have allowed for a type 3 or 4 fire system that is activated by heat or smoke detectors and manual call points, a fire alarm panel and brigade connection.   |
| <b>19</b>        | <b>Electrical and Data Services</b> | <ul style="list-style-type: none"> <li>i. Lighting outlets to meet building code</li> <li>ii. Light switches – 15no.</li> <li>iii. 20 x double data outlets</li> <li>iv. 20 x double power outlets</li> <li>v. Circuit board</li> <li>vi. Emergency lighting to meet building code</li> </ul> |
| <b>20</b>        | <b>Vertical Transportation</b>      | <ul style="list-style-type: none"> <li>i. No allowance.</li> </ul>  |
| <b>21</b>        | <b>Special Services</b>             | <ul style="list-style-type: none"> <li>i. No allowance</li> </ul>   |
| <b>22</b>        | <b>Drainage</b>                     | <ul style="list-style-type: none"> <li>i. Allowed elsewhere</li> </ul>  |
| <b>23</b>        | <b>External Works</b>               | <ul style="list-style-type: none"> <li>i. No allowance</li> </ul>   |
| <b>24</b>        | <b>Sundries</b>                     | <ul style="list-style-type: none"> <li>iv. No signage allowed for.</li> </ul>   |
| <b>WAREHOUSE</b> |                                     |   |
| <b>1</b>         | <b>Site Preparation</b>             | <ul style="list-style-type: none"> <li>i. Bulk cut of topsoil to maximum of 200mm deep.</li> <li>ii. Detailed dig of foundations and slab preparation only.</li> <li>iii. Shallow foundations on good ground allowed for.</li> </ul>  |
| <b>2</b>         | <b>Substructure</b>                 | <ul style="list-style-type: none"> <li>i. Final slab prep, Damp proof membrane, mesh reinforcement and concrete floor slab</li> <li>ii. Crack inducers / Canzac control joint system</li> </ul>   |
| <b>3</b>         | <b>Frame</b>                        | <ul style="list-style-type: none"> <li>i. Structural steel frame and shop primer finish – 5m height to portal knee</li> </ul>   |

|           |   |  |
|-----------|---|--|
| <b>4</b>  | <b>Structural Walls</b>                   | <ul style="list-style-type: none"> <li>i. 150thick precast concrete to one elevation</li> </ul>  |
| <b>5</b>  | <b>Upper Floors</b>                       | <ul style="list-style-type: none"> <li>i. No allowance</li> </ul>  |
| <b>6</b>  | <b>Roof</b>                               | <ul style="list-style-type: none"> <li>i. 0.55 gauge coloursteel roofing to main building</li> <li>ii. Nesting and underlay</li> <li>iii. PVC Downpipes</li> <li>iv. Monopitched roof, coloursteel box gutter</li> </ul> |
| <b>7</b>  | <b>Exterior Walls and Finishes</b>        | <ul style="list-style-type: none"> <li>i. 0.40 gauge metal profile cladding to four elevations</li> </ul>  |
| <b>8</b>  | <b>Exterior Windows and Doors</b>         | <ul style="list-style-type: none"> <li>i. 2 electrically operated roller doors 5m x 5m for inwards and outward goods – powdercoat finish</li> <li>ii. 1no. personnel security doors</li> </ul>                           |
| <b>9</b>  | <b>Stairs and Balustrades</b>             | <ul style="list-style-type: none"> <li>i. No allowance</li> </ul>  |
| <b>10</b> | <b>Interior Walls (framing only)</b>      | <ul style="list-style-type: none"> <li>i. No allowance</li> </ul>  |
| <b>11</b> | <b>Interior Doors and Windows</b>         | <ul style="list-style-type: none"> <li>i. No allowance</li> </ul>  |
| <b>12</b> | <b>Floor Finishes</b>                     | <ul style="list-style-type: none"> <li>i. No allowance</li> </ul>  |
| <b>13</b> | <b>Wall Finishes</b>                      | <ul style="list-style-type: none"> <li>i. No internal wall finishes. Exposed girts and cladding</li> </ul>   |
| <b>14</b> | <b>Ceiling Finishes</b>                   | <ul style="list-style-type: none"> <li>i. No allowance</li> </ul>  |
| <b>15</b> | <b>Fittings &amp; Fixtures</b>            | <ul style="list-style-type: none"> <li>i. No allowance</li> </ul>  |
| <b>16</b> | <b>Sanitary Plumbing</b>                  | <ul style="list-style-type: none"> <li>i. No allowance</li> </ul>  |
| <b>17</b> | <b>Heating &amp; Ventilation Services</b> | <ul style="list-style-type: none"> <li>i. Maximum 4 no. ventilators to roof</li> </ul>   |

|   |  |
|---|--|
| <p><b>4</b> <b>Roof</b></p> <ul style="list-style-type: none"> <li>i. 0.55 gauge coloursteel roofing to main building</li> <li>ii. Netting and underlay</li> <li>iii. PVC Downpipes</li> <li>iv. Coloursteel gutter</li> </ul> <p><b>SITWORKS AND FUTURE DRY AREA</b></p> <p><b>1</b> <b>External Works</b></p> <ul style="list-style-type: none"> <li>i. 150mm thick external concrete allowed for throughout including all prep work.</li> <li>ii. Minor landscaping</li> <li>iii. Full stormwater drainage works (downpipes measured elsewhere)</li> </ul> | <ul style="list-style-type: none"> <li>ii. No air conditioning allowed for</li> </ul> <p><b>18</b> <b>Fire Protection Services</b></p> <ul style="list-style-type: none"> <li>i. Type 3 or 4 fire alarm system to building code</li> </ul> <p><b>19</b> <b>Electrical &amp; Data Services</b></p> <ul style="list-style-type: none"> <li>i. 3 phase power supply to main board to 100amp</li> <li>ii. Distribution and main meter boards</li> <li>iii. Earthing and Bonding</li> <li>iv. Mains cabling</li> <li>v. Submains cabling and distribution</li> <li>vi. LED HI bay Light fittings to building code</li> <li>vii. Light circuitry</li> <li>viii. Emergency lighting as per building code</li> <li>ix. As built, warranties and completion documentation</li> </ul> <p><b>20</b> <b>Vertical Transportation</b></p> <ul style="list-style-type: none"> <li>i. No allowance</li> </ul> <p><b>21</b> <b>Special Services</b></p> <ul style="list-style-type: none"> <li>i. No allowance.</li> </ul> <p><b>22</b> <b>Drainage</b></p> <p>Allowed for elsewhere</p> <p><b>23</b> <b>External Works</b></p> <ul style="list-style-type: none"> <li>i. No allowance</li> </ul> <p><b>24</b> <b>Sundries</b></p> <ul style="list-style-type: none"> <li>i. No allowance</li> </ul> <p><b>CANOPY</b></p> <p><b>1</b> <b>Site Preparation</b></p> <ul style="list-style-type: none"> <li>i. Bulk cut of topsoil to maximum of 200mm deep.</li> <li>ii. Detailed dig of foundations and slab preparation only.</li> <li>iii. Shallow foundations on good ground allowed for.</li> </ul> <p><b>2</b> <b>Substructure</b></p> <ul style="list-style-type: none"> <li>i. Final slab prep. Damp proof membrane, mesh reinforcement and concrete floor slab</li> <li>ii. Crack inducers / Canzac control joint system</li> </ul> <p><b>3</b> <b>Frame</b></p> <ul style="list-style-type: none"> <li>i. Structural steel frame and shop primer finish—5m height to portal knee</li> </ul> |
|---|--|

Appendix E Schedule Of Gross Assets

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Schedule 4

Gross Assets (see clause 29)

Entire Stock of Kiwifruit Puree, plus

| "NEW ZEALAND SPECIALTY KIWIFRUIT PRODUCTS" |    |  |
|--|----|--|
| Item                                       | No |  |
| <b>PROCESS LINE 1</b>                      |    |  |
| Fruit Bin Unloading                        | 1  | 2017 "Fraser Gear Engineering" bin tip (Te Puke Manufacturer)  |
| Metal Detector                             | 1  | 2016 "DingFeng" DF-A metal detector (from China)   |
| Conveyor                                   | 1  | 2016 Stainless steel conveyor - 6000L x 920W (from China)  |
| Conveyor                                   | 1  | 2016 Stainless steel mixer conveyor - 2000L x 600W (from China)  |
| Brush Washer                               | 1  | 2016 Stainless steel brush washer conveyor   |
| Peeling Stations                           | 4  | 2016 "Guangshen Food Facility Co" Model 6GXD-13 all stainless steel fruit peelers  |
| Wash Basin                                 | 1  | 2016 Stainless steel wash basin conveyor unit with 'riser' and - 4700L x 700W (from China)   |
| Conveyor - Elevator                        | 1  | 2016 Stainless steel 'riser-elevator' conveyor with a metal belt and frame - 3400L x 600W (from China)   |
| Pulping Station                            | 1  | 2016 Stainless steel fruit crusher/pulper with a feed hopper (from China)  |
| Pulp Refiner Station/Clarifying Station    | 1  | 2016 Stainless steel pulp refiner (from China)   |
| Stands                                     | 2  | 2016 Stainless steel process stands with access steps above the vat (from China)   |
| Vats/Tanks                                 | 2  | Stainless steel 500 litre vats - 1 for the pulping station and 1 x for the pulp refining station - both have 'Clean in Place' (CIP) washers (from China)   |
| Pre-Heater Unit                            | 1  | Stainless steel shell & tube pre-heater  |
| Pumps                                      | 2  | Cavity pumps for the two pulp vats (from China)  |
| Barrel Cartridge                           | 1  | 2016 "Yide" Model LW3506 horizontal scroll discharge, solid bowl centrifuge (from China)   |
| Mixing Tank                                | 1  | Stainless steel 1000 litre tank with a macerator and bottom-mounted mixer (from China)   |
| Balance Tank                               | 1  | Stainless steel 2007 Litre balance tank  |
| Steriliser                                 | 1  | Stainless steel shell & tube steriliser inclusive of steam valves (rated for 15,000 litres per hour but 75% by-passed, inclusive of balance tank & framework)  |
| Homogeniser                                | 1  | Currently by-passed and not working (from China)   |
| Bottle Filler                              | 1  | RCGF16-16-5 stainless steel rince, fill and cap, non-contact bottle filler inclusive of cap de-scrabbler and 3.7 metre exit bottle inverter conveyor - Would sell all as one normally in an auction and would expect to fetch between \$20,000 and \$30,000. - See Report (All from China)<br>Note: Not currently operational due to all Chinese software. |
| Tunnel Heater/Cooler                       | 1  | Stainless steel pasteuriser tunnel and cooling tunnel - both 3600L (from China) - See Report   |
| Bottle Dryer                               | 1  | Stainless steel 16 head bottle air blower-dryer (from China)   |
| Printer                                    | 1  | "RN Mark Company" RN Jet Printer (NZ sourced)  |
| Labelling Machine                          | 1  | Stainless steel side application labelling machine (from China)  |
| Labelling Machine                          | 1  | Stainless steel sleeve labelling machine (from China)  |

1

| "NEW ZEALAND SPECIALTY KIWIFRUIT PRODUCTS" |    |   |
|--|----|---|
| Item                                       | No |   |
| Shrink Tunnel                              | 1  | Stainless steel heat shrink tunnel for labels (from China) 1600L  |
| Conveyor & Table                           | 1  | Stainless steel, curved single bottle conveyor up to and including the packing table - conveyor 3500L (from China)  |
| Taping Machine                             | 1  | Model GPA30, carton top taping machine (from China)   |
| Carton Forming Machine                     | 1  | Carton forming and bottom tape machine (from China)   |
| Printer                                    | 1  | "RN Mark Company" RN Jet Printer (NZ sourced)   |
| Metal Detector                             | 1  | 2016 "DingFeng" DF-A metal detector (from China)<br>Note: Not sure whether this is 100% foolproof for all metals - has failed some tests  |
| <b>PROCESS LINE 2</b>                      |    |   |
| Heating Pads                               | 2  | Stainless steel heating pads for the frozen puree (NZ manufactured)   |
| Injection Pumps                            | 2  | "Nomad" injection pumps for the frozen puree (NZ sourced)   |
| Homogeniser                                | 1  | Homogeniser for the frozen puree (from China) Note: Not Working   |
| <b>SUPPORT PLANT</b>                       |    |   |
| CIP Plant                                  | -  | 3 x stainless steel double skinned 3,000 litre tanks with internal cleaners (from China)  |
| CIP Plant                                  | -  | 1 x stainless steel single skinned 3,000 litre tank with internal cleaners (from China)   |
| SEP Plant                                  | -  | 1 x stainless steel, double skinned 5,000 litre tank (from China)   |
| RO Plant                                   | -  | "Frotec" 3 membrane reverse osmosis water treatment plant with super ioniser (not in use but capable of 8000 litres per hour - from China)  |
| Bottle Blower Plant                        | -  | Yeast, M&S & Model unknown - Bottle blower plant inclusive of bottle blower unit and the air purification including: 1 x "TGLC" air dryer, 1 x 2016 "JACG" Model JC-1AD industrial water chiller, 1 x air dryer tank, 1 x "JACG" mould temperature controller, 1 x "Shim" STM mould temperature controller and 1 x riser conveyor for the bottle blanks. (All from China)<br>Note: This entire plant requires a software upgrade - See Report |
| Freezer Dryer                              | 1  | Stainless steel cryogenic liquid nitrogen freezing tunnel inclusive of fans for venting - 15 metres long with a 1400 wide metal conveyor belt (from China). Note: This plant is in two pieces and has not been commissioned - See Report  |
| Ozonation Plant                            | -  | Ozonation plant (from China)  |
| Compressors                                | 5  | "Shang Air" Model 09SH, high pressure, PET bottle blowing vertical compressors (from China)   |

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7332236.2

| "NEW ZEALAND SPECIALTY KIWIFRUIT PRODUCTS" |    |  |
|--|----|--|
| Item                                       | No |  |
| <b>SERVICES</b>                            |    |  |
| Boiler                                     | 1  | 2017 "RCR Energy" Steamtec Model RF3800 'non-attended' steam boiler with a 'Weishaupt' gas burner and associated water balance equipment (NZ sourced - See Report) |
| Cooling Tower                              | 1  | Cooling tower (from China)   |
| Water Tank                                 | 1  | Stainless steel 10,000 litre chilled water tank (purchased second-hand in NZ)  |
| Compressor & Tanks                         | 1  | 'Atlas Copco' GA15VSD screw-type compressor with 2 tanks   |
| Compressor                                 | 1  | 'Shang Air' 3 cylinder belt compressor (from China)  |
| Service Lines - Plumbing                   | -  | See under 'Additional Plant'   |
| Steam Lines                                | -  | See under 'Additional Plant'   |
| Control Systems                            | -  | See under 'Additional Plant'   |
| Electric/DBs                               | -  | See under 'Additional Plant'   |
| Brackets/Stands etc.                       | -  | See under 'Additional Plant'   |
| Spares                                     | -  | See under 'Additional Plant'   |
| Pallet Wrapping                            | -  | Automatic pallet wrapper   |
| Forklift                                   | -  | Year, Make & Model unknowns but an older Chinese electric 'walk behind' forklift - tidy and with new batteries (from China)  |
| Pallet Trucks                              | 3  | Assorted, new-looking pallet trucks  |
| <b>ADDITIONAL PLANT</b>                    |    |  |
| Conveyor                                   | 1  | Stainless steel belt conveyor from the 'Bin Tip' to the 'Metal Detector' - 3300L x 1070W (from China)  |
| Conveyor                                   | 1  | Stainless steel twin belt conveyor (upper & lower) through the peeling station - 1500L x 130W (from China)   |
| Conveyor                                   | 1  | Stainless steel 'trier' conveyor from the peeling station to the wash/bain conveyor - 3500L x 540W (from China)  |
| Conveyor                                   | 1  | Stainless steel single bottle conveyor through the 'RN Jar' printer - 2000L (from China)   |
| Conveyor                                   | 1  | Stainless steel single bottle conveyor through the 'side application labeller' - 2000L (from China)  |
| Conveyor                                   | 1  | Stainless steel single bottle conveyor through the 'label labeller' - 6000L (from China)   |
| Conveyor                                   | 1  | Stainless steel curved bottle conveyor from the 'bottle blowers' to the 'bottle filler' - 10.5 metres (from China)   |
| Conveyor                                   | 1  | Stainless steel conveyor from the 'inverter conveyor' to the 'pasteurising tunnel' - 3000L x 340W (from China)   |

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| "NEW ZEALAND SPECIALTY KIWIFRUIT PRODUCTS" |    |   |
|--|----|---|
| Item                                       | No |   |
| Conveyor                                   | 1  | Stainless steel bottle conveyor from the cooling tunnel to the 'bottle dryer' - 3000L x 340W (from China)   |
| Conveyor                                   | 1  | Stainless steel bottle conveyor through the 'bottle dryer' - 5200L (from China)   |
| Conveyor                                   | 1  | Stainless steel roller conveyor by the carton taper - 3000L (from China)  |
| Conveyor                                   | 1  | Stainless steel roller conveyor by the carton former - 3000L (from China)   |
| Conveyor - Mobile                          | 1  | Stainless steel mobile conveyor with plastic belt on casters - 7500L x 540W (from China)  |
| Conveyor - Mobile                          | 1  | Stainless steel mobile 'trier' conveyor on casters - 2800L x 700W   |
| Platform                                   | 1  | Stainless steel centrifuge platform (from China)  |
| Pumps                                      | 2  | Pumps by the 'centrifuge' (from China)  |
| Pumps                                      | 3  | Pumps by the 3 stainless steel 'mixing tanks' (from China)  |
| Pumps                                      | 2  | Pumps by the first 200 litre tank (from China)  |
| Pumps                                      | 5  | Black pumps (from China)  |
| Pumps                                      | 2  | Pumps by the 'steriliser' (from China)  |
| Control Units                              | 1  | Steam control units, all installed by 'Page & McRae' and NZ compliant (some NZ sourced and others from China)   |
| Cabinets                                   | 5  | Stainless steel PLC cabinets - all software in Chinese and may not be able to be operated by a third party in NZ hence cabinet valve only (from China - See Report) |
| Heat Exchangers                            | 6  | Assorted heat exchangers (from China)   |
| Tank                                       | 1  | Stainless steel 200 litre tank (from China)   |
| Tanks                                      | 2  | Stainless steel 2000 litre mixing/stirring tanks (from China)   |
| Steps                                      | 1  | Manual, portable 3 step unit  |
| Shaker Table                               | 1  | Stainless steel shaker table - 1600L x 1100W (from China)   |
| Steam Valve System                         | 1  | 'Spirax Sarco' steam valve system   |
| Roller Table                               | 1  | Stainless steel roller table to the 'carton taping machine' - 2300L (from China)  |
| Dosing Plant                               | -  | Centric code dosing plant   |
| Tanks & Pumps                              | 2  | 200? Litre stainless steel tanks with pumps attached (from China - not in use)  |
| Air Dryer?                                 | 1  | 'Air Dryer?' Still in shipping box (from China)   |
| Roof Covering                              | 1  | Galvanised roof covering  |
| Water Pumps & Controls                     | 2  | Water supply pumps with 'iCon' controls (NZ sourced)  |
| Tanks                                      | 2  | 5,000 litre stainless steel tanks (by RO plant - from China)  |
| Tanks                                      | 2  | 800 litre stainless steel tanks (by RO plant - pressurised tanks but not NZ certified - from China)   |
| Steel Portals                              | 4  | Steel portals, single post - 4500H with 600L 'arms'   |

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