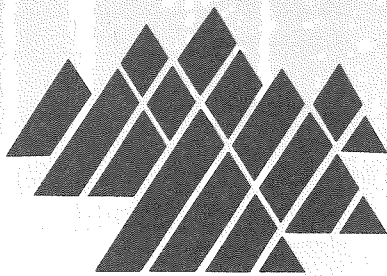


1990
P R O S P E C T U S



**SILVERWOOD
FOREST**

**CORPORATION LIMITED AND COMPANY
FOREST & LAND PARTNERSHIP**

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SILVERWOOD FOREST CORPORATION LIMITED AND COMPANY

Forest Partnership and Land Partnership

PROMOTER AND FOREST MANAGER'S STATEMENT

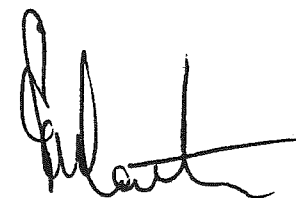
We are pleased to offer investors the opportunity to participate in a forestry project which provides the unique advantage of being fully planted with trees ranging from 4-18 years of age. This will enable investors to receive a cash return commencing within 10 years compared to the normal 25-30 year time span of a newly planted forest.

An additional feature is the participation in the Land Partnership which will own 211.8 hectares of land situated at Whitby, Wellington. 115.8 hectares of this land is zoned "General Residential" and the trees growing on this area are over 16 years of age. The major attraction of this property is the inherent potential for residential development in the future.

We believe the following ingredients are fundamental to the success of any investment project: direct management involvement, proven management expertise in all aspects of the project, and a debt free financial structure providing sufficient funding throughout the development phases of the project. Silverwood Forest Corporation will have all of these ingredients.

Peter Martin will be the Forest Manager and is also a director of the General Partner. Peter has been employed in the forestry industry full time for 19 years and has had experience in all aspects of forest management from planning and planting through to logging. Over the last 4 years he has successfully established forestry partnerships which have over 600 individual participating partners. He is responsible for the overall management of finance, partnership administration & correspondence, together with on-site forest management. All of these existing partnerships are debt free and are performing ahead of budget expectations.

Contact with all our investors is maintained through regular newsletters and field trips. We look forward to having you join us in this project to share in an industry that continues to grow, and offers prosperity for your future.



P.S. Martin
Arbor Investments Limited
Forest Manager

This prospectus is dated 10 September 1990 and has been prepared in accordance with the Securities Act 1978. A copy of this prospectus duly signed and having all the relevant documents as required by section 41 of the Securities Act 1978 and referred to in this prospectus, has been delivered to the District Registrar of Companies, Hamilton for registration in accordance with Section 42 of the Securities Act 1978.

DIRECTORY

PROMOTER

Arbor Investments Limited
P.O. Box 37-507, 11 Cheshire Street
Parnell
Auckland

GENERAL PARTNER

Silverwood Forest Corporation Limited
11 Cheshire Street, P.O. Box 37-507
Parnell, Auckland

THE DIRECTORS

Peter Scott Martin
Forest Manager
88 Rawhiti Road, One Tree Hill,
Auckland. Ph: (09)395-078, Fax: (09)373-573

Peter Bradney Bould
Chartered Accountant,
78a Arney Road, Remuera
Auckland. Ph: (09)395-078, Fax: (09)373-573

Anthony Sydney Loveday
Veterinarian
100 Waterloo Road, Lower Hutt,
Wellington, Ph: (04)696-447, Fax: (04)698-037

FOREST MANAGER

Peter Scott Martin
88 Rawhiti Road, One Tree Hill
Auckland

ACCOUNTANT

Peter Bradney Bould
Chartered Accountant
11 Cheshire Street, Parnell
Auckland

SOLICITOR

Alan Lambert Wilson
Fry, Wilson, Todd & Co
Main Street, Huntly.

AUDITOR

BDO Hogg Young Cathie
Chartered Accountants
18 London Street
Hamilton

BANKERS

National Bank of New Zealand
485 Great South Rd
Penrose

SECURITIES REGISTRAR

The General Partner
Silverwood Forest Corporation Limited
11 Cheshire Street, Parnell, Auckland

STATUTORY SUPERVISOR

Prince & Partners Trustee Company Ltd.
67 Custom Street
Auckland

STOCK EXCHANGE

These securities are not being listed
on the N.Z. Stock Exchange.

FORESTRY — AN INVESTMENT FOR YOUR FUTURE

As an investor, you need to feel secure about forestry as a an investment.
The following points are aspects of this forestry project which will offer you security in your investment.

- ▲ Forestry produces a worldwide sought after raw material.
- ▲ Current age of trees will provide cash returns with in 10 years.
- ▲ The main two forest blocks are only 26 km from Wellington.
- ▲ 51% of trees planted are over 15 years old.
- ▲ The port of Wellington is now being used for log export.
- ▲ Special Partnership provides limited liability protection to partners.
- ▲ World demand for wood continues to increase
- ▲ An investment suitable for retirement planning.
- ▲ Historically, forestry has shown 6%-8% compound annual return above inflation.
- ▲ No annual tax on the forest's growth — tax payable only when logging produces income.
- ▲ Proven management expertise and experience.
- ▲ Insured against fire.
- ▲ Partners can watch their investment grow.
- ▲ Value of trees are exempt from estate duties.
- ▲ Ideal for providing for children or grandchildren.
- ▲ Unlike many other forms of investments, forestry has not shown harsh fluctuations in value.
- ▲ New Zealand renowned internationally for its expertise in plantation Forestry.
- ▲ Environmental benefits reduces Greenhouse effect by producing oxygen.

CAPITAL STRUCTURE

Authorised Partnership Capital

262 Land Partnership units of \$2,200 each	\$576,400
158 Forest Partnership units of \$12,800 each	\$2,022,400
Total Capital	\$2,598,800

Units Issued

131 Land Partnership units of \$2,200 each	\$288,200
27 Forest Partnership units of \$12,800 each	\$345,600
Total Initially Subscribed	\$633,800

Units now offered for Subscription

131 Land Partnership units of \$2,200 each	\$288,200
131 Forest Partnership units of \$12,800 each	\$1,676,800
Total offered for Public Subscription	\$1,965,000

FORMATION STRUCTURE

Two special partnerships have been formed under the partnership Act 1908. The first partnership will be known as 'Silverwood Forest Corporation Limited and Company – Land Partnership. The second partnership will be known as 'Silverwood Forest Corporation Limited and Company – Forest Partnership'.

The Land Partnership will have a capital of \$576,400 consisting of 262 units valued at \$2,200 each. The initial special partner, Whitby Corporation Limited, have taken 131 of these units while 131 units are being offered to the public.

The Forest Partnership will have a capital of \$2,022,400 consisting of 158 units valued at \$12,800 each. The initial special partner, Whitby Corporation Limited have taken 27 of these units while 131 units are being offered to the public.

It is a condition of this issue that the remaining units being offered for public subscription in both the Forest and Land partnerships must be purchased together i.e. for each unit purchased in one partnership, one unit must also be subscribed to in the other partnership.

SPECIAL PARTNERSHIPS

A Special Partnership allows more than 25 persons to be partners in its formation in contrast to an ordinary partnership which allows only up to 25 persons to be partners.

A Special Partnership provides limited liability to all special partners beyond the specific capital that each special partner is committed. This is in contrast to an ordinary partnership where all partners are liable for all debts and obligations of the partnership.

PURCHASE OF FOREST & LAND

The forests are being purchased by the Forest Partnership and ownership of these will be registered on the title of the properties on which they are planted under the Forestry Rights Registration Act 1983.

The Land Partnership will purchase the property on which the main forestry block is planted. This property totals 211 hectares in area, and is situated at Whitby, Wellington.

DETAILS OF PURCHASE

FOREST DETAILS

WHITBY			TITRAMONGA			JUDGEFORD		
AREA	SPECIES	AGE	AREA	SPECIES	AGE	AREA	SPECIES	AGE
39.8Ha	Radiata Pine	18 Years	19.0Ha	Radiata Pine	18 Years	19.5Ha	Radiata Pine	7 Years
36.0Ha	Radiata Pine	17 Years	2.0Ha	Radiata Pine	18 Years	26.5Ha	Radiata Pine	6 Years
30.2Ha	Radiata Pine	16 Years	1.0Ha	Radiata Pine	11 Years			
11.2Ha	Radiata Pine	15 Years	5.5Ha	Radiata Pine	7 Years			
37.1Ha	Radiata Pine	9 Years	37.0Ha	Radiata Pine	4 Years			
1.9Ha	Radiata Pine	9 Years						
1.4Ha	Radiata Pine	8 Years						
157.6Ha TOTAL VALUE: \$1,000,000			64.5Ha TOTAL VALUE: \$149,000			46.0Ha TOTAL VALUE: \$102,000		

LAND DETAILS

The land is situated at Whitby, Wellington. The total area is 211.8094 Hectares of which 115.8 hectares is zoned "General Residential" and 96.0 hectares is zoned "Rural Farming". The land is being purchased by the Land Partnership from Whitby Corporation Limited, for \$500,000.

The capital being raised for the Land Partnership is for the sole purpose of purchasing the land and related set-up costs. The Land Partnership will not trade. All future associated costs with the land will be borne by the Forest Partnership, inturn the Forest Partnership will not pay any rent for the use of the land on which the 178 hectares of forest is growing.

No financial forecast is contained in this prospectus in relation to the return on sale of the land. The investment forecasts are based only on the Forest Partnership. However, investors will recognise the potential associated with the land and the opportunities which may arise at the time the land becomes available for development once logging has been completed.

PURCHASE PRICE FOR FOREST & LAND

TOTAL FOREST PURCHASE PRICE:	\$1,251,000
TOTAL LAND PURCHASE PRICE:	\$500,000

FINANCIAL FORECAST

SILVERWOOD FOREST CORPORATION LIMITED & COMPANY FOREST PARTNERSHIP													
PLANTED AREA: 280.0Ha				INFLATION RATE: 5.0%				INTEREST RATE: 10.0%				INTEREST RATE RETURN: 7.2%	
YEAR	OPENING BALANCE	CAPITAL	INTEREST	LOG ROYALTIES	TOTAL FUNDS	SET UP COSTS	FOREST COST	PRUNE THIN	O'HEADS	COMPANY ADMIN	PAYMENT TO SHARE HLDs	SURPLUS (DEFICIT)	RETURN PER UNIT
1991		1,659,000			1,659,000	267,000	1,251,000	93,151	27,730	5,000		15,119	
1992	15,119	158,000	1,512		174,631			47,334	29,117	5,250		92,930	
1993	92,930	126,400	9,293		228,623			24,692	30,572	5,513		167,846	
1994	167,846	79,000	16,785		263,631			12,850	32,101	5,788		212,892	
1995	212,892		21,289		234,181			14,519	33,706	6,078		179,878	
1996	179,878		17,988		197,866				35,391	6,381		156,094	
1997	156,094		15,609		171,703			2,792	37,161	6,700		125,050	
1998	125,050		12,505		137,555				39,019	7,036		91,500	
1999	91,500		9,150		100,650				40,970	7,387		52,293	
2000	52,293		5,229	864,620	922,142				43,018	7,757	868,867	2,500	5,499
2001	2,500		250	382,807	385,557				42,645	8,144	332,268	2,500	2,103
2002	2,500		250	847,600	850,350				43,921	8,552	795,377	2,500	5,034
2003	2,500		250	1,501,830	1,504,580				44,340	8,979	1,448,761	2,500	9,170
2004	2,500		250	1,318,446	1,321,196				43,163	9,428	1,266,105	2,500	8,014
2005	2,500		250	547,301	550,051				42,331	9,900	385,030	112,790	2,437
2006	112,790		11,279		124,069				43,283	10,395		70,391	
2007	70,391		7,039	34,996	112,426				45,447	10,914		56,065	
2008	56,065		5,606		61,671				47,605	11,460		2,606	
2009	2,606		260	114,447	117,313				49,986	12,033	52,794	2,500	334
2010	2,500		250	88,544	91,294				52,257	12,635	23,902	2,500	151
2011	2,500		250	1,597,285	1,600,035				54,685	13,266	1,529,584	2,500	9,681
2012	2,500		250	1,847,845	1,850,595				53,936	13,930	1,712,581	70,148	10,839
2013	70,148		7,015		77,163				52,772	14,626		9,765	
2014	9,765		976	5,206,325	5,217,066				55,410	15,358	5,024,623	121,675	31,801
2015	121,675		12,168		133,843				46,248	16,125		71,470	
2016	71,470		7,147		78,617				48,561	16,932	10,624	2,500	67
2017	2,500		250	1,091,236	1,093,986				50,988	17,778	1,025,220		6,489
TOTAL		2,022,400	163,100	15,443,282		267,000	1,251,000	195,338	1,166,363	273,345	14,475,736		91,619

NOTES AND ASSUMPTIONS

1. INFLATION

Inflation has a very significant effect on financial projections, especially when compounded over 25 years. It can create drastic shortfalls on investment returns which do not produce income until after a long period of time.

Forestry counters inflation by producing a natural resource which historically has provided returns in excess of inflation. Inflation will be present, to some degree, over the length of the investment, the rate of which is difficult to predict.

To account for the impact of inflation, a 5% assumed inflation rate has been used in the above cashflow. All costs and revenue data have been based on present day costs and royalties, compounded by this 5% factor.

The effects of increasing inflation on the forest returns are illustrated below under "Forest Investment Returns".

2. PRUNING & THINNING

All pruning and thinning costs in the cashflow are based on contract production rates specific to each forest. 1990 labour rates have been used in conjunction with these production rates to calculate these costs. The majority of the pruning and thinning operations will be carried out on contract and supervised by the Forest manager.

3. SALE OF WOOD

It is estimated that logging from the residentially zoned area will commence within 10 years. The sale of wood will be negotiated to take advantage of market conditions at that time. The Whitby and Judgeford

forests are relatively close to the Wellington region for the wood supply to be absorbed into the local market or exported overseas through the Wellington Port.

4. ROYALTIES FROM LOG SALES.

Royalties represent the price per cubic metre of standing timber and are based on average returns presently being received by Forest Owners for local consumption.

Average volumes and returns used in the financial forecasts above are:

Total Tree Volume	680 cu m/Ha
Recoverable Volume	
Pruned sawlog	174 cu m/Ha
Unpruned sawlog	319 cu m/Ha
Smallwood	87 cu m/Ha

Average Royalties	
Pruned sawlog	\$72.14/cu m
Unpruned sawlog	\$35.39/cu m
Smallwood	\$4.00/cu m

TOTAL REVENUE PER Ha

Pruned Sawlog	\$12,552
Unpruned Sawlog	\$11,289
Smallwood	\$348
TOTAL	\$24,189 per Ha

5. INTEREST

The interest rate used in the above cashflow is 10%. This recognizes the present trend of interest rates being at a high premium to inflation.

6. OVERHEADS

The following is a breakdown of the overheads used in the above cashflow:

Management	\$6,000
Accounting	\$3,000
Insurance & Protection	\$4,200
Fencing & Tracking	\$3,500
Rates (Whitby Property)	\$6,000
Audit	\$2,000
Statutory Supervisor	\$1,000
Legal	\$1,000
Misc	\$1,030
TOTAL	\$27,730

7. ADMINISTRATION

The following is a breakdown of costs used in the above cashflow for the administering of the partnership.

Correspondence	\$2,000
Secretarial duties	\$3,000

8. GOODS & SERVICES TAX

Any G.S.T. payable will be claimed back in the following month and will have no impact on the above cashflow or projections.

9. BALANCE DATE

The Partnership will have a balance date of 31 March.

10. FUNDING SCHEDULE

131 units in each of the Forest and Land Partnerships are being offered for public subscription. These units must be purchased in conjunction with each other. The following instalments will be required to be submitted to the General Partner.

DATE FUNDS REQUIRED LAND PARTNERSHIP FOREST PARTNERSHIP

On application	\$2,200	\$10,500
30th September 1991		\$1,000
30th September 1992		\$800
30th September 1993		\$500
TOTAL	\$2,200	\$12,800

11. FOREST INVESTMENT RETURN

Returns from the forest should commence within 10 years. The above forecast shows the annual cash return per unit based on 5% inflation.

The following is a breakdown of return based on different inflation factors:

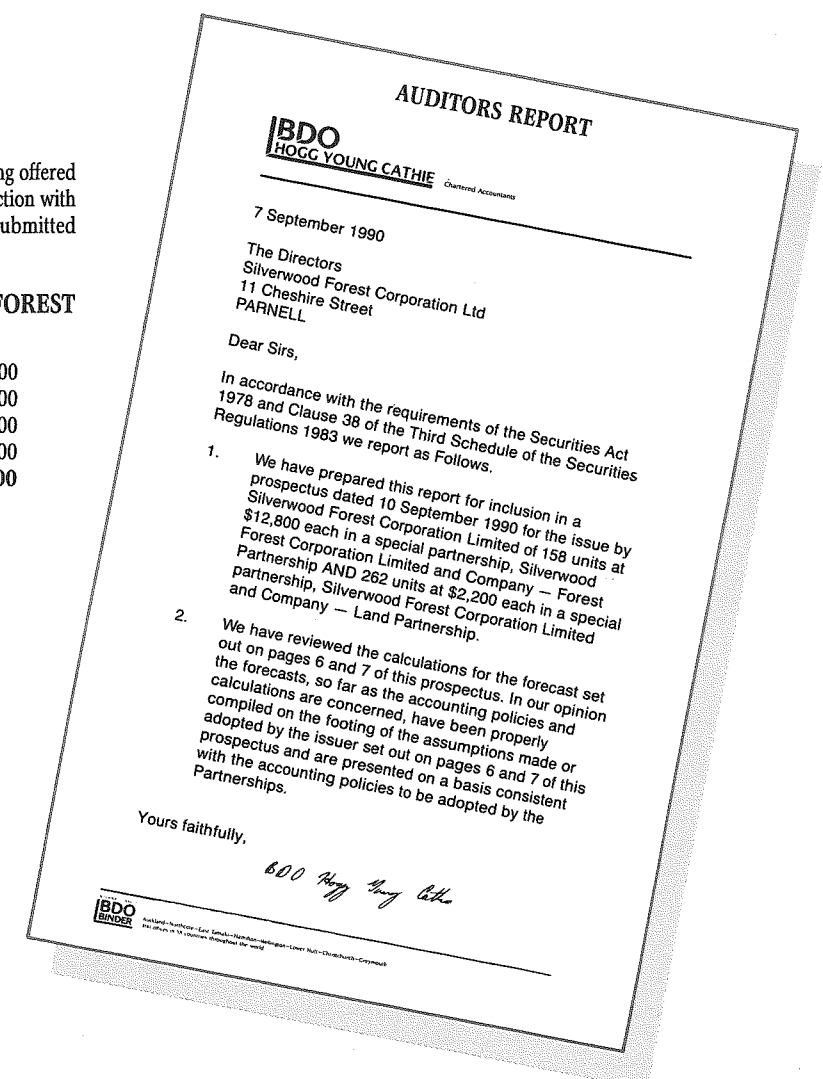
	5%	7.5%	10%
Gross Return:	\$91,619	142,920	224,140
Gross Percentage Return:	716%	1117%	1751%
Real Rate of Return:	7.2%	7.2%	7.2%

NOTE: The real rate of return is the annual percentage compounded growth of the initial contribution, OVER & ABOVE inflation. This is a VERY IMPORTANT indicator in analysing investments.

12. LAND RETURNS

Returns for the land situated at Whitby, which will be purchased by the Land Partnership, have not been shown in this prospectus, and should be considered separately from the above forest investment returns.

The Land Partnership has been structured so control of the land is retained by the members of the Forest Partnership. This was necessary because the potential value of the land, due to its location and zoning, could influence the premature felling of the forest.



STATUTORY INFORMATION

The following matters are required by the third Schedule to the Securities Regulations, 1983 and form the basis of this prospectus.

1. MAIN TERMS OF OFFER

- (1) The offeror of the securities to which this Prospectus relates will be Arbor Investments Limited. Peter Martin is the Managing Director and holds an 80% interest in this Company. The registered office of Arbor Investments Ltd is at 11 Cheshire Street, Parnell, Auckland.
- (2) The securities being offered are units in two special partnerships. The first partnership which will be known as the land partnership, will own land on which forestry will be the prominent activity. The second partnership will be known as the forestry partnership, whose main activity will be forestry.
- (3) The land partnership will have 262 units with a nominal capital value of \$2,200 each, 131 of these units are being offered to the public. The forestry partnership will have 158 units with a nominal capital value of \$12,800 each, 131 of these units are being offered to the public.
- (4) The total amount payable in respect of each unit is \$2,200 for units in the land partnership and \$12,800 for each unit in the forestry partnership. The schedule for payment on these units are as follows:

	Land	Forest
On Application	\$2,200.00	\$10,500.00
30th September 1991		\$1,000.00
31st September 1992		\$800.00
31st September 1993		\$500.00

2. MANAGERS AND ADVISORS

- (1) The manager of the Partnership will be Silverwood Forest Corporation Limited, an incorporated company having its registered office at 11 Cheshire St, Parnell, Auckland. The directors of Silverwood Forest Corporation Limited are:
Peter Scott Martin, T.C.A. Forest Ranger Cert, 88 Rawhiti Road, Auckland, Forest Manager.
Peter Bradney Bould, A.C.A., 78a Arney Road, Auckland, Chartered Accountant.
Anthony Sydney Loveday, B.V.Sc., 100 Waterloo Road, Lower Hutt, Veterinarian.
- (2) Not applicable.
- (3) The names of the Partnership's accountant, banker, auditor, solicitor and securities registrar are:
Accountant — Peter B. Bould, Auckland
Banker — National Bank, Penrose, Auckland
Auditor — Hogg Young Cathie BDO, Hamilton
Solicitor — Alan Wilson, Fry Wilson Todd & Co Huntly
Securities Registrar — Silverwood Forest Corporation Ltd
- (4) Not applicable.
- (5) Not applicable.

3. STATUTORY SUPERVISOR

- (1) The statutory supervisor will be Prince & Partners Trustee Company Limited
- (2) The statutory supervisor does not guarantee the redemption of the units to which this prospectus relates or any amount payable in future in respect of the units whether by way of profits or otherwise.

4. DESCRIPTION AND DEVELOPMENT OF SCHEME

- (1) The land partnership will purchase 211Ha of land at Whitby, Wellington. This land is planted in forest. The Forest Partnership will purchase these trees, along with two further blocks of forest, one at Judgeford, Wellington; the other at Pongaroa, Dannevirke. The Land Partnership will not trade and is solely in place to own the land at Whitby. The forestry partnership will own the trees by way of forestry rights over all the properties on which the forests are planted. The Forest partnership will tend, maintain and harvest the trees. Forestry rights are registered under the "Forestry Rights Registration Act 1983". This allows for forests to be owned, managed & harvested, other than by the owner of the land on which they grow. These forest are registered on the land title along with the agreement between the land owner and the forest owner.
- (2) Over the last 5 years portions of the forests have been tended along normal forestry principles. The majority of the forests blocks are overdue for thinning and these will be carried out during the summer of 1990/91.
- (3) The principal fixed assets to be used by the partnerships will be the land at Whitby and the trees on the three forestry blocks. The land will be purchased and owned by Silverwood Forest Corporation Limited and Company — Land Partnership. The forests will be purchased and owned by Silverwood Forest Corporation Limited and Company — Forest Partnership.

5. SUBSCRIBER'S LIABILITY

Partners in both Partnerships will become Special Partners and will on application become liable for the amount of their capital contribution to the Partnerships (\$2,200.00 per unit for the Land Partnership and \$12,800.00 per unit for the Forest Partnership.) As Special Partners of the two partnerships, each partner's liability (subject to the provisions of Section 53 of the Partnership Act 1908 which states: "If in carrying on such a business or in any contract connected therewith the name of any special partner is used with his consent or privity, or if he personally makes any contract respecting the concerns of the partnership, he shall be deemed to be a general partner with respect to the contract or matter in which his name has been so used or as to which he so contracted.") is limited to the amount of their capital contribution to the Partnership.

6. SUMMARY OF FINANCIAL STATEMENTS

The Partnership has not been formed and has not yet commenced business. Accordingly, no financial statements can be prepared in respect of any prior period.

7. PLANS, PROSPECTS AND FORECASTS

- (1) It is planned that in the year commencing 1st September 1990, that the forests will be thinned and or pruned in accordance to normal forestry practices. A total of 108 Ha of forest will be pruned and 166Ha will be thinned. The total cost for pruning, thinning, tracking & Maintenance will be approximately \$94,000 and this will be funded from the capital raised as a result of this prospectus.
- (2) A statement as to the prospects of the Partnership's business is included under the separate title of "Forestry in New Zealand" accompanying this prospectus.
- (3) Investment in the partnership is not entirely free from risk. Some of the risks include tax risks and risks of weakening timber values. There are risks that future changes to income tax legislation could be made retrospectively. The forestry partnerships assets i.e. the trees will be fully insured against forest fire.
- (4) A statement of the earning prospects in relation to the Partnership's business is included under a separate section titled "Financial Forecast" on pages 6 & 7 of this prospectus.
- (5) and (6) The proceeds from the issue of the Land Partnership will be used for the purchase of the land at Whitby and the associated set up costs. The Land Partnership will not trade. The following is a forecast statement of changes in financial position relating to Forestry Partnership for the year commencing on the date of the registration of this Prospectus:

	18 MONTHS TO 30/9/91
SOURCE OF FUNDS	
Proceeds of the issue	1,659,000.00
Capital — Due September 1991	158,000.00
Interest on Funds Held	1,512.00
TOTAL	1,818,512.00

	18 MONTHS TO 30/9/91
APPLICATION OF FUNDS	
Purchase of Forests	1,251,000.00
Issues Expenses	105,208.00
Brokerage	161,792.00
Working Capital Provision:	
Prune, Thin & Track	93,151.00
Management & Administration	6,000.00
Administration	7,030.00
Maintenance	7,700.00
Rates	6,000.00
Accounts/audit/Stat Supervisor	6,000.00
TOTAL	1,643,881.00
SURPLUS FUNDS	174,631.00

The following is a forecast statement of changes in financial position relating to Land Partnership for the year commencing on the date of the registration of this Prospectus:

	18 MONTHS TO 30/9/91
SOURCE OF FUNDS	
Proceeds of the issue	576,400.00
TOTAL	576,400.00
APPLICATION OF FUNDS	
Purchase of Land	500,000.00
Issues Expenses	30,288.00
Brokerage	46,112.00
TOTAL	576,400.00
SURPLUS FUNDS	0.00

8. MINIMUM SUBSCRIPTIONS

For the purposes of Section 37(2) of the Securities Act 1978 the minimum amount which must be raised by the issue of Units to which this Prospectus relates is \$2,598,800.00 comprising:

(a) For the purchase of land	500,000.00
For the purpose of Forest	1,251,000.00
(b) For preliminary expenses	343,400.00
(c) For working capital	504,400.00
(d) Not applicable	
TOTAL	2,598,800.00

9. GUARANTORS

Not applicable.

10. ACQUISITION OF BUSINESS OR EQUITY SECURITIES

The Partnerships have not acquired and have not contracted to acquire any business or equity securities.

11. SECURITIES PAID UP OTHERWISE THAN IN CASH

No participatory securities have been allotted by or subscribed for in the Partnerships as fully or partly paid up otherwise in cash.

12. OPTIONS TO SUBSCRIBE FOR SECURITIES OF THE SCHEME

No option to subscribe for securities of the Partnership has been, or is proposed to be, granted to any person.

13. MANAGERS INTEREST

- (1) Peter Scott Martin will provide management services to the Partnership. He will be responsible for the overall management of the project. This will include preparation of estimates, setting up of operations, liaison with third party interests, presentation of reports and reporting to partners.
- (2) The Partnership has not entered into, and does not at present propose to enter into, any material transactions as referred to in paragraph 13(2) of the Third Schedule of the Securities Regulations 1983 except as specified in paragraph 15 of this section, where details of material contracts are presented.
- (3) Anthony Sydney Loveday is a director of the General Partner, Silverwood Forest Corporation Limited. He is also the chairman of Whitby Corporation Limited. His position as a director of Silverwood Forest Corporation Limited is as representative of Whitby Corporation Limited which is the initial special partner of both the Forest & Land Partnerships to which this prospectus relates.

The Forest and Land Partnerships are purchasing the Forests and Land as described on page 5 of this prospectus. Whitby Corporation Limited will purchase and hold 50% of the units in the Land Partnership and 17.1% of the units in the Forest Partnership. The Directors, Accountants and Solicitors for Whitby Corporation are:

Directors:	Anthony Sydney Loveday, 100 Waterloo Road, Lower Hutt. Veterinary Surgeon. Roger Redington, 1184 Fergusson Drive, Upper Hutt. Forest Manager. John Frederick Girling, Horokiwi Road, Wellington. Manager.
Accountant:	Spicer & Oppenheim, Courtney Place, Wellington.
Solicitor:	Siewwright, Quinn and Porter, 22 Brandon Street, Wellington.

14. PROMOTERS INTEREST

- (1) The promoters of the Partnership is Arbor Investments Limited. The directors of Arbor Investments Limited are:
Peter Scott Martin, Donald Anthony Scott
- (2) The promoters will be entitled in the event of the successful launching of the scheme to a remuneration of \$49,495.00. In the event of the issue not being fully subscribed they are to be personally liable for promotional expenses.
- (3) The Partnership has not entered into, and does not at present propose to enter into, any material transaction as referred to in paragraph 14(3) of the Third Schedule to the Securities Regulations 1983 other than pursuant to the contracts specified in paragraph 15 of this section.

15. MATERIAL CONTRACTS

The following material contracts have been entered into:

- (1) A management agreement dated 5/9/90 between the Partnerships and Peter Scott Martin pursuant to which Peter Scott Martin is to provide management services to the Partnership.
- (2) A sale and Purchase Agreement, dated 21 June 1990, between Whitby Corporation Limited and Peter Scott Martin as agent, relating to the land at Whitby for the consideration of \$500,000 and for 268Ha of Forest for the consideration of \$1,251,000. Copies of all aforesaid contracts may

be inspected at the offices of Arbor Investment Limited, 11 Cheshire Street, Parnell, Auckland; Messrs Fry, Wilson, Todd & Co., Main Street, Huntly, and Prince & Partners Trustee Co Ltd, 67 Custom Street, Auckland at any time during normal office hours.

16. PENDING PROCEEDINGS

There are no legal proceedings or arbitrations pending at the date of registration of this Prospectus that may have a material adverse effect on the Partnership.

17. ISSUE EXPENSES

The issue's estimated expenses are as follows:

	LAND	FOREST
Legal and Accounting	5,500.00	19,500.00
Printing & Postage	3,500.00	12,500.00
Feasibility Study	3,300.00	11,700.00
Preparation of Prospectus	2,750.00	9,750.00
Brokerage	46,112.00	161,792.00
Promoters fee	11,388.00	38,108.00
Audit Fee	2,750.00	9,750.00
Statutory Supervisor	1,100.00	3,900.00
TOTAL	76,400.00	267,000.00

18. TERMS OF DEED OF PARTICIPATION

A copy of the all terms relating to the Deed of Participation is attached to this prospectus.

19. OTHER TERMS OF OFFER AND SECURITIES

All terms of the offer and all terms of the securities being offered are set out in this Prospectus. In the case of material contracts and other information supporting this prospectus, these are available for public inspection at the offices of Arbor Investment Limited, Statutory Supervisors Office or The Companies Office in Hamilton.

20-34. REQUIREMENTS IN RESPECT OF FINANCIAL STATEMENTS

As the Partnerships have not yet commenced business, clauses 20-34 are not applicable.

35. PLACES OF INSPECTION OF DOCUMENTS

Copies of the contracts mentioned in paragraph 15 of this section may be inspected without fee at the following locations. The offices of Arbor Investments Limited, 11 Cheshire St, Parnell, Auckland. The District Registrar of Companies, 16-20 Clarence St, Hamilton between the hours of 10.00 a.m. and 3.00 p.m. The offices of Messrs Fry, Wilson, Todd & Co., Main Street, Huntly. Prince & Partners Trustee Company Limited, 67 Custom St, Auckland at any time during normal office hours.

36. OTHER MATERIAL MATTERS

No material contracts other than those detailed in this prospectus, have been entered into.

37. MANAGERS STATEMENT

Not applicable.

38. AUDITORS REPORT

Refer "Auditors Report" on page 7 of this Prospectus.

This Prospectus has been signed by each of the promoters and managers or their authorised agent:

SIGNED BY

The Directors of Silverwood Forest Corporation Limited.
General Partner and Manager of the Partnership.

Peter Scott Martin

Peter Bradney Bould

Anthony Sydney Loveday

SIGNED BY

The Directors of Arbor Investments Limited.
Promoter of the Partnership.

Peter Scott Martin

Donald Anthony Scott

DEED OF PARTICIPATION LAND PARTNERSHIP

SILVERWOOD FOREST CORPORATION LIMITED AND COMPANY — LAND PARTNERSHIP

THIS DEED made this 10th day of September 1990

BETWEEN WHITBY CORPORATION LIMITED a duly incorporated Company having its registered office at Lower Hutt ("the initial Special Partner") together with the several other persons who join in this Deed by Deed of Accession (referred to below collectively as "the Special Partners")

AND SILVERWOOD FOREST CORPORATION LIMITED a duly incorporated Company having its registered office at Auckland (referred to below as the "General Partner")

AND PRINCE & PARTNERS TRUSTEE COMPANY LIMITED a duly incorporated trustee corporation having its registered office at Auckland (referred to below as the "Statutory Supervisor").

WHEREAS

1. THE General Partner and the initial Special Partner (the General Partner and the Special Partners together referred to as "the Partners") wish to form a partnership (now referred to as the "Partnership") to be constituted as a Special Partnership under the provisions of Part II of the Partnership Act 1908 ("the Act"), to carry on the business as set out below.
3. THE General Partner will carry out the management functions for and on behalf of the Partnership.
4. THE principal object of the Partnership will be to purchase plantation forests of mainly radiata pine by way of forestry rights suitable for the production of timber, to manage the forests and to harvest and sell the trees either as logs or timber.
5. THE initial Special Partner will provide the initial capital and will subsequently be joined by further special partners who will contribute the balance of the capital of the Partnership.
6. THE Special Partners will be required to contribute towards the capital of the Partnership.
7. THE General Partner and the initial Special Partner have appointed the Statutory Supervisor and the Statutory Supervisor has accepted such appointment to act as Statutory Supervisor in respect of the interests of the Special Partners.

THEREFORE IT IS HEREBY AGREED AS FOLLOWS:

1. BUSINESS OF PARTNERSHIP

The business of the Partnership will include but shall not be limited to the following, namely:

- (a) To purchase land for the purpose of afforestation.
- (b) To purchase lease, take, hire or by other means acquire any freehold or leasehold property and rights privileges or easements over or in respect of any property.
- (c) To maintain, lease, sell or otherwise deal with or dispose of any property either real or personal acquired by the Partnership.
- (d) To invest in any other properties or securities or in the shares bonds or debentures of other partnerships or companies, to enter into partnership or joint venture arrangements with any other person partnership or company, and otherwise do all such things that may seem conducive to the benefit of the partnership.

2. PARTNERSHIP NAME

The business of the Partnership shall be carried out under the name and style of:
SILVERWOOD FOREST CORPORATION LIMITED AND COMPANY
— LAND PARTNERSHIP.

3. CAPITAL

- (1) The capital of the Partnership shall be divided into 262 units ("units") of \$2,200.00 each ("*\$2,200.00 units").
- (2) The initial capital of the Partnership shall be the sum of TWO

HUNDRED AND EIGHTY EIGHT THOUSAND, TWO HUNDRED DOLLARS (\$288,200.00) being 131 \$2,200.00 units which shall be contributed by the initial Special Partner as set out against the name of the initial Special Partner in Schedule A of this Deed.

- (3) Notwithstanding that the Partnership will be formed as a Special Partnership under the provisions of Part 11 of the Act the capital of the Partnership shall, subject to subclause (5) hereof, be immediately increased up to the sum of FIVE HUNDRED AND SEVENTY SIX THOUSAND, FOUR HUNDRED DOLLARS (\$576,400.00) comprising of the ONE HUNDRED AND THIRTY ONE (131) \$2,200.00 units mentioned in subclause (2) above, and ONE HUNDRED AND THIRTY ONE (131) \$2,200.00 units which are to be offered for subscription to members of the public.
- (4) The units mentioned in subclause (3) shall be paid up in cash on application.
- (5) During the continuance of the Partnership no Special Partner shall be entitled to withdraw or redeem any part of their share of the capital. If at any stage during the continuance of the Partnership the capital, or any part of the capital is repaid, and at the termination of the Partnership the Partnership assets are insufficient to meet the liabilities of the Partnership, then upon demand being made by the General Partner the Special Partners shall repay to the partnership any sums received by them from the Partnership or an amount equal to the extent necessary to meet any such deficiency in Partnership assets.
- (6) The personal liability of each Special Partner in respect of the Partnership shall be limited to the amount of their contribution to the capital of the Partnership.
- (7) The amounts payable by each of the Special Partners as their capital contribution shall be paid by the Special Partners in cash to the Partnership and shall be used for the purpose of the Partnership.
- (8) The capital of the Partnership shall belong to the Special Partners in the proportions in which it has been contributed by them.
- (9) The Special Partners shall not be required to contribute any other sums towards the capital of the Partnership other than as set Paragraphs (3) & (4) of this clause.

4. COMMENCEMENT AND DURATION

- (1) The Partnership shall commence upon the registration of a first Certificate of Special Partnership at the office of the High Court at Wellington pursuant to the provisions of Clause 5 in this Deed and shall continue for seven years, this being subject to Clause 17 of this Deed.
- (2) The Partnership may be renewed after seven years in accordance with Clause 26 of this Deed.

5. REGISTRATION

The General Partner and the initial Special Partner shall each complete, sign and acknowledge as appropriate, a certificate to be in the form of the certificate set out in Schedule B of this Deed. The initial Special Partner will each irrevocably appoint an attorney for the purposes of completing, signing and acknowledging this certificate. The General Partner shall cause every such certificate to be registered as prescribed by section 54 of the Partnership Act 1908, at the High Court Office at Wellington and publicised as prescribed by section 56 of this Act. The Special Partners and the General Partner shall comply at all times with the provisions of the Partnership Act 1908.

6. ADDITIONAL SPECIAL PARTNERS

- (1) Where the capital of the Partnership is increased as set out in clause 3 (3) of this Deed, each new Special Partner shall be required:
 - (a) to enter into and execute a Deed of Accession between themselves, the General Partner, the initial Special Partner and the Statutory Supervisor in the form of schedule C attached to this Deed. Each new Special Partner will agree to appoint the General Partner to be their attorney in their and on their behalf to execute the deed of accession and the required certificate of registration and

- (b) together with the General Partner, the initial Special Partner and themselves to complete, sign and acknowledge a certificate to be in the form of the certificate set out in Schedule D below. The General Partner will complete this certificate by using the given power of attorney from each new Special Partner.

- (2) The Partnership shall not dissolve as a result of the addition of such new special partners.
- (3) Any interest acquired by a new special partner shall accept all existing liabilities of the Partnership.

7. MANAGEMENT

- (1) Subject to the provisions contained in this deed relating to the books of the Partnership and to meetings of the Partnership none of the Special Partners shall take part in the management of the Partnership business or shall transact the Partnership business or shall have power to bind the Partnership.
- (2) The General Partner shall be responsible for the management of the Partnership and shall carry on the business or businesses for which the Partnership is established and do all things and enter into all agreements which may be necessary or desirable for such purposes. The General Partner shall also have the following powers and authorities, namely:
 - (a) To give valid and effectual receipts for all moneys coming into its hands on behalf of the Partnership or any Partner.
 - (b) To open and operate a current account with any bank or other lending institution. To deposit all moneys coming into its hands on behalf of the Partnership, or any Partner. To make withdrawals and sign cheques from such accounts on behalf of the Partnership as authorised under this deed.
 - (c) To enter into any arrangement with any person, group, authority or company for any purpose as to benefit the Partnership.
 - (d) To borrow raise or secure the payment of money in such manner as it shall think fit.
 - (e) To make loans and grants to any person or company and to subscribe for shares or any other types of securities in any company.

8. BANKERS

- (1) The bankers of the Partnership will be the National Bank of New Zealand Limited at its Penrose branch or such other bank as shall be determined by the General Partner but all cheques, drafts, or bills of exchange drawn from the Partnership account at the said banks shall only be signed by those persons authorised by the General Partner.
- (2) The General Partner will ensure that in respect of all banking business of the Partnership separate accounts in the name of the Partnership shall be maintained.

9. PROFITS AND LOSSES

- (1) The net profit of the Partnership as shown in the annual profit and loss accounts arising from all of its investments and all other profits shall belong to the Special Partners in proportion to the total number of units held by each Special Partner in the capital of the Partnership (regardless of the nominal value of such units).
- (2) The Special Partners shall bear all losses of the Partnership (including losses of a capital nature) in proportion to the total number of units held by each Special Partner. HOWEVER the personal liability of each Special Partner will be limited to their contribution of capital and any unpaid capital still outstanding.

10. DISTRIBUTION

All income, any other gains of the Partnership and the capital of the Partnership shall be distributed to the Special Partners in proportion to the total number of units held by each Special Partner.

11. ACCOUNTS

- (1) The General Partner shall keep proper and regular books of account of the Partnership business. Such books shall be available for inspection at all reasonable times by any Special Partner or their agent.
- (2) A profit and loss account and balance sheet for the Partnership shall be prepared by or at the direction of the General Partner for the period ending on and as at the last day of each financial year of the Partnership being 31st day of March in each year. Each such Profit and loss account and balance sheet shall be audited by a firm of chartered accountants which the General Partner shall select and shall then become binding on the Partnership. However any Partner shall be entitled to require the rectification of any manifest error discovered in such profit and loss

account or balance sheet within three months of the date when the same was certified by the auditors.

- (3) The General Partner shall be entitled to be reimbursed by the Partnership for all its costs and expenses arising from duties carried out as the General Partner of the Partnership.

12. REPORTING

The General Partner shall report to the Special Partners at least once yearly on any activities of Partnership.

13. MEETINGS

- (1) The General Partner shall:
 - (a) Call an Annual General Meeting of the Partnership for the purpose of considering the accounts and balance sheet of the Partnership for its last preceding financial year. If the Partnership has not traded in a particular financial year and in agreement with the Statutory Supervisor, the General Partner will not be required to call an Annual General Meeting for that year. An Annual General Meeting shall be held not later than six months after the end of the financial year.
 - (b) At the request in writing of the Statutory Supervisor or of Special Partners holding in total not less than 10% of the capital of the Partnership, summon a meeting of the Partnership for the purpose of giving to the Statutory Supervisor their opinions or directions in relation to the exercise of its powers.
- (2) The Statutory Supervisor:
 - (a) May on its own volition or at the request of the General Partner and
 - (b) Shall at the request in writing of Special Partners holding in total not less than 10% of the capital of the Partnership, summon a meeting of the Partners for the purpose of giving to it their opinions or directions in relation to the exercise of its powers or for the purpose of considering the termination of the management of the Partnership by the General Partner as laid out under clause 22 (1)(a) of this deed.
- (3) The General Partner shall be responsible for determining the date time and place of every general meeting of the Partnership and shall give notice in accordance with this Deed to the Statutory Supervisor and every Special Partner and shall be responsible for appointing a secretary for each such general meeting.
- (4) A general meeting of the Partnership shall not be held unless 28 clear days notice in writing is given to the Statutory Supervisor and each of the Special Partners.
- (5) Any notice of a general meeting shall state the date time and place of the meeting, the proposed business of the meeting and a copy of such notice shall be given to the Statutory Supervisor and every Special Partner but an accidental omission to give such notice shall not invalidate the proceedings of the meeting.
- (6) In every notice of meeting there shall also appear with reasonable prominence a statement that a Partner entitled to attend and vote at that meeting is also entitled to appoint a proxy to attend and vote instead of them and that a proxy need not be a Partner.
- (7) The Statutory Supervisor or any representative of the Statutory Supervisor (being a person authorised to act for the purposes of this clause by the Statutory Supervisor) shall be entitled to attend any meeting of the Partnership, and to be heard at any such meeting which concerns the Statutory Supervisor as such or the Special Partners.
- (8) At all meetings each Special Partner shall be entitled to vote on any motion put forward in the ratio of one vote for every unit held in the Partnership.
- (9) The quorum for any meeting shall be that number of Special Partners holding in total 25 units in the Partnership. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of the Special Partners shall be dissolved. In any other case the meeting will be held irrespective of the number of units represented.
- (10) The Statutory Supervisor may appoint a chairman of the meeting, and in the event that no such chairman is appointed, the Special Partners present at any meeting shall elect one of their number to be the chairman of the meeting.
- (11) Any Partner entitled to attend and vote at a meeting may by notice in writing to the General Partner appoint any other (whether a Partner or not) to be their proxy:
 - (a) to attend for them at any meeting.
 - (b) to vote for them at any meeting.
- (12) Every proxy shall be appointed in writing.
- (13) The General Partner shall keep minutes of all proceedings of general meetings

14. TRANSFER OR ASSIGNMENT OF INTEREST OF SPECIAL PARTNER

- (1) A unit may be sold or otherwise disposed of by a partner. The transferee (buyer) of such a unit shall execute a Deed of Accession between the General Partner, the Statutory Supervisor and the remaining Special Partners. The transferee shall appoint the General Partner to be their attorney in their name and on their behalf to execute any such Deed of Accession.
- (2) The General Partner may refuse to enter the name of any transferee in the Register of Partners and shall not be bound to specify the ground(s) upon which such registration is refused.
- (3) Until such time as the transferee has executed a Deed of Accession the transferor (seller) shall remain a special partner being bounded by this deed.
- (4) The General Partner shall be entitled to be reimbursed by the Transferor for all its costs and expenses arising from a transfer of a special partners interest.

15. DEATH BANKRUPTCY OR LIQUIDATION OF A SPECIAL PARTNER

- (1) The death, bankruptcy or liquidation of a Special Partner shall not determine the Partnership as between the Partners.
- (2) If any person becomes entitled to any interest in the Partnership capital upon the death bankruptcy or liquidation of a Special Partner they shall produce such evidence of their right and title to the same as the General Partner shall require. Upon the production of such evidence, and upon them signing a Deed of Accession between the same parties and on the same terms as that mentioned in clause 14 of this deed, the rights of the Special Partner shall pass onto that person or persons.

16. REGISTER OF PARTNERS

The General Partner shall keep at the registered office of the General Partner during the term of the Partnership a list of Partners and of all changes that it is notified of. The General Partner shall provide the Statutory Supervisor with the list of the Partners and shall advise of all changes it has been notified of.

17. DISSOLUTION

- (1) The Partnership shall be dissolved if at any time during the duration of the Partnership there shall be any significant reasons which in the opinion of the General Partner after consultation with the Statutory Supervisor, would make the continued business of the Partnership or the continued participation of the Special Partners as a group, in the Partnership no longer reasonably practicable. In the event of such dissolution all partners shall be notified.
- (2) Upon the dissolution of the Partnership the Partners shall each sign and acknowledge as appropriate a certificate of dissolution as required by Section 62 of the Act and the provisions of clause 5 of this deed shall effect with all necessary changes as if the certificate of dissolution were the certificate required on formation of the Partnership.

18. WINDING UP

As soon as shall be practicable after the date of dissolution of the Partnership the General Partner shall cause final accounts of the Partnership business to be drawn up and shall send each Partner a copy of these AND each Special Partner shall be entitled to receive a share of the net assets of the Partnership equal to each Special Partners' entitlement to a distribution of capital as laid out in Clause 10 of this deed.

19. PLACE OF BUSINESS OF PARTNERSHIP AND NOTICES

- (1) The place of business in New Zealand where communications and notices may be addressed and served is Silverwood Forest Corporation Limited, P.O. Box 37-507, Parnell, Auckland.
- (2) Any notice to the General Partner or to the Statutory Supervisor which relates to this deed shall be sent in a prepaid letter by registered post to the General Partner or the Statutory Supervisor, as the case may be, at its registered office.
- (3) Any notice to any of the Special Partners which relates to this deed shall be sent in a prepaid letter by post to their last known address.

20. ARBITRATION

If at any time during the duration of the Partnership any dispute, doubt or question arises between the Partners in relation to this deed or the rights and liabilities of either the General Partner, or any one of the Special Partners or over any account, valuation or determination then every such dispute or question shall be referred to the arbitration of

a single arbitrator. If an agreement can not be reached in the appointment of an arbitrator then the President for time being of the Hamilton District Law Society shall appoint an arbitrator. Any arbitration held as a result of this clause shall be in accordance with the provisions of the Arbitration Act 1908 or any statutory modification or re-enactment which may take place.

21. COVENANTS BY THE GENERAL PARTNER

- (1) The General Partner agrees with the Special Partners that it will:-
 - (a) Use its endeavors and skill to ensure that the affairs of the Partnership are conducted in a proper and efficient manner.
 - (b) Use due diligence and vigilance in the exercise and performance of its functions, powers and duties as a manager of the business of the Partnership.
 - (c) Account to the Special Partners for all money that it receives on behalf of the Partnership.
 - (d) Ensure that any moneys belonging to the Partnership will be dealt with only for those purposes authorised by this Deed.
 - (e) Upon receipt of reasonable notice from any Special Partner supply to the Special Partners, in general meeting, such oral or written information relating to the affairs of the Partnership as shall have been requested.

22. TERMINATION OF MANAGEMENT BY THE GENERAL PARTNER

- (1) The management by the General Partner of the business of the Partnership shall cease and be determined upon the happening of any of the following events:
 - (a) If the General Partner is in breach of its management obligations under this Deed or fails to carry out its duties to the reasonable satisfaction of the Statutory Supervisor and,
 - (i) it fails to remedy such breach or failure within a reasonable time after the service of written notice by the Statutory Supervisor requiring the breach or failure to be remedied, and
 - (ii) at a general meeting of the Partnership summoned for the purpose of considering such failure to remedy, Special Partners holding in total not less than 90% of the nominal capital of the Partnership vote in favour of the termination of the management by the General Partner.
 - (b) The taking of possession by an encumbrancer or the appointment of a receiver of the whole or any part of the property or assets of the General Partner.
- (2) In the event of the termination of the management by the General Partner of the Partnership the Partners shall by resolution at a General Meeting of the Partnership passed by Partners holding in total not less than 75% in nominal value of the capital of the Partnership appoint a new manager.
- (3) The termination of management by the General Partner shall not end the Partnership between the Partners. The General Partner shall remain a general partner of the Partnership (unless it has been wound up as under (1)(b) above, but will have no power to manage.
- (4) Any new manager appointed under Clause 22(2) of this deed shall enter into a Deed with the Partners and the Statutory Supervisor undertaking to be bound by all obligations of the General Partner as manager as set out in this deed.
- (5) Upon the management by the General Partner ceasing and until such time as a new manager is appointed the Statutory Supervisor shall be entitled to appoint a person as manager of the Partnership and any such person shall be bound by all the obligations of the General Partner as manager as set out in this deed.
- (6) The General Partner shall from the date of termination of its management be released from complying with its obligations as manager under this Deed but shall remain liable for any breach of such obligations prior to its termination.

23. COVENANTS BY THE GENERAL PARTNER AND THE SPECIAL PARTNER

- (1) The General Partner and the Special Partners agree with each other.
 - (a) That each will in relation to the conduct of the affairs of the Partnership act in good faith for the benefit of the whole of the Partnership.
 - (b) That each of them will punctually pay and discharge their separate debts and obligations and shall at all times ensure that the Partnership is fully indemnified against any claims arising from these.

24. STATUTORY SUPERVISOR

- (1) PRINCE & PARTNERS TRUSTEE COMPANY LIMITED is appointed as Statutory Supervisor and its duties and responsibilities are set out in the Seventh Schedule to the Securities Regulations 1983. The Statutory Supervisor will be paid an acceptance fee of TWO THOUSAND

DOLLARS (\$2,000.00) and annual fees based on time attendance and responsibility involved in the performance of its duties and shall also be entitled to reimbursement by the Partnership of all costs and expenses including legal and accounting costs and expenses incurred by them in their appointment and in the lawful exercise of its powers and duties as required under this deed.

- (2) The Statutory Supervisor shall exercise reasonable diligence to ascertain whether or not any breach of the terms of this Deed or of the offer of the participatory securities has occurred and, except where it is satisfied that the breach will not materially prejudice the interests of the Special Partners, shall do all such things as it is empowered to do to cause any breach of those terms to be remedied.
- (3) The Statutory Supervisor shall be entitled to receive all notices and other communications relating to the Special Partnership which any Special Partner is entitled to receive.
- (4) The General Partner shall from time to time:
 - (a) at the request in writing of the Statutory Supervisor, its employees and agents, make available for inspection the whole of the accounting and other records relating to the Partnership, and
 - (b) give to the Statutory Supervisor such information as it requires with respect to all matters relating to such records.
- (5) The appointment of the Statutory Supervisor under this Deed will be terminated immediately if:
 - (a) a receiver or liquidator is appointed in respect of the business or assets of the Statutory Supervisor, or
 - (b) the Statutory Supervisor becomes unwilling or incapable of attending to its obligations as set out in this deed; or
 - (c) The Statutory Supervisor ceases to be qualified under Section 48 of the Securities Act 1978 to act as a statutory supervisor.
- (6) The Statutory Supervisor may retire upon giving three months notice to the General Partner of its desire to do so.
- (7) On the termination of the Statutory Supervisor's appointment or on retirement of the Statutory Supervisor the General Partner shall immediately, subject to any approval required by law, appoint some other corporation or person approved by the Securities Commission to be the statutory supervisor.
- (8) Any person or corporation appointed to act as statutory supervisor in place of the Statutory Supervisor shall execute a Deed undertaking to the Partners to be bound by all the obligations of the Statutory Supervisor as set out in this deed. The removed or retiring Statutory Supervisor, shall from such date, be released from complying with its obligations as statutory supervisor under this deed but shall remain liable for any breach of such obligations prior to their removal or retirement.
- (9) Until the appointment of a person or corporation to act as statutory supervisor in place of the Statutory Supervisor, the General Partner may act as statutory supervisor.

25. MODIFICATIONS AND ALTERATIONS

The provisions of this Deed shall not be altered modified or varied except and unless expressly authorised and approved by a resolution of the Partners passed by Partners holding in total not less than 75% of the nominal capital of the Partnership at a general meeting of the Partnership.

26. RENEWAL OF PARTNERSHIP

If the Partnership has not been previously dissolved, the Partners may renew the Partnership at the end of the period of seven years referred to in clause 4(1) of this deed. In the event of such a renewal, the Partnership shall be renewed in accordance with section 57 of the Act for a further term of up to seven years. Every Special Partner and the General Partner shall be liable upon the receipt of notice of such renewal sign and acknowledge an appropriate certificate of renewal that complies with section 58 of the Act. For the purposes of such a certificate, the provisions of clause (5) in this deed shall have effect with the necessary changes as if that certificate were the certificate required to be registered on formation of the Partnership.

27. INDEMNITY

The General partner and its directors, employees, agents, advisors and consultants shall be indemnified by the partnership's assets against all liabilities, claims, costs and expenses incurred by any of them in relation to any acts, omissions or advice made or given by any of them for any purpose connected with the business of the partnership other than those acts, omissions or advice made or given in a grossly negligent or fraudulent manner.

28. INTERPRETATION

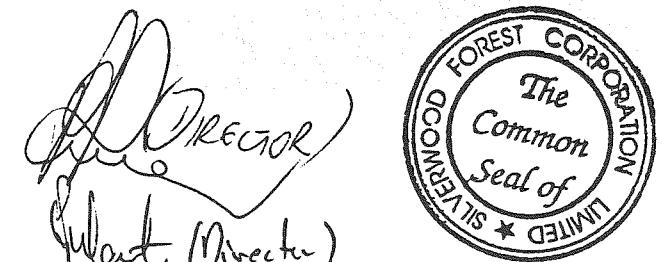
- (1) Clause headings appear as a matter of convenience and shall not affect the construction of this Deed.
- (2) In this Deed (including all Schedules) where the context requires or admits:
 - (a) The plural number includes the singular number and vice versa.
 - (b) Reference to a person shall include a company and vice versa.

29. COUNTERPART EXECUTION

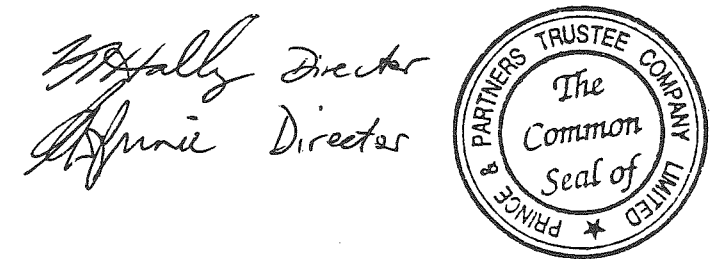
This Deed may be executed in any number of counterparts all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Deed by signing any such counterpart.

This deed as written above has been executed by the following persons and signed by them in the presence of:

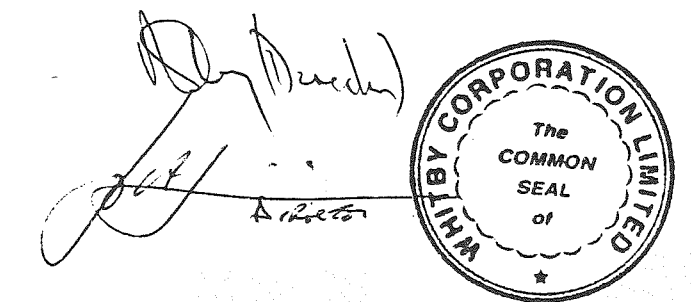
THE COMMON SEAL of SILVERWOOD FOREST CORPORATION LIMITED was hereunto affixed in the presence of:



THE COMMON SEAL of PRINCE & PARTNERS TRUSTEE COMPANY LIMITED was hereunto affixed in the presence of:



THE COMMON SEAL of WHITBY CORPORATION LIMITED was hereunto affixed in presence of:



Dated this 10th day of September 1990

DEED OF PARTICIPATION FOREST PARTNERSHIP

SILVERWOOD FOREST CORPORATION LIMITED AND COMPANY — FOREST PARTNERSHIP

THIS DEED made this 10th day of September 1990

SILVERWOOD FOREST LIMITED AND COMPANY — FOREST PARTNERSHIP.

BETWEEN WHITBY CORPORATION LIMITED a duly incorporated Company having its registered office at Lower Hutt ("the initial Special Partner") together with the several other persons who join in this Deed by Deed of Accession (referred to below collectively as "the Special Partners")

AND SILVERWOOD FOREST CORPORATION LIMITED a duly incorporated Company having its registered office at Auckland (referred to below as the "General Partner")

AND PRINCE & PARTNERS TRUSTEE COMPANY LIMITED a duly incorporated trustee corporation having its registered office at Auckland (referred to below as the "Statutory Supervisor").

WHEREAS

1. THE General Partner and the initial Special Partner (the General Partner and the Special Partners together referred to as "the Partners") wish to form a Partnership (now referred to as the "Partnership") to be constituted as a Special Partnership under the provisions of Part II of the Partnership Act 1908 ("the Act"), to carry on the business as set out below.
3. THE General Partner will carry out the management functions for and on behalf of the Partnership.
4. THE principal object of the Partnership will be to purchase plantation forests of mainly radiata pine by way of forestry rights suitable for the production of timber, to manage the forests and to harvest and sell the trees either as logs or timber.
5. THE initial Special Partner will provide the initial capital and will subsequently be joined by further special partners who will contribute the balance of the capital of the Partnership.
6. THE Special Partners will be required to contribute towards the capital of the Partnership.
7. THE General Partner and the initial Special Partner have appointed the Statutory Supervisor and the Statutory Supervisor has accepted such appointment to act as Statutory Supervisor in respect of the interests of the Special Partners.

NOW THEREFORE IT IS HEREBY AGREED AS FOLLOWS:

1. BUSINESS OF PARTNERSHIP

The business of the Partnership will include but shall not be limited to the following, namely:

- (a) To carry on the business of forestry, this will include the development of land, establishment of trees, silviculture, and to own, manage, operate, harvest, process, market and sell forests and trees of all kinds.
- (b) To also carry on the business of agriculture and farming.
- (c) To purchase, lease, take, hire or by other means acquire any freehold or leasehold property and rights privileges or easements over or in respect of any property.
- (d) To maintain, lease, sell or otherwise deal with or dispose of any property either real or personal acquired by the Partnership.
- (e) To invest in any other properties or securities or in the shares bonds or debentures of other partnerships or companies, to enter into partnership or joint venture arrangements with any other person partnership or company, and otherwise do all such things that may seem conducive to the benefit of the partnership.

2. PARTNERSHIP NAME

The business of the Partnership shall be carried out under the name and style of:

3. CAPITAL

- (1) The capital of the Partnership shall be divided into 158 units ("units") of \$12,800.00 each ("12,800.00 units").
- (2) The initial capital of the Partnership shall be the sum of THREE HUNDRED AND FORTY FIVE THOUSAND, SIX HUNDRED DOLLARS (\$345,600.00) being 27 \$12,800.00 units which shall be contributed by the initial Special Partner as set out against the name of the initial Special Partner in Schedule A of this Deed.
- (3) Notwithstanding that the Partnership will be formed as a Special Partnership under the provisions of Part II of the Act the capital of the Partnership shall, subject to subclause (5) hereof, be immediately increased up to the sum of TWO MILLION, TWENTY TWO THOUSAND AND FOUR HUNDRED DOLLARS (\$2,022,400.00) comprising of the TWENTY SEVEN (27) \$12,800.00 units as mentioned in subclause (2) above, and ONE HUNDRED AND THIRTY ONE (131) \$12,800.00 units which are to be offered for subscription to members of the public.
- (4) The units mentioned in subclause (3) shall be paid up in cash as follows:
\$1,000.00 on 30th September 1991
\$800.00 on 30th September 1992
\$500.00 on 30th September 1993
- (5) During the continuance of the Partnership no Special Partner shall be entitled to withdraw or redeem any of any part of their share of the capital. If at any stage during the continuance of the Partnership the capital or any part of the capital is repaid, and at the termination of the Partnership the Partnership assets are insufficient to meet the liabilities of the Partnership, then upon demand being made by the General Partner the Special Partners shall repay to the partnership any sums received by them from the Partnership or an amount equal to the extent necessary to meet any such deficiency in Partnership assets.
- (6) The personal liability of each Special Partner in respect of the Partnership shall be limited to the amount of their contribution to the capital of the Partnership and also any unpaid capital still outstanding.
- (7) The amounts payable by each of the Special Partners as their capital contribution shall be paid by the Special Partners in cash to the Partnership and shall be used for the purpose of the Partnership.
- (8) The capital for the time being of the Partnership shall belong to the Special Partners in the proportions in which it has been contributed by them.
- (9) The Special Partners shall not be required to contribute any other sums towards the capital of the Partnership other than as set Paragraph (3) & (4) of this clause.

4. COMMENCEMENT AND DURATION

- (1) The Partnership shall commence upon the registration of a first Certificate of Special Partnership at the office of the High Court at Wellington pursuant to the provisions of Clause 5 in this Deed and shall continue for seven years, this being subject to Clause 18 of this Deed.
- (2) The Partnership may be renewed after seven years in accordance with Clause 27 of this Deed.

5. REGISTRATION

The General Partner and the initial Special Partner shall each complete, sign and acknowledge as appropriate, a certificate to be in the form of the certificate set out in Schedule B of this Deed. The initial Special Partner will each appoint an attorney for the purposes of completing, signing and acknowledging this certificate. The General Partner shall cause every such certificate to be registered as prescribed by section 54 of the Partnership Act 1908, at the High Court Office at Wellington and Publicised as prescribed by section 56 of this Act. The Special Partners and the General Partner shall comply at all times with the provisions of the Partnership Act 1908.

6. ADDITIONAL SPECIAL PARTNERS

- (1) Where the capital of the Partnership is increased as set out in clause 3 (3) of this Deed, each new Special Partner shall be required:
 - (a) to enter into and execute a Deed of Accession between themselves, the General Partner, the initial Special Partner and the Statutory Supervisor in the form of Schedule C of this Deed. Each new Special Partner will agree to appoint the General Partner to be their attorney in their and on their behalf to execute the deed of accession and the required certificate of registration and
 - (b) together with the General Partner, the initial Special Partner and themselves to complete, sign and acknowledge a certificate to be in the form of the certificate set out in Schedule D of this Deed. The General Partner will complete this certificate by using the given power of attorney from each new Special Partner.
- (2) The Partnership shall not dissolve as a result of the addition of such new special partners, any rule of law or equity notwithstanding.
- (3) Any interest acquired by a new special partner shall accept all existing liabilities of the Partnership.

7. FAILURE TO PAY INSTALMENTS ON CAPITAL

- (1) If a Special Partner fails to pay any instalment of his capital contribution to the Partnership on the due date then the General Partner may forfeit that persons interest in the Partnership at any time after giving that person 14 days written notice sent by registered letter to their last known address. The General Partner shall be entitled to replace a Special Partner whose interest has been forfeited with a new Special Partner.
- (2) Such new Special Partners will agree to be bound by the terms and conditions of this Deed. The new Special Partner will join the Partnership by executing a deed of accession between themselves, the General Partner and the Statutory Supervisor.
- (3) A Special Partner defaulting in their payment of capital whose interest in the Partnership has been forfeited shall cease to have any interest in the Partnership, but shall remain liable to pay to the Partnership all money which at the date of forfeiture was payable by them to the Partnership in respect of their capital owing. This liability shall cease if and when the Partnership receives payment in full of the capital contributions attached to such interest, from the new Special Partner replacing the defaulting Special Partner.
- (4) If the Partnership receives from the new Special Partner, payment in full, of the interest which was held by the defaulting Special Partner, the General Partner may refund to the defaulting Special Partner any contributions of the capital in the Partnership which were paid by the defaulting Special Partner, but only after all costs and expenses incurred by the General Partner and the partnership are deducted from such refund.
- (5) Any interest acquired by a new Special Partner replacing a defaulting Special Partner shall accept all existing liabilities of the Partnership.

8. MANAGEMENT

- (1) Subject to the provisions contained in this deed relating to the books of the Partnership and to meetings of the Partnership none of the Special Partners shall take part in the management of the Partnership business or shall transact the Partnership business or shall have power to bind the Partnership.
- (2) The General Partner shall be responsible for the management of the Partnership and shall carry on the business or businesses for which the Partnership is established and do all things and enter into all agreements which may be necessary or desirable for such purposes. The General Partner shall also have the following powers and authorities, namely:
 - (a) To give valid and effectual receipts for all moneys coming into its hands on behalf of the Partnership or any Partner.
 - (b) To open and operate a current account with any bank or other lending institution. To deposit all moneys coming into its hands on behalf of the Partnership, or any Partner. To make withdrawals and sign cheques from such accounts on behalf of the Partnership.
 - (c) To enter into any arrangement with any person or company for any purpose as to benefit the Partnership.
 - (d) To borrow raise or secure the payment of money in such manner as it shall think fit.
 - (e) To make loans and grants to any person or company and to subscribe for shares or any other types of securities in any company.
 - (f) To purchase acquire lease exchange hire or otherwise deal in property of any kind both real and personal and to sell or otherwise dispose of or grant any rights over or in respect of any such property.
 - (g) To lend or advance money or give credit to any person or company and to guarantee and give guarantees for the payment of money or the performance of contracts or obligations by any person or company.
 - (h) To employ agents advisers workmen and contractors and other persons or to negotiate and enter into contracts with such agents advisers workmen and contractors and other persons as independent contractors to perform any process duty or service in respect of the Partnership business as the General Partner may consider necessary.

- (i) To pay all outgoing expenses charges and costs to be borne by the Partnership and payable in respect of the Partnership business arising from the General Partner's exercising of the powers and authorities conferred by this Deed.
- (j) To attend and vote for and represent the Partnership at any meeting of creditors in respect of which the Partnership is interested and to prove debts, enter into compositions with other creditors and to take or join in taking proceedings for having any debtor adjudicated bankrupt or for obtaining a winding up order in respect of any company or other body and for all or any of the purposes as aforesaid to sign and do all such documents and things as the General Partner may consider necessary or expedient and for any of the purposes aforesaid to appoint any person as the General Partner's proxy.
- (k) To sign seal execute deliver give and acknowledge in the name of each Partner or in the name of the Partnership any contract agreement memorandum or other document which may be necessary in the exercise of any of the powers or remedies conferred upon the General Partner by this deed.
- (l) Subject to the provisions of this Deed to do or perform any other act matter or thing which may seem to the General Partner in its absolute discretion to be expedient in the interests of the Partnership.

PROVIDED HOWEVER that nothing contained in this clause shall be deemed to confer on the General Partner power to do any act matter or thing which may have the effect of requiring any Special Partner to contribute any capital sum in addition to any sum of sums already committed by that Special Partner.

9. BANKERS

- (1) The bankers of the Partnership will be the National Bank of New Zealand Limited at its Penrose branch or such other bank as shall be determined by the General Partner but all cheques, drafts, or bills of exchange drawn from the Partnership account at the said banks shall only be signed by those persons authorised by the General Partner.
- (2) The General Partner will ensure that in respect of all banking business of the Partnership separate accounts in the name of the Partnership shall be maintained.

10. PROFITS AND LOSSES

- (1) The net profit of the Partnership as shown in the annual profit and loss accounts arising from all of its investments and all other profits shall belong to the Special Partners in proportion to the total number of units held by each Special Partner in the capital of the Partnership (regardless of the nominal value of such units).
- (2) The Special Partners shall bear all losses of the Partnership (including losses of a capital nature) in proportion to the total number of units held by each Special Partner. HOWEVER the personal liability of each Special Partner will be limited to their contribution of capital and any unpaid capital still outstanding.

11. DISTRIBUTION

All income, other gains and the capital of the Partnership when distributed shall be distributed to the Special Partners in proportion to the total number of units held by each Special Partner.

12. ACCOUNTS

- (1) The General Partner shall keep proper and regular books of account of the Partnership business. Such books shall be available for inspection at all reasonable times by any Special Partner or their agent.
- (2) A profit and loss account and balance sheet for the Partnership shall be prepared by or at the direction of the General Partner for the period ending on and as at the last day of each financial year of the Partnership being 31st day of March in each year. Each such Profit and loss account and balance sheet shall be audited by a firm of chartered accountants which the General Partner shall select and shall then become binding on the Partnership. However any Partner shall be entitled to require the rectification of any manifest error discovered in such profit and loss account or balance sheet within three months of the date when the same was certified by the auditors.
- (3) The General Partner shall be entitled to be reimbursed by the Partnership for all its costs and expenses arising from duties carried out as the General Partner of the Partnership.

13. REPORTING

The General Partner shall prepare an annual report of the activities of the Partnership during the preceding year and such report shall be forwarded to the Special Partners and the Statutory Supervisor with the annual accounts of the Partnership at least one month prior to the Annual General Meeting of the Partnership and shall be laid before the Partnership at the Annual General Meeting of the Partnership.

14. MEETINGS

- (1) The General Partner shall:
 - (a) Call an Annual General Meeting of the Partnership for the purpose

of considering the accounts and balance sheet of the Partnership for its last preceding financial year. The Annual General Meeting shall be held not later than six months after the end of the financial year.

- (b) At the request in writing of the Statutory Supervisor or of Special Partners holding in total not less than 10% of the capital of the Partnership, summon a meeting of the Partnership for the purpose of giving to the Statutory Supervisor their opinions or directions in relation to the exercise of its powers.

(2) The Statutory Supervisor:

- (a) May on its own volition or at the request of the General Partner and shall at the request in writing of Special Partners holding in total not less than 10% of the capital of the Partnership, summon a meeting of the Partners for the purpose of giving to it their opinions or directions in relation to the exercise of its powers or for the purpose of considering the termination of the management of the Partnership by the General Partner as laid out under clause 23 (1)(a) of this deed.

- (3) The General Partner shall be responsible for determining the date time and place of every general meeting of the Partnership and shall give notice in accordance with this Deed to the Statutory Supervisor and every Special Partner and shall be responsible for appointing a secretary for each such general meeting.

- (4) A general meeting of the Partnership shall not be held unless 28 clear days notice in writing is given to the Statutory Supervisor and each of the Special Partners.

- (5) Any notice of a general meeting shall state the date time and place of the meeting, the proposed business of the meeting and a copy of such notice shall be given to the Statutory Supervisor and every Special Partner but an accidental omission to give such notice shall not invalidate the proceedings of the meeting.

- (6) In every notice of meeting there shall also appear with reasonable prominence a statement that a Partner entitled to attend and vote at that meeting is also entitled to appoint a proxy to attend and vote instead of them and that a proxy need not be a Partner.

- (7) The Statutory Supervisor or any representative of the Statutory Supervisor (being a person authorised to act for the purposes of this clause by the Statutory Supervisor) shall be entitled to attend any meeting of the Partnership, and to be heard at any such meeting which concerns the Statutory Supervisor as such or the Special Partners.

- (8) At all meetings each Special Partner shall be entitled to vote on any motion put forward in the ratio of one vote for every unit held in the Partnership.

- (9) The quorum for any meeting shall be that number of Special Partners holding in total 16 units in the Partnership. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of the Special Partners shall be dissolved. In any other case the meeting will be held irrespective of the number of units represented.

- (10) The Statutory Supervisor may appoint a chairman of the meeting, and in the event that no such chairman is appointed, the Special Partners present at any meeting shall elect one of their number to be the chairman of the meeting.

- (11) Any Partner entitled to attend and vote at a meeting may by notice in writing to the General Partner appoint any other (whether a Partner or not) to be their proxy:

- (a) to attend for them at any meeting.

- (b) to vote for them at any meeting.

- (12) Every proxy shall be appointed in writing.

- (13) The General Partner shall keep minutes of all proceedings of general meetings.

15. TRANSFER OR ASSIGNMENT OF INTEREST OF SPECIAL PARTNER

- (1) A unit may be sold or otherwise disposed of by a partner. The transferee of such a unit shall execute a Deed of Accession between the General Partner, the Statutory Supervisor and the remaining Special Partners. The transferee shall appoint the General Partner to be their attorney in their name and on their behalf to execute any such Deed of Accession.
- (2) The General Partner may refuse to enter the name of any transferee in the Register of Partners and shall not be bound to specify the ground(s) upon which such registration is refused.
- (3) Until such time as the transferee has executed a Deed of Accession the transferor shall remain a special partner being bounded by this deed.
- (4) The General Partner shall be entitled to be reimbursed by the Transferor for all its costs and expenses arising from a transfer of a special partners interest.

16. DEATH BANKRUPTCY OR LIQUIDATION OF A SPECIAL PARTNER

- (1) The death, bankruptcy or liquidation of a Special Partner shall not determine the Partnership as between the Partners.
- (2) If any person becomes entitled to any interest in the Partnership capital upon the death bankruptcy or liquidation of a Special Partner they shall produce such evidence of their right and title to the same as the General Partner shall require. Upon the production of such evidence, and upon

them signing a Deed of Accession between the same parties and on the same terms as that mentioned in clause 15 of this deed, the rights of the Special Partner shall pass onto that person or persons.

17. REGISTER OF PARTNERS

The General Partner shall keep and cause to be kept at the registered office of the General Partner during the term of the Partnership a list of Partners and of all changes that it is notified of. The General Partner shall provide the Statutory Supervisor with the list of the Partners and shall advise of all changes it has been notified of.

18. DISSOLUTION

- (1) The Partnership shall be dissolved if at any time during the duration of the Partnership there shall be any significant reasons which in the opinion of the General Partner after consultation with the Statutory Supervisor, would make the continued business of the Partnership or the continued participation of the Special Partners as a group, in the Partnership no longer reasonably practicable. In the event of such dissolution all partners shall be notified.

- (2) Upon the dissolution of the Partnership the Partners shall each sign and acknowledge as appropriate a certificate of dissolution as required by Section 62 of the Act and the provisions of clause 5 of this deed shall effect with all necessary changes as if the certificate of dissolution were the certificate required on formation of the Partnership.

19. WINDING UP

As soon as shall be practicable after the date of dissolution of the Partnership the General Partner shall cause final accounts of the Partnership business to be drawn up and shall furnish each Partner with a copy of these AND each Special Partner shall be entitled to receive a share of the net assets of the Partnership equal to each Special Partners' entitlement to a distribution of capital as laid out in Clause 10 of this deed.

20. PLACE OF BUSINESS OF PARTNERSHIP AND NOTICES

- (1) The place of business in New Zealand where communications and notices may be addressed and served is Silverwood Forest Corporation Limited, P.O. Box 37-507, Parnell, Auckland.

- (2) Any notice to the General Partner or to the Statutory Supervisor which relates to this deed shall be sent in a prepaid letter by registered post to the General Partner or the Statutory Supervisor, as the case may be, at its registered office.

- (3) Any notice to any of the Special Partners which relates to this deed shall be sent in a prepaid letter by post to their last known address.

21. ARBITRATION

If at any time during the duration of the Partnership any dispute doubt or question shall arise between the Partners in relation to this deed or the rights and liabilities of either the General Partner, or any one of the Special Partners or over any account, valuation or determination then every such dispute or question shall be referred to the arbitration of a single arbitrator. If an agreement can not be reached in the appointment of an arbitrator then the President for time being of the Hamilton District Law Society shall appoint an arbitrator. Any arbitration held as a result of this clause shall be in accordance with the provisions of the Arbitration Act 1908 or any statutory modification or re-enactment which may take place.

22. COVENANTS BY THE GENERAL PARTNER

- (1) The General Partner agrees with the Special Partners that it will:-
- (a) Use its endeavors and skill to ensure that the affairs of the Partnership are conducted in a proper and efficient manner.
- (b) Use due diligence and vigilance in the exercise and performance of its functions, powers and duties as a manager of the business of the Partnership.
- (c) Account to the Special Partners for all money that it receives on behalf of the Partnership.
- (d) Ensure that any moneys belonging to the Partnership will be dealt with only for those purposes authorised by this Deed.
- (e) Upon receipt of reasonable notice from any Special Partner supply to the Special Partners, in general meeting, such oral or written information relating to the affairs of the Partnership as shall have been requested.

23. TERMINATION OF MANAGEMENT BY THE GENERAL PARTNER

- (1) The management by the General Partner of the business of the Partnership shall cease and be determined upon the happening of any of the following events:
- (a) If the General Partner is in breach of its management obligations under this Deed or fails to carry out its duties to the reasonable satisfaction of the Statutory Supervisor and,
- (i) it fails to remedy such breach or failure within a reasonable time after the service of written notice by the Statutory Supervisor requiring the breach or failure to be remedied, and

(ii) at a general meeting of the Partnership summoned for the purpose of considering such failure to remedy, Special Partners holding in total not less than 75% of the nominal capital of the Partnership vote in favour of the termination of the management by the General Partner.

- (b) The taking of possession by an encumbrancer or the appointment of a receiver of the whole or any part of the property or assets of the General Partner.

- (2) In the event of the termination of the management by the General Partner of the Partnership the Partners shall by resolution at a General Meeting of the Partnership passed by Partners holding in total not less than 75% in nominal value of the capital of the Partnership appoint a new manager.

- (3) The termination of management by the General Partner shall not end the Partnership between the Partners, and the General Partner shall remain a general partner of the Partnership (unless it has been wound up as under (1)(b) above, but will have no power to manage.

- (4) Any new manager appointed under Clause 23(2) of this deed shall enter into a Deed with the Partners and the Statutory Supervisor undertaking to be bound by all obligations of the General Partner as manager as set out in this deed.

- (5) Upon the management by the General Partner ceasing and until such time as a new manager is appointed the Statutory Supervisor shall be entitled to appoint a person as manager of the Partnership and any such person shall be bound by all the obligations of the General Partner as manager as set out in this deed.

- (6) The General Partner shall from the date of termination of its management be released from complying with its obligations as manager under this Deed but shall remain liable for any breach of such obligations prior to its termination.

24. COVENANTS BY THE GENERAL PARTNER AND THE SPECIAL PARTNER

- (1) The General Partner and the Special Partners agree with each other.
- (a) That each will in relation to the conduct of the affairs of the Partnership act in good faith for the benefit of the whole of the Partnership.
- (b) That each of them will make all payments as and when they become due and payable.
- (c) That each of them will punctually pay and discharge their separate debts and obligations and shall at all times ensure that the Partnership is fully indemnified against any claims arising from these.

25. STATUTORY SUPERVISOR

- (1) Prince & Partners Trustee Company Limited is appointed as Statutory Supervisor and its duties and responsibilities are set out in the Seventh Schedule to the Securities Regulations 1983. The Statutory Supervisor will be paid an acceptance fee of Two thousand dollars (\$2,000.00) and annual fees based on time attendance and responsibility involved in the performance of its duties and shall also be entitled to reimbursement by the Partnership of all costs and expenses including legal and accounting costs and expenses incurred by them in their appointment and in the lawful exercise of its powers and duties as required under this deed.

- (2) The Statutory Supervisor shall exercise reasonable diligence to ascertain whether or not any breach of the terms of this Deed or of the offer of the participatory securities has occurred and, except where it is satisfied that the breach will not materially prejudice the interests of the Special Partners, shall do all such things as it is empowered to do to cause any breach of those terms to be remedied.

- (3) The Statutory Supervisor shall be entitled to receive all notices and other communications relating to the Special Partnership which any Special Partner is entitled to receive.

- (4) The General Partner shall from time to time:

- (a) at the request in writing of the Statutory Supervisor, its employees and agents, make available for inspection the whole of the accounting and other records relating to the Partnership, and

- (b) give to the Statutory Supervisor such information as it requires with respect to all matters relating to such records.

- (5) The appointment of the Statutory Supervisor under this Deed will be terminated immediately if:

- (a) a receiver or liquidator is appointed in respect of the business or assets of the Statutory Supervisor, or

- (b) the Statutory Supervisor becomes unwilling or incapable of attending to its obligations as set out in this deed; or

- (c) The Statutory Supervisor ceases to be qualified under Section 48 of the Securities Act 1978 to act as a statutory supervisor.

- (6) The Statutory Supervisor may retire upon giving three months notice to the General Partner of its desire to do so.

- (7) On the termination of the Statutory Supervisor's appointment or on retirement of the Statutory Supervisor the General Partner shall immediately, subject to any approval required by law, appoint some other corporation or person approved by the Securities Commission to be the statutory supervisor.

- (8) Any person or corporation appointed to act as statutory supervisor in place of the Statutory Supervisor shall execute a Deed undertaking to the Partners to be bound by all the obligations of the Statutory Supervisor as set out in this deed. The removed or retiring Statutory Supervisor, shall from such date, be released from complying with its obligations as statutory supervisor under this deed but shall remain liable for any breach of such obligations prior to their removal or retirement.

- (9) Until the appointment of a person or corporation to act as statutory supervisor in place of the Statutory Supervisor, the General Partner may act as statutory supervisor.

26. MODIFICATIONS AND ALTERATIONS

The provisions of this Deed shall not be altered modified or varied except and unless expressly authorised and approved by a resolution of the Partners passed by Partners holding in total not less than 75% of the nominal capital of the Partnership at a general meeting of the Partnership.

27. RENEWAL OF PARTNERSHIP

If the Partnership has not been previously dissolved, the Partners may renew the Partnership at the end of the period of seven years referred to in clause 4(1) of this deed. In the event of such a renewal, the Partnership shall be renewed in accordance with section 57 of the Act for a further term of up to seven years. Every Special Partner and the General Partner shall be liable upon the receipt of notice of such renewal sign and acknowledge an appropriate certificate of renewal that complies with section 58 of the Act. For the purposes of such a certificate, the provisions of clause (5) in this deed shall have effect with the necessary changes as if that certificate were the certificate required to be registered on formation of the Partnership.

28. INDEMNITY

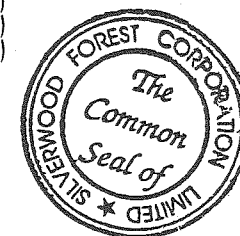
The General partner and its directors, employees, agents, advisors and consultants shall be indemnified by the partnership's assets against all liabilities, claims, costs and expenses incurred by any of them in relation to any acts, omissions or advice made or given by any of them for any purpose connected with the business of the partnership other than those acts, omissions or advice made or given in a grossly negligent or fraudulent manner.

29. INTERPRETATION

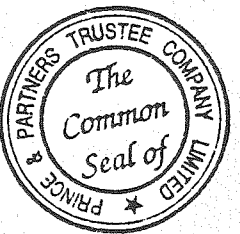
- (1) Clause headings appear as a matter of convenience and shall not affect the construction of this Deed.
- (2) In this Deed (including all Schedules) where the context requires or admits:
- (a) The plural number includes the singular number and vice versa.
- (b) Reference to a person shall include a company or a partnership and vice versa.

This deed as written above has been executed by the following persons and signed by them in the presence of:

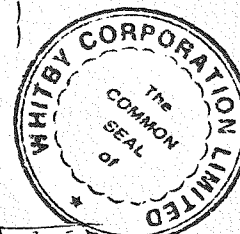
THE COMMON SEAL of SILVERWOOD FOREST CORPORATION LIMITED was hereunto affixed in the presence of:



THE COMMON SEAL of PRINCE & PARTNERS TRUSTEE COMPANY LIMITED was hereunto affixed in the presence of:



THE COMMON SEAL of WHITBY CORPORATION LIMITED was hereunto affixed in the presence of:



Dated this 10th day of September 1990.

APPLICATION FORM

To: SILVERWOOD FOREST CORPORATION LIMITED,
P.O. Box 37-507,
Parnell,
AUCKLAND.

Mr/Mrs/Ms
(Christian Names)

.....
(Surname)

Address

.....

Occupation

Telephone No. (Bus) (Pvt)

1. I/We the above named apply for unit/s of \$2,200.00 and \$12,800.00 each respectively in both the capital of Silverwood Forest Corporation Limited and Company — LAND PARTNERSHIP, and Silverwood Forest Corporation Limited and Company — FOREST PARTNERSHIP on the terms and conditions set out in the Prospectus dated: 10 day of September 1990.
2. I/We agree to accept the number of units applied for or any lessor number allotted to me/us and agree to own these subject to the terms of the Partnership Deeds attached to and forming part of the Prospectus.
3. I/We enclose an executed Power of Attorney to which I/we irrevocably appoint Silverwood Forest Corporation Limited as my/our attorney to sign in my/our name, the Deed of Accession and Certificate of Registration which relate to the formation of the above partnerships.
4. I/We enclose the sum of \$12,700.00 per unit as the initial amount payable on application and I/we agree to pay the balance of \$2,300.00 per unit at the times and in the manner provided in the Partnership Deed to the FOREST PARTNERSHIP.
5. I/We have read the Deeds of Participation which forms part of the Prospectus and agree to be bound by its terms and conditions.

Date: / /1990

.....
(Signature)

.....
(Signature)

SILVERWOOD FOREST CORPORATION LIMITED

POWER OF ATTORNEY

To be completed by ALL Applicants

I,
of

NOMINATE CONSTITUTE AND APPOINT SILVERWOOD FOREST CORPORATION LIMITED to be my true and lawful attorney (called "My Attorney") to act for me in my name on my behalf and in my interests in:

- (i) The execution of deeds (called "The Accession Deed") relating to the Deeds of Participation dated 10 day of September 1990 to which I am to become a special partner of both SILVERWOOD FOREST LIMITED AND COMPANY — LAND PARTNERSHIP, and SILVERWOOD FOREST CORPORATION LIMITED AND COMPANY — FOREST PARTNERSHIP, special partnerships formed under the provisions of Part 11 of the Partnership Act 1908.
 - (ii) Any action required to complete the Accession Deeds so as to comply with the laws of New Zealand.
 - (iii) The signing and acknowledgment of a certificates as required under sections 51 and 54 of the Partnership Act 1908.
- I DECLARE that any person corporation or authority shall allow my Attorney to act for me in my name on my behalf and in my interests without reference to me in carrying out the above duties.
- I ALSO DECLARE that no person corporation or authority dealing with my ATTORNEY shall be concerned to see or enquire as to the propriety or expediency of anything relating to the above duties.

DATED: the day of 1990

SIGNED by the Applicant

THE COMMON SEAL of the Applicant

.....

in the presence of

Witness' Name

SIGNED in the presence of:

Witness' Occupation

Witness' Address

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

(To be completed where applications are signed by an Attorney)

I,
of

HEREBY CERTIFY

1. THAT I am the Attorney of
under and by virtue of a Power of ATTORNEY
dated the day of 19..... Given to me by Him/Her/Them.
2. That I have executed the application printed overleaf as Attorney under the Power of Attorney and pursuant to the powers which have been conferred upon me.
3. That at this date I have not received any notice or information of the revocation of the said Power of Attorney by death or otherwise.

SIGNED at this day of 1990