1994

FORESTRY

A GROWING

INVESTMENT

OPPORTUNITY

PROSPECTUS

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DIRECTORY

This prospectus is dated 8th August 1994 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, Auckland for registration in accordance with Section 42 of the Securities Act 1978.

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

GENERAL PARTNER
Rosedale Forest Limited
11 Cheshire Street, P.O. Box 37-507
Parnell, Auckland

THE DIRECTORS OF THE GENERAL PARTNER
Peter Scott Martin
Forest Manager
88 Rawhiti Road, One Tree Hill,
Auckland. Ph: (09)309-5078, Fax: (09)307-3573

Peter Bradney Bould
Chartered Accountant,
78a Arney Road, Remuera
Auckland. Ph: (09)309-5078, Fax: (09)307-3573

Eoin Malcolm Miller Johnson
Company Manager
11 Satara Crescent, Khandallah,
Wellington, Ph: (04)479-3377,

FOREST MANAGER
Arbor Management Limited
11 Cheshire Street, P.O. Box 37-507
Parnell, Auckland. Ph: (025)957-323

219 Victoria Ave, P.O. Box 4269
Wanganui. Ph: (06) 348-0100

ACCOUNTANT
Peter Bradney Bould
Chartered Accountant
11 Cheshire Street, Parnell
Auckland

SOLICITOR
Ian Roy Burgess
Treadwell Gordon & Co
Wicksteed Tce, Wanganui

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
Rosedale Forest Limited
11 Cheshire Street, Parnell, Auckland

STATUTORY SUPERVISOR
Prince & Partners Trustee Company Ltd.
67 Customs Street East
Auckland

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

ROSEDALE FOREST
LIMITED AND COMPANY

PROMOTER AND FOREST MANAGER'S STATEMENT

We are pleased to offer investors the opportunity to participate in another of our forestry projects in the Wanganui region. This new project, Rosedale Forest, will add to the present resource of over 5,000 acres of forest plantations established under our management over the last 11 years.

Forestry provides an ideal way of saving for the future, with the benefit of investing in a resource, which not only physically grows in value, but is expected to increase that value due to rising market demands ① ② ③. This project has been financially structured to enable all members of the public to participate. Units cost $7,600, payable over 5 years, with no further contributions required.

The Wanganui area continues to grow as a forestry area. It has ideal growing conditions to produce excellent volumes of wood per hectare over a 26 year period. With the establishment of the Wanganui Port Promotion Group and strong local support there is much optimism for the development of the local port for export shipping, now known to be technically viable ⑥. Within 15 years, a sustained annual log volume, upwards of 700,000 cubic metres, will be available on a continuous basis, a sufficient resource to support the development of the port. Forest produce is currently being used locally or transported to Wellington and New Plymouth, with the option of road or rail available and the continued barging to Nelson warrents further examination.

We consider it to be very important to have annual plantings within a general area, so when logging commences, a sustainable annual supply of timber will be available. This combined resource gives all forest owners the benefit of collective marketing in the future, especially when under the control of the same managers. It is the aim of the Promoter and Manager to continue purchasing suitable land and planting forests in the Wanganui area, as it is recognised that all partnerships will benefit financially from the increasing acreage under afforestation.

We believe direct management involvement and the commitment to look after investors' interests are the most important aspect of any forestry project. Forestry requires both short and long term planning, from initial planting through to logging and marketing. Proven management expertise in all aspects of these areas, and a debt free financial structure providing sufficient funding throughout the development phases of the project, will provide the necessary security to investors in Rosedale Forest.

Arbor Management Limited will be the Forest Manager. Peter Martin is the Managing Director of Arbor Management Limited and is also a director of the General Partner. Peter has had 23 years full time experience in all aspects of forest management from planning and planting through to logging. He was trained by the New Zealand Forest Service and in 1981 formed his own forest management business. Over the last 9 years he has successfully established forestry partnerships which have over 1400 individual participating partners. Arbor Management Limited 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 original budget expectations.

We maintain contact with all our investors through regular newsletters and field trips. We look forward to having you join us in this project, to share in an exciting industry which continues to grow, offering prosperity for your future.

P.S. Martin
Arbor Investments Limited
Arbor Management Limited

CAPITAL STRUCTURE

Authorised Partnership Capital
205 Partnership units of $7,600 each.....$1,558,000

Units Issued
1 Partnership unit of $7,600.....$7,600

Units now offered for Subscription
204 Partnership units of $7,600 each.....$1,550,400

FUNDING SCHEDULE

$2,600 on application.
$1,000 per year for 5 years.

FORMATION STRUCTURE

A Special Partnership has been formed under the Partnership Act 1908. This partnership will be known as Rosedale Forest Limited and Company.

A Special Partnership allows more than 25 persons to be partners on 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 up to the amount of capital each partner has agreed to commit. This contrasts with an ordinary partnership where all partners are liable for all debts and obligations of the partnership.

LAND PURCHASE

A total area of 206 hectares, of which 195 hectares is plantable, has been purchased under an agreement entered into by the General Partner conditional upon the formation of this special partnership. All 195 hectares will be planted in the 1994 planting season. This property is situated in the Mangamahu Valley and backs on to Greenoch Forest, established in 1987 by Arbor Investments Limited, and becomes part of the 1,800 hectares already established in this area. The Promoter and Forest Manager consider it very important to have increasing plantings within a general area so that at the time of logging, a continuous supply of timber will be available for final end use.

FOREST MANAGEMENT

Rosedale Forest Limited has contracted Arbor Management Limited to provide management services for the project. It is important for any enterprise to have consistent, experienced management, committed to the projects ongoing success and accountable to Investors. The fact that both the promoter and the manager are associated companies adds security and continuity of performance for this project.

In our opinion, the main cause of forestry projects failing to achieve a high quality standard and expected returns is because of poor planning and inadequate scheduling and implementation of operations. Some syndicated forestry partnerships are structured so that, once floated, forest

management is undertaken by an independent management agency. This is in contrast to the larger forestry companies which all have full time management structures in place. We believe all forests require regular visits to assess their own particular needs - from planning the timing of future operations to pest control, maintenance and responding to ongoing enquires from partners. Managers need to regularly report to the Forest Owners on present and future trends, and ultimately, strategic planning for future marketing and end use of trees.

The Manager and Promoter is committed to establishing a large forest resource in the Wanganui region. Many factors can, and will, change over the next 25 years, from the building of processing plants, improvements in transport systems, development of export shipping ports to even the possibility of tariffs on log exports. The important factor is to remain flexible, adding to an already existing resource.

ESTABLISHMENT

140 hectares will be planted with 900 seedlings per hectare made up of 300 GF28 cuttings or GF 26 seedlings interspaced with 600 GF17 stock. The balance of the area will be planted at 1200 GF17 seedlings per hectare. Although the aim will be to select the final crop from the GF28 cuttings, the additional GF17 seedlings will assist in reducing second log branch size and provide a selection in the event of tree damage. Malformation still occurs in genetically improved stock and, along with natural mortality, animal and climatic damage, we believe it prudent to plant higher numbers than the minimum recommended to ensure we have adequate trees from which to select a final crop of 300 trees per hectare.Poling is carried out in all planting operations - this method lays out the planting direction to ensure all rows are 6 metres apart which in turn achieves reliable and even spacing of trees.

Due to the cost of the GF28 cuttings and GF26 seedlings which average $650 per thousand, together with planting extra trees per hectare and poling, the budgeted planting and releasing costs will appear higher than if planting lower numbers of such tree stocks, or if higher numbers of lower GF rating seedlings were planted per hectare. Tree stocks of this quality are still in very short supply. They are anticipated to give significantly greater gains on both volume and log quality than more readily available tree stocks (eg GF 17).These gains have not been included in the returns given later in the prospectus, which are therefore considered conservative. This, we believe, will give investors greater security and confidence in ensuring that the forest produces maximum quality trees at th end of the rotation.

PRUNING & THINNING

Pruning involves removing branches from the tree to produce knot free (clearwood) timber, thinning is the removal of unpruned trees so as to allow light into the forest stand thus maximising growth. To achieve the maximum amount of clearwood, trees are pruned 4 times. The first pruning operation will commence at age 4 when 300 of the best trees will be selected and pruned to half height. Subsequent pruning operations will be carried out every 12 - 18 months depending on growth rates.

Thinning is critical to allow light into the forest to obtain maximum growth. However this must be balanced against large branch growth due to too much light being available. Two thinning operations have been budgeted, at ages 5 and 10. The first thinning will remove half the original trees planted, leaving one unpruned tree for every pruned tree. The final thinning will remove all remaining unpruned trees. This operation will be withheld as long as possible to confine branch size on the pruned tree, resulting in a higher quality unpruned log in the upper half of the pruned tree.

QUALITY

Rosedale Forest will produce high quality sawlogs. Investors can be assured this quality will not be forsaken in order to obtain low establishment costs or to eliminate essential pruning and thinning operations.

The Forest will be insured against loss by fire with N.Z.I. Insurance. In the event of fire, trees will be covered for their real value at that time. Fire fighting costs and the cost of re-establishing the forest will also be covered under the insurance policy.

REGIONAL FORESTRY

Wanganui grows excellent trees ⑧ with rotation lengths of 26 years producing volumes that can take between 28-32 years to grow in other regions. Returns for Rosedale Forest are based on current prices being received at Wellington Port, HOWEVER this may not be the as in 26 years time. The real value will be dramatically improved by forest produce being processed locally or exported from the Wanganui Port. On today's market prices this increase could be as high as 10%.

Presently there is no major processing industry in Wanganui and as yet it is not possible to export directly from the Port. Wanganui is a young forestry area and a processing industry or the eventual development of the port depends on the quantity and continuity of wood available. Recent studies ⑦ show that by the year 2003 there will be 700,000 cubic metres of wood available each year - 5 times the volume from Rosedale and 15 years before Rosedale is logged. It will be at this time that we will see development to add higher values to the forests in the region. There will be many opportunities available and it is not a valid argument to use an existing processing plant or Port as a reason to establish forests that will be logged in 30 years time. The resource itself will create the appropriate infrastructure in the years ahead.

FOREST GROWTH

All existing forests under Arbor Management Limited's control have permanent sample plots established, measured regularly to assess growth rates. With this information growth models are used to predict future volumes, this data being supported from older forests up to 19 years of age in the same area as Rosedale Forest.
Recoverable volume at age 26 is predicted to be 693 cubic metres per hectare.

The following table breaks down the recoverable volume per hectare at age 26:

LOG TYPE	M3/Ha	CROP %
Pruned	200	29
Export A Grade	149	22
Export K Grade	104	15
S3,L3	72	10
Pulp	168	24
TOTAL	693	100

RETURNS

Over the past 12 -18 months log prices have increased considerably ③. They have risen from net returns of $25,000 per hectare to reports of in excess of $140,000 per hectare ①. Due to the fluctuations in log prices it is difficult to set one figure to illustrate the returns from investing in forestry. The following table illustrates varying returns per hectare and shows the returns for each unit from the project that could be expected given the various log prices. The internal rate of return shown has been calculated using the Forest Expenditure Cashflow, including the cost of land, for the project against the appropriate return per hectare.

LOG VALUE PER Ha	$25,000	$45,000	$65,000	$85,000	$105,000	$125,00	$145,000
RETURN PER UNIT	$24,328	$43,352	$62,378	$81,401	$100,425	$119,450	$138,474
RETURN PER UNIT AT 2.5% INFLATION	$45,078	$81,230	$117,382	$153,534	$189,686	$225,838	$261,990
RETURN PER UNIT AT 5% INFLATION	$82,470	$150,115	$217,760	$285,404	$353,049	$420,693	$488,338
INTERNAL RATE OF RETURN	5.66%	8.30%	9.98%	11.22%	12.20%	13.02%	13.72%

The promoters believe that returns of between $65,000 and $85,000 per hectare are sustainable, this equates to a real rate of return of between 9.98% and 11.22% for the projects cashflow. Future returns will depend on demand for wood.

Included with this prospectus is a table of the latest log prices as they apply to Rosedale Forest if it were to be logged today, based on the volumes that have been predicted for the area.

The returns per unit in the above table do not include land development and purchase costs. The return from the sale of the land following harvesting will be apportioned to each unit in addition to the harvest returns.

The following references are sources from which information contained in this prospectus have been compiled:
① Maclaren, J.P. (1993) Radiata Pine Growers Manual. FRI Bulletin No 184 New Zealand Forest Research Institute.
② Sutton, W.R.J. (1992) The World's need for Wood. New Zealand Tree Grower 13(4): 9-10
③ Private Foretry Investment Seminars: Forest0Industries 1994, Rotorua New Zealand Institute of Forestry Inc.
④ Forestry Sector Issues: A Post Election Briefing for the Minister of Forests. Ministry of Forestry, November 1993.
⑤ Forestry Investment Opportunities in the New Zealand Forest Industry. Ministry of Forestry, 1992.
⑥ Wanganui Port Development. Wanganui District Council Port Project Team, October 1993
⑦ Wanganui Port Promotion, 30 April 1991.
⑧ Arbor Management Limited, plot data from forests in Region in conjunction with forest regime analysis, Groome Poyry Limited, 1992

FINANCIAL DETAILS

EXPENDITURE CASHFLOW FORECAST ROSEDALE FOREST LIMITED

PLANTED AREA: 195Ha

INFLATION RATE: 2.5%
INTEREST RATE: 5.0%

YEAR	OPENING BALANCE	CAPITAL	INTEREST	TOTAL FUNDS	SET UP COSTS	LAND COST	TRACKS	PLANTING RELEASE	PRUNE THIN	MANAGE	MAINT	COMPANY ADMIN	SURPLUS (DEFICIT)
1994		533,000	(7,690)	525,310	133,270	253,000	60,860	175,945		22,600	5,840	17,350	(143,555)
1995	(143,555)	205,000	(5,143)	56,302				15,375		7,995	5,986	10,609	16,337
1996	16,337	205,000	817	222,154						8,195	6,136	10,874	196,949
1997	196,949	205,000	9,847	411,796						8,400	6,289	11,146	385,961
1998	385,961	205,000	19,298	610,259					91,156	8,610	6,446	11,424	492,623
1999	492,623	205,000	24,631	722,254					67,272	8,825	6,607	11,710	627,840
2000	627,840		31,392	659,232					48,860	9,046	6,773	12,003	582,550
2001	582,550		29,128	611,678					81,337	9,272	6,942	12,303	501,824
2002	501,824		25,091	526,915					97,169	9,504	7,115	12,610	400,517
2003	400,517		20,026	420,543						9,741	7,293	12,926	390,583
2004	390,583		19,529	410,112					52,549	9,985	7,476	13,249	326,853
2005	326,853		16,343	343,196						5,117	7,663	13,580	316,836
2006	316,836		15,842	332,678						5,245	7,854	13,920	305,659
2007	305,659		15,283	320,942						5,376	8,051	14,268	293,247
2008	293,247		14,662	307,909						5,511	8,252	14,624	279,522
2009	279,522		13,976	293,498						5,648	8,458	14,990	264,402
2010	264,402		13,220	277,622						5,790	8,670	15,365	247,797
2011	247,797		12,390	260,187						5,934	8,886	15,749	229,618
2012	229,618		11,481	241,099						6,083	9,108	16,142	209,766
2013	209,766		10,488	220,254						6,235	9,336	16,546	188,137
2014	188,137		9,407	197,544						6,391	9,570	16,960	164,623
2015	164,623		8,231	172,854						6,550	9,809	17,384	139,111
2016	139,111		6,956	146,067						6,714	10,054	17,818	111,481
2017	111,481		5,574	117,055						6,882	10,305	18,264	81,604
2018	81,604		4,080	85,684						7,054	10,563	18,720	49,347
2019	49,347		2,467	51,814						7230	10,827	19,188	14,569
2020	14,569		728	15,297						7,411	11,098	19,668	(22,880)
TOTAL		1,558,000	328,054		133,270	253,000	60,860	191,320	438,343	211,344	221,407	399,390	

NOTES AND ASSUMPTIONS

All figures in the following notes and assumptions are expressed in present day dollar values.

1. INFLATION

Inflation has a very significant effect on financial forecasts, 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 offsets 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. However the rate of inflation over a 25 year period is difficult to predict.

To account for the impact of inflation on expenditure and the fact that the project is fully funded over the first five years, a 2.5% assumed inflation rate has been used in the above cashflow. All costs have been based on present day values, compounded by this 2.5% factor.

2. LAND COST

Land cost includes the cost of land and associated clearing costs. This equates to $1,297 per plantable hectare.

The proceeds from the sale of land at the end of the project will belong to the partners of the partnership and should be considered separately and in addition to the forest returns.

3. PRUNING & THINNING

All pruning and thinning costs in the cashflow are based on contract production rates specific to each block. 1994 labour rates have been used in conjunction with the production rates to calculate the costs.

The majority of pruning and thinning operations will be carried out on contract and supervised by the Forest Manager.

4. INTEREST

The interest rate used in the above cashflow is 2.5% over inflation. This rate has been used to calculate the rate of return on surplus funds held by the partnership.

5. FIRST YEAR DEFICIT.

A deficit of expenditure over capital funding is shown for the first year.This will be funded by way of a first mortgage over the property supported by Directors Guarantees with the National Bank, Penrose.

6. SURPLUS FUNDS

Expenditure on the forest will continue for a minimum period of 25 years. To ensure funds will be available, capital has been raised over a 5 year period which will result in surplus funds being held by the

Partnership. These funds will be managed by the General Partner and invested for the benefit of the Partnership and returns from such investments will belong to the Partnership. The deficit which occurs in the last few years of the cashflow will be funded by borrowings against the forestry assets if required. Further details of the General Partner's responsibilities are covered under sections 1, 8 and 22 of the attached deed.

7. MAINTENANCE

The following is a breakdown of the maintenance overheads used in the above cashflow. These include provisions for weed and animal eradication and will not necessarily be spent each year:

Insurance	$2,340
Protection	$1,500
Track Maintenance	$2,000
TOTAL	$5,840

8. ADMINISTRATION

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

Shareholder Administration	$3,000
Correspondence	$750
Accounting	$2,500
Rates	$1,500
Audit	$1,000
Statutory Supervisor	$1,100
Misc	$500
TOTAL	$10,350

9. MANAGEMENT

In the first year, extra management and administration fees of $22,000 are included in the cashflow due to the high content of initial management and administration in implementing the development program. After 10 years the main development of the forest will have been completed and at that stage the management component will be halved.

10. 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.

11. BALANCE DATE

The Partnership will have a balance date of 31 March.

12. FUNDING SCHEDULE

204 units in the Partnership are being offered for public subscription. The following installments will be payable to the General Partner.

DATE FUNDS REQUIRED FOR THE PARTNERSHIP	
On application	$2,600
31st July 1995	$1,000
31st July 1996	$1,000
31st July 1997	$1,000
31st July 1998	$1,000
31st July 1999	$1,000

BDO HOGG YOUNG CATHIE

AUDITORS' REPORT

8th August 1994

The Directors
Rosedale Forest Limited
11 Cheshire Street
PARNELL

Dear Sirs,

In accordance with the requirements of the Securities Act 1978 and Clause 38 of the Third Schedule of the Securities Regulations 1983 we report as Follows.

1. We have prepared this report for inclusion in a prospectus dated 8th August 1994 for the issue by Rosedale Forest Limited of 205 units at $7,600 each in a Special Partnership, Rosedale Forest Limited and Company.

2. We have reviewed the calculations for the forecast set out on pages 5,6 &7. In our opinion the forecasts, so far as the accounting policies and calculations are concerned, have been properly compiled on the footing of the assumptions made or adopted by the issuer set out on pages 5,6 & 7 of this prospectus and are presented on a basis consistent with the accounting policies to be adopted by the Partnership.

3. Actual results are likely to be different from the forecasts since anticipated events frequently do not occur as expected and the variation may be significant.

Yours faithfully,

BDO Hogg Young Cathie

BDO HOGG YOUNG CATHIE
H:\ROSEDALE\LET

BDO BINDER

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 offer of the securities to which this Prospectus relates will be Arbor Investments Limited. The registered office of Arbor Investments Ltd is at 11 Cheshire Street, Parnell, Auckland.

(2) The securities being offered are units in a special partnership which will be known as Rosedale Forest Limited and Company. The main activity of this partnership will be forestry.

(3) The partnership will have 205 units with a nominal capital value of $7,600 each, 204 of these units are being offered to the public.

(4) The total amount payable in respect of each unit is $7,600. The schedule for payment on these units are as follows:

On Application	$2,600.00
31st July 1995	$1,000.00
31st July 1996	$1,000.00
31st July 1997	$1,000.00
31st July 1998	$1,000.00
31st July 1999	$1,000.00

2. MANAGERS AND ADVISERS

(1) The manager of the Partnership will be Rosedale Forest Limited, an incorporated company having its registered office at 11 Cheshire St, Parnell, Auckland. The directors of Rosedale Forest 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.
Eoin Malcolm Miller Johnson, B.A., B.C.A., 11 Satara Crescent, Wellington, Company Manager.
The forest manager and adviser to Rosedale Forest Limited will be Arbor Management Limited, an incorporated company having its registered office at 11 Cheshire Street, Parnell, Auckland. The Directors of Arbor Management Limited are:
Peter Scott Martin, T.C.A. Forest Ranger Cert, 88 Rawhiti Road, Auckland, Forest Manager.
Jeffrey Ray Martin, B.B.S., A.C.A., 11 Koromiko Road, Wanganui, Chartered Accountant,

(2) Not applicable.

(3) The names of the Partnership's accountant, banker, auditor, solicitor and securities registrar are referred to on the inside front cover of this prospectus.

(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 unions whether by way of profits or otherwise.

4. DESCRIPTION AND DEVELOPMENT OF SCHEME

(1) The partnership will purchase 206 Hectares of land situated at Mangamahu, North of Wanganui. 195 hectares will be planted during winter 1994. The forest will be managed under a clearwood regime which involves regular pruning and thinning over a 4 - 12 year period.

(2) The scheme has not yet commenced business.

(3) The principal fixed assets to be used by the partnership will be the 206 hectares of land situated at Mangamahu. The legal description of this property is: Lot 1, Deposited Plan 78829, Block X, Mangawhero Survey District. Title to the property will be taken by the General Partner and held for and on behalf of the Partnership.

5. SUBSCRIBER'S LIABILITY

Partners in the Partnership will become Special Partners and will on application become liable for the amount of their capital contribution to the Partnership ($7,600.00 per unit). As Special Partners of the partnership, 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. In the event of additional capital being required, the General Partner may borrow funds secured against assets of the Partnership, as covered under clause 8.2(d) of the Deed. Alternatively, further capital could be raised through the passing of a resolution authorising or increasing such capital by Partners holding in total not less than 75% of the nominal capital of 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 planting of the land will be completed by 31st August 1994. Details of the management regime are laid out on page 3 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 risk in the partnership could be future weakening of timber values or if tree volume predictions are not met. The forestry partnership's assets ie. the trees, will be fully insured against forest fire. Other risks include pests and disease although present management techniques and monitoring, along with quarantine laws, keeps this risk to a minimum.

(4) A statement of the earning prospects in relation to the Partnership's business is included under a separate section titled "Returns" on page 5 of this prospectus.

(5) and (6) The following is a forecast statement of changes in financial position relating to the Partnership for the 12 months commencing on the date of the registration of this Prospectus based on the assumptions set out on pages 6 & 7 of this prospectus:

	12 MONTHS TO 31/8/95
SOURCE OF FUNDS	
Proceeds of the issue	533,000.00
Capital -Due July 1995	205,000.00
Interest	130.00
TOTAL	$738,130.00
APPLICATION OF FUNDS	
Purchase of Land	234,000.00
Issue Expenses	70,950.00
Brokerage	62,320.00
Interest	13,778.00
Working Capital Provision:	
Land Preparation	19,000.00
Tracking	60,860.00
Establishment	191,695.00
Management	25,328.00
Administration	20,970.00
Maintenance	7,884.00
TOTAL	704,814.00
SURPLUS FUNDS	$31,347.00

8. MINIMUM SUBSCRIPTIONS

The issue must be fully subscribed.

9. GUARANTORS

Not applicable.

10. ACQUISITION OF BUSINESS OR EQUITY SECURITIES

The Partnership has not acquired and has 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 Partnership as fully or partly paid up except 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) Arbor Management Limited will provide forest management services to the Partnership. They will be responsible for the overall management of the project. This will include preparation of estimates, setting up of forestry operations, liaison with third party interests, presentation of reports and reporting to partners. Peter Martin is a director of Arbor Management Limited. The remuneration for Arbor Management Limited under the terms of its contract is $40.00 per Ha, reducing to $20.00 after the year 2004. In addition an hourly rate of up to $65.00 may be charged for direct supervision work in relation to all forestry operations, extraodinary duties which the General Partner requires Arbor Management Limited to carry out and for all duties and work performed related to harvesting of the forest.
The above rates are adjusted by the CPI.

(2) The Manager of the scheme, Rosedale Forest Limited has entered into a sale and purchase agreement to purchase the land from Borrowdale Farms Limited. The Directors of Rosedale Forest Limited,collectively hold in excess of 50% of the share capital in Borrowdale Farms Limited.

i The property to be purchased comprises of 206 Ha of land situated at Mangamahu. The legal description of this property is: Lot 1, Deposited Plan 78829, Block X, Mangawhero Survey District.

ii The cost of this property to Borrowdale Farms Limited was $160,800

iii There are no other terms of the acquisition

iv Additional costs to Borrowdale Farms Limited in acquiring the property were as follows:

Surveying Costs	$11,816.00
Legal Costs	$6,166.00
Stamp Duty	$2,262.00
Burning and Land Preparation	$9,928.00
TOTAL	$30,172.00

v Borrowdale Farms Limited entered into negotiations to purchase the property from two adjoining land owners in July 1993. Borrowdale entered into a sale and purchase agreement to acquire part of the property on17th February 1994 and acquired the other part of the property on 1st April 1994 .

14. PROMOTERS INTEREST

(1) The promoter of the Partnership is Arbor Investments Limited. The directors of Arbor Investments Ltd are:
Peter Scott Martin and Jeffrey Ray Martin

(2) The promoter will be entitled in the event of the successful launching of the scheme to remuneration of$30,000.00. In the event of the issue not being fully subscribed as required under section 8 above, the promoter is to be liable for promotion 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 31/7/93 between the General Partner and Arbor Management Limited pursuant to which Arbor Management Limited is to provide management services to the Partnership.

(2) A Sale and Purchase Agreement, dated 5th August 1994, between Borrowdale Farms Limited of Auckland and Rosedale Forest Limited, relating to the land situated on Mangamahu and as detailed under section 4(3) above, for the consideration of $234,000.

(3) Copies of these contracts may be inspected at the offices of Arbor Investments Limited, 11 Cheshire Street, Parnell, Auckland; Messes Treadwell Gordon & Co., Wicksteed Tce, Wanganui, and Prince & Partners Trustee Co Ltd, 67 Customs 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 issues estimated expenses are as follows:

Legal	4,500.00
Printing & Postage	15,000.00
Preparation of Prospectus	8,000.00
Brokerage	62,320.00
Promotion fee	30,000.00
Audit Fee	3,000.00
Statutory Supervisor	3,000.00
Stamp Duty	2,950.00
Partnership Registration	5,000.00
Accounting Fees	3,500.00
TOTAL	133,270.00

18. TERMS OF DEED OF PARTICIPATION

A copy on the 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 except for those implied by law or set out in a document that is registered with a public official and is available for public inspection and is referred to in this prospectus.

20-34 REQUIREMENTS IN RESPECT OF FINANCIAL STATEMENTS

As the Partnership has 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, 3 Kingston Street, Auckland between the hours of 9.00 a.m. and 4.00 p.m.The offices of Messes.Treadwell Gordon & Co.,Wicksteed Tce, Wanganui,. Prince & Partners Trustee Company Limited, 67 Customs St, Auckland at any time during normal office hours.

36. OTHER MATERIAL MATTERS

(1) Under the terms of the resource management consent from the Manawatu Wanganui District Council, relating to the Subdivision, the Planning Manager has stated that the existing alignment and standard of Kowhai Street, Mangamahu Road and Bridge No 52 connecting the two, may be inadequate for the forestry operations envisaged at the time of harvesting and that the Forest Owner could be expected to participate in the financing of this work. Bridge No 52 has a weight and speed restriction. The Manager, Arbor Management Limited in evaluating log values has allowed $4.00 per cubic metre for roading. This is above average and the Manager considers that this amount will be sufficient for upgrading both the Roads and bridge if necessary, however alternative access is available through the neighbouring property for which legal access has been approved.

(2) 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 Rosedale Forest Limited.
General Partner and Manager of the Partnership.

Peter Scott Martin
Peter Bradney Bould
Eoin Malcolm Miller Johnson

SIGNED BY

Arbor Investments Limited.
Promoter of the Partnership.

Director

Director

DEED OF PARTICIPATION

THIS DEED made this 31st day July 1994

BETWEEN PETER SCOTT MARTIN,
("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 ROSEDALE FOREST LIMITED an
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.

(2) THE General Partner will carry out the management functions for and on behalf of the Partnership.

(3) THE principal object of the Partnership will be to purchase land and establish forests of mainly radiata pine for the production of timber, to manage the forests and to harvest and sell the trees either as logs or timber.

(4) 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 apical of the Partnership.

(5) THE Special Partners will be required to contribute towards the capital of the Partnership.

(6) 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.

(7) THE General Partner will own and have title to the land purchased for and on behalf of the partnership.

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 tending and maintenance of trees, silviculture, and to own, manage, operate, harvest, process, market and sell forests and trees of all kinds.

(b) To maintain, lease, sell or otherwise deal with or dispose of any property either real or personal acquired by the Partnership.

(c) 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:

ROSEDALE FOREST LIMITED AND COMPANY.

3. CAPITAL

(1) The capital of the Partnership shall be divided into 205 units ("units") of $7,600.00 each ("$7,600.00 units").

(2) The initial capital of the Partnership shall be the sum of SEVEN THOUSAND, SIX HUNDRED DOLLARS ($7,600.00) being one $7,600.00 unit 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) Not withstanding 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 ONE MILLION, FIVE HUNDRED AND FIFTY EIGHT THOUSAND DOLLARS ($1,558,000.00) comprising of the ONE (1) $7,600.00 unit as mentioned in subclause (2) above, and TWO HUNDRED AND FOUR (204) $7,600.00 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:
$2,600.00 on application
$1,000.00 on 31st July 1995
$1,000.00 on 31st July 1996
$1,000.00 on 31st July 1997
$1,000.00 on 31st July 1998
$1,000.00 on 31st July 1999

(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 lifted 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 out in 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 Wanganui 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 may 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 Wanganui 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) When 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 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 INSTALLMENTS ON CAPITAL

(1) If a Special Partner fails to pay any installment 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 outgoings 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 such documents and do all 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 or 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, along with accumulated tax losses, 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 which the Statutory Supervisor shall approve. Such accounts 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 but shall not be entitled to remuneration for its services hereunder unless approved by a majority at a meeting of the Partnership convened and conducted in accordance with these rules.

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
(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 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 re-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, such notice to be given under the terms described under clause 20(3) of this deed.

(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 convened by the Special Partners shall be that number of Special Partners holding in total 40 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 bound 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 Rosedale Forest 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 relating to this deed shall deemed to have been given if 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 Wanganui 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 endeavours 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 nomnal value of th 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 PARTNERS

(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 Three thousand dollars ($3,000.00) and annual fees based on time attendance and responsibility involved in the performance of its duties and shall also be entitled priority to any payment to the special partners to reimbursement by the Partnership in all costs and liabilities including legal and accounting costs and expenses incurred by it in its appointment and in the lawful exercise of its powers and duties as required under this deed and also shall be indemnified by the partnership in priority to any payment to the special partners in respect of all claims proceedings actions and demands arising from the partnership PROVIDED the claims, proceedings, actions and demands, did not arise from any negligent, careless or unlawful act carried out by the Statutory Supervisor.

(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 PROVIDED the Statutory Supervisor shall have acted with reasonable diligence, it shall not be responsible for any loss that may result from the exercise or non-exercise of its rights powers and remedies hereunder.

(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

(1) 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 General Partner 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 to 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 6 and clause 6(1b) in this deed shall have effect with the necessary changes as f that certificate were the certificate required to be registered on formation of the Partnership.

28. INDEMNITY

The General partner and its directors, employees, agents, advisers 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:

SIGNED BY ROSEDALE FOREST LIMITED

Director

Director

Director

SIGNED BY PRINCE & PARTNERS
TRUSTEE COMPANY LIMITED

Director

DIRECTOR

SIGNED BY PETER SCOTT MARTIN)
in the presence of:)

Office Administrator
21 Sycamore Drive
Auckland . 10

SCHEDULES

SCHEDULE A

NAME, ADDRESS AND OCCUPATION OF INITIAL SPECIAL PARTNER

Name:	Peter Scott Martin
Address:	88 Rawhiti Road One Tree Hill AUCKLAND
Units Subscribed:	One
Capital Contribution:	$7,600.00

SCHEDULE B

FIRST CERTIFICATE OF REGISTRATION

IN THE HIGH COURT OF NEW ZEALAND WANGANUI REGISTRY

IN THE MATTER of Part II of the Partnership Act 1908

AND

IN THE MATTER of ROSEDALE FOREST LIMITED AND COMPANY being the Special Partnership.
It is hereby certified pursuant to Section 51 of the Partnership Act 1908 that:

1. The name of the Special Partnership is:
   ROSEDALE FOREST LIMITED and COMPANY
2. The names, addresses, and capital contributions of the General and Special Partners are set forth in the Schedule attachedhereto.
3. The business of the Partnership will be as follows: Forestry, Agriculture and Investment.
4. The principal place at which the business of the Partnership will be situated at: Mangamahu, Wanganui.
5. The Partnership shall commence business upon registration of this certificate. Th Partnership shall terminate after seven years or at such other time as the Partnership Deed allows.

SCHEDULE

GENERAL PARTNER:
ROSEDALE FOREST LIMITED
11 Cheshire Street
Parnell
AUCKLAND

Capital Contribution:NIL

SIGNED BY ROEDALE FOREST LIMITED

Director

Director

ACKNOWLEDGED before a Justice of the Peace)

SPECIAL PARTNER:

PETER SCOTT MARTIN
88 Rawhiti Road
One Tree Hill
AUCKLAND

Capital Contribution: $7,600

SIGNED by the Special Partner)

ACKNOWLEDGED before a Justice of the Peace)

SCHEDULE C

DEED OF ACCESSION

THIS DEED is made this.....day of.....1994

BETWEEN ROSEDALE FOREST LIMITED an incorporated company having its registered office at Auckland (called the "General Partner")

AND the persons whose respective names, descriptions and addresses are set out in Part A of the attached Schedule (called "the initial Special Partner")

AND PRINCE & PARTNERS TRUSTEE COMPANY LIMITED an incorporated trustee corporation having its registered office at Auckland (called "the Statutory Supervisor")

AND the persons whose respective names, descriptions and addresses are set out in Part B of the attached Schedule (called "the new Special Partners") (the initial Special Partner and the new Special Partners shall together be called "the Special Partners")

WHEREAS

1. The General Partner is the general partner and the initial Special Partner is the initial special partner of Rosedale Forest Limited and Company a special partnership under the provisions of Part II of the Partnership Act 1908 formed on 31st July 1994. ("the Partnership") and the Statutory Supervisor has accepted appointment as statutory supervisor of the Partnership as covered under the Securities Act 1978.
2. On the 31st July 1994 the initial Special Partner, General Partner and the Statutory Supervisor entered into and executed a Deed of Participation ("the Deed").
3. The initial Special Partner provided the initial capital of the Partnership as specified in Part A of the attached Schedule and the new Special Partners have agreed to provide the balance of the capital of the Partnership as specified in Part B of the attached Schedule.
4. The new Special Partners have undertaken to enter into and execute this Deed of Accession making the clauses of the Deed binding on them.

THE ABOVE PARTIES AGREE TO THE FOLLOWING:

1. (a) The new Special Partners shall be special partners of the Partnership with effect from the date of this accession deed.
   (b) The balance of the capital of the Partnership shall be contributed by the new Special Partners in the amounts as set out against the name of each new Special Partner in Part B of the attached Schedule and shall be paid in cash, as outlined in the Deed, to the Partnership.
2. Each of the new Special Partners agree that they will observe, perform and be bound by all the clauses and conditions contained in the Deed.

SCHEDULE OF INITIAL AND NEW SPECIAL PARTNERS

PART A

INITIAL SPECIAL PARTNER

NAME	Peter Scott Martin
ADDRESS	88 Rawhiti Road, One Tree Hill, Auckland.
OCCUPATION	Forest Manager
UNITS	1
CAPITAL	$7,600.00

PART B

NEW SPECIAL PARTNERS

NAME: .....

ADDRESS: .....

.....

.....

UNITS: .....

CAPITAL: .....

NAME: .....

ADDRESS: .....

.....

.....

UNITS: .....

CAPITAL: .....

NAME: .....

ADDRESS: .....

.....

.....

UNITS: .....

CAPITAL: .....

SIGNED BY ROSEDALE FOREST LIMITED

Director

Director

SIGNED BY PRINCE AND PARTNERS
TRUSTEE COMPANY LIMITED

Director

Director

SIGNED for and on behalf of each)
of the persons listed in Part A and)
Part B of the Schedule above by)
their authorised attorney ROSEDALE)
FOREST LIMITED)

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

We, Peter Scott Martin and Peter Bradney Bould, Company Directors, both of Auckland.

HEREBY CERTIFY

1. We are Directors of Rosedale Forest Limited and as such are authorised to give this certificate on behalf of Rosedale Forest Limited.

2. Rosedale Forest Limited is the Attorney of all the Special Partners named in Parts A and B of the schedule of this Deed of Accession, under and by virtue of a Power of Attorney given by them to it and completed on the application form contained in the registered prospectus dated 8th August 1994.

3. That at this date Rosedale Forest Limited nor any servant or agent of such company has received any notice or information of the revocation of the said Power of Attorney by death or otherwise.

SIGNED BY ROSEDALE FOREST LIMITED

Director

Director

Dated this .....day .....of 1994.

SCHEDULE D

SECOND CERTIFICATE OF REGISTRATION

IN THE HIGH COURT OF NEW ZEALAND
WANGANUI REGISTRY

IN THE MATTER of Part II of the Partnership Act 1908

AND

IN THE MATTER of ROSEDALE FOREST LIMITED AND COMPANY being the Special Partnership.
It is hereby certified pursuant to Section 51 of the Partnership Act 1908 that:

1. The name of the Special Partnership is:
ROSEDALE FOREST LIMITED and COMPANY

2. The names, addresses, and capital contributions of the General Partner, Initial Special Partner and New Special Partners are set out in the Schedule below.
3. The business of the Partnership will be as follows: Forestry, Agriculture and Investment.
4. The principal place at which the business of the Partnership will be situated at: Mangamahu, Wanganui.
5. The Partnership commenced on the 31st July 1994. upon registration of a certificate as required by Section 54 of the Partnership Act 1908 at the High Court of New Zealand (Wanganui Registry) under No. The Partnership shall terminate after seven years or at such other time as the Partnership Deed allows.

SCHEDULE D *Continued*

SCHEDULE

GENERAL PARTNER:
ROSEDALE FOREST LIMITED
11 Cheshire Street
Parnell
AUCKLAND

Capital Contribution: NIL

SIGNED BY ROSEDALE FOREST LIMITED

Director

Director

ACKNOWLEDGED before a Justice of the Peace)

INITIAL SPECIAL PARTNER:
PETER SCOTT MARTIN
88 Rawhiti Road
One Tree Hill
AUCKLAND

Capital Contribution: $7,600

SIGNED by the Special Partner)

ACKNOWLEDGED before a Justice of the Peace)

REGISTER OF NEW SPECIAL PARTNERS:

NAME: .....

PLACE OF RESIDENCE: .....

.....

.....

CAPITAL: .....

NAME: .....

PLACE OF RESIDENCE: .....

.....

.....

CAPITAL: .....

NAME: .....

PLACE OF RESIDENCE: .....

.....

.....

CAPITAL: .....

ACKNOWLEDGED AND SIGNED for and on)
behalf of each of the persons listed)
in the above Schedule by their authorised)
attoney ROSEDALE FOREST LIMITED)

ACKNOWLEDGED before a Justice)
of the Peace)

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

We, Peter Scott Martin and Peter Bradney Bould, Company Directors, both of Auckland.

HEREBY CERTIFY

1. We are Directors of Rosedale Forest Limited and as such are authorised to give this certificate on behalf of Rosedale Forest Limited.
2. Rosedale Forest Limited is the Attorney of all the Special Partners named in the schedule of the Certificate of Registration for the Special Partnership, Rosedale Forest Limited and Company under and by virtue of a Power of Attorney given by them to it and completed on the application form contained in the registered prospectus dated 8th August 1994.
2. That at this date Rosedale Forest Limited nor any servant or agent of such company has received any notice or information of the revocation of the said Power of Attorney by death or otherwise.

SIGNED BY ROSEDALE FOREST LIMITED

Director

Director

Dated this .....day .....of 1994.

HOW TO INVEST

1. All applications for the Securities offered by this Prospectus must be made on the Application Form including in and forming part of this Prospectus.

2. Application for more than one $7,600 unit may be made.

3. The Application Form must be accompanied by the payment of $2600 for each of the units for which application has been made. Cheques payable to ROSEDALE FOREST LIMITED.

4. All investors must complete the Power of Attorney on the reverse side of the Application Form appointing the Manager as attorney to sign the Deed of Accession and Certificate of registration on their behalf.

5. Completed Application Forms, Power of Attorney and accompanying cheques should be sent to:

ROSEDALE FOREST LIMITED
P.O. BOX 37-507
PARNELL
AUCKLAND

APPLICATION FORM

To: Rosedale Forest 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 $7,600 each in the capital of Rosedale Forest Limited and Company on the terms and conditions set out in the Prospectus dated: 8th August 1994.

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 par of the Prospectus.

3. I/We enclose an executed Power of Attorney to which I/we irrevocably appoint Rosedale Forest Limited as my/our attorney to sign in my/our name, the Deed of Accession, attached to and forming part of the Deed of Participation.

4. I/We enclose the sum of $2,600.00 per unit as the initial amount payable on application and I/we agree to pay the balance of $5,000.00 per unit at the times and in the manner provided in the Partnership Deed.

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: / /1994

....
(Signature) (Signature)

The Power of Attorney on the reverse of this application MUST be completed

POWER OF ATTORNEY
ROSEDALE FOREST LIMITED

To be completed by ALL Applicants

I, ...

of .....

NOMINATE CONSTITUTE AND APPOINT ROSEDALE FOREST 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 31st day of July 1994 to which I am to become a special partner of ROSEDALE FOREST AND COMPANY a special partnership formed under the provisions of Part II 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 certificates as required under sections 51, 54 and 58 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 1994

SIGNED by the Applicant

.....

in the presence of .....

Witness' Name .....

Witness' Occupation .....

Witness' Address .....

.....

.....

FORESTRY

AN INVESTMENT FOR YOUR FUTURE

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

- Demand for wood continues to increase regionally, nationally and worldwide ①②③④⑤.
- World forestry production unable to satisfy world demand ①②③④⑤.
- Environmental benefits - forests reduce the Greenhouse effect by consuming carbon and producing oxygen.
- Sustainable resource under common management to enhance marketing.
- Special Partnership provides limited liability protection to partners.
- Proven management expertise and experience.
- Insured against fire.
- Unlike many other forms of investment, forestry has not shown harsh fluctuations in value ①.
- New Zealand renowned internationally for its expertise in plantation Forestry ④⑤.
- Sold only when market conditions are favourable to the Forest Owner.
- Historically, forestry has shown 6% - 12%real rate of return above inflation ①③.
- No annual tax on the forest's growth -tax only payable on proceeds when sold. (under current tax legislation)
- An investment suitable for retirement planning.
- Ideal for providing for children or grandchildren.
- Partners can watch their investment grow.

ROSEDALE FOREST LIMITED & COMPANY

FORESTRY

A GROWING

INVESTMENT

OPPORTUNITY

ROSEDALE FOREST LIMITED & COMPANY.

P.O. BOX 37-507, PARNELL, AUCKLAND. PH: (09) 309-5078 FAX: (09) 307-3573