

6 October 2006

P O Box 1961
Taupo

NZMIG Nominees Limited & Assigns
P O Box 65185 Mairangi Bay
North Shore
AUCKLAND 0754

Attention: Gerrard Sayes

Dear Sir

VACANT LAND VALUATION
TAURANGA TAUPO CAMPGROUND, ORUATUA AVENUE, TE RANGIITA
Your Client: Te Ngāro Whenua Limited

With reference to your recent instructions, we provide a Current Market Valuation on a Land only basis in accordance with Individual Titles, for mortgage security purposes.
All structures have been notionally removed.

Type of Property

The former Tauranga Taupo Campground was originally developed in the mid 1930's, the motel units were subsequently constructed on an adjoining Title in the mid 1980's. We understand contemporaneous Resource Consents and Applications have been lodged with Environment Waikato and the Taupo District Council for Subdivision into Unit Entitlements.

Valuation

Our Valuation of the property on a Freehold and Unencumbered Basis, as at 5 October 2006, **inclusive** of any Goods and Services Tax that may be applicable, is as follows:

Land Value (Free of Encumbrances)	\$3,900,000
Value of Improvements	\$ 50,000

Capital Value (Free of Encumbrances)	\$3,950,000
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(Three Million, Nine Hundred & Fifty Thousand Dollars)

Mortgage Recommendation

We are of the opinion the property offers adequate security for the advance of first mortgage finance of up to **\$2,630,000 (Two Million, Six Hundred and Thirty Thousand Dollars)**, with all reasonable safety.

This mortgage recommendation is made subject to the mortgagee being satisfied that the mortgagor can meet the terms, conditions and covenants of any loan.



Basis Of Value

Comparable Market Evidence

THE PROPERTY

Registered Proprietors

Te Ngāro Whenua Limited

Legal Description

Sec 2 Survey Office Plan 59129
Lot 2 DP 370444
Lot 3 DP 370444

Certificates of Title

SA 50B/413
285528
285529

Encumbrances

SA 50B/413

*Section II Crown Mineral Act 1991
Part IV A Conservation Act 1987
Section 27B State-Owned Enterprises Act 1986
673338.5 Mortgage to Bridgecorp Finance Limited*

285528

*Interests Subject to Section 11 Crown Minerals Act 1991
Subject to Part IV A Conservation Act 1987 Subject to
Section 27B State-Owned Enterprises Act 1986 (which
provides for the resumption of land on the
recommendation of the Waitangi Tribunal and which does
not provide for third parties, such as the owner of the
land, to be heard in relation to the making of any such
recommendation)*

*673338.5 Mortgage to Bridgecorp Finance Limited -
Subject to a right to convey water over part marked M,
convey electricity over part marked G and drain water
over part marked N on DP 370444 created by Easement
Instrument 7059772.3*

*Appurtenant hereto is a right of way and rights to convey
telecommunications, computer media and electricity and
to drain sewage and sewage disposal created by Easement
Instrument 7059772.3*

*Some of the easements created by Easement Instrument
7059772.3 are subject to Section 243 (a) Resource
Management Act 1991 (see DP 370444)*

285529

*Interests Subject to Section 11 Crown Minerals Act 1991
Subject to Part IV A Conservation Act 1987 Subject to
Section 27B State-Owned Enterprises Act 1986 (which
provides for the resumption of land on the
recommendation of the Waitangi Tribunal and which does
not provide for third parties, such as the owner of the
land, to be heard in relation to the making of any such
recommendation)*



6733338.5 Mortgage to Bridgecorp Finance Limited
 Subject to a right of way and rights to convey telecommunications and computer media over part marked B, Z, Q and W, convey water over part marked B, Z, Q, W, V, U, T, 1 and H, convey electricity over part marked F, 1, H, J, O, Q, Y, R, S and H, drain sewage over part marked P, Z, Q, Y, X, K, AC, 1, H, J, S and U and sewage disposal over part marked L, AA and AB all shown on DP 370444 created by Easement Instrument 7059772.3

Appurtenant hereto is a right of way and rights to convey water, telecommunications and computer media created by Easement Instrument 7059772.3

Some of the easements created by Easement Instrument 7059772.3 are subject to Section 243 (a) Resource Management Act 1991 (see DP 370444)

Subject to a right (in gross) to convey electricity, telecommunications and all associated signals over part marked D, E and AA on DP 370444 in favour of The Lines Company Limited created by Transfer 7059772.

Tenure

Freehold

Area

3,450 m²
 6,129 m²
5,816 m² respectively
 15,395 m²

Rating Valuation

1/7/05 Taupo District Council

Certificate of Title SA50B/412
 CV \$131,000 LV \$124,000 VI \$7,000

Certificate of Title SA50B/413
 CV \$162,000 LV \$160,000 VI \$2,000

Certificate of Title SA50B/439
 CV \$330,000 LV \$245,000 VI \$85,000

The above Rating Valuation is a mass appraisal, computer adjusted value, unsuitable for market and/or mortgage security purposes.

NB: SA50B/412 & SA50B439 no longer exist

Zoning

- Residential
- Lakeshore Reserve
- Proposed Lakeshore Reserve,
- Underlying Rural

*Proposed Taupo District Plan
 The property falls within the flood prone zone.*



Locality

The property is located along the western side of State Highway 1 within the settlement of Te Rangiita along the southeastern shores of Lake Taupo. Development through the area has historically been primarily of a transient/seasonal nature, i.e. holiday baches, motor camps, lodges. More recently noticeable emergence of comprehensive residential subdivisions in Motuoapa, in conjunction with development of a more permanent nature and prolific redevelopment of motel units into "Own your Own" Unit Entitlements.

Services And Amenities

▪ Tauranga Taupo River	50 m
▪ Boat Ramp	200 m
▪ Te Rangiita General Store and Service Station	500 m
▪ Western Bays	8 Km
▪ Turangi	13 Km
▪ Tongariro National Park and Ski Fields	22 Km
▪ Taupo Airport 34 Km, Taupo CBD	40 Km

The Land

Collectively, as adjoining Titles, the land has a 57.12 lineal metre frontage to the northern side of Oruatua Avenue, one removed from the western side of State Highway 1. The block is of irregular shape with sealed pedestrian/vehicular access to the local boat ramp and Lake Taupo. The property is perceived as Lake Frontage with a narrow band of DOC Lakefront Reserve adjoining. Contour, across the Titles is level with the Oruatua Avenue carriageway, and for practical purposes, is considered flat. The block has three pedestrian walkways to the private beaches.

Potential for unobstructed Lake views of Lake Taupo are obtained over the adjoining DOC Lakefront Reserve Land through to Wharemoenga Point along the northern shores of Lake Taupo, Motutaiko Island, Mounts Ruapehu and Ngaruhoe, Kaimanawa Ranges to the south.

Block Improvements

These comprise:

- Sealed access
- Water bore
- Peripheral block fencing

Market Considerations

The property market along the southeastern shores of Lake Taupo is at present fairly active with marked improvement in attrition rates from Turangi and to a lesser extent, Taupo. There is prolific redevelopment of motel complexes into Unit Entitlements and steady turnover of residential property. Scarcity has heightened demand for vacant land through the area. As such the subject property is considered Prime locally, unrivalled in terms of area with direct access to Lake Taupo and within close proximity of the Tauranga Taupo River, a renowned trout fishing river.

We are of the opinion if the property was exposed to the open market it would be imminently saleable, ripe for redevelopment.



Comparable Sales

In the absence of any directly comparable market evidence, we have utilised the following sales in support of our valuation, all are inclusive of GST.

Vacant Site Sales

Property	Area	Date Sold	Sale Price
34 Oruatua Avenue This property has frontage to the southern side of Oruatua Avenue, Unobstructed views may be obtained from upper levels of subsequent development. Inferior land component.	809m ²	12/05	\$750,000
43 Heu Heu Parade This property has direct and level frontage to the Tauranga Taupo River. Inferior land component.	1000m ²	6/05	\$750,000
Heu Heu Parade This property adjoins the subject. Essentially a redevelopment prospect developed with an original 1930's/40's cottage, to which no value has been attributed. Inferior land component.	1000m ²	Listed 6/05	\$500,000
11 Heu Heu Parade This property has elevated partially obstructed river views and is developed with a basic fibrolite constructed bach with adjoining garage and nominal site development. A redevelopment proposition. Inferior land component.	1012m ²	6/04	\$385,000

Improved Property Sales

(For Residential Land Value Component)

Property	Area	Date Sold	Sale Price
36 Oruatua Avenue This property has frontage to the southern side of Oruatua Avenue, and is developed with a 1990's architecturally designed 4 bedroomed family residence of weatherboard and iron roof construction comprising 260m ² inclusive of integrated garaging. Obstructed vies of the Lake are obtained..	809m ²	10/05	\$750,000
<i>Analysed Land Value</i>		\$480,000	



Property	Area	Date Sold	Sale Price
6 Kapua Street This property has frontage to the southern side of Oruatua Avenue and is developed with a 1960/70's three bedroomed family residence of weatherboard and tile profile roof construction, comprising 160m ² of total floor inclusive of integrated garaging. Views of the Lake may be obtained from any subsequent upper levels of development. Inferior land component.	860m ²	3/06	\$790,000
<i>Analysed Land Value</i>		\$405,000	
225 State Highway 1 This is an adjoining property developed with the former camp/motel residence of concrete block weatherboard and corrugated iron roof construction for the most part in original condition. Site development is minimalistic.	800m ²	Currently Listed	650,000
<i>Analysed Land Value</i>		\$590,000	
57 Heu Heu Parade This property is situated at the confluence of the Tauranga/Taupo River and Lake Taupo. It is developed with a 1970's bach type residence of fibrolite and mono-pitched iron roof construction comprising approximately 90m ² . Unobstructed views of Lake Taupo and the River are obtained. The property has broad, level access to the Lake.	1000m ²	8/03	\$1,050,000
<i>Analysed Land Value</i>		\$1,040,000	
		\$1,040/m ²	

Disclaimers and Limitations

It should be noted that whilst our inspection was entirely adequate for valuation purposes, it was not intended to be, nor was it, a boundary, archaeological or geotechnic survey. We assume no responsibility in connection with such matters. Unless otherwise stated it is assumed that:

- The land is stable, and free of undue flood risk.

Information has generally been obtained from a search of records and examination of documents or by enquiry of Government department, statutory authorities and other parties.



This information is believed to be reliable but we can accept no responsibility if this should prove to be not so.

Our valuation and report is conditional upon the land being free of any contamination or industrial waste problems unless otherwise noted.

We would point out that our assessment of value is based on market evidence as at the date of valuation, however, real estate values can vary from time to time in response to changing market circumstances and no warranty can therefore be given as to the maintenance of this value into the future.

We certify that the Valuer has no financial interest or otherwise in the property and there is no relationship with the vendor, purchasers or agents.

This report has been prepared for mortgage security purposes and is for the sole use of our clients and their advisers.

We hereby certify that this valuation has been made by an independent registered valuer within the meaning of Regulation 5 of the Securities Act (Contributory Mortgage) Regulations 1988.

This valuation report has been prepared for use by NZMIG Nominees Limited & Assigns. We have consented to the distribution of the valuation report and as at the date of the valuation report, we have not withdrawn our consent.

The valuer's full name is Michelle Kay Tierney, P O Box 8232, Tauranga. I hold a Bachelor of Business Studies from Massey University, gained Registration 1988, Associate Status NZIV 1989. I am a Senior Member of the New Zealand Property Institute.

We confirm that:

1. The Valuer holds a current annual practising certificate and is ANZIV qualified.
2. This Valuation complies with the NZIV Code of Ethics and with Practice Valuation Standards.
3. Tierney & Partners NZ Ltd holds Professional Indemnity Insurance.

We are thankful for the instructions and if there is any further information required please do not hesitate to contact us.

Yours faithfully

Tierney & Partners NZ Ltd

**M K Tierney
BBS ANZIV SPINZ**



APENDIX 1

Tauranga Taupo Camp Ground

C/T Ref	Area		
SA 50B/413	3450 m ²	say	\$ 875,000
285528	6129 m ²	say	\$1,550,000
285529	5816 m ²	say	<u>\$1,472,000</u>
Total Land Value		Say	\$3,900,000
Value of improvements			
Water bore, fencing, access			<u>\$ 50,000</u>
Current Market Value			\$3,950,000
			(Three Million, Nine Hundred and Fifty Thousand Dollars)



