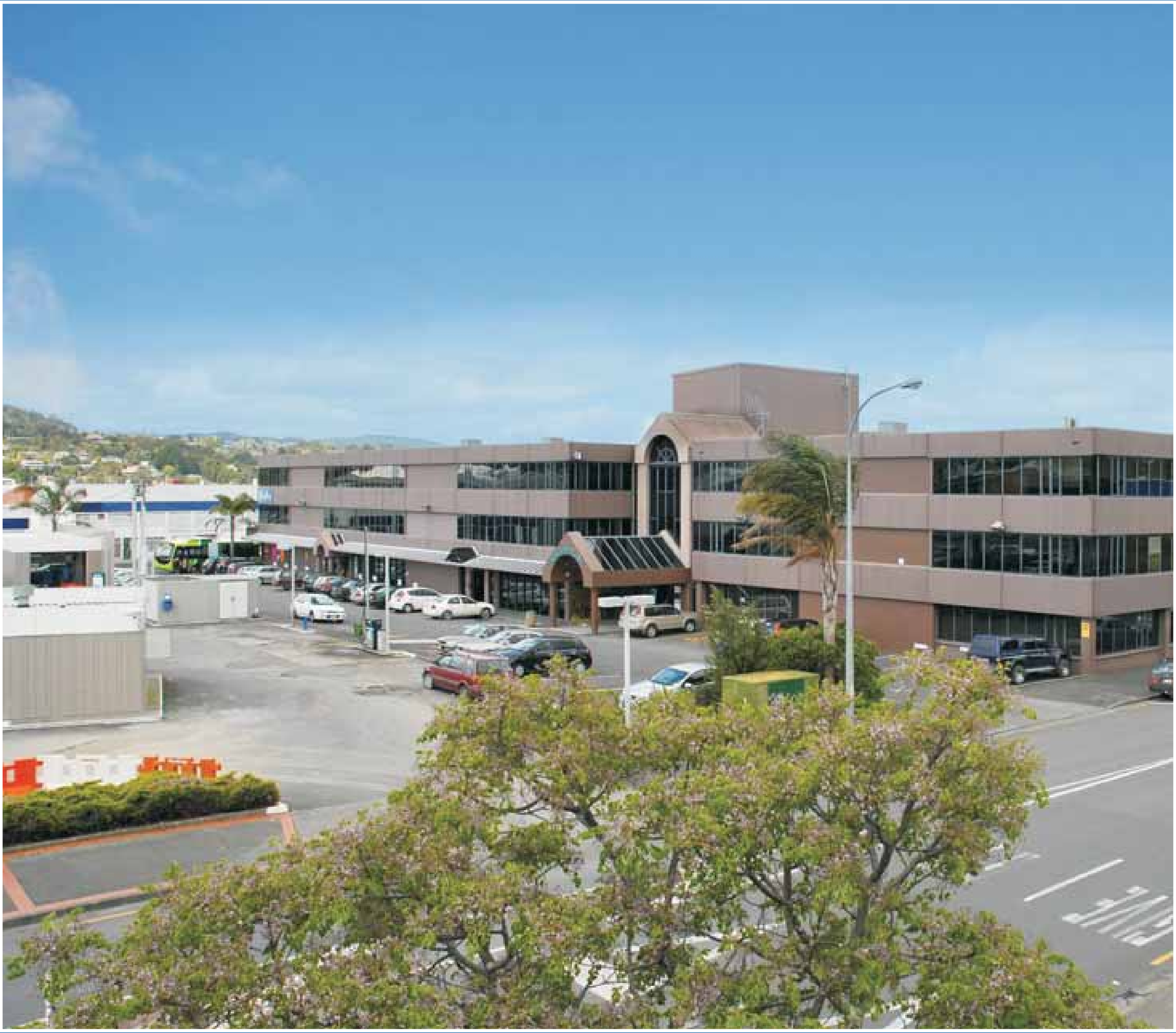


Walton Plaza

4 Albert Street
Whangarei

Offeror's Statement
Maat Consulting Limited

Barfoot & Thompson Since 1923 MREINZ

MCL Maat Consulting Ltd *Investment Consultants*

OFFEROR'S STATEMENT

This Offeror's Statement is prepared as at 8 November, 2010.

CONTENTS

IMPORTANT INFORMATION

(The information in this section is required under the Securities Act 1978.)

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

Warning

This offer is exempt under the Securities Act (Real Property Proportionate Ownership Schemes) Exemption Notice 2002 from the legal requirement to register a prospectus for this Scheme and to appoint an independent supervisor to monitor the interests of investors in schemes. Your attention is drawn to the absence of these statutory protections.

Choosing An Investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

Engaging An Investment Adviser

An investment adviser must give you a written statement that contains information about the adviser and his or her ability to give advice. You are strongly encouraged to read that document and consider the information in it when deciding whether or not to engage an adviser.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes and carry different levels of risk.

The written statement should contain important information about the adviser, including:

a) relevant experience and qualifications and whether dispute resolution facilities are available to you; and

b) what types of investments the adviser gives advice about; and

c) whether the advice is limited to investments offered by one or more particular financial institutions; and

d) information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, any adverse findings by a court against the adviser in a professional capacity, and whether the adviser has been expelled from, or prohibited from joining, a professional body; and

e) any relationships likely to give rise to a conflict of interest

The adviser must also tell you about fees and remuneration before giving you advice about an investment. The information about fees and remuneration must include:

a) the nature and level of the fees you will be charged for receiving the advice; and

b) whether the adviser will or may receive a commission or other benefit from advising you.

An investment adviser commits an offence if he or she does not provide you with the information required.

THE INVESTMENT OPPORTUNITY

PROPORTIONATE OWNERSHIP SCHEME

Maat Consulting Limited (the 'Offeror') is offering subscribers ('Subscribers') an opportunity to purchase a proportionate share of the land and buildings at 4 Albert Street, Whangarei through the proportionate ownership scheme. The Scheme applies to all land and buildings located on certificate of title NA104D/626 (North Auckland Registry) (the 'Property'). The scheme will be called the Walton Plaza Proportionate Ownership Scheme (the 'Scheme').

The Property is being purchased from St. John Whangarei Limited, [a holding company for Irongate Properties, a subsidiary of St. Laurence Limited.] The current Tenants are:

- Ministry of Social Development, WINZ;
- Ministry of Social Development, CYFS;
- Whangarei District Council;
- NZ Police (Northland District Headquarters); and
- Jenny Craig Weight Loss Centres (NZ) Ltd,

('the Tenants').

This offer is being made by the Offeror through the real estate company Barfoot & Thompson, North Shore Commercial as selling agents.

The Property will be acquired and held by Walton Plaza Investments Limited (the 'Nominee'), as bare trustee on behalf of all Subscribers according to their relative proportionate interest in the Scheme. The Nominee's sole purpose is to hold the Property for and on behalf of Subscribers, in accordance with the terms of an Ownership and Management Deed.

The offer is limited to a total of 296 interests of $25,000 per interest. The minimum initial investment from each Subscriber is $50,000 (being 2 interests in the Scheme) and in multiples of $25,000 thereafter. A Subscriber may subscribe for 2 or more interests in the Scheme. All 296 interests must be subscribed for before the Nominee can purchase the Property and the Scheme can proceed. The Offeror (or its associates) reserve the right to subscribe for Interests in the Scheme. Each Subscriber will be issued with a certificate describing the Subscriber's proportionate interest in the Property.

The purchase price of the Property is $12,550,000 plus GST (if any). The Property will be purchased as a going concern and therefore zero rated for GST purposes.

The Subscribers' subscription proceeds of $7,400,000, together with limited recourse secured bank borrowings of $5,647,500 will be applied to the purchase of the Property and to fund the establishment costs. The establishment costs are detailed in section 3.1.

The key document governing the operation of the Scheme is the Ownership and Management Deed to be entered into between Maat Consulting Limited (as manager of the Scheme), Walton Plaza Investments Limited (as nominee) and Maat Consulting Limited on behalf of Subscribers. Details of the Ownership and Management Deed are set out in Section 2.3. By subscribing to the Scheme, each Subscriber authorises Maat Consulting Limited to sign the Ownership and Management Deed on their behalf.

This offer to prospective Subscribers will close at 4.00 p.m. on December 1, 2010.

The unconditional date for the purchase of the Property is December 6, 2010. However, the Offeror reserves the right to close the offer prior to this date or extend the offer past this date by up to 10 working days without prior notice to Subscribers.

Applications must be made on the application form on page 40. No applications for this investment and no money will be accepted unless the Subscriber completes the application form. The Offeror also reserves the right in its sole discretion to accept or reject any application in whole or in part without assigning any reason.

Settlement of the Property is scheduled for December 21, 2010.

CYFS Reception

Whangarei District Council Reception

THE PROPERTY DETAIL

- Located at 4 Albert Street, Whangarei
- Total tenancy area of 8,628m²
- Total site area of 6,589m²
- The Tenants are
  - Ministry of Social Development, WINZ & CYFS
  - Whangarei District Council
  - NZ Police
  - Jenny Craig Weight Loss Centres (NZ) Ltd

The Property is situated on a prominent main road location in Whangarei, in the commercial area of Albert Street and Railway Road and in close proximity to the Whangarei CBD. The building on the Property comprises a three level commercial building completed in 1990, providing three levels of offices together with 106 car parks on site.

The building is located on:

- a level stand alone site; and

  a prominent site with two access roads and on Whangarei's entrance to the CBD and Town Basin

The Property is held in one freehold computer register title which is subject to unregistered leases granted in favour of the Tenants.

THE TENANTS

Below is a summary of the key terms of the current leases to the Tenants at Walton Plaza, 4 Albert Street:

Tenant	Start Date	Leased Area	Initial Lease start date	Most recent lease start date	Expiry Date	Annual Rent (plus GST)	ROR	Rent Review Dates
Jenny Craig Weight Loss Centres (NZ) Ltd	14 March 2010	Ground Floor 182.63m^2 Plus 3 car parks	1996	14 March 10	13 March 15	$35,727	1x5 years	2 yearly to market
Ministry of Social Development (WINZ)	1 May 2010	Ground Floor 1,588.8m^2 10 Car Parks	1995	01 May 10	30 April 16	$311,720	3x3 years	3 yearly to market
Ministry of Social Development (WINZ)	1 May 2010	Ground Floor 686.72m^2 5 Car Parks	1995	01 May 10	30 April 16	$138,280	3x3 yrs	3 yearly to market
Ministry of Social Development (CYFS)	15 May 2010	Second Floor 1,130.54m^2 18 Car Parks	2010	15 May 10	30 April 16	$243,910	3x3 yrs	3 yearly to market
NZ Police	1 September 2009	Second Floor 841.39m^2 12 Car Parks	1993	01 Sept. 09	31 August 15	$176,033	3x3 yrs	3 yearly to market
Whangarei District Council	1 July 2010	Ground Floor 332.12m^2 1 Car Park	2005	1 July 2010	30 June 13	$67,808	1x3 yrs	1 July 2011 and 2 yearly thereafter to market
Whangarei District Council	1 July 2010	First Floor 2,037m^2 Deck 139m^2 24 Car Parks	2005	1 July 2010	30 June 13	$440,017	1x3 yrs	1 July 2011 and 2 yearly thereafter to market
Whangarei District Council	1 July 2010	Second Floor 933.28m^2 4 Car Parks	2005	1 July 2010	30 June 13	$186,624	1x3 yrs	1 July 2011 and 2 yearly thereafter to market
TelstraClear (note, this is a licence rather than a lease)	24 May 2007	Roof Top		24 May 2007	23 May 13	$3,535		Annual review to CPI

Whangarei District Council Foyer

MANAGEMENT

Maat Consulting Limited (the 'Manager'), will be responsible for management of the Scheme and the Property. In particular, the Ownership and Management Deed, which governs the operation of the Scheme, provides that the Manager will be responsible for (amongst other things):

- payment of monthly income distributions to Subscribers;
- arranging monthly property management and financial reports;
- maintaining proper accounting records for the Scheme;
- preparing timely reports to Subscribers; and
- arranging appropriate insurance policies in respect of the Property.

The directors of the Manager have considerable experience in commercial property proportionate ownership management, business strategy, property finance and governance. The Manager has completed two commercial property purchases in 2010 on behalf of investors, one located in Wiri and the other in Albany.

The Manager will appoint Verve Property Management Limited to manage the Property on a day-to-day basis on its behalf. Verve Property Management Limited is an established company based in Albany and their role extends to (amongst other things):

- liaising with the Tenants and service providers on day-to-day building, property and management issues;
- administering the Property's day-to-day building operations; and
- ensuring all relevant statutory and regulatory requirements in respect of the Property are complied with.

The Manager will remain responsible for the acts and omissions of Verve Property Management Limited in managing the Property.

INVESTMENT RETURNS

The Scheme projects a cash return of 10% per annum during the first three years of operation.

Based on this projected return, Subscribers will receive $2,500 cash return per annum per $25,000 invested. The first monthly payment will be paid on 31 December 2010 (or the next working day) and monthly thereafter.

This projected return is based on the surplus cash available for distribution on an annual basis and does not take account of any retained profits or losses that may result from rental activities. Further, no allowance has been made for any capital gains or losses which may occur based on changes to the underlying market value of the Property. Further details on the risks associated with this investment are set out in section 6.

This return is pre-tax and does not include any allowance for depreciation. Under NZ tax law, Subscribers will be able to take advantage of building depreciation allowances for tax purposes for the 2011 financial year, but not thereafter.

TIMELINE

The offer will close at 4.00 p.m. on December 1, 2010. However, the Offeror reserves the right to close the offer prior to this date or extend the offer past this date by up to 10 working days without prior notice to Subscribers.

Settlement of the Property is scheduled for 21 December, 2010.

SUBSCRIPTION PROCESS

Subscribers may participate in this investment opportunity by completing the application form on page 40 of this Offeror's Statement.

The offer is limited to a total of 296 proportionate interests. Subscribers may subscribe for 2 or more interests.

The minimum initial investment is $50,000 (being 2 interests in the Scheme). An application will be rejected if the Subscriber does not apply for at least 2 interests in the Scheme (i.e. Subscribers must pay a minimum initial investment of $50,000 on application).

No applications for this investment will be accepted unless a Subscriber has completed the application form set out on page 40.

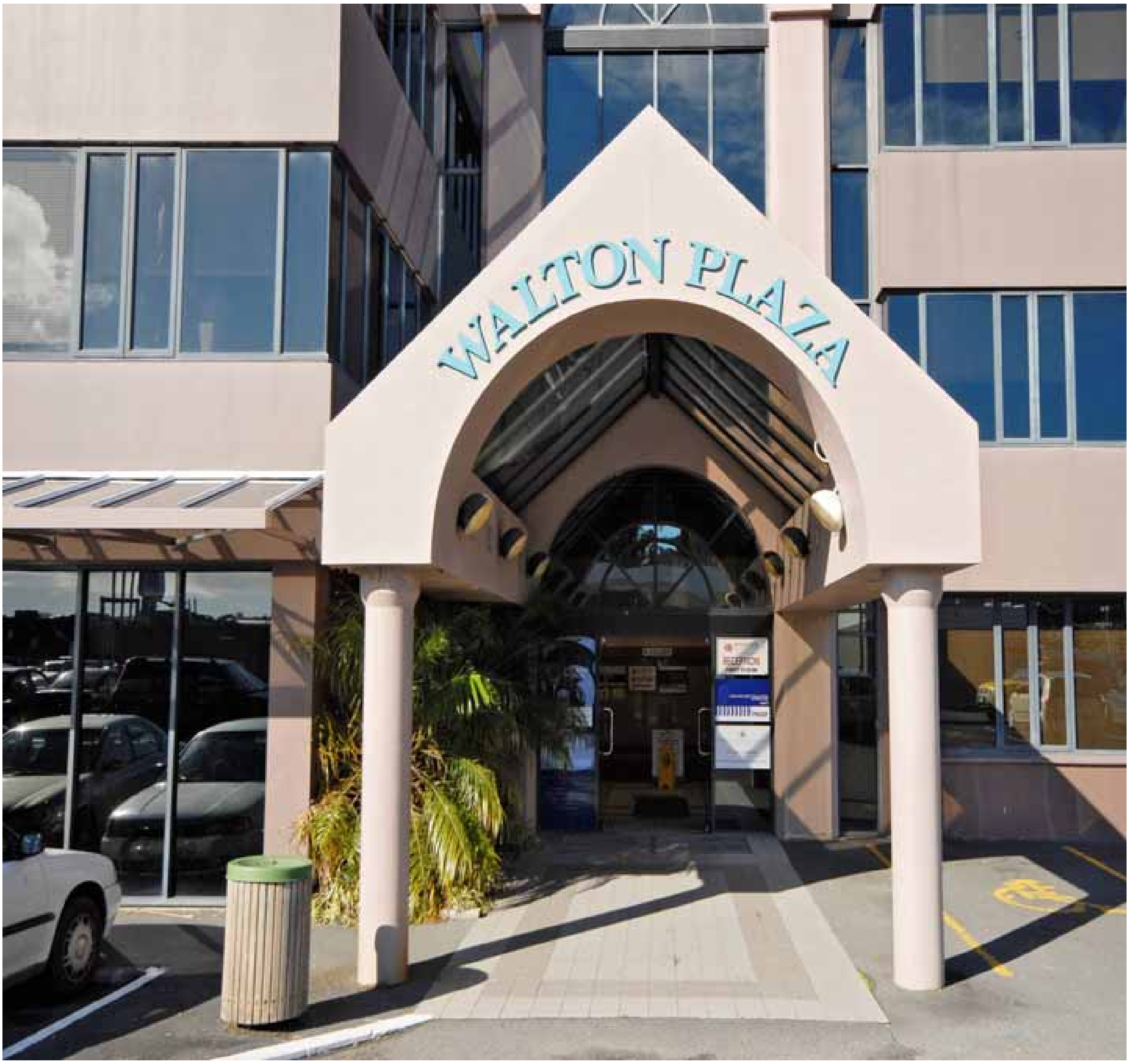
Completed and signed application forms and cheques for the full subscription amount must be forwarded to the offices of Minter Ellison Rudd Watts, Solicitors, PO Box 3798, Auckland 1140 (Attention: Kate Healy).

All funds received from subscriptions for interests in the Scheme (including interest earned on those funds) are to be held in the trust account of Minter Ellison Rudd Watts, Solicitors, Auckland. Funds will be held in trust for each Subscriber until all conditions relating to the receipt of subscriptions are satisfied and all interests in the Scheme are subscribed for in full and the Ownership and Management Deed has been entered into. Subscribers will be paid interest at call rates (less commission and resident withholding tax) on their application money from the date of receipt by Minter Ellison Rudd Watts until settlement of the purchase of the Property or the return of the application to Subscribers in accordance with this Offeror's Statement. In the event that the Property is not acquired on December 21, 2010 (or such later day as contemplated in this Offeror's Statement), then each Subscriber's subscription funds will be returned in full (including interest earned on those funds less commission, bank fees and withholding tax).

Cheques need to be made payable to the "Minter Ellison Rudd Watts Trust Account" and must not be post-dated.

INDEPENDENT VALUER'S REPORT

A copy of a valuation report for 4 Albert Street, Whangarei dated October 28, 2010 by Telfer Young, Whangarei, will be supplied along with this Offeror's Statement. Prospective Subscribers are encouraged to review the valuation report carefully.



QUESTIONS ABOUT YOUR INVESTMENT

1. WHAT SORT OF INVESTMENT IS THIS?

1.1 Description of Proportionate Ownership Scheme

This Offeror's Statement offers an opportunity to participate in a new proportionate ownership scheme. The Scheme will only commence operating upon the offer being fully subscribed.

A total of 296 proportionate interests are being offered for subscription at $25,000 per interest. Subscribers may subscribe for 2 or more interests. The minimum initial investment is $50,000 (being 2 interests in the Scheme).

Information about the returns which Subscribers are projected to receive is detailed in section 5.

There are risks associated with the Scheme's operational and financial performance. These risks are outlined in section 6.

The purchase price of the Property is $12,550,000 plus GST (if any). The purchase will be the supply of a going concern and will therefore be zero rated for GST purposes.

The subscription proceeds of $7,400,000 together with limited recourse secured bank borrowings of $5,647,500 from BNZ (the 'Bank') will be applied to the purchase of the Property and to fund the establishment costs. The Bank borrowings will be secured by way of:

- a first registered mortgage over the Property;
- a general security interest in all the present and after-acquired property of the Scheme; and
- a deed of assignment over the deeds of lease with the Tenants.

The establishment costs are detailed in section 3.1.

Each successful Subscriber will acquire a beneficial interest in the registered freehold title of the land and buildings situated at 4 Albert Street, Whangarei, according to that Subscriber's proportionate interest in the Scheme. The relationship between the Subscribers is that of joint venturers.

The Property will be purchased and held by the Nominee as bare trustee on behalf of the Subscribers, with settlement scheduled to occur on December 21, 2010.

The registered title to the Property will be held by the Nominee on behalf of each Subscriber according to that Subscriber's proportionate interest in the Scheme. The Offeror will take all necessary steps to enable the Nominee, acting on behalf of all Subscribers for specified participatory securities, to be registered as the proprietor of the Property on the acquisition of the Property in accordance with the Scheme.

The Nominee's sole purpose is to hold the Property for and on behalf of Subscribers, in accordance with the terms of the Ownership and Management Deed.

Each interest in the Scheme will confer equal rights and obligations on each Subscriber in respect of entitlements to income and capital of the Scheme and confer one vote on the holder in respect of matters in which Subscribers are entitled to vote under the Ownership and Management Deed.

The Manager will be responsible for management of the Scheme and the Property in accordance with the terms of the Ownership and Management Deed. The Scheme is liable to pay all outgoings and costs associated with the Property (to the extent that they are not recovered from the Tenants).

As part of completing the application form which Subscribers must execute, Subscribers authorise the Manager to execute the Ownership and Management Deed on behalf of each successful Subscriber. A copy of the Ownership and Management Deed is available for inspection free of charge at the offices of the Offeror (at the address detailed on page 23). Details of the Ownership and Management Deed are set out in section 2.3.

The offer contained in this Offeror's Statement will close on December 1, 2010. The Offeror, however, reserves the right to close the offer prior to this date or extend the offer past this date by up to 10 working days without prior notice to Subscribers. The Offeror also reserves the absolute right at its sole discretion to accept or reject any application.

1.2 Description of real property

Legal Description

The Property is comprised in Certificate of Title NA104D/626 (North Auckland Registry) being a fee simple estate of 6,589 square metres more or less which is more particularly described as Lot 1 Deposited Plan 171562 and Lot 2 Deposited Plan 145507.

A copy of the title is included in the valuation report. The whole of the Property (comprising approximately 6,598 square metres) will be transferred to the Nominee on settlement.

Location

The Property is located at 4 Albert Street, Whangarei.

Valuation

The Property has been valued by Telfer Young. Whangarei at $12,600,000 as at October 28, 2010 using an investment-based methodology in accordance with International Valuation Standards and PINZ Valuation Standards. A copy of that valuation report is attached to this Offeror's Statement.

Further details of the Property are contained in the valuation report attached to this Offeror's Statement

1.3 Material contracts relating to improvements to real property

As at the date of this Offeror's Statement, to the best of the Offeror's knowledge:

(a) it is not proposed to construct any other building on the Property;

(b) no building is in the course of construction on the Property; and

(c) no other improvements are proposed to the Property.

1.4 Covenants, etc, in respect of the Property

The title for the Property is subject to the following covenants, conditions, restrictions, easements, encumbrances and interests:

- Transfer 364530 which provides the Property with the benefit of a right of way and a right to drain sewage as well as the burden of a right of way;
- Transfer 236596 which imposes the burden of a right to drainage and sewage;
- Easement Certificate C341412.3 which imposes the burden of a right to convey electricity and a right to drain sewage; and
- Easement Certificate D045263.10 which grants a right to drain water and also imposes the burden of a right to drain sewage.

The easements created by these documents are not unusual given the nature of the Property and do not contain particularly onerous maintenance or repair obligations.
As at the date of this Offeror's Statement, to the best of the Offeror's knowledge, no further covenants, conditions, restrictions or easements are proposed in respect of the Property.

1.5 Land Information Memorandum ("LIM") relating to real property

A LIM for the Property dated 23 July 2010 was obtained from the Whangarei District Council. There are two outstanding consents/code compliance certificates recorded in the LIM, however neither these nor anything else contained in the LIM raise any material concerns in respect of the Property.

A copy of the LIM may be inspected free of charge at the offices of the Offeror (at the addresses detailed on page 36 of this Offeror's Statement).

1.6 Options etc in respect of 4 Albert Street, Whangarei

There are no options, buy-backs, rental guarantees, or similar arrangements in relation to the Property.

Two of the leases granted to the Ministry of Social Development contain a six month rent-free period which is split as follows:

1) a three month period from the commencement date of each lease (1 May 2010) to 31 July 2010; and
2) a three month period from 1 May 2013 to 31 July 2013.

These rent-free periods have been taken into account in calculating the prospective returns set out in Section 5 of this Offeror's Statement.

1.7 Material details concerning right of occupation of real property

The following are the material details of the existing leases of the Property:

TENANCY 1 Lease to **Jenny Craig Weight Loss Centres (NZ) Limited**	
Guarantor	None
Floor Area	182.63 m^2
Car parks	3 uncovered as outlined on the carpark plan
Term	The period from 14 March 2010 to 13 March 2015
Rights of Renewal	One right of renewal of five (5) years
Final Lease Expiry	13 March 2020
Base Rental	$35,727 plus GST per annum from 14 March 2010
Rent Reviews	On 14 March 2012, 14 March 2014 (and if renewed) on 14 March 2016 and 14 March 2018 the rent is reviewed to the current market rent subject to a hard ratchet clause.
Rental Payments	Monthly in advance
Operating Expenses	The Tenant is responsible for paying the following outgoings: a) Rates; b) Utilities; c) Rubbish collection charges; d) New Zealand Fire Service charges and maintenance of fire detection and fighting equipment; e) Insurance excess in respect of a claim and insurance premiums and related valuation fees; f) Service contract charges for air conditioning, lifts, security services and other building services; g) Cleaning, maintenance and repair charges (including repainting and decorative repairs) and the repair of building services which do not comprise part of the cost of service maintenance contracts but excluding structural repairs and other works of a capital nature; h) Management and security expenses; i) Maintenance and repair of the grounds, yards and car parking; j) The cost of obtaining a building warrant of fitness; k) Common area and after hours emergency charges; and l) Ground rent or rent payable under any other superior lease.
Form of Lease	Based upon the Auckland **District Law Society Fifth Edition 2008**
Ownership of fixtures and fittings	Lease is silent in this respect.
Financial Standing of the Tenant	Jenny Craig Weight Loss Centres PTY Limited (the tenant's parent company). is an Australian corporation, founded in 1983. It is a wholly owned subsidiary within the Nestlé group. It uses a food/body/mind approach to safe weight loss. It has more than 725 Company owned and franchised Centres in the US, Canada, Australia, New Zealand, Puerto Rico and Guam. As noted above, however, there is no guarantee of the tenant's obligations. The Tenant's latest filed financial statements are available at the Companies Office website www.business.govt.nz/companies.

TENANCY 2 Lease to **The Ministry of Social Development**	
Guarantor	None
Floor Area	1,588.8 m^2
Car parks	10 carparks on the carpark plan
Term	The period from 1 May 2010 to 30 April 2016
Rights of Renewal	Three rights of renewal of three (3) years
Final Lease Expiry	30 April 2025
Base Rental	$311,720 plus GST per annum from 1 May 2010
Rent Holiday	The lease grants the Tenant two rent holidays: 1) a 3 month rent holiday from 1 May 2010 to 31 July 2010; and 2) a 3 month rent holiday from 1 May 2013 to 31 July 2013.
Rent Reviews	On 1 May 2013 the rent is reviewed to the current market rent, subject to a hard ratchet clause.
Rental Payments	Monthly in advance
Operating Expenses	The Tenant is responsible for paying utilities (excluding water). The Landlord bears all other operating expenses.
Form of Lease	**Public Sector Standard Lease**
Ownership of fixtures and fittings	Tenant: • business signage; • communications cabling; • telephones and data; • carpet; • security system; • power supply from switchboard; and • window frosting/blinds.
Financial Standing of the Tenant	The Tenant is a department of the New Zealand Government. Financial statements for the New Zealand Government are available online at www.treasury.govt.nz.
Comment	At the conclusion of the Tenant's occupancy, the Tenant may at its sole opinion: • leave the Tenant's Fixtures and Fittings or any part thereof at the Premises; or remove the whole or any part of the Tenant's Fixtures and Fittings from the Premises, in which case the Tenant must make good any damage to the Premise caused by such removal.

TENANCY 3 Lease to **Ministry of Social Development**	
Guarantor	None
Floor Area	686.72 m^2
Car parks	5 carparks on the carpark plan
Term	The period from 1 May 2010 to 30 April 2016
Rights of Renewal	Three rights of renewal of three (3) years
Final Lease Expiry	30 April 2025
Base Rental	$138,280 plus GST per annum from 1 May 2010
Rent Holiday	The lease grants the Tenant two rent holidays: 1) a 3 month rent holiday from 1 May 2010 to 31 July 2010; and 2) a 3 month rent holiday from 1 May 2013 to 31 July 2013.
Rent Reviews	On 1 May 2013 the rent is reviewed to the current market rent, subject to a hard ratchet clause.

Rental Payments	Monthly in advance
Operating Expenses	The Tenant is responsible for paying utilities (excluding water). The Landlord bears all other operating expenses.
Form of Lease	**Public Sector Standard Lease**
Ownership of fixtures and fittings	Tenant: • business signage; • communications cabling; • telephones and data; • carpet; • security system; • power supply from switchboard; and • window frosting.
Financial Standing of the Tenant	The Tenant is a department of the New Zealand Government. Financial statements for the New Zealand Government are available online at www.treasury.govt.nz.
Comment	At the conclusion of the Tenant's occupancy, the Tenant may at its sole opinion: • leave the Tenant's Fixtures and Fittings or any part thereof at the Premises; or remove the whole or any part of the Tenant's Fixtures and Fittings from the Premises, in which case the Tenant must make good any damage to the Premise caused by such removal.

TENANCY 4 Lease to **Ministry of Social Development**	
Guarantor	None
Floor Area	1,130.54 m^2
Car parks	18 secure carparks on the carpark plan
Term	The period from 15 May 2010 to 30 April 2016
Rights of Renewal	Three rights of renewal of three (3) years
Final Lease Expiry	30 April 2025
Base Rental	$243,910 plus GST per annum from 15 May 2010
Rent Reviews	On 1 May 2013 the rent is reviewed to the current market rent, subject to a hard ratchet clause.
Rental Payments	Monthly in advance
Operating Expenses	The Tenant is responsible for paying utilities (excluding water). The Landlord bears all other operating expenses.
Form of Lease	Public Sector Standard Lease
Ownership of fixtures and fittings	<u>Tenant's Fixtures and Fittings:</u> • internal partitioning; • all kitchen facilities and finishes; • carpet tiles; • business signage; • internal security system; • blinds/window tinting; • communications cabling, telephone and data; • power supply from the switchboard; • furniture and office equipment.
Financial Standing of the Tenant	The Tenant is a department of the New Zealand Government. Financial statements for the New Zealand Government are available online at www.treasury.govt.nz.
Comment	At the conclusion of the Tenant's occupancy, the Tenant may at its sole opinion: • leave the Tenant's Fixtures and Fittings or any part thereof at the Premises; or remove the whole or any part of the Tenant's Fixtures and Fittings from the Premises, in which case the Tenant must make good any damage to the Premise caused by such removal.

TENANCY 5 Lease to New Zealand Police	
Guarantor	None
Floor Area	841.39 m^2
Car parks	12 carparks on the carpark plan
Term	The period from 1 September 2009 to 31 August 2015
Rights of Renewal	Three rights of renewal of three (3) years
Final Lease Expiry	31 August 2024
Base Rental	$176,033 plus GST per annum from 1 November 2009
Rent Reviews	On 1 August 2013, and if renewed 1 August 2016, 1 August 2019 and 1 August 2022 the rent is reviewed to the current market rent, subject to a hard ratchet clause.
Rental Payments	Monthly in advance
Operating Expenses	The Tenant is responsible for paying the following outgoings: a) charges for water, gas, electricity, telephones and other utilities or services supplied by the Landlord and used by the Tenant; b) rubbish collection charges c) cost of cleaning of the Premises; d) electricity costs for the air-con chiller unit power supply to the premises in the Property that the area being leased relates to the whole of the Landlord's building;
Form of Lease	**Bespoke Agreement**
Ownership of fixtures and fittings	Lease is silent on this point.
Financial Standing of the Tenant	The Tenant is an agency of the New Zealand Government. Financial statements for the New Zealand Government are available online at www.treasury.govt.nz.
Comment	Unusual make-good obligations: If the Tenant does not exercise one or more of its rights of renewal the Landlord may require the Tenant to remove and reinstate the ducting for the new air-conditioning and ventilation system on the roof and extra air-conditioning contained in the cupboards within the premises and make good all penetrations and other damage caused, the disabled toilet and associated water and wastewater connections and make good all penetrations and all other damage caused. If the Tenant does not exercise one or more of its rights of renewal under the Lease, the Tenant may remove its fixtures and fittings at the end of the initial term of the lease and will make good any damage caused by its removal. If the Tenant exercises any right of renewal and is not in breach the Tenant may at the end or earlier termination of the term, but shall not be required by the Landlord to, remove all of the Tenant's fixtures and fittings and make good at the Tenant's expense all resulting damage. If the Tenant does not remove its fixtures and fittings within five (5) working days of the end or earlier termination of either the initial or any renewed term, ownership of the Tenant's fixtures and fittings passes to the Landlord. In all instances, and subject to the above clause and the Tenant additions and Alterations clause, this is the full extent of the Tenant's reinstatement provision. Repudiation: Whilst The New Zealand Police are the Tenant of this premise the Landlord is not entitled to damages or compensation for any acts of omissions by the Tenant constituting a repudiation of the lease.

TENANCY 6 Lease to **Whangarei District Council**	
Guarantor	None
Floor Area	332.12 m^2
Car parks	1 carpark on the carpark plan
Term	The period from 1 July 2005 to 30 June 2013
Rights of Renewal	Three rights of renewal of three (3) years (note 1 remaining)
Final Lease Expiry	30 June 2016
Base Rental	$67,808 plus GST per annum from 1 July 2010
Rent Reviews	On 1 July 2007, 1 July 2009, 1 July 2011, 1 July 2013 and 1 July 2015 the rent is reviewed to the current market rent, subject to a hard ratchet clause.

Rental Payments	Monthly in advance
Operating Expenses	The Tenant is responsible for paying the following outgoings: a) Utilities; b) Rubbish collection charges; and c) Cleaning of the Premises only.
Form of Lease	Based upon the Auckland **District Law Society Fourth Edition 2002(2)**
Ownership of fixtures and fittings	Lease is silent on this point.
Financial Standing of the Tenant	The Tenant is a local government body. Financial statements for the Tenant are available online at www.wdc.govt.nz.
Comment	**Make good obligations:** The Tenant is not required to make good Landlord's Partitions or any works undertaken by the Tenant during the term of the lease or any subsequent renewal.

TENANCY 7 Lease to **Whangarei District Council**	
Guarantor	None
Floor Area	2,037 m^2 , plus deck area of 139 m^2
Car parks	10 covered car parks and 14 uncovered car parks on the carpark plan
Term	The period from 1 July 2005 to 30 June 2013 (note 1 remaining)
Rights of Renewal	Three rights of renewal of three (3) years
Final Lease Expiry	30 June 2016
Base Rental	$440,017 plus GST per annum from 1 July 2010
Rent Reviews	On 1 July 2007, 1 July 2009, 1 July 2011, 1 July 2013 and 1 July 2015 the rent is reviewed at current market rent subject to a hard ratchet clause.
Rental Payments	Monthly in advance
Operating Expenses	The Tenant is responsible for paying the following outgoings: a) Utilities; b) Rubbish collection charges; and c) Cleaning of the premises only.
Form of Lease	Based upon the Auckland **District Law Society Fourth Edition 2002(2)**
Ownership of fixtures and fittings	Lease is silent on this point.
Financial Standing of the Tenant	The Tenant is a local government body. Financial statements for the Tenant are available online at www.wdc.govt.nz.
Comment	**Make good obligations:** the Tenant is required to make good Landlord's Partitions or any works undertaken by the Tenant during the term of the lease or any subsequent renewal.

TENANCY 8 Lease to **Whangarei District Council**	
Guarantor	None
Floor Area	933.28 m^2
Car parks	2 covered car parks and 2 uncovered car parks on the carpark plan
Term	The period from 1 July 2005 to 30 June 2013
Rights of Renewal	Three rights of renewal of three (3) years (note 1 remaining)
Final Lease Expiry	30 June 2016
Base Rental	$186,624 plus GST per annum from 1 July 2010
Rent Reviews	On 1 July 2007, 1 July 2009, 1 July 2011, 1 July 2013 and 1 July 2015 the rent is reviewed at current market rent, subject to a hard ratchet clause.
Rental Payments	Monthly in advance
Operating Expenses	The Tenant is responsible for paying the following outgoings: a) Utilities; b) Rubbish collection charges; and c) Cleaning of the premises only.
Form of Lease	Based upon the Auckland **District Law Society Fourth Edition 2002(2)**
Ownership of fixtures and fittings	Lease is silent on this point.
Financial Standing of the Tenant	The Tenant is a local government body. Financial statements for the Tenant are available online at www.wdc.govt.nz.
Comment	<u>Make good obligations:</u> the Tenant is required to make good Landlord's Partitions or any works undertaken by the Tenant during the term of the lease or any subsequent renewal.

TENANCY 9 Licence to **TelstraClear Limited**	
Guarantor	None
Roof	Rooftop licence.
Term	The period 24 May 2007 to 23 May 2013
Rights of Renewal	None
Final Licence Expiry	23 May 2013
Base Rental	$3,535 plus GST per annum from 24 May 2007
Rent Reviews	Annually on the anniversary of the commencement date at CPI.
Rental Payments	Monthly in advance from 24 May 2007
Operating Expenses	Nil
Form of Licence	**Bespoke**
Ownership of fixtures and fittings	N/A
Financial Standing of the Tenant	TelstraClear Limited is a major telecommunications company in NZ, being a subsidiary within the large Australian Telecommunications group, Telstra. As noted above, however, there is no guarantee of the Tenant's obligations. The Tenant's latest filed financial statements are available online at the Companies Office website at http://www.business.govt.nz/companies.

A copy of each of the deeds of lease with the Tenants may be inspected free of charge at the offices of the Offeror (at the addresses detailed on page 36 of this Offeror's Statement).

The current owner of the Property has confirmed to the Offeror that, as at the date of this Offeror's Statement, the Tenants have never failed to meet any material obligation under the terms of the leases.

2. WHO IS INVOLVED IN PROVIDING IT FOR ME?

2.1 Information about persons associated with the Scheme

Offeror, Promoter and Manager

The Offeror, Promoter and Manager of the Scheme is Maat Consulting Limited whose registered office is at the offices of Lithgow & Associates, Chartered Accountants, 250 Broadway, Stratford. Its directors are:

Neil James Tuffin CA GDipBusStds Financial Adviser and Director 181 No. 3 Line Wanganui	Bruce Charles Ellis CA BCA Partner, Lithgow & Associates Chartered Accountants, Stratford 636 Stanley Road, RD 24, Stratford
Mark Geoffrey Hughson CA BBS Dip BS Director, Hughson & Associates, Chartered Accountants, Hawera 65 Collins Street, Hawera	Bryan James McFarlane CA Partner, Lithgow & Associates, Chartered Accountants, Stratford 5 Shortland Street, New Plymouth

The shareholders of Maat Consulting Limited are Neil Tuffin, Mark Hughson, Bruce Ellis and Bryan McFarlane. No guarantee is given by the shareholders in respect of interests in the Scheme.

Nominee
The Nominee for the Scheme is Walton Plaza Investments Limited, which has been incorporated solely for the purpose of acquiring and holding the Property as bare trustee for all Subscribers in the Scheme. The sole shareholder of the Nominee is Maat Consulting Limited. The directors of the Nominee are Neil Tuffin, Bruce Ellis and Mark Hughson.

Sales Organisation
Interests in the Scheme are being offered through Barfoot & Thompson – North Shore Commercial, 87 Hurstmere Road, North Shore, Auckland.

Solicitors
All subscriptions and interest on those subscriptions will be held in the trust account of Minter Ellison Rudd Watts, Solicitors, Lumley Centre, 88 Shortland Street, Auckland until registrable title to the Property is obtained on behalf of all Subscribers. If the purchase does not proceed these amounts (less commission, bank fees and resident withholding tax) will be returned to Subscribers in accordance with this Offeror's Statement.

2.2 Qualifications and experience of Manager

The Manager for the Scheme is Maat Consulting Limited. The Manager specialises in providing investment solutions to assist clients grow and protect their wealth (through commercial property, equities and highly rated fixed interest opportunities). Each director of the Manager has extensive experience in chartered accountancy, commercial property proportionate ownership offers and strategic advice. Maat Consulting Limited has previously purchased two other commercial properties on behalf of investors and as Proportionate Ownership schemes. Both purchases have been in 2010, with one being located in Wiri and one in Albany.

2.3 Ownership and Management Deed relating to the Property

Management of the Property (and the Scheme) is governed by the Ownership and Management Deed, which will be signed by the Manager, the Nominee and on behalf of Subscribers on acceptance of applications by the Manager.

The material details of the Ownership and Management Deed are set out below.

(a) The Manager shall manage the Scheme and the Property for the term of the Scheme (which shall be for the duration of ownership of the Property).

(b) Each Subscriber holding a proportionate interest in the Scheme is liable to pay, on a pro-rata basis, all outgoings and costs associated with the Property (to the extent that they are not recovered from the Tenants). If a shortfall exists between money received from the Tenants and the expenses/fees payable by the Scheme, the Manager may recover that shortfall from Subscribers (pro rata to each Subscriber's interest in the Scheme).

(c) The relationship between the Subscribers is that of independent co-joint venturers. Any liability between the Subscribers is shared proportionate to the interests held by them. However, if the Manager fails to make GST payments to the IRD on behalf of the Scheme, Subscribers will be jointly and severally liable for any unpaid GST.

(d) The Manager will be paid the following fees in respect of management of the Scheme and the Property:

- the Manager will receive a management fee of 2.5% plus GST of the annual rental received by the Nominee in respect of the Property. This fee will be paid monthly in arrears;
- the Manager will also be paid an annual accounting fee of $5,000 plus GST and an annual syndicate servicing fee of $5,000 plus GST (payable monthly in arrears) in the first year of the Scheme. Thereafter, these fees will be adjusted annually by the movement in the Consumer Price (All Groups) Index; and
- on a sale of the Property, the Manager will be paid an exit fee equal to 2% plus GST of the profit achieved on the sale of the Property.

(e) On completion of the offer and once the Nominee obtains registrable title to the Property, a one-off establishment fee of $155,000 plus GST is payable by the Scheme to the Offeror for sourcing the Property, negotiating the contract to purchase the Property, developing this investment opportunity and establishing the Scheme.

(f) The Manager is appointed as the sole and exclusive manager of the Scheme (subject to the Manager's right to appoint and engage any agent or sub-manager) having the power to complete (in the name of the Nominee) the purchase of the Property, arrange bank borrowings, recover rent and outgoings, recover any shortfall from Subscribers, and negotiate all contracts relating to the Property and the Scheme.

(g) The Nominee will acquire and hold the Property as bare trustee for the Subscribers according to their respective proportionate interest in the Scheme. It is a term of the Ownership and Management Deed that the Offeror will take all necessary steps to enable the Nominee (acting on behalf of Subscribers) to be registered as the proprietor of the Property on acquisition of the Property in accordance with the Scheme.

(h) The Manager must, in the name of the Nominee, arrange insurance (including material damage insurance, loss of rents insurance business interruption and public liability insurance) in respect of the Property on usual terms appropriate for the Property.

(i) The Manager is required to distribute profits at monthly intervals of such amounts as the Manager deems to be appropriate. The Manager is authorised to retain monies for any future expenditure the Manager thinks necessary to comply with the terms of the Ownership and Management Deed or to maximise the value of the investment. The Manager is obliged to comply with all relevant legislation.

(j) The Manager has the ability to undertake expenditure relating to maintenance and improvements to the Property at its sole discretion if the expense does not exceed $10,000 exclusive of GST per set of improvements. Any expense exceeding $10,000 exclusive of GST per set of improvements can only be undertaken with the approval of Subscribers who hold not less than 50% of the total interests in the Scheme. The Manager however may undertake maintenance and improvements where a Tenant is liable for such costs under the terms of its lease.

(k) The Manager shall only be entitled to borrow monies, in addition to the initial borrowings specified in this Offeror's Statement, not exceeding 50% of the market value of the Property.

(l) The Subscribers may decide to sell the Property and terminate the Scheme at any time if Subscribers representing 75% of the total interests in the Scheme so resolve at a properly constituted meeting.

(m) Each Subscriber may sell or otherwise dispose of his, her or its interest in the Scheme to any person in accordance with the terms and conditions set out in section 8.2 of this Offeror's Statement.

(n) The Manager may be removed by resolution of Subscribers representing 75% of the interests in the Scheme. In the event that the Manager is so removed, the Manager is to be paid the equivalent of one year's annual management fee as compensation.

(o) With the exception of liability for unpaid GST, if for any reason there are at any time insufficient funds in the Scheme to meet any outgoings, fees or charges in relation to the Property or the Scheme (except to the extent those outgoings consist of bank borrowings of the Scheme, made on a limited recourse basis), then each Subscriber will be liable to contribute money to the Scheme to meet such shortfall pro rata according to the number of proportionate interests held by each of them.

(p) The Manager is not liable for any losses or damages arising from the carrying out of its duties pursuant to the Ownership and Management Deed, including any act, attempted act, or omission, except where that act, attempted act or omission constitutes gross negligence or wilful default.

(q) Subscribers agree that any defaulting party (under the Ownership and Management Deed) will indemnify the Manager for any losses and costs incurred by the Manager in compelling that defaulting party to act in accordance with the Ownership and Management Deed or as a consequence of taking any other action against that defaulting party that the Manager, in its sole discretion, deems necessary.

(r) The Scheme provides an ability for Subscribers to meet and pass resolutions. Meetings however will not be held unless they are called by Subscribers holding not less than 30% of the interests in the Scheme or at the request of the Manager or the Nominee. The Ownership and Management Deed provides that the Scheme cannot be altered unless agreed by Subscribers representing in excess of 75% of the total interests in the Scheme at a properly constituted meeting of Subscribers.

(s) Each Subscriber agrees that it will not lodge a caveat against the title to the Property. The Manager is authorised to remove a caveat registered in breach of this restriction by a Subscriber.

A copy of the Ownership and Management Deed may be inspected free of charge at the offices of the Manager (at the address set out on page 36. A PDF file of the Deed is also available upon request.

2.4 Interests of Offeror / Promoter / Manager

The following fees will be paid:

(a) On completion of the offer and once the Nominee obtains registrable title to the Property, a one-off establishment fee of $155,000 (1.235%) plus GST payable to the Offeror for sourcing the Property, negotiating the contract to purchase the Property, developing this investment opportunity and establishing the Scheme.

A brokerage fee (calculated at an average of 2.25% per proportionate interest plus GST) for each interest sold in the Scheme is payable to the Offeror. Barfoot & Thompson – North Shore Commercial, as the sales organisation through which the offer is made, will receive commission of 2.5% per proportionate interest for each Subscriber introduced. This commission will be paid by Maat Consulting Limited from the brokerage fee it receives on commencement of the Scheme.

(b) An annual management fee equal to 2.5% per annum plus GST of the annual rent received by the Nominee from the Tenants, payable to the Manager monthly in arrears by the Scheme. This management fee is payable for the Manager's overall administration of the Scheme and management of ongoing Subscriber relations.

(c) An annual accounting fee of $5,000 plus GST and an annual syndicate servicing fee of $5,000 plus GST (payable monthly in arrears by the Scheme to the Manager. Both the accounting fee and the syndicate servicing fee will be adjusted annually by the movement in the Consumer Price (All Groups) Index.

(d) On the sale of the Property, an exit fee in one lump sum equivalent to 2% plus GST of any profit achieved from the sale of the Property (profit being the difference between the net sale price of the Property (being the sale price less sale costs) and the acquisition cost of the Property of $13,047,500 (being the purchase price of $12,550,000 plus the establishment costs of $497,500) to the Manager. If there has been more than one Manager of the Scheme at the time of sale, this performance fee will be shared.

The Offeror and Manager, and indirectly, each shareholder and director of the Offeror and Manager, will derive a material benefit from, and be materially interested in, the Ownership and Management Deed. The Manager also derives a benefit from the fees set out above in respect of the management of this Scheme and the Property.

3. HOW MUCH DO I PAY?

3.1 Purchase Price and Scheme Funding

The Property is being purchased from St. John Whangarei Limited for $12,550,000 plus GST (if any). Subscribers may participate in the Scheme by completing the application form on page 40. The minimum initial investment is $50,000 (being 2 interests in the Scheme) and in multiples of $25,000 thereafter.

The contracted settlement date is 21 December 2010. The Property is being sold as a going concern and therefore is zero-rated for GST purposes. The Scheme will be registered for GST.

Details of the purchase and costs involved in establishing the Scheme as set out below:

Purchase Price	$
Purchase price	12,550,000
Establishment costs (Incl. GST)	497,500
Total	13,047,500

To be funded by:	
Subscriber Subscriptions (296 proportionate interests at $25,000 per interest)	7,400,000
Secured bank loan	5,647,500
Total	13,047,500

Preliminary establishment costs payable by the Scheme include:	
Accountants' Review Fee	12,000
Brokerage Fees (at 2.25% per proportionate interest)	166,500
Building Inspection Fee	7,600
Offeror's Fees	155,000
Valuation Costs	7,000
Bank Loan Establishment Fees	14,119
Legal Fees	38,000
Marketing Costs	30,000
Contingency	2,231
Deposit Interest Cost	2,300
Total	434,750

All costs referred to in the table are exclusive of GST and out-of-pocket costs and disbursements.

3.2 Bank Loan

The Offeror has received an indicative loan offer for the Scheme from the Bank on the following terms and conditions. The Offeror will not purchase the Property unless the loan offer is confirmed.

Amount:	$5,647,500
Security:	(a) A first registered mortgage over the Property (b) A General Security Deed (all obligations) over all present and after acquired assets of the Nominee, in respect of which a financing statement will be registered on the Personal Property Securities Register. (c) A Deed of Assignment over the Deeds of Lease with the Tenants pertaining to the security property at 4 Albert Street, Whangarei.
Loan term:	3 Years from drawdown
Personal guarantees:	No personal guarantees from any party in relation to the loan, including Subscribers. The Nominee will enter into the loan and borrow the loan amount from the Bank for and on behalf of the Subscribers. However, recourse under the loan will be limited to the security to be provided by the Scheme.
Establishment Fee:	$14,119 plus additional costs and expenses incurred by the Bank.
Interest Rate:	At the date of this Offeror's Statement, the relevant interest rate is a floating rate of 5.9% (comprised of the Bank's 90 day bank bill rate (3.2%), plus a liquidity margin of 1.2% and the

	bank's profit margin of 1.5%. Interest is charged quarterly in arrears. Due to interest rate fluctuations between the date of this Offeror's Statement and the date of drawdown, the actual interest rate will not be determined until the drawdown date, and may differ from the interest rate used in the prospective financial statements.
Interest Cover:	The net rental income from the Property must be maintained at a minimum of 2 times the actual interest cost.
Loan to Value Ratio:	The loan to value ratio may not exceed 50% at any time (based on the Bank's approved valuations).
Principal Repayments:	Nil principal repayments during the term. The full loan amount is repayable in full at the end of the loan term.
Conditions Precedent	The Bank's indicative offer contains a number of conditions precedent that must be met prior to drawdown. (These are not unusual for a transaction of this nature.)

4 WHAT ARE THE CHARGES?

4.1 Amount and Type of Charges

The following charges are or may be payable by the Scheme and will be deducted from the rent received from the Tenants on an annual basis and as such will affect the returns from the Scheme to Subscribers.

1. **Purchase Price**
   The purchase price of the Property, being $12,550,000 plus GST (if any) payable to the Vendor.

2. **Establishment Costs**
   The preliminary establishment costs which are set out on in section 3.1.

3. **Annual Costs**
   a. The management fee payable by the Scheme to the Manager of 2.5% of the gross rental income collected from the Tenants of the Property under the leases plus GST per annum.

   b. An annual accounting fee of $5,000 plus GST per annum payable to the Manager (monthly in arrears) in return for preparing the Scheme's financial statements and an annual syndicate servicing fee of $5,000 plus GST payable to the Manager (monthly in arrears). Both the accounting fee and the syndicate servicing fee will be adjusted annually by the annual movement in the Consumer Price (All Groups) Index.

   c. The cost of auditing the Scheme's financial statements (estimated at $6,000 plus GST for the first year of the Scheme).

   d. Interest charges payable to the Bank (estimated at $377,593 for the first year of the Scheme and at $437,681 for each of the second and third years following the purchase).

   e. Interest Charges payable on the forecast purchase of capital expenditure items, for the replacement of part of the air conditioning system and the public lifts, being $37,214, $38,092 and $29,382 in the first three years respectively for each of the first three years following the purchase

Subject to the Subscriber's right to sanction an increase in the Manager's fee in accordance with the Ownership and Management Deed, neither the Manager nor any other person has the right to alter the Manager's charges referred to above.

4. **On the Sale of the Property**

   a. The real estate agent will be entitled to commission on the sale of the Property, estimated at 1.5% of the sale price plus GST.

   b. Legal fees arising in relation to attendances on the sale of the Property and repayment of the bank loan (charged on the basis of time spent).

   c. Any early repayment fee to the Bank in the unlikely event that the Property is sold prior to expiration of the loan term (which is likely to be calculated on the loss suffered by the bank in early repayment of those monies).

   d. The Manager will be entitled to payment in one lump sum of 2% of any profit on the sale of the Property plus GST. In calculating this exit fee, profit means the difference between the net sale price of the

Property (being the sale price less sale expenses) and the acquisition cost of the Property of $13,047,500 (being the purchase price of $12,550,000 plus the establishment costs of $497,500).

5. Possible Fees

a. Legal fees for any future leasing, renewals of lease, assignments, rent reviews, refinancing and incidentals to management of the Property will be charged on the basis of time spent.

b. If there is any shortfall between money received from the Tenants of the Property and the expenses and fees payable by the Scheme, that shortfall is recoverable by the Manager from Subscribers under the terms of the Ownership and Management Deed.

The above charges are all payable from the Scheme. None of the above charges are payable by the Offeror or the Manager. These charges will or may affect the amount of the returns to Subscribers. The Manager is obliged under the Ownership and Management Deed to account to Subscriber for all charges which affect returns to Subscriber. Particulars of these charges will be included in the audited financial statements relating to the Scheme, copies of which will be sent to all Subscriber. There is no other procedure available to Subscribers to ascertain the amount of the charges referred to above that are not expressed as dollar amounts (or as a percentage of another dollar amount).

Legal costs and a selling commission to a real estate agent or broker may be payable by a transferring Subscriber on the sale of a Subscriber's interest in the Scheme.

The charges outlined above are fixed unless otherwise stated (and neither the Manager nor any other person has the right to alter those charges). Where charges are variable, they are variable to the extent indicated in the descriptions set out above. Third party charges (including those charged by real estate agents, the bank, legal advisors, accountants and valuers) will be set by the relevant third parties and may be subject to change.

4.2 Remuneration of Offeror

On completion of the offer and once the Nominee obtains registrable title to the Property, a one-off establishment fee of $155,000 (1.235%) plus GST is payable to Maat Consulting Limited as Offeror and Promoter for sourcing the Property, negotiating the contract to purchase the Property, developing this investment opportunity and establishing the Scheme.

In its capacity as Manager, the Offeror will receive the fees described in section 4.1 above.

5 WHAT RETURNS WILL I GET?

5.1 Income and Expenses relating to Proportionate Ownership Scheme

The Nominee as landlord and bare trustee for the Subscribers will receive all income from the Property on behalf of the Scheme. The Manager will account for that income as belonging to the Scheme.

The Manager will account to Subscribers for the Scheme income less expenses (as detailed in this Offeror's Statement) on a cash basis and the resulting surplus shall be payable to Subscribers on a pro rata basis in proportion to their interests held in the Scheme.

Cash surpluses are distributed at the discretion of the Manager, taking into account likely future expenditure. The Manager is authorised to retain monies for any future expenditure the Manager deems necessary to comply with the terms of the Ownership and Management Deed or to maximise the value of the investment.

The projected income and expenditure for the Scheme is set out in the prospective financial statements on pages 25 to 27.

A bank account will be opened by the Manager for and on behalf of the Scheme to receive all income receipts, pay all expenditure items and make all income distributions. The bank account mandate will require two signatories to be appointed by the Manager.

5.2 Financial information in respect of Proportionate Ownership Scheme

This Scheme is a new scheme and the Nominee is a newly incorporated company, incorporated for the specific purpose of the Scheme. Neither the Scheme nor the Nominee has previously traded and for this reason historical financial data is not available.

The Offeror requested that the current owner of the Property provide historical financial information relating to the Property (including statements of income and expenditure and cash flows for the Property for a financial year ending not more than 5 months before the date of this Offeror's Statement). However, the Property's current owner conducted the ownership of the building as part of its own investment portfolio and therefore the current owner's historic information in relation to its ownership of the Property is irrelevant, and could, potentially, be misleading.

As a consequence, the Offeror does not have (and, having taken reasonable steps, could not reasonably obtain):

(a) a statement of income and expenditure for the Property for a financial year ending not more than 5 months before the date of this Offeror's Statement that accords with generally accepted accounting practice and has been reviewed by a member of the Institute of Chartered Accountants of New Zealand; or

(b) a statement of cash flows for the Property for a financial year ending not more than 5 months before the date of this Offeror's Statement that accords with generally accepted accounting practice and has been reviewed by a member of the Institute of Chartered Accountants of New Zealand.

5.3 Prospective Financial Statements

Prospective financial statements in respect of the Scheme for the first three 12 month accounting periods from 21 December 2010 are set out below. These prospective financial statements comprise the Prospective Statement of Comprehensive Income, Prospective Statement of Financial Position, Prospective Statement of Changes in Subscribers' Capital and Prospective Statement of Cash Flows, which have been prepared in accordance with generally accepted accounting practice and reviewed by Grant Thornton, Chartered Accountants of Auckland (whose report can be found on page 37).

Under the Scheme, each Subscriber is assessed individually on his, her or its proportionate share of income from the Scheme. Subscribers will be individually responsible for payment of tax. It is recommended that Subscribers seek tax advice from their own professional advisers.

Prospective Statement of Financial Position as at 21 December	2011	2012	2013
Current Assets	$	$	$
Cash at bank	67,975	154,182	152,512
Total Current Assets	**67,975**	**154,182**	**152,512**
Non-Current Assets			
Investment Property	12,550,000	12,550,000	12,550,000
Fixtures and Fittings	75,000	75,000	75,000
Plant & Equipment	407,400	407,400	407,400
Total Non-Current Assets	**13,032,400**	**13,032,400**	**13,032,400**
Total Assets	**13,100,375**	**13,186,582**	**13,184,912**
Current Liabilities			
GST Payable	11,623	10,682	11,031
Financial Lease	106,773	106,773	106,773
Less Unexpired Interest Cost	(36,297)	(28,168)	(19,066)
Total Current Liabilities	**82,099**	**89,287**	**98,738**
Non-Current Liabilities			
Secured Bank Loan	5,647,500	5,647,500	5,647,500
Financial Lease	338,116	231,344	124,571
Less Unexpired Interest Cost	(60,358)	(30,392)	(10,110)
Total Non-Current Liabilities	**5,925,258**	**5,848,452**	**5,761,961**
Total Liabilities	**6,007,357**	**5,937,739**	**5,860,699**
Net Assets	**7,093,018**	**7,248,843**	**7,324,213**
Represented by Equity:			
Opening Balance		7,093,018	7,248,843
Ownership Interests	7,400,000		
Retained Earnings	127,768	155,825	75,370
Establishment Costs	(434,750)		
Closing Equity	**7,093,018**	**7,248,843**	**7,324,213**

Prospective Statement of Changes in Subscibers' Capital for the year ending 21 December	2011 $	2012 $	2013 $
Opening Balance	-	7,093,018	7,248,843
Profit/(Loss) for the Period	867,768	895,825	815,370
Contributions from Subscribers	7,400,000		
Less			
Establishment Costs	(434,750)		
Distributions to Subscribers	(740,000)	(740,000)	(740,000)
	6,225,250	(740,000)	(796,938)
Closing Balance at 21 December	7,093,018	7,248,843	7,324,213

Prospective Statement of Comprehensive Income For the year ending 21 December	2011 $	2012 $	2013 $
Revenue			
Total Rental Income	1,641,615	1,745,967	1,668,084
Total Revenue	1,641,615	1,745,967	1,668,084
Less Expenses			
Audit fee	6,000	6,240	6,490
Interest Expense – Bank Loan	377,593	437,681	437,681
Interest Expense – Finance Lease	37,214	38,092	29,382
Management & Joint Venture Fees	51,040	54,049	52,518
Operating Expenses	302,000	314,080	326,643
Total Expenses	773,847	850,142	852,714
Net Profit/(Loss)	867,768	895,825	815,370
Other comprehensive income	-	-	-
Total comprehensive income	867,768	895,825	815,370

Prospective Statement of Cash Flows for the year ended 21 December (GST inclusive)	2011 $	2012 $	2013 $
Cash Flows from Operating Activities			
Cash provided from:			
Rental receipts	1,887,858	2,007,862	1,918,296
Cash was disbursed to:			
Property Operating Expenses and Other Expenses	(412,896)	(430,525)	(443,499)

Interest Paid	(414,807)	(475,773)	(467,063)
Goods and Services Tax	(180,764)	(206,677)	(192,015)
	(1,008,467)	(1,112,975)	(1,102,577)
Net cash inflow/(outflow) from operating activities	879,391	894,887	815,719
Cash Flows from Investing Activities			
Cash was disbursed to:			
Purchase of Land and Buildings	(12,550,000)		
Scheme establishment costs	(497,500)		
Capital Expenditure	(154,288)	(78,982)	(88,999)
Net cash inflow/(outflow) from investing activities	(13,201,788)	(78,982)	(88,999)
Cash Flows from Financing Activities			
Cash provided from:			
Equity interest subscriptions	7,400,000		
Bank loan	5,647,500		
	13,047,500		
Cash was disbursed to:			
Distributions	(740,000)	(740,000)	(740,000)
Establishment Costs GST	62,750		
Capital Expenditure GST	20,122	10,302	11,610
	(657,128)	(729,698)	(728,390)
Net cash inflow/(outflow) from financing activities	12,390,372	(729,698)	(728,390)
Net increase/(decrease) in cash held	67,975	86,207	(1,670)
Cash and Cash Equivalents at start of period	-	67,975	154,182
Cash and Cash Equivalents at end of period	67,975	154,182	152,512
Reconciliation of Surplus to Cash from Operating Activities			
Reported Surplus/ (Deficit)	867,768	895,825	815,370
Add/Less Movements in Working Capital Items			
(Decrease) / Increase in Goods and Services Tax Payable	11,623	(938)	349
Net Cash Inflow/(Outflow) from Operating Activities	879,391	894,887	815,719

NOTES AND ASSUMPTIONS

Prospective financial statements in respect of the Scheme for the first three 12 month accounting periods commencing after the date of this Offeror's Statement (at 21 December) are set out above. The financial statements comprise a Prospective Statement of Comprehensive Income, Prospective Statement of Financial Position, Prospective Statement of Changes in Subscribers' Capital and Prospective Statement of Cash Flows which accord with generally accepted accounting practice.

The Scheme is established and domiciled in New Zealand. The Scheme will comprise a number of commercial property investors, who together (as a joint venture but acting via a nominee holding the asset as bare trustee) have ownership of the Property.

The prospective financial statements were authorised for issue on 4 November 2010 by the Offeror. The Offeror is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. These are the final prospective financial statements and have been prepared in compliance with FRS-42 "Prospective Financial Statements".

It has been assumed the Scheme will not settle on the purchase of the Property until its contracted date being 21 December 2010. For simplicity, the prospective financial statements have been prepared for three 12 month periods ending 21 December.

The prospective financial statements assume rent receipts will be $1,641,615 per annum for the first reporting period, with the following two 12 month periods being $1,745,967 and $1,668,084 respectively. It has been assumed that there will be no increase in rental for the Whangarei District Council in 2011, but that there will be an increase in rental in subsequent years for all tenants on account of market rental review provisions in the leases.

It has also been assumed that the current vacant tenancy, 756.92m^2 (8.77% of total tenancy area) will remain vacant until July 2011. The estimated value of the vacant area is $150 psm, with the gross rental in come forecast to be $180 psm when the area becomes tenanted. A provision for a contribution of $75,000 has been allowed for in the cash forecasts to provide assistance to the new tenant's fit-out costs. In addition, a rent-free period of three months has been allowed for to assist the new tenant.

No provision for an increase in car park rental has been provided for in future income forecasts.

The interest rate on the bank borrowings has been assumed to be commencing at 6.31% and rising to 7.06% during the first 12 month reporting period (after allowing for forecast interest rate rises) which equates to interest payments of $377,593 for the 12 month period ended 21 December 2011. The interest rate on the bank borrowings for the second and third accounting periods are assumed to be at 7.75%, being a fixed rate accepted at the commencement of the loan. Interest is payable 3 monthly. The interest expense is also based on no principal repayments during the term of the loan. This is based on current indications from the BNZ, subject to variation at the time of the loan drawdown.

It has been assumed that the level of bank borrowings will be $5,647,500, 45% of the cost of the Property of $12,550,000.

The management fees payable to the Manager for the Offeror's Statement's first reporting period are assumed to be $41,040, which is based on an annual management fee charge of 2.5% per annum on the rental received from the Property. The management fees in years two and three are $43,649 and $41,702 respectively. In addition, the Manager will be paid an annual accountancy fee of $5,000 and an annual syndicate servicing fee of $5,000, payable monthly in arrears, adjusted by the CPI movement each year.

During the due diligence phase, the Manager identified the need to replace one of the air conditioning chillers together with the supporting air conditioning controllers, plus the replacement of both of the public access lifts. The estimated cost of these replacements is $407,400 and the Manager intends that these plant replacements will be funded by a finance lease for 5 years, which has been factored into the income and cash flow forecasts, before the return of 10% is distributed to subscribers.

The prospective financial statements have been prepared on the assumptions that there will be no material changes in the economic environment, legal requirements or the current tax regulations.

The projected cash returns are based on one or more hypothetical but realistic assumptions. The actual results may differ from the prospective financial statements if there are fluctuations in the various factors contributing to the Scheme. The resulting variance may be material. The Offeror, Manager and Nominee give no guarantee or assurance that the prospective financial information presented will be achieved.

1 STATEMENT OF ACCOUNTING POLICIES

The prospective financial statements are for the reporting entity the Walton Plaza Proportionate Ownership Scheme.

The Scheme will be an issuer under the Financial Reporting Act 1993 and therefore it has complied with the full reporting requirements. The prospective financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), applying FRS-42 Prospective Financial Statements. The accounting policies and disclosures adopted in these prospective financial statements reflect those required by the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards as appropriate for profit oriented entities. The scheme is designated as a profit-orientated entity.

The actual annual financial statements for the Scheme will be prepared in accordance with and comply with NZ IFRS and also International Financial Reporting Standards. The accounting policies adopted in the prospective financial statements reflect the policies expected to be adopted in the actual annual financial statements.

Measurement Base

The prospective financial statements have been prepared under the historical costs convention as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Specific Accounting Policies

a) Revenue Recognition: Revenue includes rental income and recovered outgoings from the Property held by the Scheme. Rental income from operating leases is recognised in income on a straight-line basis over the lease term. When the Scheme provides incentives to its Tenants, the cost s of the incentives are recognized over the lease term, on a straight-line basis, as a reduction of rental income.

(b) Investment Properties: Investment property is initially recognised at cost, which includes transaction costs. Thereafter it is measured at fair value. Fair value will be determined annually by external valuers having regard to recent market transactions for similar properties in the same location as the Property. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

(c) Receivables: Receivables should be recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Bad debts are written off during the period in which they are identified.

(d) Payables: Payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. As accounts payable do not accrue interest and are generally paid within 30 days of recognition, they are stated at the invoice amount.

(e) Goods and Services Tax (GST): The prospective financial statements have been prepared using GST exclusive figures with the exception of receivable and payables and the Prospective Statement of Cash Flows which are stated GST inclusive.

(f) Income Tax: As a proportionate ownership scheme, the Scheme itself is not liable for income tax.

(g) Comparatives: The Scheme has not yet commenced and therefore there are no comparatives available. These prospective financial statements represent the expected first three years of trading.

(h) Changes in Accounting Policies: There are no changes in the accounting policies anticipated in the first three reporting periods.

(i) Establishment Costs: The Property is initially recognised at cost, which includes transaction costs. Preliminary establishment costs associated with respect to raising equity are deducted from the equity proceeds.

(j) Depreciation: Each Subscriber will be entitled to a depreciation deduction based on his, her or its proportional share of the depreciation of the Property and dependent on his, her or its individual circumstances. Accordingly, no allowance has been made for depreciation in the prospective statement of comprehensive income for the reporting period included in this statement. The depreciation claim referred to above is currently available for the building for the financial year ended 31 March 2011, but not thereafter.

(k) Derivatives: The Scheme may use derivative financial instruments to economically hedge its exposure to interest rate risk arising from borrowings. The interest rate swaps convert certain variable interest rate borrowings to fixed interest rates reducing the exposures to fluctuations in floating rates. Derivative financial instruments are carried at fair value. Any resulting gain or loss on measurement is recognised in the statement of comprehensive income.

2 INVESTMENT PROPERTY

	2011
Balance at commencement of Scheme	-
Acquisition of Buildings	$12,550,000
Balance at end of reporting period	$12,550,000

The fair value of the Property as at 21 December 2011 has been arrived at on the basis of the purchase price paid as per the sale and purchase agreement. Upon revaluation, the valuation movement will be reported through the statement of comprehensive income and will have an impact on the reported profit in the statement of comprehensive income as well as the reported valuation of the Property in the statement of financial position. An independent valuation has been undertaken as at October 28, 2010, which reflects a market value of $12,600,000

3 FIINANCE LEASE COMMITMENTS

The Scheme anticipates entering into a finance lease commitment from March 2011, to purchase new operating equipment. The base value will be $400,000, plus accrued interest of $133,867. The income and cash flow forecasts include the repayment of this loan over five years. The commitments at the end of each of the three years in the reporting period are forecast to be:

21 Dec 2011	21 Dec 2012	21 Dec 2013
$348,237	$279,557	$202,166

4 CONTINGENT LIABILITIES

The Scheme does not anticipate having any contingent liabilities as at 21 December 2011.

5 FINANCIAL INSTRUMENTS

Credit Risk
To the extent the Scheme has a receivable from another party there is a credit risk in the event of non-performance by that counterparty. Financial instruments which potentially subject the Scheme to credit risk principally consist of bank balances and receivables. The Scheme will hold no collateral or any other security over their financial assets subject to credit risk. However, the Scheme funds will be held by the Bank which is a well established bank within New Zealand, therefore reducing possible credit risk. The Scheme's Tenants will pay rent monthly in advance, and as such there is no anticipated credit risk exposure at 21 December 2011, 21 December 2012 or 21 December 2013 arising from the Tenants. As a result the Scheme does not anticipate non-performance by the counter parties. Maximum exposures to credit risk at balance date are:

	2011	2012	2013
Bank balances	$67,975	$154,182	$152,512

Currency Risk
The Scheme has no exposure to currency risk. All financial assets will be held in New Zealand dollars.

Liquidity Risk
Liquidity risk represents the Scheme's ability to meet its financial obligations on time. The Scheme projects to generate sufficient cash flows from its operating activities to make timely payment to meet these obligations. The table below represents all contractual and fixed pay-offs for settlement and repayments resulting from expected financial liabilities.

As at 21 December 2011

Financial Liabilities	1mth	1-3mths	3-12 mths	1-3yrs	Total
Non Derivative financial Liabilities					
Borrowings	$5,176	$10,352	$46,584	$5,933,622	$5,995,734
Total	$5,176	$10,352	$46,584	$5,933,622	$5,995,734

If the Property is not sold before the expiration of the term of the bank loan, a renewed finance facility may involve principal repayments which will affect cash returns.

Interest Rate Risk
Exposure to interest rate risk is in the normal course of the Scheme's business. The current indicative floating rate used in the prospective financial statements commences at 6.31% and rises by 0.5% each quarter (to a rate of 7.06% by 21 December 2011) to moderate the impact of short-term fluctuations in interest rates. Changes in interest rates will have an impact on reported surpluses and the Subscribers' capital and the sensitivity is outlined below.

A +/- 100 basis point variation in respect to the indicative floating interest rates correlates to an impact in the statement of comprehensive income of -/+ $56,475 per annum, if the variation was apparent for a full year. If a derivative instrument was entered into, then the fair value of this instrument is to be recorded, and any movement in the fair value is recorded in the statement of comprehensive income. Any variation in interest rates will also impact the fair value of the instrument.

Capital Risk
The Scheme's objectives when managing capital are to safeguard the Scheme's ability to continue as a going concern in order to provide returns for Subscribers and benefits for other stakeholders and to maintain an optimal capital structure

to reduce the cost of capital. As the market is constantly changing the Manager will consider various capital management initiatives accordingly. Capital will also be managed through the gearing ratio (debt/investment property).

Fair Values
The carrying value is expected to approximate the fair value for all instruments and accordingly they are not scheduled out in this note to the accounts.

6 ISSUED INTERESTS

	2011
Number of interests issued	296

The Subscribers as holders of interests will be entitled to receive distributions as declared from time to time and are entitled to one vote per interest at meetings of the Scheme, and rank equally with regard to the Scheme's residual assets.

7 FEES PAID TO AUDITORS

Audit and assurance fees of $18,000 plus GST are anticipated to be paid to the auditors during the financial year ending 21 December 2011. $12,000 is for the review of the Offeror's Statement. The auditor fees in respect to the audit of the actual financial statements for the year ending 31 March 2011 are forecast to be $6,000 plus GST.

8 DISTRIBUTIONS

The following distributions are included in the prospective financial statements during the years ending 21 December 2011, 2012 and 2012 respectively.

Per Interest	$2,500

9 CASH AT BANK

	2011	2012	2013
Current Account	$67,975	$154,182	$152,512

The current account will have no overdraft limit.

10 RENTAL INCOME

The Scheme's Property has operating leases attached to it. Minimum lease payments receivable under non-cancellable operating leases are as follows:

	2011 $
Within one year	1,600,119
Between one and five years	3,138,161

The above does not factor in the impact of rent reviews.

11 RELATED PARTIES NOTE

Maat Consulting Limited, which is both the Offeror and the Manager of the scheme, owns 100% of the shares in Walton Plaza Investments Limited, which is the Nominee for the Walton Plaza Proportionate Ownership Scheme. The following is a schedule of the fees to be paid:

To Maat Consulting Limited:
(a) Offeror's fee of $155,000 (establishment cost).
(b) A proportion of the total brokerage fee depending on the number of parties introduced by MAAT Consulting Limited.
(c) Accounting fees of $5,000 and syndication fee of $5,000 in relation to the year ending 21 December 2011 and amended by the movement in CPI for the following two years of the reporting period.
(d) Property Management Fees of $41,040 for the 12 months ended 21 December 2011 and amended by the movement in CPI for the following two years of the reporting period.

12 LOAN

	2011	2012	2013
Bank Loan	$5,647,500	$5,647,500	$5,647,500

The loan is expected to be a fixed term agreement. It will have a loan term of 3 years from date of drawdown. The indicative interest rate is 6.31%. Bank fees which relate to the cost of borrowing will be $14,119. If fees were to be incurred in relation to any future borrowing restructures, these will be amortised over the life of the borrowing.

Loan Security
The loan will be secured by a registered first mortgage over the Property, an assignment by way of security of all the leases and a first general security interest over the assets of the Nominee.

These statements have been reviewed by the Scheme's auditor Grant Thornton New Zealand Audit Partnership, whose report can be found on pages 37 to 39.

TAXATION
Under the Scheme, each Subscriber is assessed individually on his, her or its proportionate share of the rent and any other distributions from the Scheme. Subscribers will be individually responsible for the payment of their tax. Subscribers are, under current legislation, able to depreciate the buildings for taxation purposes for the year ending 31 March 2011 only. Depreciation of chattels may continue beyond this date. It is the intention of the Offeror to provide an itemised list of assets to enable maximum depreciation to be claimed. It is also the intention of the Manager to provide ongoing, a fixed asset schedule with assets depreciated at maximum allowable tax rates. Based on current taxation legislation the buildings can be depreciated at 3% DV. The cost of the buildings including capitalised establishment costs, before individual assets are extracted, is $13,047,500.

The depreciation allowance entitles Subscribers to defer taxation on a portion of their cash return until the Property is sold by claiming as a tax deduction each Subscriber's proportionate share of the depreciation of the Property. Under current rules depreciation claimed on the Property during the term of the Scheme will be taxable in the year the Property or a Subscriber's interest in the Property is sold provided that the sale price exceeds the original cost, less all depreciation previously claimed. The net effect is to provide a deferral of tax for Subscribers during the period of ownership of the Property.

It is recommended that Subscribers seek tax advice from their own professional advisers.

6 WHAT ARE MY RISKS?

This section sets out risks associated with investment in the Scheme not set out elsewhere in this Offeror's Statement. Subscribers should consider the risks in conjunction with the contents of this Offeror's Statement and should seek independent advice.

The principal risks for Subscribers in the Scheme are:

A. not receiving the forecast return on their investment in the Scheme;

B. not being able to recoup all or any of the monies invested in the Scheme; and/or

C. there being a shortfall between money received from the Tenants and the expenses and fees payable by the Scheme (which include all outgoings and costs associated with the Property to the extent they are not recovered from the Tenants). That shortfall is recoverable by the Manager from Subscribers. Any liability between the Subscribers is shared proportionate to the interests in the Scheme held by them.

The key area of risk associated with investment in the Scheme is that of one or more of the Tenants default on their lease obligations. Dependence has been placed on the ability of the Tenants to meet their contractual obligations to continue payment of rental and outgoings. If one or more of the Tenants were to suffer liquidity problems of a significant nature, any resulting failure to pay rental and outgoings and consequential litigation would have a serious detrimental impact on the ability of the Scheme to pay returns to Subscribers on their interest in the Scheme and for Subscribers to recoup their original investment

Subscribers may not receive the forecast return if:

The forecast return of the Scheme may be affected by matters outside of the control of the Offeror, Manager and/or Nominee. Such matters may include:

Funding Cost Risks
The return to Subscribers will be subject to interest rate variations on the bank loan. However, future interest rate movements cannot be accurately forecast. Additionally, if the Property is not sold before the expiration of the term of the bank loan, renewed financial facilities may involve principal repayments which will affect cash returns.

Tenancy Risk
The Scheme is reliant on the Tenants paying their contracted rental in order to achieve the forecast returns. Should either one or more of the Tenants default on lease payments or be unable to sustain payment of the rental, the costs associated with obtaining a replacement tenant(s) will reduce the funds available for distribution to Subscribers. There may also be difficulty replacing the Tenants, if required. It is also possible that if a replacement tenant is required to be found, rental may be at a lower level than the rental payable under the

current lease at the date of this Offeror's Statement. Costs associated with obtaining a replacement tenant will reduce funds available for distribution to Subscribers.

Rental Income Risk
General economic conditions and movements in the market (and CPI) will impact on the rental payable following market and CPI reviews.

GST Risk
The Tenants pay GST to the Scheme and, pursuant to the Ownership and Management Deed, the Manager is responsible for filing GST returns and making the required payments to the Inland Revenue Department. Any non or under payment of GST by the Manager may affect cash returns. Subscribers will be jointly and severally liable for any GST not paid.

Capital Expenditure Risk
Capital expenditure on structural repairs or capital improvements to the Property may arise that cannot be recovered from the Tenants under their leases. No material expenditure is presently envisaged.

A contingency fund will be established from Reserve Funds retained each year.

Subscribers may not recoup all or any of their investment if:

1) **The Property is sold at a sale price less than the initial total subscriptions (together with establishment costs). The sale proceeds from a sale of the Property would first go to repaying the amount of the loan with the Bank. The Bank's recourse under the loan will be limited to the security to be provided by the Scheme. (However, Subscribers would be unable to recoup any part of their initial subscription).**

2) **The Property is unable to be sold.**

3) **The Scheme is terminated before the value of the Property increases sufficiently to recover the establishment costs.**

4) **A Subscriber sells his, her or its interest in the Scheme to a third party for less than the initial subscription amount. There is no guarantee that there will always be willing buyers for this type of investment. The market may be illiquid and a sale of an interest in the Scheme may not be easily achieved.**

Destruction of the Property from natural disasters and other events may result in a loss of rental income from the Property. The Manager is required under the Ownership and Management Deed to arrange appropriate insurance in respect of the Property (including loss of rents insurance) for the Scheme from settlement of the purchase of the Property. If such destruction of the Property is not covered by the insurance policies that the Manager is required to arrange for the Scheme, a Subscriber may not recoup his, her or its original investment or receive the forecast return on his, her or its interest in the Scheme. Alternatively, if the Manager fails to comply with its obligation and does not arrange appropriate insurance in respect of the Property, then any destruction of the Property will impact adversely on the income from the Property.

General Risks

(a) **Property market risk – property market conditions and fluctuations in supply and demand for commercial properties will affect the value of** the **Property and affect the Scheme's costs and other underlying property fundamentals. Deterioration in the New Zealand economy (and the commercial property sector in particular) may result in Subscribers not receiving the forecast return and/or not being able to recoup their original investment.**

(b) **Single** asset risk – the **Scheme** is exposed to a single asset (the Property). If that asset fails to perform then returns to Subscribers will be impacted and will **not** be offset by exposure to other assets.

(c) Financial standing of Subscribers – monies contributed by Subscribers may be disproportionate due to the financial ability of some Subscribers not being able to contribute as much towards liabilities, with some Subscribers required to contribute more than others.

(d) Changes in taxation laws – prospective Subscribers should seek independent advice in relation to their own individual tax position. Future changes in taxation law may affect the tax treatment of acquiring, holding and disposing of an interest in the Scheme.

(e) Leverage – the level of bank borrowings will be 46% of the cost of the Property. There is a risk that adverse market movements may cause a breach of banking covenants.

If the Scheme were to become insolvent, Subscribers may not recoup their original investment or receive the forecast return on their interest in the Scheme. The liability of Subscribers to creditors of the Scheme is unlimited (except to the

extent any bank borrowings of the Scheme are made on a limited recourse basis) – that is, Subscribers' liability may not be limited to the amount available for distribution out of the Scheme. Subscribers may be jointly and severally liable to pay money to any person.

Given the nature of the risks/contingent liabilities referred to above, it is not practicable to quantify those risks/liabilities.

7 CAN THE INVESTMENT BE ALTERED?

The terms of a Subscriber's interest in the Scheme are governed by the Ownership and Management Deed. The Ownership and Management Deed provides that the Scheme cannot be altered unless agreed by Subscribers representing at least 75% of the total interests in the Scheme at a properly constituted meeting of Subscribers.

The purchase price set out under the heading "How much do I pay" cannot be altered by the Manager, a Subscriber or any other person.

8 HOW DO I CASH IN MY INVESTMENT?

1 Early termination

Term of the Scheme
The Scheme has no fixed term. However, the Scheme and/or a Subscriber's interest in the Scheme may be terminated in various circumstances are set out below.

The Scheme may be terminated at any time if Subscribers representing 75% of the total joint venture interests in the Scheme so resolve at a properly constituted meeting.

The Subscriber can terminate his, her or its interest in the Scheme by selling his, her or its interest(s) in accordance with section 8.2 below.

Repayment of BNZ Loan
A compulsory meeting of Subscribers will be held at least 6 months prior to the repayment date for the bank loan to determine whether or not the Property should be sold and the Scheme terminated. At that meeting a resolution of Subscribers representing 75% of the total interests in the Scheme can resolve to terminate the Scheme.

Termination by the Manager
The Manager may terminate the ownership of a Subscriber's interest in the Property and the Scheme if that Subscriber defaults in any payment due or breaches any obligation under the Ownership and Management Deed and fails to remedy that breach within 30 days of being notified of it.

2. A right to sell a security

Every Subscriber is entitled to sell his, her or its interest in the Scheme to another person on the following terms and conditions:

(a) a Subscriber cannot transfer his, her or its interest in the Scheme without the prior written consent of the Manager; and

(b) the Manager must give its consent to the transfer if:

 (i) the Subscriber has first paid any moneys owing by that Subscriber in respect of the Scheme at the time of transfer;

 (ii) where the Subscriber is in breach of any obligation under the Ownership and Management Deed, that breach is remedied to the reasonable satisfaction of the Manager; and

 (iii) the proposed transferee enters into a Deed of Covenant with the Manager whereby the proposed transferee agrees to be bound by the provisions of the Ownership and Management Deed.

No charges are payable by a Subscriber to the Scheme on the sale of an interest in the Scheme. A transferring Subscriber may be required to pay legal costs and a selling commission to a real estate agent in connection with any sale of his, her or its interest(s) in the Scheme.

In the Offeror's opinion, there is no established market for the sale of interests in the Scheme.

9 WHO DO I CONTACT WITH ENQUIRIES ABOUT THIS INVESTMENT?

Enquiries or complaints about the Scheme can be made to Neil Tuffin at Maat Consulting Limited (at the address and business telephone number set out on page 36).

10 IS THERE ANYONE TO WHOM I CAN COMPLAIN IF I HAVE PROBLEMS WITH THIS INVESTMENT?

A complaint about your investment may be made to Neil Tuffin at Maat Consulting Limited (at the address and business telephone number set out on page 36.

A complaint about your investment may also be made to The Real Estate Institute of New Zealand. The Institute may be contacted by telephoning 0800 473 469.

There is no ombudsmen to whom complaints can be made about your investment.

11 WHAT OTHER INFORMATION CAN I OBTAIN ABOUT THIS INVESTMENT?

1. Annual information

Subscribers will be sent annual audited financial statements including statements of financial performance, financial position and cash flows of the Scheme for the previous financial year. These will be provided within three months of each financial year ending 31 March.

2. On request information

Subscribers will be able to obtain a copy of the following information on request, free of charge:

(a) a copy of the deeds of lease with the Tenants of the Property and any other documentation relating to those deeds of lease (including a copy of the titles to the Property);
(b) a further copy of the valuation report on the Property at the time of request;
(c) the latest audited financial statements of the Scheme at the time of request; and
(d) a copy of the executed Ownership and Management Deed.

Requests for information should be made to Neil Tuffin at Maat Consulting Limited (at the address set out on page 36).

12 OTHER MATERIAL INFORMATION

Maat Consulting Limited is not aware of any other information that would be material to a prospective Subscriber's decision to invest in the Scheme

13 DISCLAIMER / SIGNATURES

No director, officer, employee, agent or adviser to the Offeror, Manager, the Nominee, Barfoot & Thompson or Minter Ellison Rudd Watts guarantees the return on this investment or the performance of this Scheme.

Signed for and on behalf of
Maat Consulting Limited as Offeror:

Neil Tuffin
Director

Mark Hughson
Director

Bruce Ellis
Director

Bryan McFarlane
Director

CONTACT DETAILS

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Grant Thornton

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8 November 2010

Dear Sirs

Independent Accountant's Report on the Prospective Financial Statements of Maat Consulting Limited

We have prepared this report for inclusion on the Offeror's Statement dated 8 November 2010 offering investors an opportunity through a proportionate ownership scheme to purchase a share of the land and buildings at Walton Plaza, 4 Albert Street in Whangarei.

Background

As stated on page 25 of the Offeror's Statement the prospective financial statements prepared by the Offeror relate to the years ending 21 December 2011, 2012 and 2013.

The Offeror has engaged Grant Thornton to review the prospective financial statements as set out on pages 25 to 32 of the Offeror's Statement, which have been prepared on the Offeror's assumptions set out on pages 27 and 28. The review is required under clause 20 of Schedule 1 of the Securities Act (Real Property Proportionate Ownership Schemes) Exemption Notice 2002.

Offeror's responsibility for the prospective financial statements

The Offeror is solely responsible for the preparation and presentation of the prospective financial statements and the information contained within the Offeror's Statement, including the assumptions upon which they are based.

The prospective financial statements have been prepared by the Offeror to provide investors with a guide to the Scheme's potential future financial information based upon the achievement of certain economic, operating and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur. There is a degree of subjective judgement involved in the preparation of the prospective financial statements. Actual results may vary materially from the prospective financial statements and the variation may be materially positive or negative.

Grant Thornton

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8 November 2010

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GrantThornton

As the prospective financial statements are sensitive to the assumptions, persons relying on the prospective financial statements should also give due regard to the analysis of risks prepared by the Offeror and included in the section "What are my risks?" on pages 32 to 34 of the Offeror's Statement.

We disclaim any assumptions of responsibility for any reliance on this report or on the prospective financial statements to which it relates for any purpose other than for which it was prepared.

Inherent limitations

The prospective financial statements are based on a number of assumptions and as such they are subject to uncertainties and contingencies many of which are outside the control of the Offeror. Accordingly, actual results during the prospective period may vary materially from the prospective financial statements, as it is often the case that some events and circumstances do not occur as expected or are not anticipated. We do not confirm, guarantee or express an opinion as to whether the actual results will approximate those included in the prospective financial information because assumptions regarding future events, by their nature, are not capable of independent substantiation.

Conclusion

Based on our limited assurance review, which is not an audit, of the prospective financial statements on pages 25 to 32 and the Offeror's assumptions, nothing has come to our attention that causes us to believe that, in all material respects:

- the Offeror's assumptions do not provide a reasonable basis for the preparation of the prospective financial statements,
- the prospective financial statements are not properly compiled on the basis of the Offeror's assumptions and consistent with the accounting policies adopted by the Scheme, and
- the prospective financial statements do not provide a true and fair view in accordance with generally accepted accounting practice in New Zealand

Our limited assurance engagement was completed on 8 November 2010 and our conclusion is expressed as at that date.

Yours faithfully

Grant Thornton.

Grant Thornton New Zealand Audit Partnership
Auckland, New Zealand

APPLICATION FORM

This Application Form is issued with the Offeror's Statement prepared as at 4 November 2010, issued by Maat Consulting Limited as Offeror.

Please attach your cheque to this application and return it to Minter Ellison Rudd Watts, PO Box 3798, Auckland 1140 (Attention: Kate Healy).

APPLICANT DETAILS – APPLICANT(S) TO COMPLETE, BLOCK LETTERS PLEASE

Please enter name(s) in full (including all first names)

Title Legal First Name(s)	Legal Family Name	IRD Number
Corporate Name		

*Note: Resident withholding tax will only apply to any interest earned on subscription moneys held in Minter Ellison Rudd Watts trust account prior to settlement of the purchase of the Property or return of subscription moneys in accordance with this Offeror's Statement.

Please deduct from all interest earned on my/our subscription moneys pending settlement of the purchase of the Property or return of my/our subscription monies in accordance with this Offeror's Statement * (tick one)

(☐ 12.5% Resident Withholding Tax) (☐ 17.5% Resident Withholding Tax) (☐ 30% Resident Withholding Tax)

(☐ 33% Resident Withholding Tax) (☐ Exempt)

(*If exempt from Resident Withholding Tax please attach a copy of Certificate of Exemption).

Postal Address (including post code)	Phone Numbers
	Ph - Home: ( )
	Ph - Work: ( )
	Fax: ( )
Postcode:	Email (required):

Please attach a photocopy of appropriate photo identification for each applicant or each directors of any corporate applicant (e.g. drivers licence or passport).

APPLICATION – APPLICANT(S) TO COMPLETE

Applicants must apply for a minimum of 2 interests in the Scheme. The minimum initial investment is therefore $50,000 (being 2 Interests in the Scheme) and in multiples of $25,000 thereafter.

AMOUNT TO BE INVESTED:	NUMBER OF PROPORTIONATE INTERESTS ($25,000 PER INTEREST) APPLIED FOR:
$	

BANK ACCOUNT DETAILS (for distribution purposes):

My nominated bank account is:

Bank	Branch	Account No.	Suffix

Bank Name: ______________________________ Branch: ______________________________

Name of Account Holder: ______________________________

SIGNATURE(S) OF APPLICANT(S)

I/we hereby apply for the proportionate interests as set out above in the ownership of the land and buildings at 4 Albert Street, Whangarei, on and subject to the terms and conditions of the Offeror's Statement prepared as at 4 November 2010 and this application form.

Signature of Applicant: ______________________ **Date:** ______________

Signature of Applicant: ______________________ **Date:** ______________

Signature of Applicant: ______________________ **Date:** ______________

APPLICATION TERMS AND INSTRUCTIONS

1. Complete Details

- **Insert your full name(s), IRD number(s), address(es), telephone number(s) and email address(es).**
- **Applications must be in the name(s) of natural persons, companies or other legal entities.**
- **Applications by a minor, trust, fund, estate, business, firm or partnership, club or other unincorporated body cannot be accepted unless they are made in the individual name(s) of the person(s) who is (are) the legal guardian(s), trustee(s), proprietor(s), partner(s) or office bearer(s) (as appropriate).**
- **Tick the relevant box for Resident Withholding Tax.**
- Applications must be for a minimum of 2 interests in the Scheme (i.e. you must pay a minimum subscription price of at least $50,000 on application).
- **Insert the bank account into which you wish interest payments to be deposited.**

2. Signing

- **Read the application form carefully and sign (and date) the form.**
- **The form must be signed by the applicant(s) personally, or by two directors of the company (or one director if there is only one director) or under company seal, or (in either case) by an attorney.**
- **If the application form is signed by an attorney, an original or certified copy of the relevant Power of Attorney must be lodged with the application form (originals will be returned). The attorney must complete the certificate of non-revocation below.**
- **Joint applicants must each sign the application form.**

3. Payment

- **Payment of the total application amount in full must accompany the application form.**
- Cheques must be made payable to "Minter Ellison Rudd Watts Trust Account (A/C Walton Plaza Investments)" crossed "Not Transferable" and should be for immediate value. Payment must be made in New Zealand dollars and drawn on a registered New Zealand bank. Cheques must not be post-dated.
- Alternatively, a telegraphic transfer of funds can be made to:

Account Name:	Minter Ellison Rudd Watts Trust Account
Reference:	Walton Plaza Investments
Bank:	The National Bank of New Zealand
Branch:	Vulcan Lane, 118 Queen Street, Auckland
Account Number:	06 -0101-0011219-02
Swift Code:	ANZBNZ22

4. Closing Date

- **4.00 pm on Wednesday 1 December 2010, or such earlier or later date as Maat Consulting Limited may determine.**

5. Delivery

- **Applications cannot be revoked or withdrawn.**
- **Application forms must be mailed or delivered to Minter Ellison, PO Box 3798, Auckland 1140 (Attention: Kate Healy).**

Please Read This Before Signing

I/we agree that Maat Consulting Limited has an absolute discretion to accept or decline any application in part and issue me/us such number of interests in the Scheme as it sees fit, provided such number of interests will not be less than 2.

I/we acknowledge that my/our application will be rejected if I/we have not applied for at least 2 interests and in any event may be rejected Maat Consulting Limited in its sole discretion.

I/we confirm that I am/we are not a builder, land developer or land dealer, and am/are not an associated person (as defined in the Income Tax Act 2007) of such a person.

I/we acknowledge that I/we have been provided with a copy of the Offeror's Statement prepared as at 4 November 2010, including a report by an independent registered valuer. I/we agree to be bound by the terms of the Offeror's Statement prepared as at 4 November 2010 and the Ownership and Management Deed, which will be entered into immediately following the closing of subscriptions for the Scheme, by the Manager, on my behalf. I/We hereby irrevocably appoint Maat Consulting Limited as my attorney for the purposes of signing the Ownership and Management Deed for the scheme on my behalf.

It is a term of each subscription contract that the Offeror will take all necessary steps to enable the Subscriber for specified participatory securities to be registered as the holder of the Subscriber's interest in the real property (on or immediately after the acquisition of the real property) in accordance with the scheme.

I/we acknowledge and agree that subscriptions will be deposited into the trust account of Minter Ellison Rudd Watts and held until Walton Plaza Investments Limited obtains registrable title to the Property on behalf of all Subscribers. In the event that the investment does not proceed, all subscriptions will be refunded in full, together with interest at call rates, less commission, bank fees and resident withholding tax.

I/we agree that the information I/we have disclosed in this form may be used by Maat Consulting Limited or its related companies or agents or advisers for the purposes of processing this application and sending me/us information relating to the interests in the Scheme.

I/we agree that Maat Consulting Limited will provide the details of such third parties.

The information received from you will be held securely by Maat Consulting Limited. You may request access to the information, and you may also request that it be corrected.

Under the terms of the Unsolicited Electronic Messages Act 2007, I/we provide my/our consent to receiving commercial electronic messages for the purposes of that Act.

If signed under Power of Attorney, the attorney hereby certifies that no notice or information has been received of revocation by death or otherwise of that power. I/we certify that, where information is provided by me/us in this form about another person, I am/we are authorised by such person to disclose the information to you and to give authorisation.

In the case of joint applications, the joint applicants agree that, unless otherwise expressly indicated in this Application Form, the joint venture interests will be held jointly as joint tenants.

CERTIFICATE OF NON REVOCATION OF POWER OF ATTORNEY

Complete this section if you are acting on behalf of someone for whom you hold Power of Attorney.

I, ... (Name of Attorney)

of .... (Address and Occupation of Attorney)

HEREBY CERTIFY

1. **That by a deed dated ____________________, ________________ of ____________________ appointed me as his/her/its attorney**
   (day month year) (name) (address)
2. **That I have executed the application for Interests on the face hereof as Attorney under the said Power of Attorney and pursuant to the powers hereby conferred on me.**
3. **That I have not received notice of any event revoking the Power of Attorney.**

Signed at .... this ....of.. [ ]
Place day month

Signature ....

NOTES

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WHANGAREI
RECEPTION
FIRST FLOOR
POLICE

Potential investors are placed on notice that it is their responsibility to carry out such checks as they deem appropriate on the accuracy of the information contained herein and to satisfy themselves as to the nature of the scheme they are proposing to invest in.

Secure your investment allocation in this premium property now.

Contact us at:

Maat Consulting Ltd
PO Box 115
250 Broadway, Stratford
New Zealand
Tel: 64 06 765 0584
Fax: 64 06 765 0588
admin@maat.co.nz
www.maat.co.nz