

Te Kaha Resort (2011) Limited (In Receivership)

Receivers' Second Report

1 INTRODUCTION AND APPOINTMENT

Boris van Delden and Peri Micaela Finnigan, Insolvency Practitioners of Auckland, were appointed jointly and severally as receivers and managers of all the assets, property and undertakings of Te Kaha Resort (2011) Limited ("the company") on 7 November 2013. The receivers and managers were appointed under the powers contained within a General Security Agreement dated 29 September 2011 in favour of Ruben Sanasarian.

At the same time, Boris van Delden and Peri Micaela Finnigan also accepted appointment as receivers and managers of a related company, Te Kaha Kapai Limited (In Liquidation), following a request from the secured creditor for both companies to be in receivership.

Pursuant to section 24 of the Receiverships Act 1993 ("the Act"), the receivers report herewith on the progress of the receivership. This second report should be read in conjunction with the receivers' previous report.

A statement of Realisations and Distributions is **not attached** as there have been no realisations or distributions to date.

2 RESTRICTIONS

This report has been prepared in accordance with Section 24 of the Act. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party as a result of the circulation, publication, reproduction or use of this report.

We reserve the right (but are under no obligation) to review and, if we consider necessary, revise this report in respect of any information existing at the date of this report which becomes known to us after that date.

3 CONDUCT OF THE RECEIVERSHIP DURING THE PRECEDING SIX MONTHS

Asset Realisations

3.1 Buildings

The commercial areas, ancillary areas and 18 apartment units along with chattels and management agreements have been marketed for sale via Bayleys Tauranga. The receivers are discussing sale opportunities with interested parties.

4 PROPOSALS FOR DISPOSAL OF RECEIVERSHIP PROPERTY

The assets will continue to be marketed for sale.

5 CREDITORS' CLAIMS

5.1 Secured Creditor

At the date of appointment the amount due to our appointer was as follows:

First ranking secured creditor	\$
Term loan accounts, accrued interest and overdue principal at 30 November 2013	4,174,561
Additional penalties and costs	86,207
Total	<u><u>\$4,260,768</u></u>

Based on current sale estimates the first ranking secured creditor is likely to suffer a shortfall.

Further sums are claimed by a second ranking secured creditor as follows:

Second ranking secured creditor	\$
Term loan accounts, accrued interest and overdue principal at 1 September 2013	292,540
Additional penalties and costs	36,508
Total	<u><u>\$329,048</u></u>

Based on current sale estimates the second ranking secured creditor is not likely to be paid.

5.2 Unsecured Creditors

As at the date of preparing this report one unsecured creditor has provided documents supporting a debt of at \$100,317 as at the date of receivership. The amount due to this creditor is expected to increase over time.

The position of one other unsecured creditor is yet to be finalised, along with the intercompany position with Te Kaha Kapai Limited (In Liquidation and In Receivership), if that becomes relevant.

The Receivers are not responsible for the administration of unsecured creditors' claims, however, the amount due is likely to be paid as required in the event of a sale.

6 MATTERS DELAYING THE COMPLETION OF THE RECEIVERSHIP

The following matters are outstanding:

- Sale of assets
- Distribution to secured creditor.

7 ESTIMATED DATE OF COMPLETION

It is currently too early to estimate a date of completion for the receivership.

8 CONTACT DETAILS

Enquiries should be directed to Daniel Zhang on (09) 306 3356 or by email to dzhang@mvp.co.nz.

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BORIS VAN DELDEN
RECEIVER

DATED this 20 day of November 2014