



March 1, 2010 Aitutaki Update

In order to give our clients a clear, unbiased and factual account after the effects of cyclone Pat on February 8th of this year, we have had our Director of Sales & Marketing make a personal visit to the island of Aitutaki for an assessment. We hope the following report will help you in your efforts to provide dependable information for travelling to the Island of Aitutaki in the near as well as distant future.

As I left Rarotonga on my way to do an inspection on the progress and status of Aitutaki Island, the thought kept going through my mind " Why do people visit Aitutaki? There was only one answer....The Lagoon...The Lagoon..the Lagoon. With it's pristine turquoise coloured waters and cloudless skies, a veritable feast for the eyes and then the spirit.

As Aitutaki came into view, I could immediately feel and see what our visitors experience every day. Each of the other passengers were exclaiming how beautiful it was in 3-4 different languages. All snapping as many photos from the air as they could. Upon approach to the runway I began to catch sight of the windburn effect Cyclone Pat had left, but also that there were still numerous trees that were still standing, mostly coconut trees.

As the plane landed and I de-boarded, the hill that you see was completely exposed something that was not seen before, but miraculously the grass was green on the top of that hill.

From there we proceeded to the immediate area near the airport and visited Popoara, Aitutaki Lagoon Resort, Ranginui Retreat, Samade and Inano Beach Bungalows. Vegetation in this area had been Sandburned with the loss of leaves etc. but most debris had already been cleared.

Next we moved onto Rumours, Etu Moana, Tamanu, Amuri Sands, Aitutaki Beach Villas, Paradise Cove, Are a Matatui, Are Tai and Pacific Resort Aitutaki. This particular area seemed to only sustain debris damage and some fallen trees. Most of the Residential homes were alright a few with lost roofs. Vegetation and clean up work was well under way.

After moving past Pacific Resort and coming down the road where the old Rapae Hotel had been and did we see a lot of RESIDENTIAL damage that included not only loss of roofing iron but several homes that were completely demolished. Saying this, many of these were of extremely poor construction to begin with. Clean up has begun and well under way on these homes and we now await Government aid to kick in and the rebuild phase will begin.

From here we moved on past the church up the hill ...The hospital and School that had been closed are now back open and operating due to the help provided by the personnel sent from New Zealand via the Hercules. Their team has now left the island. This area had various homes that lost roofs and only a few with heavy destruction. After that we moved around to the Tautu area where I believe has been the heaviest of the damages to RESIDENTIAL homes was sustained. On the drive there the vegetation was brown and many trees have been uprooted. But clean up has been done and the grounds around homes put in tidy order. Many of the residents do have tent structures standing and are using both the remains of homes and the tents for living space. Once again we now await Government aid to kick in and the rebuild phase will begin.

Response of many people, both the hotel operators and local people, spoken with on the island is hopeful and they all want and need to get on with the rebuild. They want visitors to not be hesitant about visiting them as they find this lifts their spirits. Teina and Annie Bishop of Bishop's Cruises are offering a \$20 taxi to One Foot Island each day, for the day, so guests can spend the day out on the magnificent unspoilt lagoon of Aitutaki. This helps the properties that are doing construction or repairs and gets the clients from being overwhelmed at the site of homes that have fallen. We encourage visitors to continue to come to Aitutaki to see its magical and beautiful lagoons.

Following are updates on the properties, most of which are fully operational and is business as usual:

TAMANU BEACH

Fully Operational

Restaurant is in full working order.

Both pools one on the Studio side of property and one on the 1Bedroom side have been drained, cleaned and ready for use.

Debris has been totally cleared from hotel area.

One Fence on the side where Studios are located remains to be stood up straight again.

The 100 Block Studio bungalows have thatching repairs needed but not extensive.

There have been some minor electrical issues with moisture but are and have mostly been resolved.

PACIFIC RESORT AITUTAKI

Fully Operational

Property is clean and operational.

There are still 2 -3 rooms that are not yet in operation due to the need to replace parts of a roof because of fallen trees.

The Resort has not been forthcoming in regards to this but we know it should be no longer than 2 weeks and those repairs will be done when the proper supplies are received to make those repairs.

Immediate vegetation has thinned but many of the plants in the gardens have endured and are green. The growth rate we experience in the islands for plants, it should take no longer than a few months and you will never know the Cyclone happened.

AITUTAKI LAGOON RESORT & SPA

Fully Operational

The property is looking very good.

Complete cleaning of debris is finished and the property is looking as if nothing has been disturbed. The sand is beautifully white and the lagoon incredibly blue.

80% of rooms are operational with no interior damage.

Thatch roofing and shingles are missing on some but are being replaced as they move from room to room, with a team plaiting Nikao for the roofs.

The gardens are a bit bare and each day are being replanted from their own nursery stock. The

Reception area is already replanted and looks as normal.

The beach bar is operational, and again looks exactly as it always has. Only the roof over the sand restaurant is not there but that area is now set with Umbrellas for lunch etc are provided on a fine day, the same as they have always done for the area directly in front of the bar facing the lagoon. The channel between the mainland and the resort has been deepened and the area where you board the boat to ferry to the other side, as you arrive, has been 50% rebuilt and the thatched covering should be done this week with 100% finish by the first of next week...March 8th.

There is remodeling going on with a team of builders and they are beginning the upgrade to move the now Garden Bungalows to the area to the right of the Beachfront Deluxe bungalows. This move is in keeping with plans to convert the property to an all beachfront Resort. The move of 9 bungalows is scheduled for completion March 20th. Once these have been moved the Resort will refurbish each of them and do a minor change giving more floor space as well as new bathrooms installed. These will be done one at a time when occupancy allows. Noise of any sort will be minimal but a timeline for the refurbishments after moving the units would probably be completion expected by June 2010. For those bookings at the Resort we suggest you ask our agents to give you an update at the time of booking.

RANGINUIS RETREAT

All 8 Units are Fully Operational

Property clean, back of property still needs to be tidied as it is what you see as you drive in .

Pool has been cleaned.

RANGINUI' SUNSET (OLD ESMA)

3 Units Operational

Property still clearing some debris. No time frame for completion.

GINAS GARDEN VILLAS

4 Units Fully Operational

Still debris to be cleared surrounding the property.
Units are fine and in working order.
No time frame for clearing access to the property.

AMURI SANDS

Fully Operational

No damage whatsoever to units.
Debris has been cleared around property and disposed of.
Gardens and many of the plants are still in good shape
Looks Good!

AMURI GUEST HOUSE

Fully Operational

No issues at all fully operational.

ETU MOANA

Fully Operational

All debris cleared.
Pool clean.
Looks good.. all back to normal

POPOARA

Only 3 of the 4 units fully operational

Boatshed Restaurant fully operational
3 rooms operational. No time frame for 4th.
Gardens suffered a lot of damage and all pandanus leaves are gone, but growth will probably take about 3-4 months
All debris has been cleared, plants replanted and property is looking neat and tidy ...Vegetation around the property
Has suffered with the loss of trees and a bit brown, but will return to its original state quickly..

AITUTAKI BEACH VILLAS

3 units in working order

Power & hot water running.
Minor damage to spouting and one door has crack in glass on sliding door.
All debris cleared away.

INANO BEACH

All 7 bungalows fully operational with all services

No damage to any of the units.
Gardens badly damaged but already just cleaning has made way for new growth
All debris cleared away.
Lawns are still green and neatly mowed, looks as if the Cyclone was kind and gave them a bit of a better beach area.

SUNNY BEACH LODGE

Owner/managers are gone
Nothing has been more done on property
No time frame for reopening.

PAPAREI

Repairs to units all minor.

One unit perfectly ok but lost solar unit.

The other has hot water but wall pierced by timber and damaged internal wall and shower.

3 week time frame at this stage to complete repairs by March 21.

RUMOURS OF ESCAPE

Fully Operational

All repairs are completed to Roof at entry

All units undamaged. Open for business.

PARADISE COVE

Fully Operational

Looks like it always has. Experience no damages

Fully operational and open for business. All clean.

ARE A MATUTUI

Closed for the next 2 weeks until March 15 2010 to complete clean -up

All repairs are cosmetic and were due for refurbishing before the Cyclone. Grounds were neat and tidy

ARETAI

Fully Operational

All units are in good order. Debris cleared. Looks good

VAIKOA UNITS

Beachfront units and 2 garden units operational

As of this morning. The 2 beachfront good and 2 of the garden units good.

A lot of work still to be done around the property. No time frame for other 5 units.

SAMADE ON THE BEACH

4 Units operational

The majority of debris from in and around property cleared and is clean and tidy

Bar and restaurant open,

The roof covering over the eating area was lost but tables with umbrellas have taken its place

4 bungalows only have full services. But have roof tiles missing and some spouting gone.

Other 8 units non operational at this point in time. And completion is schedule within the next 90 days

RINO'S

Bungalows in Town - Beach front units operational.

Rino's Apartments no damage fully operational

All rooms available. Only room above main house not.

Property clear of debris. Roadside fence still to be repaired.

Koru Café - Open

Tupuna's - Open

Kia Manuia

The team and Management of

ISLAND HOPPER VACATIONS