

ENFORCEABLE UNDERTAKING

This undertaking is offered to the Securities Commission for acceptance under section 69J of the Securities Act 1978 by:

Alpine Pacific Developments Limited (“Alpine”)
Level 2
137 Victoria Street
Christchurch

And

The directors of Alpine:

Neil Gurdjieff Dougan
93 Malcolm Avenue
Beckenham
CHRISTCHURCH

Ernest Ross Thomson
283 Medway Road
HANMER SPRINGS

(“the directors”)

Background

1. Alpine is a registered company under the Companies Act 1993. Alpine owns a property at Beach Road, Kaikoura (“the property”) which it is in the process of developing.
2. Alpine has offered participatory securities for subscription in conjunction with individual unit titles under the Unit Titles Act 1972 since December 2004. It has done so without a registered prospectus, investment statement or deed of participation. No allotments of the securities have yet occurred. Alpine and the directors were, at the time of the offer, unaware that the offers had been made in contravention of the Securities Act 1978. In 2005, Alpine became aware that its offers of the units in the property may have constituted offers of securities to the public under the Securities Act 1978.
3. Alpine ceased offering participatory securities once it was aware of the potential breach and set about making arrangements to address the situation.

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4. Alpine informed the Commission of its possible breach of the Securities Act 1978 and the actions it proposed to take to remedy the breach. The Commission is concerned that there had been breaches of the law.
5. Alpine has recently applied to the Commission for exemptions from sections 33, 37, 37A and 51-54 of the Securities Act 1978 in respect of future offers of participatory securities in relation to the property.
6. Alpine acknowledges the Commission's concerns about its breaches of the Securities Act 1978. Alpine and the directors wish to remedy the situation and to ensure that no further breaches occur. They have offered the undertakings set out below. The Commission has agreed to accept these undertakings under section 69J of the Securities Act 1978.

Undertakings

7. Alpine and the directors will not offer further securities to the public for subscription, other than in an investment statement, registered prospectus, or authorised advertisement that complies with the Securities Act 1978 and the Securities Regulations 1983 or in accordance with any applicable exemption granted by the Commission.
8. Alpine and its directors will similarly not allot securities other than in accordance with the Securities Act 1978 or in accordance with any applicable exemption granted by the Commission.
9. In relation to the securities already offered to persons who have entered into sale agreements to purchase units in the property prior to the publication of the specific exemption granted by the Commission, Alpine:
 - (a) will give written notice to each such person of the contravention of the Securities Act 1978 and provide each such person with all documentation that was required to be provided before subscription under the specific exemption granted by the Commission;
 - (b) request that each such person agrees to the cancellation of the existing sale agreement and agrees to sign a new sale agreement to purchase the unit in accordance with the form of sale agreement required by the specific exemption granted by the Commission;
 - (c) offer to refund subscription monies received (including those held by Alpine's solicitors in its trust account and those held by selling real estate agent, as stakeholders), together with any interest earned, to any person who does not, within 15 working days of the date of this undertaking, sign a new

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sale agreement for the purchase of their unit in accordance with paragraph 9(b) of this undertaking;

- (d) will, for those persons who do not within 15 working days of the date of this undertaking sign a new sale agreement for the purchase of their unit in accordance with paragraph 9(b) of this undertaking, cancel the existing sale agreement immediately.


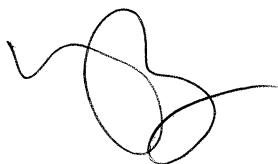
Acknowledgements

10. Alpine and the directors acknowledge that the Commission:
- (a) may issue a media release referring to the undertaking and to the concerns of the Commission which led to the undertaking being executed;
 - (b) may from time to time publicly refer to the undertaking; and
 - (c) will make this undertaking available for public inspection.
11. Alpine and the directors acknowledge that this undertaking does not derogate from the rights and remedies available to the Commission or to any other person or entity arising from the conduct described in the undertaking.
12. Alpine and the directors acknowledge that the Commission's acceptance of an enforceable undertaking under section 69J of the Securities Act 1978 does not affect the Commission's powers to investigate future conduct of any person, to take any action or exercise any power under the Securities Act 1978 or any other legislation, or to refer any matter for criminal prosecution or seek any civil penalty.

Signed for and on behalf of Alpine Lodge 2004 Limited
by its duly authorised officer:



Signed by Neil Gurdjieff Dougan:

Signed by Ernest Ross Thomson:

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Accepted by the Securities Commission
pursuant to section 69J of the Securities Act 1978
by its authorised delegate:

Liam Mason

Dated this 7th day of July 2005

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