

Valuation Of:

PTN 1 OF THE FARM BERGLAND NO.473

“ONJALA LODGE”

On behalf of

MR P. PACK



MARKET VALUE	N\$ 22 000 000.00
FORCED SALE VALUE	N\$ 17 600 000.00
INSURANCE VALUE (INCLUDING 15% VAT)	N\$ 33 470 000.00
VALUATION DATE	7 March 2013



Prepared by:

Property Valuations Namibia

P.J. Scholtz

Sworn Appraiser

National Diploma: Property Valuations (UNISA)

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1. INSTRUCTION

THIS VALUATION REPORT HAS BEEN PREPARED UPON INSTRUCTIONS RECEIVED FROM MR. P. PACK.

CLIENT: Onjala Lodge
REPRESENTED BY: Mr P. Pack
POSTAL ADDRESS: P.O. Box 90938 Windhoek
TELEPHONE NUMBER: 061-259 325 / 061-259 432
DATE OF VALUATION: 6 March 2013
DATE OF VALUATION: 7 March 2013

1.1 ANALYSES OF INSTRUCTION

- To determine market value as at date of valuation.
- To determine replacement costs as at date of valuation for insurance purposes.

1.2 DEFINITION OF MARKET VALUE

The definition of 'Market Value' as laid down by the International Valuation Standards Committee is:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

A summary of the features of the 'willing' buyer and seller are:

They should be in a position to enter into a contract (financially and legally);

They negotiate on equal terms;

They are both well informed about the property and all its potentialities, as well as about the market for such properties (i.e. they are as well informed as the person who has taken all reasonable steps to obtain this information);

They are not under pressure (i.e. they are not forced to buy or sell a property within a limited time); and

They negotiate the transaction rationally.

When we analyse these features, it becomes clear that a 'real' person could seldom comply with all of them. The Valuer must therefore distance himself from the personalities concerned and imagine a hypothetical transaction in which both the buyer and the seller have the understanding and motivations that are typical of the market for the property or interests being valued [Minister of Water Affairs v Mostert 1966 4 SA 690 (A) 722c]. This definition of value holds true in the case of the subject property.

1.3 DEFINITION OF REPLACEMENT VALUE OF IMPROVEMENTS

The property is valued as at market related reconstruction cost of all fixed property and excludes insurance for the going concern value of the property. These replacement figures are based on research conducted with the relevant experts regarding construction costs of similar buildings. It is however, an assumption based on averages and given the fact the majority of the building materials would have to be transported from afar, I am recommending that an architect be appointed to work hand in hand with a quantity surveyor to calculate the precise sizes and the actual replacement costs of all improvements.

2. PROPERTY DETAIL / TITLE DEED INFORMATION

Deeds Registry: Windhoek
Property Type: Lodge/Game Farm
Property Name: Onjala Lodge
Farm Number: Ptn 1 of the Farm Bergland No.473
Region: Khomas
District: Windhoek
Registration Division: "K"

Valuation Report: Onjala Lodge (March 2013)

Prepared by



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Local Authority:	Windhoek Municipality
Title Deed No:	To be Confirmed
Extent:	1 735 hectares
Endorsements:	None
Mineral Rights:	State
Usufruct:	None
Free hereditary tenure:	Yes
Servitudes:	Standard as per title deed

I did not view the title deed of the subject property. This valuation will be done on the basis that there are no servitudes or conditions (other than the standard stipulations), registered against the title deed that may adversely affect the content of this report.

3. LOCAL AUTHORITY INFORMATION

Name of local authority:	City of Windhoek/Ministry of Agriculture
Zoning:	Agriculture
Current use:	Game Lodge
Additional use:	Conference facilities, hotels, resorts. (Tourism and related activities)

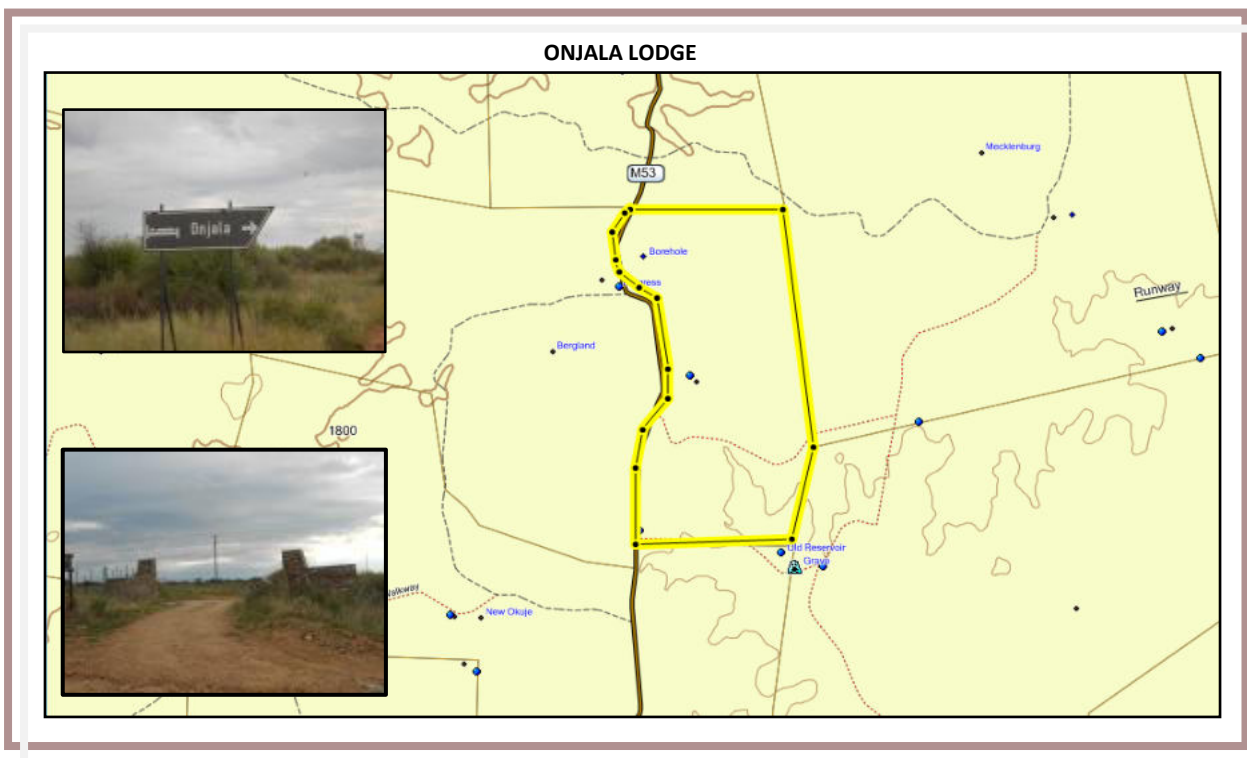
4. MUNICIPAL VALUATION

Although valuations were done on farm land in Namibia in order to introduce a land tax system, it must be reported that no municipal valuations are available on farms or farm portions as yet.

5. LOCALITY OF THE SUBJECT PROPERTY

The macro location is seen as above average in an area where sustainability is stable in terms of tourism related activities and farming. The micro location is good in an average to good sustainable precinct.

The subject property can be regarded as accessible and can easily be reached by following the B6 National Tarred Road for 20km from Windhoek, direction Gobabis, turn left on the M53 (a "C" graded and maintained gravel road) for ±53km to find the entrance gate of Onjala Lodge on the right, follow the farm road for ±4km to find the main operations straight ahead. The property can also be reached by private or chartered planes to Onjala's own landing strip (965m long, 30m wide, coordinates to be advised).



6. NATURE AND CHARACTER OF THE SURROUNDING AREA

The surrounding area is characterized by numerous privately owned farms, hunting farms, resettlement farms, nature estates and lodges. Most of which are farmed intensively with a combination of cattle, game and small stock.

7. SITE & SERVICES

The subject property currently operates as a game lodge, boasting 11 lodge rooms, 4 thatched chalets (each including 2 double rooms), 4 separate luxury chalets, operations buildings, wellness spa, swimming pool, etc. Sun downer drives, game drives, hiking trails, etc, are just some of the activities offered on own domain.

8. TYPE OF FARM AND CURRENT APPLICATION

The subject property is mainly utilized as a tourist accommodation facility with tourism related activities.

9. DESCRIPTION OF THE FARM

9.1 Farm Layout

The subject property, almost rectangular in shape, measuring 1 735 hectares in size, is externally fenced by means of a double game fence (2.3m high). No inner camps exist on the farm to allow the abundance of game to roam free over the entire estate.

9.2 Water Supply

Water at the farm is sourced from 3 installed boreholes (3 electrical submersible pumps), supplying water at a depth ranging from 60-140m to 11 reservoirs/tanks, ensuring a constant water supply to all areas in need. Four gravel dams assist with water supply during the rainy season.

9.3 Topography

Landscapes include minor hills, valleys, level grass/bush plains, dry riverbeds, etc.



Grass/bush plains



Hills



Level tree/bush plains



Hills

9.4 Electricity

The subject property is connected to the National Electricity Grid.

9.5 Soil Type

Combination of cambisols, regosols and leptosols.

9.6 Vegetation

According to the Giess vegetation map the farm falls within the Highland Savanna area.

The vegetation is well suited for cattle, game and small stock farming, which can be regarded as a good mixture (for the area) with an even spread of the following:

- "Perde" grass (*Triraphis Romissima*)
- "Steek wit" grass (*Stipagrotis Namaquensis*)

- “Groot Panicum” grass (Panicum Maximumum)
- “Wolvoet Panicum” grass (Panicum Lanipes)
- “Kuיל” grass (Leptochlea Fusca)
- “Behaarde pluim” grass (Eragrotis Trichophora)
- “Bosluis” grass (Eragrostis Superba)
- “Wind” grass (Eragrostis Porosa)
- “Bloubuffel” grass (Cenchrus Ciliaris)
- “Swarthaak” bush (Acacia Mellifera)
- “Rosyntjie” bush (Grewia Flava)
- “Ghabba” bush (Cataphractes Alexandria)
- “Kudu” bush (Cembretum Apiculatum)
- “Vaal kameel” bush (Acacia Heamatoxylon)
- “Blinkhaar” grass (Sitpagrotis Uniplumis)
- “Long-legged Bushman” grass (Stipagrotis Ciliata)
- “Short-legged Bushman” grass (Stipagrotis Brevifolia)
- “Witgat” bush/tree (Boscia Albitrunca)
- “Drie-doring” bush (Rhigozum Trichotomum)
- Camel thorn trees (Acacia Erioloba)

The above is just some of the large variety of vegetation present on the subject property. Almost all the vegetation is edible and can be regarded as good fatteners.

The official grazing capacity is 1:10ha per LSU and 1:2.5 per SSU and is farmed accordingly.

The overall vegetation is well managed and no signs of overgrazing were detected during the inspection.

9.6.1 Owner’s game count: (The value of which is excluded from the valuation)

Blue wildebeest:	260
Black wildebeest:	25
Oryx:	220
Hartebeest:	60
Springbuck:	40
Giraffe:	5
Berg zebra:	14
Kudu’s:	60
Waterbuck:	4

9.7 Climate and Rainfall

The prevailing climate of this area is semi arid, with hot summers and cool to warm winters. The subject property is situated in a summer rainfall area, with approximately 98% of its rainfall between October and April. The average rainfall is approximately 350-450mm per annum. Temperature during summer ranges between 22 and 40 degrees centigrade. The dry season is from May to September and winter temperature ranges between 2 – 30 degrees centigrade.

10. DESCRIPTION OF PERMANENT STRUCTURES AND IMPROVEMENTS

The subject property can best be described at hand of the following:

Structure:	Thatched roof/rock/conventional brick & mortar constructions over concrete foundations and floor slab to relevant specifications.	
GLA m ² :	Main lodge building:	885m ²
	Separate dining lapa:	148m ²
	Covered passages/walkways:	173m ²
	Chalets/bungalows:	851m ²
	Covered patio’s:	262m ²

Pool lapa:	41m ²
Pool ablution:	15m ²
Wellness centre/flats:	192m ²
Covered stoeps:	30m ²
Bush spa:	35m ²
Main outbuilding:	95m ²
Carports/open workshops:	128m ²
Separate stores:	40m ²
Outside ablution:	3m ²
Garages/stores:	131m ²
New star gazing facility:	48m ²
Manager's dwelling:	210m ²
Covered patio:	40m ²
Farm cooler:	16m ²
Lapa & BBQ:	40m ²
Flats:	68m ²
Balcony:	20m ²
Garage:	25m ²
Old location/worker accommodation:	240m ²
Covered stoeps:	72m ²
New location/worker accommodation:	548m ²
Covered stoep/walkway:	178m ²
Second dwelling:	30m ²
Covered stoep:	18m ²
Iron lean to:	13m ²

Storey:	Main building: Split level/double storey Managers dwelling & flats: Double storey Remainder: Single storey
Roof:	Thatched roofs, concrete roofs, iron roof sheets fitted onto wooden/steel trusses
External Walls:	Rock, plastered & painted brick
Internal Walls:	Rock, plastered & painted brick
Floors:	Slasto, screed, tiles, grano
Ceilings:	Concrete, pine, celotex, rhino board (where applicable)
Lighting:	Standard i.e. ball lights, boxed fluorescent lights, pendants, etc.
Glazing:	Combination of wooden frames, iron and aluminium frames
Climate Controlled:	Yes
Condition:	Average - good

Accommodation Including:

- a) Main building: Covered walkways, 4 separate wc's/basins, curio shop, office, store, old dining hall, kitchen, 2 store rooms, cold room, bar, outside dining lapa, 11 guest rooms, 11 en-suite bathrooms, 3 guide rooms/stores.
- b) Chalets: 4 Separate chalets, each including 2 double rooms with en-suite bathrooms and covered patio (8 rooms in total)
- c) Luxury chalets: 4 Separate chalets, each including a covered patio, lounge, bedroom, en-suite bathroom, separate wc.

(All guest accommodation comes standard with coffee station, mini bar, air conditioning, etc.)

- d) Wellness Spa: Covered stoep, office/reception, treatment room, bath room.
- e) Bush Spa Lapa: Semi-closed treatment lapa
- f) Flats at the backup Spa: Flat 1: (2 Bedrooms, separate wc, bathroom)
Flat 2: (Lounge, kitchen, bedroom, bathroom)
Flat 3: (Lounge, kitchen, bedroom, bathroom)
Flat 4: (Bedroom, bathroom)
Flat 5: (Bedroom, bathroom)
- g) Main Outbuilding: Laundry, linen room, 3 bedrooms, open workshop
- h) Separate structures: Water purifying plant, 2 store rooms, separate shower/wc
- i): Garages/stores 8 Garages/stores
- i) Manager's residence: Garage, 2 bachelor flats, lapa & BBQ, water cooler, Main dwelling- entrance, kitchen, scullery, pantry, lounge, 4 bedrooms, 2 bathrooms, covered patio.
- j) Other structures: Pool lapa, pool ablution, BBQ facility.
- k) Old worker accommodation: 4 Dwellings (each including covered stoep, 3 rooms, separate ablution (3 wc's, 3 showers)
- l) New worker accommodation: 11 Single rooms, 4 double rooms, 2 ablutions (each including 3 wc's, 3 showers), 4 covered walkways.
- m) Security dwelling: Covered stoep, separate wc, 2 bedrooms, iron lean-to.
- n) Minor Improvements: Walling, paving, landscaping, water installations, reservoirs, water sewerage plant, landing strip, solar panels, etc.



Main Lodge Building



Main Lodge Building



Curio Shop



BBQ



Old Dining lapa



New Dining Lapa



View From Dining Lapa



Kitchen



Outbuilding/cold Room



Dining Lapa



Guest Rooms



Guest Rooms



Guest Bedroom



Guest Bedroom



Chalet



Chalet



Chalet



Chalet



Covered Patio



Luxury Chalet Lounge



Bedroom



Bathroom



Pool



Pool





Pool Lapa



Braai Facility



Pool Ablution



Wellness Spa



Treatment room



Treatment room



Bush Spa



Main Outbuilding



Manager's Residence



Manager's Flats



Garages



Separate Store



Old Work Accommodation



New Worker Accommodation



Solar Panels



PVC Tank



Water Tanks



Reservoirs



Reservoir



Reservoir



11. HIGHEST AND BEST USE

The highest and best use refers to the highest potential in terms of value that the property can achieve with due cognisance been taken of the local authority rights, restrictions and regulations, if applicable, as well as the general use of properties in the surrounding area.

The best use of the subject property is that of an upmarket guest/hunting lodge. Thus said, it has to be clarified that it should be an economically viable farming entity for it to enhance the value of the property.

12. MARKET CONDITIONS*

The Namibian economy has held up relatively well in the past few years, and 2013 is expected to produce results similar to prior years. Mining output and the short term intervention programmes by the government will aid economic growth in 2013. Despite the risks posed by inflation and the higher than desirable consumer credit growth numbers, which may lead to higher interest rates, chances are that the Namibian economy will expand at rates similar to those witnessed in recent years.

Domestic interest rates

The Bank of Namibia almost mechanically followed the South African Reserve Bank's interest rate policy. However, since the beginning of 2008 the Bank of Namibia has followed a more independent policy by focusing only on foreign reserves and credit growth. The continuing global economic uncertainties, and possible spill-over effects for the domestic economy, resulted in the Bank of Namibia cutting the Repo Rate to 5.5% from 6.0% effective the 23rd of August 2012. The Governor of the Bank of Namibia (Ipumbu Shiimi) also indicated that commercial banks must reduce the spread between their prime lending rates and the Bank repo rate. Bank Windhoek was the first commercial bank to comply, and the majority of the commercial banks have reduced their prime lending rates to 9.25%. Monetary policy makers will continue to find a balance between supporting economic growth and managing inflationary pressures. Inflationary pressures remain relatively well contained and as result interest rates should remain unchanged for an extended part of 2013.

Inflation rate

Annual inflation in December 2012 decreased substantially to 6.3% from 7.6% in November – the first decrease in 4 months. The decrease can be attributed to food inflation which fell considerably from the previous month, whilst transport inflation also contributed to the fall. The December inflation number brings the average inflation for 2012 to 6.5%, compared to average inflation of 5.0% in 2011. It is expected that inflation will trend marginally upwards early in 2013, and to average around 6.2% for the year as a whole.

Exchange rate and global conditions

The Namibian economy is very open and as result very dependent on global and regional market place and exchange rate developments. In this regard the outlook for economic improvements both globally and regionally remains cloudy! In addition, there is also a strong focus from global investors on risk aversion, which generally results in weaker emergent market currencies (including the N\$ and ZAR). A weaker currency will generally be supportive of the local economy. The Namibian Dollar is currently trading at around N\$9.05 to the US\$.

Tourism

The local tourism sector is depended on the spending power of European tourists, and arrival numbers, although not definite, serve as spending indicators. Total arrival numbers through Hosea Kutako International Airport (HKIA), show that the trend remains positive and encouraging, but regional travellers dominate the numbers. International arrivals showed the fastest growth, with the 12-month cumulative figure increasing 22.5% in October to 299,883 passengers. Year-to-date 250,278 international passengers arrived at the airport, a y-o-y increase of 20.3%.

Regional arrivals increased 8.1% y-o-y with 473,831 passengers over the past 12 months, while year-to-date 397,534 regional arrivals were recorded – a y-o-y increase of 6.9%.



The increase in international arrivals in 2012 could indicate that some source markets are starting to recover. According to a tourism index by FNB and FENATA for November however, tour operators are still quite pessimistic about demand from source markets, especially Europe. European tourists are quite important as they tend to spend more cash than regional tourists.

But the data also reveal a discouraging trend of declining arrivals by tourists from Europe.

Trend and Outlook

- Total arrivals at HKIA for January to October 2012 amounted to 647, 812, compared to 579, 953 in the comparable period in 2011. This translates into 11.7% increase and is also encouraging when compared to the 6% increase of 2011.
- Of the total 647, 812 travellers that entered Namibia through HKIA, 397, 534 were regional travellers, the balance were from other geographical areas, suggesting most travellers to Namibia are from regional countries. Despite the large number of arrivals from regional countries, their spending is marginal relative to their European counterparts.
- in 2011 total travellers to Namibia through HKIA equalled 705, 855, up 8.6% from 649, 732 in 2010, and 650, 964 in 2009, with regional travellers accounting for a significant number of arrivals.
- In corroborating the arrival stats from HKIA, recently the Ministry of Environment and Tourism released an all inclusive tourist arrival stats for 2011. It showed that in 2011 tourist arrivals increased by 4.4% to 1,027m from 984m in 2010 driven mostly by African tourists. Angola, South Africa and Zimbabwe were some of the main source of travellers.
- Arrivals by non-African tourists decreased by 10% with European tourists arrivals declining by 11.2%, perhaps reflecting the economic realities on the continent. Germany remained the main source of tourists with 79,721, although this number declined by 8.4% from 2010.
- Bed occupancy rates data from the Namibia Tourism Board indicate that occupancy averaged 23% in 1H2012 for Namibia compared to 27% in 1H2011 also suggesting the foreign earnings from European tourist is declining.
- The report also indicated that most tourists did not make use of Namibian tourism industry products while they visited the country, which supports our view that while arrivals seem to be recovering, tourists are staying for shorter periods and spending less. We believe that these two factors will counter each other for 2013.

It is encouraging to observe that the numbers of tourists that arrived is increasing but the decreasing number of arrivals by European tourists and the low occupancy rates on a relative basis do not bode well for the sector. If the occupancy rate of 1H2012 continues into 2H2012, from a spending point, 2012 might be setting an unwelcome trend for 2013.

***Sources**

Sanlam Investment Management

IIG Securities

Simonis Storm Securities

13. VALUATION METHOD

When valuing real estate, the Valuer must concern himself with placing a value on the rights attaching to the property and the benefits of occupation and/or ownership thereof. In the valuation process, cognisance must be taken of the purpose for which the property is capable of being used and the future income or amenities, which it is likely to produce. At the same time, however, the property must be compared with available substitutes and/or alternative investment opportunities. The object of the valuation process, therefore, is to arrive at a figure which will reflect the point of equilibrium between supply and effective demand at the time of valuing the property.

The valuation of land as if vacant, or of land and improvements to or on the land, is an economic concept. Whether vacant or improved, land is also referred to as real estate.



Real estate's utility or capacity to satisfy the needs and wants of humans creates value. Contributing to value are real estate's general uniqueness, durability, fixity of location, relatively limited supply, and the specific utility of a given site.

There are various methods commonly used for determining the market value of real estate. These methods of valuation comprise:

- Direct Comparable Sales Approach
- Cost Approach
- Income Approach
- Discounted Cash Flow Approach

In order to determine which method/s applies to the subject property, cognisance was taken of the fact that the subject property is an income producing property which will include a significant land portion (450 Ha) and that the **Income Capitalisation Method of Valuation** in combination with the **Depreciated Replacement Cost Method of Valuation** was considered to be most appropriate for the subject property.

13.1 Depreciated Replacement Cost Method of Calculation

This method of valuation entails the calculation of the depreciated replacement cost of all improvements allowing for functional and economical obsolescence in the current market conditions. The following positive and negative factors were taken into consideration in determining the depreciation.

Positive

- Excellent location – Near Hosea Kutako International Airport
- Equitable ownership
- Quality and extent of the infrastructure and permanent structures
- Good grass / vegetation cover
- Sought after by cattle / game farmers, as well as recreational buyers
- Abundance of game
- Fully operational – managed/owned by Pack Safaris, a leading tour operator with a large client base, resulting in a above average occupation rate at Onjala Lodge
- Close to Windhoek – Targeting local market as well
- Various income generating activities other than accommodation

Negative

- Tourism industry slightly under pressure
- Competition from similar facilities



Valuation of Improvements:

Improvements	Size(m ²)±	Rate/m ²	Sub Total	Depreciation	Total (N\$)
Main lodge	885	8 500.00	7 522 500.00	40%	4 513 500.00
Separate dining lapa	148	4 500.00	666 000.00	30%	466 200.00
Covered walkways	173	2 500.00	432 500.00	40%	259 500.00
Chalets/bungalows	851	8 500.00	7 233 500.00	40%	4 340 100.00
Covered patio's	262	2 500.00	655 000.00	40%	393 000.00
Pool lapa	41	2 000.00	82 000.00	40%	49 200.00
Pool ablution	15	4 000.00	60 000.00	40%	36 000.00
Wellness centre/flats	192	6 000.00	1 152 000.00	40%	691 200.00
Covered stoep	30	2 500.00	75 000.00	40%	45 000.00
Bush spa	35	2 500.00	87 500.00	40%	52 500.00
Main outbuilding	95	3 500.00	332 500.00	60%	133 000.00
Carports/workshop	128	1 500.00	192 000.00	60%	76 800.00
Separate stores	40	2 500.00	100 000.00	60%	40 000.00
Outside ablution	3	3 000.00	9 000.00	60%	3 600.00
Garage/stores	131	2 500.00	327 500.00	40%	196 500.00
Star gazing facility	48	7 500.00	360 000.00	20%	288 000.00
Manager's dwelling	210	6 000.00	1 260 000.00	40%	756 000.00
Covered patio's	40	2 500.00	100 000.00	40%	60 000.00
Farm cooler	16	4 000.00	64 000.00	60%	25 600.00
Lapa & BBQ	40	2 200.00	88 000.00	40%	52 800.00
Flats	68	5 000.00	340 000.00	40%	204 000.00
Balcony	20	1 000.00	20 000.00	40%	12 000.00
Garage	25	2 500.00	62 500.00	60%	25 000.00
Old location	240	3 500.00	840 000.00	70%	252 000.00
Covered stoeps	72	1 500.00	108 000.00	70%	32 400.00
New location	548	4 000.00	2 192 000.00	40%	1 315 200.00
Covered stoeps	178	1 500.00	267 000.00	40%	160 200.00
Second dwelling	30	3 000.00	90 000.00	40%	54 000.00
Covered stoeps	18	1 500.00	27 000.00	40%	16 200.00
Iron lean to	13	800.00	10 400.00	40%	6 240.00
Minor Improvements:			1 000 000.00	40%	600 000.00
Sub Total					15 155 740.00
Land	1735	3 500.00			6 072 500.00
Say					21 228 240.00
					21 225 000.00

13.2 Income Capitalization Method of Valuation

This method concerns the determination of the gross income by making use of market income of comparable properties, actual turnover and projected turnover, from which operational expenses are deducted to determine a possible net income of the subject property.

➤ **Capitalization Rate**

The Capitalization rate is best determined by referring to market transactions of comparable properties as it is based on information derived from market analysis. The Capitalization rate must take the prevailing interest rate into consideration. The higher the interest rate, the better the return an investor will require. Similar risk is another factor that will influence the Capitalization rate. The higher the risk factor, the better the return an investor will require. The risk inherent to income producing properties is the degree of certainty that the income stream will be realized despite the uncertainty of the future. A Capitalization rate of 16% is considered to be the market norm for the type of space offered by the subject property, located in an average risk lending area with good exposure.

➤ **Income Calculations**

Occupation Rate: 45%
 Expenses: 50%
 Income Capitalization Rate: 16%
 Price Earning Index: 6.25

Market Related Room Rates Per Bed Night (DBB)

Single rooms: N\$750.00-N\$885.00 / person
 Double rooms: N\$650.00-N\$850.00 / person
 Family rooms: N\$550.00-N\$780.00 / person

The rooms will be charged as follows:

Single rooms: 6 Rooms
 Double rooms: 14 Rooms
 Family rooms: 3 Rooms

Suggested Income:

Suggested Income	Number	Rate/Room	Total (N\$)
Single rooms	6	750.00	4 500.00
Double rooms	14	1300 (650 x 2)	18 200.00
Family rooms	3	1650 (550 x 3)	4 950.00
Activity Related Income (bar/meals, etc)	43 persons	350.00/person	15 050.00
Maximum / Day			42 700.00
For 365 Days			15 585 500.00
47% Occupation Rate			7 325 185.00
Less 50% Expenses			3 662 592.50
Total Netto Income / Annum			3 662 592.50
Capitalized @ 16% (x 6.25)			22 891 203.13
Total			22 891 203.13
Say			22 890 000.00

Please Note that the rounded median of the 2 valuation methods will be regarded as market related.

14. EXECUTIVE SUMMARY

In view of the following:

- Excellent Location – Near Hosea Kutako International Airport
- Equitable ownership
- Quality and extent of the infrastructure and permanent structures
- Good grass / vegetation cover
- Sought after by cattle / game farmers, as well as recreational buyers
- Abundance of game
- Fully operational – managed/owned by Pack Safari's, a leading tour operator with a large client base, resulting in a above average occupation rate at Onjala Lodge
- Close to Windhoek – Targeting local market as well
- Various income generating activities other than accommodation

I am of the opinion that there are not many indicators that would suggest that the standard lending policy for properties of this nature cannot be followed if the subject property is to be bonded or to be offered as security.

15. GENERAL

The property have been valued as if wholly owned, no account being taken of any outstanding monies due, in respect of mortgage bonds, loans or other charges.

16. INSURANCE VALUE

Improvements	Size(m ²)±	Rate/m ²	Sub Total (N\$)
Main lodge	885	8 500.00	7 522 500.00
Separate dining lapa	148	4 500.00	666 000.00
Covered walkways	173	2 500.00	432 500.00
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Pool lapa	41	2 000.00	82 000.00
Pool ablution	15	4 000.00	60 000.00
Wellness centre/flats	192	6 000.00	1 152 000.00
Covered stoep	30	2 500.00	75 000.00
Bush spa	35	2 500.00	87 500.00
Main outbuilding	95	3 500.00	332 500.00
Carports/workshop	128	1 500.00	192 000.00
Separate stores	40	2 500.00	100 000.00
Outside ablution	3	3 000.00	9 000.00
Garage/stores	131	2 500.00	327 500.00
Stargazing facilities	48	7 500.00	360 000.00
Manager's dwelling	210	6 000.00	1 260 000.00
Covered patio's	40	2 500.00	100 000.00
Farm cooler	16	4 000.00	64 000.00
Lapa & BBQ	40	2 200.00	88 000.00
Flats	68	5 000.00	340 000.00
Balcony	20	1 000.00	20 000.00
Garage	25	2 500.00	62 500.00
Old location	240	3 500.00	840 000.00
Covered stoeps	72	1 500.00	108 000.00
New location	548	4 000.00	2 192 000.00
Covered stoeps	178	1 500.00	267 000.00
Second dwelling	30	3 000.00	90 000.00
Covered stoeps	18	1 500.00	27 000.00
Iron lean to	13	800.00	10 400.00
Minor Improvements:			1 000 000.00
Sub Total			25 755 900.00
10% Professional Fees			2 575 590.00
3% Demolition & Removal Costs			772 677.00
Total Replacement Cover (Excl.15% Vat)			29 104 167.00
Add 15% Vat			4 365 625.05
Total Replacement Cover (Incl.15% Vat)			33 469 792.05
Total Replacement Cover (Rounded)			33 470 000.00
ANNOTATIONS & EXCLUSIONS			

17. MARKET VALUE

Having regard for the above, I am of the opinion that as at the 8th March 2013 the **Market Value** of the subject property, assuming an arm's length transaction between a willing, able and informed buyer, and a willing, able and informed seller and further that reasonable time is allowed for the property to be sold is:

N\$22 000 000.00 (TWENTY TWO MILLION NAMIBIAN DOLLARS)

It must be kept in mind that, should the subject property as described be sold under forced conditions, normally by public auction, it will not necessarily fetch the regarded market values as stated in the report.

18. RESTRICTIONS

This report was prepared solely for the purposes stated herein and can therefore not be relied upon for any other purpose. In no event shall I assume any responsibility towards any third party to which this report is disclosed and/or otherwise made available.



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P.J. SCHOLTZ

Sworn Appraiser

National Diploma: Property Valuations (Technicon SA)

8 March 2013