KORORA BAY
VILLAGE RESORT

6 May 2022

Dear Member

On behalf of your Board of Directors, I wish to invite you to the Annual General Meeting of Korora Bay Village Limited (‘The Club’) to be held at “The Jetty Room”, Pacific Bay Resort, Cnr Pacific Highway and Bay Drive, Coffs Harbour, New South Wales (**AGM**) which will then be followed by an Extraordinary General Meeting of the Club (**EGM**).

The purpose of the AGM is to adopt the minutes of the last Annual General Meeting, approve the financial accounts and reports for the 2021 year and elect Directors. There is no election of Directors for the purpose of this AGM as all current Directors have been elected within the last three years as described within the rules of the Constitution 19.1 and 19.2.

The purpose of the EGM is to consider the winding up of the Club.

A detailed agenda along with explanatory notes is attached.

Your Board have arranged for the meeting to be held in person and virtually via Zoom.

Please return your completed Proxy to the Club if you are not attending so you may participate in voting at the meetings.

Yours faithfully

Stephanie Hogan
Secretary
Korora Bay Village Limited

Korora Bay Village Limited
ABN 72 001 779 200

64 James Small Drive, Coffs Harbour, New South Wales, Australia
Mail Address: PO Box 6095, Coffs Harbour Plaza, New South Wales, Australia 2450
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KORORA BAY VILLAGE LIMITED

ACN 001 779 200
(Company)

NOTICE OF ANNUAL GENERAL MEETING

A meeting of Members of the Korora Bay Village Limited will be held at:

Time:	**3.00 pm**
Date:	**Saturday, 28th May 2022**
Place:	**The Jetty Room, Pacific Bay Resort, Cnr of Pacific Highway and Bay Drive, Coffs Harbour, New South Wales and via Zoom virtual technology.**

AGENDA

1. **Opening by the Chairperson**
2. **Apologies**
3. **Resolution 1:** To confirm the Minutes of the 2021 Annual General Meeting.
4. **Resolution 2:** To adopt the Financial Report, Chairman's Report and Auditors Report for the year ended 31 December 2021.
5. **Election of Directors:**

   No election is required in accordance with rules 19.1 and 19.2 of the Constitution. All current Directors have been elected within the last three years.

Voting By Proxy

Members who cannot attend the meeting may cast their votes by proxy. The proxy does not have to be another Member.

Complete the Proxy Form and return it to Korora Bay Village Limited, PO Box 6095, Coffs Harbour Plaza NSW 2450 or by fax or email. The Proxy Form must be received at 64 James Small Drive, Korora NSW 2450 by no later than 3.00 pm on 26th May 2022.

To be eligible to vote Members must have paid all outstanding dues to the Club before the meeting.

Dated this 6th day of May 2022

By Authority of the Board
Stephanie Amanda Hogan
Secretary

Notes

(a) Resolutions 1 and 2 are proposed as ordinary resolutions of the members.

(b) An ordinary resolution is passed as an ordinary resolution if approved by more than 50% of the votes cast by members present at the meeting and entitled to vote on the resolution.

(c) If a quorum is not present within half an hour of the scheduled time of the meeting, the meeting will be adjourned in the manner prescribed by the Club constitution.

Meeting Registration Instructions

<u>Virtual Technology (ZOOM)</u>

The Company is conducting the AGM and EGM at a physical address as identified in the Notice of Meeting, however, we are also offering members the opportunity to attend via virtual technology.

We ask that members who are intending to attend the meetings virtually register by no later than 23 May 2022. If members are attending virtually a proxy form is not required.

We have provided a Questions & Answers field online to address any resolution enquiries before the meeting. Members will be required to use the following URL link

https://kororabayvillage.com.au/member/

to access this information using the ***password***: *<u>KBV22member</u>*. Questions will be addressed up until 26 May 2022 in this online platform.

The AGM and EGM will be held in conjunction with Zoom for those wishing to attend that are unable to do so physically. Please use the following link to <u>register</u> for the meeting:

https://us06web.zoom.us/meeting/register/tZMlf--uqDwtH9Mse11zW_hx_7ELIDO0X6ec

Once you have registered you will receive a Meeting ID and Passcode to enable you to join the meetings on 28 May 2022.

<u>Please refer to the following notes for detailed instructions on how to use the technology:</u>

1. Before joining a Zoom meeting on a computer or mobile device, you can download the Zoom app from the Zoom website at https://zoom.us/support/download. Otherwise, you will be prompted to download and install Zoom when you click the join link.

2. Click the ‘join’ link above 15 minutes prior to the commencement of the meeting.

3. When the system dialog prompts, click ‘Open Zoom Meetings’.

4. You will be placed in a waiting room until the host admits you to the meeting.

5. If you are unable to hear, click on the arrow near the microphone icon (bottom left of screen) to select a different headset or speakers. Alternatively, click audio settings to configure and test your audio option.

6. If you are unable to see anything, click the arrow near the video icon (bottom left of screen) to select the correct video option.

7. Participant settings have been programmed to mute to reduce background noise during the meeting, however, members will be able to ask questions relating to the resolutions and vote.

Proxy Form

KORORA BAY VILLAGE LIMITED

ACN 001 779 200

All correspondence to: PO Box 6095
COFFS HARBOUR PLAZA NSW 2450

Appointment of Proxy

I/We, ____

Of, ____

Being financial members of Korora Bay Village Limited you are entitled to attend and vote and hereby appoint:

☐ The Chairman Of the Meeting (mark with an "X") OR ☐ Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Club to be held on the 28th May 2022 at The Jetty Room, Pacific Bay Resort, Cnr of Pacific Highway and Bay Drive, Coffs Harbour, New South Wales, and at any adjournment thereof.

Voting Instructions

Your proxy will determine how to cast the vote or you may abstain from voting.

If you appoint the Chairman of the meeting as your proxy, he/she will vote in accordance with the recommendation of the Board.
Voting directions to your proxy – please mark *X* to indicate your directions

		For	Against	Abstain*
Resolution 1	To confirm the Minutes of the 2021 Annual General Meeting	☐	☐	☐
Resolution 2	To adopt the Financial Report, the Chairman's Report and Auditor's Report for the year ended 31 December 2021	☐	☐	☐

**If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in determining the required majority on a poll.*

Appointing a second Proxy *I/We wish to appoint a second proxy.* Mark with an "***X***" if you wish to appoint a second proxy ☐

PLEASE SIGN HERE This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Registered Member 1	Registered Member 2	Registered Member 3
Individual/Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Date: ____________________________

How to complete the Proxy Form

Your Address
This is your address as it appears on the company's share register which is the address of the AGM correspondence. If this information is incorrect, please provide your current address as indicated and mark with an asterisk "*".

Appointment of Proxy
If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a registered member of the Club. The proxy will be ineffective if the form is not dated.

Votes on Items of Business
You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your share holdings will be voted in accordance with such a direction. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy
You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the resort or you may copy this form.

To appoint a second proxy you must:

(a) indicate that you wish to appoint a second proxy by marking the box.

(b) on each of the first Proxy Form and the second Proxy Form state the number of registered share holdings applicable to that form. If the appointments do not specify the number of votes that each proxy may exercise, each proxy may exercise half of your votes. Fractions of votes will be disregarded.

(c) return both forms together in the same envelope.

Signing Instructions
You must sign this form as follows in the spaces provided:

Individual: where the membership is in one name, the member must sign.

Joint: where the membership is in more than one name, either or both members can sign.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the resort.

Lodgement of a Proxy
This Proxy Form must be received by no later than 3.00 pm Thursday, 26th May 2022 at the address given below which is no later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

- By posting delivery, facsimile or email using scanning capabilities to Korora Bay Village Limited.
- Address: PO Box 6095, Coffs Harbour Plaza, NSW, 2450
- Facsimile: 02 66 536486 (Australian members)
- Facsimile: 61 2 66 536486 (Overseas members)
- info@kororabayvillage.com.au

PLEASE MAKE YOUR VOTE COUNT AND RETURN YOUR PROXY FORM

KORORA BAY VILLAGE LIMITED
ACN 001 779 200
(Company)

NOTICE OF EXTRAORDINARY GENERAL MEETING

A meeting of Members of the Korora Bay Village Limited will be held:

Time:	**Immediately following the conclusion of the Annual General Meeting**
Date:	**Saturday, 28th May 2022**
Place:	**The Jetty Room, Pacific Bay Resort, Cnr of Pacific Highway and Bay Drive, Coffs Harbour, New South Wales and via Zoom virtual technology.**

AGENDA

1. **Apologies**

2. **To consider the winding up of the Company and the Resort**

The Board believes it is in the best interest of the members for the timeshare enterprise known as 'Korora Bay Village' (**Resort**) and the property, located at 64 James Small Drive, Korora, New South Wales 2450 being Lot 1 in DP 550722 (**Property**) on which the Resort is located, be sold and the Company wound up (**Proposal**). Further details in relation to this agenda item, including details of the resolutions proposed and additional information on the matters to be considered under this agenda item, are set out below and in the Explanatory Notes which forms part of this notice.

The members will be asked to consider, and if thought fit, pass the following resolutions:

Resolution 1: Approval of members to make court application

By way of ordinary resolution, and subject to all other resolutions being passed, to approve the following members (**Applicant Members**), who have been nominated by the Board, to act as applicants in an application to the Supreme Court of New South Wales (**Court**) pursuant to section 66G of the *Conveyancing Act 1919 (NSW)* (**Conveyancing Act**) to appoint trustees for sale of the Property and to obtain the ancillary orders referred to in Resolution 5 (**Proceedings**):

(a) Grahame Wesley Edgell of 'Somerton Park' 189 Jerrys Meadow Road, Sodwalls NSW 2790; and

(b) Ramy Filo of 1023/2-14 The Esplanade, Burleigh Heads QLD 4220,

or if either or both Applicant members are unable or unavailable to act, such other member or members as determined by the Board.

Resolution 2: Court application – appointment of trustees, distribution and winding up

By way of special resolution, and subject to all other resolutions being passed, that:

(a) the Applicant Members be authorised to apply to the Court seeking orders:

(i) that Simon Thorn of PKF Newcastle, 755 Hunter Street, Newcastle NSW 2302 and Brad Tonks of PKF Sydney, 8/1 O'Connell St, Sydney NSW 2000 (or if they are unable or unavailable to act, or are not appointed by the Court, such other suitably qualified and experienced person(s) selected by the Board who are willing and available to act and acceptable to the court) (**Trustees**) be appointed trustees of the Property under section 66G of the Conveyancing Act and that the Property vest in the Trustees, to be held by them on statutory trust for sale;

(ii) relating to the service of the material for the Proceedings on the members including, for example that service of the material is taken to have occurred on the happening of a specified event or at the end of a specified time (such as, that the Court application be served on members via posting to the last postal address and emailing to the last electronic address provided by the member to the Company, with deemed receipt to occur at a time determined by the Court);

(iii) relating to the vesting of the Property in the Trustees including, for example, that:

a. all certificates of title relating to any member's tenant in common interests in the Property which are held in escrow by the Company, or its agents, pursuant to clause 5.5(c) of the Company's constitution be delivered to the Trustees;

b. that an order be made pursuant to section 138 of the *Real Property Act* 1900 (NSW) directing the Registrar-General to register the vesting of the Property in the name of the Trustees without being required to deposit the members' certificates of title with the NSW Land Registry Services;

c. the Trustees be registered as proprietors of the Property; and

d. the Trustees take all steps necessary to amalgamate and consolidate the title relating to the Property;

(iv) the Trustees have power to execute a surrender of, or to terminate or otherwise dispose of, the lease to the Company, as lessors, as and when they consider appropriate for the purposes of or related to the sale of the Property;

(v) relating to the proportionate distribution of any proceeds from the sale of the Property net of the costs of, and taxes payable in connection with, the sale (**Net Proceeds**) including, for example, orders to the effect that each member's proportionate share of the Net Proceeds be paid in the following manner:

a. where the member has a debt to the Company:

i. firstly, an amount sufficient to discharge the member's debt to the Company is to be retained and paid by the Trustees pending receipt of an enforcement warrant (garnishee order) authorising their redirection to the Company in discharge of that member's debt; and

ii. secondly, the balance (if any) remaining after retention of any amount equal to the member's debt owing to the Company is to be paid by the Trustees directly to the member;

b. where the member has no debt to the Company, the member's full proportionate share of the Net Proceeds is to be paid by the Trustees directly to the member;

c. where the Trustees are left with unclaimed funds belonging to members who cannot be located, for such funds to be paid into Court so that the Trustees can be released and discharged from their duties by the Court;

(vi) where the member has a debt to the Company, the Company be permitted to seek an enforcement warrant (garnishee order) under Rule 39.34 of the *Uniform Civil Procedure Rules 2005* (NSW) authorising redirection from the Net Proceeds payable to the member all monies owing by the member to the Company;

(vii) that pursuant to section 461 of the *Corporations Act 2001* (Cth), after completion of the sale of the Property and distribution of sale proceeds, the Company be wound up by the Court; and

(viii) without limiting the orders above, comprise such varied or additional orders as the Applicant Members consider to be reasonably necessary to implement the Proposal.

Resolution 3: Sale of the Property

By way of ordinary resolution, and subject to all other Resolutions being passed:

(a) the Property be offered for sale to prospective buyers as the Trustees may determine, including by way of public auction, invitations for tender or private treaty on terms and conditions approved by the Trustees; and

(b) the Trustees are requested to have regard to the members' wishes that the sale price be at least ninety per cent (90%) of the highest and best possible market value determined, no more than 12 months prior to the date a contract for the sale of the Property is entered into, by an independent valuer appointed by the Trustees.

Resolution 4: Surrender, transfer, termination or disposal of Resort lease

By way of ordinary resolution, and subject to all other Resolutions being passed that the Board be authorised to surrender, transfer or otherwise dispose of, as required, and for such consideration as it may deem appropriate, the Resort lease between the Company, as lessee, and the members in respect of the Property, on a date and on terms and conditions determined by the Board, subject to a contract for the sale of the Property being entered into prior to termination, surrender or disposal.

Resolution 5: Sale or disposal of Resort assets

By way of ordinary resolution, and subject to all other Resolutions being passed that the Board be permitted to offer for sale, or otherwise dispose of, the Resort assets (including any real property, furniture and equipment) owned by the Company in relation to the operation of the Resort, on such terms and conditions, including price, as the Board may determine, subject to a contract for the sale of the Property being entered into prior to, or in conjunction or contemporaneously with the sale of disposal of the Resort assets.

Resolution 6: General Authorisations

By way of ordinary resolution, and subject to all other Resolutions being passed:

(a) to appoint the Company as agent of members for the purpose of undertaking the Proposal and specifically to implement the Resolutions; and

(b) the Company be authorised to do anything incidental to or reasonably necessary to carry out the Proposal including, for example, making any further applications to the Court, or appealing any decision in the Proceedings if the Board considers it appropriate to do so (after obtaining and considering legal advice).

Resolution 7: Application of cash reserve

By way of ordinary resolution, the Board be authorised to apply funds held in the cash reserve to meet fees and expenses of, or reasonably incidental to, the Proposal, including fees and expenses incurred prior to the meeting.

Note: Resolution 7 is independent of, and not conditional upon, the other Resolutions and will be put to members even if the other Resolutions are not passed. However, Resolutions 1 to 6 are conditional upon, and subject to, each other Resolution (including Resolution 6 being passed).

If any of Resolutions 1 to 6 are not passed by members, any subsequent Resolutions (except for Resolution 7) will not be put to members.

The Board has sought independent legal advice on the process for facilitating the sale of the Property and the winding up of the Resort, and the recommended process is explained in the Explanatory Notes.

<u>Voting By Proxy</u>

Members who cannot attend the meeting may cast their votes by proxy. The proxy does not have to be another Member.

Complete the Proxy Form and return it to Korora Bay Village Limited, PO Box 6095, Coffs Harbour Plaza NSW 2450 or by fax or email. The Proxy Form must be received at the above-mentioned address by no later than 3.00 pm on 26th May 2022.

To be eligible to vote Members must have paid all outstanding dues to the Club before the meeting.

Dated this 6th day of May 2022

By Authority of the Board
Stephanie Amanda Hogan
Secretary

Notes

(d) Certain terms and abbreviations used in this notice of extraordinary general meeting are defined in the Glossary attached to the explanatory notes.

(e) A special resolution is passed as a special resolution if approved by at least 75% of the votes cast by members present at the meeting and entitled to vote on the resolution.

(f) An ordinary resolution is passed as an ordinary resolution if approved by more than 50% of the votes cast by members present at the meeting and entitled to vote on the resolution.

(g) If a quorum is not present within half an hour of the scheduled time of the meeting, the meeting will be adjourned in the manner prescribed by the Club constitution.

Explanatory Notes
KORORA BAY VILLAGE LIMITED

Winding up of the Company and Resort

This statement explains or otherwise relates to Agenda Item 2 (and the associated resolutions) set out in the Notice of Extraordinary General Meeting of the Company dated 6th May 2022.

This statement forms part of the Notice of Meeting and should be read in conjunction with the notice.

Background and Proposal

Korora Bay Village Ltd ACN 001 779 200 (**Company**) was registered in 1979 and is a public company limited by guarantee. It operates the Korora Bay Village Resort under a timeshare scheme (**Resort**). The Resort contains 16 fully self-contained 2 bedroom and 7 fully self-contained one-bedroom apartments (**Apartments**) established on 2.023 hectares of land including landscaped gardens. Facilities include barbecue areas, solar heated pool, spa, children's swimming pool, games room and communal laundry.

The Company operates the Resort on property located at 64 James Small Drive, Korora, New South Wales (being Lot 1 in Deposited Plan 557022) (**Property**). The Property is divided into 1,836 land titles (**Resort Land Titles**).

The Company has also created 1,836 Timeshare interests in the Resort. These are separate from the Resort Land Titles. When becoming Members of the Company some members acquired both Resort Land Titles and Timeshare interests while other members only acquired Timeshare interests.

Of the 1,836 Timeshare interests and Resort Land Titles, 1,173 have been used by the Company in relation to the 23 Apartments. The remaining 663 Timeshare interests and Resort Land Titles were allocated for future expansion and construction of other apartments which has not occurred.

Each Timeshare interest has the same voting rights and right to participate in a distribution of capital on a winding up of the Company. Members with a Resort Land Title do not have any additional rights to participate in a distribution of capital on a winding up of the Company. The Company currently has 535 members which may reduce as approved surrendered timeshare interests are processed.

It is important to understand the Company does not own all the Property. Members who have a Resort Land Title own a 1/1836th part of the Property for each Resort Land Title they hold. If the Property is sold, holders of a Resort Land Title must be paid a portion of the Land sale proceeds which represents their ownership of the Property. This is separate from, and in addition to, any entitlement they have to share in the proceeds of the winding up of the Company.

The Company has a registered lease interest in each Resort Land Title held by a member.

The Company also owns real estate located at 3 Tropic Lodge Place, Korora, New South Wales (being Lot 9 in Deposited Plan 805669) which is used as the Resort Manager's residence.

In October 2021, the Board undertook a survey of members asking if there was a desire to wind up the Company (**Proposal**). The result was the majority were in favour of doing so.

The issue is not one regarding the Company's financial position. The Company currently operates profitably, even though conditions are making that harder to achieve. Rather the main issue is the general lack of interest in Timeshare investments which severely restricts the ability of members to sell their interest when they want to exit.

The Board accepts the view of the members and notes the following additional factors:

(a) the level of levy defaulters continues to grow. Specifically, approximately 73 members, representing 81 weeks, are in arrears in respect of their levies. Currently, these weeks are rented out and the income that the Company receives goes partway to offsetting the loss of levy income. However, increasing defaults will place more pressure on the Company to make up lost levy income;

(b) further to the general lack of interest in Timeshare investments, members seeking to sell their Timeshare are doing so in a market with too much supply, which lowers the value which they can achieve when they do find a buyer. With an aging membership, estate beneficiaries not wishing to maintain their ownership, a low demand and low value market for Timeshare investments, it is likely levy payment defaults will continue to increase;

(c) the Board acknowledges some members wish to exit the scheme due to health and financial matters and the Company feels obliged to acquire those additional weeks. Further unpaid and outstanding levies imposes an increased burden on recovery through the rental market and may potentially result in an increase in the annual levy;

(d) the Board understands members are increasingly unable to afford the financial burden of the levies which will also increase the prevalence of defaulting/non-financial members moving forward as the Company feels obliged to acquire weeks from health impaired members. All Company weeks are rented out to partially offset the increased burden on members;

(e) the Company does not have an effective strategy to deal with rising defaults and the legal costs of recovery due to the constraints of the NSW legal system and legal costs of recovery; and

(f) there was a majority sentiment from members who responded to the survey to realise the real estate value of their holdings and this is also supported in resort reporting where members have indicated they wish to sell.

Simply, the sensible solution at this stage in the life of Korora Bay Village and considering the future headwinds is a sale – a sunset on 43 years of holidaying.

The structure of the timeshare scheme and ownership of the Property requires a two-stage process.

The first stage is to sell the Property and distribute those proceeds of sale to those members holding Resort Land Titles.

The second stage is a separate winding up of the Company with all members with Timeshare interests participating in a distribution of any surplus cash realised after the winding up process is completed.

The key steps of the process required for the sale of the Property and winding up of the Company are summarised below. Several steps require member approval as reflected in the Resolutions. An explanation of each Resolution is set out below.

The 'Questions and answers' section provides further information on the Proposal, including about the operation of the Company and members' use of the Apartments during the sale process

Resolutions

Resolution 1 – Approval of members to make Court application

The Board has received advice that the sale of the whole Property to a purchaser requires each co-owner to sign a transfer form in relation to their Resort Land Title. The Board has reviewed the register and made inquiries to track down Resort Land Title holders but there are several defaulting members who the Company does not have a current address for or other means of locating. It is also impractical for the Company to try and arrange for each co-owner to sign a transfer form (or grant the Company a power of attorney to sign a transfer form on their behalf) given the large number of members.

Further, the Company is of the view purchasers would be less likely to want to enter any serious discussions to acquire the Property unless it knew for certain that each co-owner had signed a transfer form or that the Company had a power of attorney to sign the transfer form on the relevant co-owner's behalf.

The Conveyancing Act provides a solution by allowing one or more co-owners to apply to the Court to appoint trustees to sell a co-owned property.

Grahame Wesley Edgell of 'Somerton Park' 189 Jerrys Meadow Road, Sodwalls NSW 2790 and Ramy Filo of 1023/2-14 The Esplanade, Burleigh Heads QLD 4220, both directors of the Company, accepted the Board's request to act as co-owner applicants. In the event the co-owner applications are unable or unavailable to act, the Resolution facilitates the application being made by such other members as determined by the Board.

The nominated members will have no function beyond making the application to the Court and receive no remuneration or other benefits for making the application.

Resolution 2 - Court application – appointment of trustees, distribution and winding up

Section 66G of the Conveyancing Act enables the Court to appoint:

(a) a trustee corporation;

(b) a trustee corporation and one or two individuals; or

(c) between two and four individuals,

as trustee to sell the Property on behalf of co-owners.

A natural person co-owner could be appointed as a trustee. However, the Court generally prefers for the trustee to be independent.

The Company has come to the view that:

(a) the Company could not be appointed as trustee as it is neither an individual nor a trustee corporation;

(b) a co-owner would not be appropriate to be appointed as trustee because their interests may conflict with the interests of other co-owners and the Court may not be assured of their independence;

(c) a Director would not be appropriate to be appointed as trustee as they will also be a co-owner, or a representative of a co-owner, and be affected by the same potential conflicts of interest as other co-owners; and

(d) conferring responsibility for sale and distribution of proceeds on independent third parties would avoid the Directors or any other co-owner being subject to direct criticism and, more importantly, potential liability if any allegations of maladministration in the sale or distribution process arises (which, of course, the Board has no reason to expect).

The Company considers the appointment of Simon Thorn of PKF Newcastle, 755 Hunter Street, Newcastle NSW 2302 and Brad Tonks of PKF Sydney, 8/1 O'Connell St, Sydney NSW 2000, to act as trustees to be appropriate for the following reasons:

(a) the Board believes the appointment of two individuals (being the minimum required by section 66G) is preferable to the appointment of a trustee corporation or an individual and a trustee corporation as the Board believes individuals will be a more cost-effective and flexible option rather than dealing with a large corporate entity, particularly given a trustee corporation is unlikely to have timeshare expertise or be able to perform the role of liquidator as well;

(b) Mr Simon Thorn is a partner at PKF in Newcastle. Simon has over 25 years' experience gained in Australia, New Zealand and the UK on all types of corporate and personal insolvency matters. He is well versed in the formal insolvency process and prior to joining PKF in 2013, Simon was a Partner with an international firm based in Christchurch and worked predominantly on secured insolvency work for lenders including Receiverships, Investigative Accountant Reports, Lending Reviews and Liquidations. Mr Thorn has previously acted in relation to section 66G Conveyancing Act matters, including in relation to another time share resort, Pacific Palms. The Board considers Mr Thorn's expertise is an appropriate and valuable skillset to fulfil the role of trustee;

(c) Brad Tonks is a partner at PKF in Sydney. Brad has more than 20 years of experience in corporate and personal insolvency matters, covering a broad range of industry sectors. During this time Brad has managed a large variety of external administrations and turnaround assignments, including complex Receiverships, Voluntary Administrations, Liquidations, Bankruptcies and Personal Insolvency Agreements. He is also working with Simon Thorn in relation to the winding up of operations for another time share resort, Pacific Palms. The Board considers Mr Tonks' expertise and experience working with Mr Thorn as an appropriate and valuable skillset to fulfil the role of trustee.

(d) as the winding up of the Company will follow sale of the Property, Mr Thorn as a registered liquidator can also be appointed as liquidator of the Company and efficiencies will be achieved by the liquidator already being familiar with the structure and operation of the Company. The Board considers Mr Thorn has the skills and experience to fulfil the role of trustee and, as a registered liquidator, will be able to undertake the winding up of the Company upon completion of the sale of the Property; and

(e) the Court is likely to be more amenable to making the required orders where a proposed trustee is independent and professionally qualified and competent to finalise the administrative responsibilities conferred on it.

Biographies of Mr Thorn and Mr Tonks are available on the PKF website at:

https://www.pkf.com.au/people-search/simon-thorn/

https://www.pkf.com.au/people-search/brad-tonks/

In the event Mr Thorn, Mr Tonks or both are unable or unavailable to act, or are not appointed by the Court, the Resolution seeks approval (as a fallback option) of such other suitably qualified and experienced persons selected by the Board to be appointed as trustees of the Property under section 66G of the Conveyancing Act.

This Resolution also seeks approval for the Applicant Members to apply to Court for a number of other orders to facilitate the Proposal, including that the members of the Company and owners of the Property are taken to have been served with the documents in the Proceedings upon the happening of a specified event (such 'event' is currently anticipated to be the posting of the documents in the Proceedings to the last provided address, the emailing of the documents to the last provided email address (if any), and publishing a notice on the notice board at the Resort and on the Korora Bay Village Resort website).

Other ancillary orders necessary to effect the Proposal will be sought, for example, that the Registrar-General be ordered to register the vesting of the Property in the name of the Trustees without being required to deposit the members' certificates of title with the Land Registry. Given the number of certificates of title and that the Company is not in contact with some members, this order is intended to facilitate an expeditious and cost effective manner of vesting the Property in the Trustees.

The Resolution also seeks approval to apply for Court orders for the distribution to members of net proceeds from the sale of Property (including that proceeds payable to a defaulting member be held by the Trustee, up to the amount owed to the Company, pending receipt of an enforcement warrant (garnishee order) authorising their payment to the Company and that the Company seek such garnishee order from the Court) and the Company to be wound up following completion of the sale of the Property and distribution of net sale proceeds.

Resolution 3 – Sale of Property

This Resolution seeks member approval for the sale of the Property, which is a key aspect of the Proposal. If the Resolutions are passed, the Court application successful and the Property vested in the Trustees for the purpose of sale, the Trustees will then appoint a real estate agent to facilitate the marketing and sale of the Property.

The Trustees will liaise with the appointed real estate agent to determine the sales and marketing strategy which it is considered will provide appropriate exposure of the Property to potential buyers and achieve an appropriate sale price for the Property. The Board expects any sales process will involve an extensive sale and marketing campaign as well as identifying and targeting likely potential purchasers. This process will take a considerable time.

The sale may either be undertaken by auction, invitations for tender, private sale or a combination of these methodologies as recommend by the real estate agent, depending on market conditions and responses to marketing campaigns.

The Resolution approves the Trustees determining the terms and conditions of the sale of the Property. The Resolution also contemplates that the Trustees will be requested to have regard to the members' wishes that the sale price be at least 90% of the highest and best possible use market value (as evidenced by the passing of the Resolution), determined by an independent valuer appointed by the Trustees, no more than 12 months prior to the date the contract for the sale of the property is entered into.

The Board anticipates, after Trustees are appointed and the vesting of the Property in the Trustees has been registered by the Land Registry, the Trustees will engage an independent valuer to determine the market value of the Property. This will assist the Trustees and real estate agent to determine the sales process and assess any potential offers for the Property. Mr Thorn and Mr Tonks have agreed that the minimum sale price which will be accepted for the Property is 90% of the highest and best possible use market value determined by the independent valuer (although they will seek to achieve the highest sales price considered by them to be reasonably practicable given the circumstances). In the event the sales process takes longer than 12 months from when the independent valuation is obtained, the Board anticipates the Trustees will obtain an updated independent valuation prior to entering into a sale contract.

If offers for the Property are received but are less than 90% of the relevant valuation and the Trustees, in conjunction with the real estate agent, do not believe offers will be received for a price which achieves the 90% minimum, the Company may call and convene another members' meeting for the purpose of considering whether the Trustees should sell the Property for a price which is lower than 90% of the assessed highest and best possible use market value.

While the Trustees are expected to manage a rigorous sale process, a sale of the Property is not guaranteed. The sales and marketing process may not yield a purchaser at a price acceptable to the Trustees, or any purchaser at all.

If the Property is not sold, the Company will not be wound up, the Resort lease will not be surrendered, transferred or terminated, no distribution of sale proceeds will be made, levies will continue to be payable, and the Company will continue as a timeshare scheme for members and the Board will consider other options for the future direction of the Company.

Resolution 4 – Surrender, transfer, termination or disposal of Resort lease

The Company's lease of the Property will need to be:

(a) terminated or surrendered in order for the Property to be sold unencumbered and to provide a purchaser with vacant possession; or

(b) transferred to the purchaser (or its nominee or associate) contemporaneously with the sale of the Property to give the purchaser both ownership of the Property and the right to occupy the Property at settlement.

A determination of whether the lease will be terminated, surrendered or otherwise disposed of (most likely, by transfer to the purchaser) will be made by the Board having regard to taxation and duty issues, purchaser requirements and discussions with the Trustees (as the Trustees will have the power to agree to the termination, surrender or disposal of the lease on behalf of co-owners).

Accordingly, Resolution 4 proposes the lease over the property be surrendered, terminated or otherwise disposed of by the Company on a date and on terms, conditions and for consideration determined by the Board, subject to the contract for the sale of the Property being entered into prior to surrender, termination or disposal.

The Board has had discussions with Mr Thorn and Mr Tonks who have both indicated that they agree the sensible and prudent course of action will be to terminate or surrender the lease after a contract for sale of the Property has been entered into and preferably after the purchaser has satisfied any of its conditions precedent (for example, due diligence and finance) or for the lease to be transferred to the purchaser at the same time as the sale of the Property completes.

Making termination or surrender of the Property lease subject to a contract for the sale of the Property being entered into or transferring the lease to the purchaser contemporaneously with the sale of the Property, will enable the timeshare arrangements to continue during the sales process or on an ongoing basis if the Property is unable to be sold.

If the lease is transferred to the purchaser, the price, if any, at which the Company will transfer its interest in the lease will be determined by the Board based on its negotiations with the purchaser, discussions with the Trustees and consideration of taxation and stamp duty issues.

Accordingly, the Board does not propose for disposal of the Company's interest in the lease to be subject to an independent valuation of such interest. However, the Board may obtain an independent valuation of the Company's leasehold interests if it considers it necessary or appropriate to do so.

Resolution 5 – Sale or disposal of Resort assets

In addition to its lease over the Property, the Company also owns various assets used in the operating the Resort, including property owned by the Company and located at 3 Tropic Lodge Place, Korora, New South Wales (being Lot 9 in Deposited Plan 805669), furniture and miscellaneous items in the Apartments and common areas as well as equipment used throughout the Resort which is not a fixture of the Property. For example, the Company owns beds, televisions, computers, table and chairs, cutlery, plates, cookware, tennis racquets, pool equipment and machinery. The Board considers a purchaser of the Property (or a nominee or associate of the purchaser) who intends to continue to operate the Resort as a holiday accommodation destination, either for the short-term or long-term, may also wish to purchase some or all of the Company's Resort assets.

Accordingly, Resolution 5 seeks member approval for the sale or disposal of the Company's Resort assets subject to a contract for the sale of the Property being entered into prior to, or in conjunction or with, the sale of the Property. As with the Company's lease over the Property, the Board does not propose to obtain an independent valuation of the Company's Resort assets for the purpose of determining the sale price of these assets, given the nature of the assets and because a purchaser may not wish to acquire some or any of these assets.

If a purchaser does not wish to acquire the Company's Resort assets along with the Property (or only wishes to acquire some of those assets), the Board will consider other options for the sale or disposal of these assets and will undertake the course of action which it considers is in the best interest of members and without further reference to the members.

The Company constitution does not require member approval for the termination, surrender or disposal of the Company's interest in the lease or for the sale of the Company's Resort assets. However, the Board has determined to seek member approval for the termination, surrender or disposal of the lease, and for the sale or disposal of the Company's Resort assets, as part of the approvals sought for the Proposal.

Resolution 6 – General authorisations

In order to undertake the Proposal in the most cost-effective and efficient manner practicable, the Company is requesting certain authorisations to act as agent of the members and to be authorised to do certain incidental things to finalise the Proposal. This will enable the Company to implement the Proposal in accordance with the wishes of members (assuming the Resolutions are passed) by providing the flexibility to deal with matters which arise in implementing the Proposal and which may not have been foreseen at the time the notice of the annual general meeting was prepared, without needing to call and convene a further members' meeting (and incurring the expense of doing so).

Resolution 7 – Application of cash reserves

There will be significant costs associated with implementing the Proposal, including court fees, legal fees, trustee fees, and real estate agent fees and expenses. Whilst some fees and expenses may be payable from sale proceeds (such as real estate agent fees), other fees and expenses will need to be paid by the Company prior to the sale, particularly given the Board anticipates the Court approval, and property marketing and sales process, will take considerable time. The Company will continue to collect the usual fees and levies until the Property is sold. These will continue to be applied in the operation and management of the Resort with any surplus being put into cash reserves.

The Company has current cash reserves and proposes to use these funds to meet fees and costs associated with the Proposal. Resolution 7 seeks member approval to apply the cash reserves to meet the costs of the Proposal.

If there are insufficient funds to meet the upfront Proposal costs, the Board may consider, and is able to raise, special levies from members in accordance with clause 9.5 of the Company constitution. Those levies would be used to replenish the cash reserves to meet Proposal costs. However, the Board has not yet determined the necessity, amount or timing of any special levies.

Resolution 7 is not conditional upon, or subject to, the other Resolutions being passed. However, Resolutions 1 to 6 are each conditional upon all other Resolutions, including Resolution 6, being passed.

This is because the Company has incurred costs and expenses in investigating the Proposal, preparing this notice of general meeting and convening the meeting. Therefore, Resolution 7, if passed, will enable the cash reserves to be applied to meet these costs and expenses even if members do not approve the Proposal.

If Resolution 7 is not passed, costs and expenses associated with bringing the Proposal to members may have to be met through the charging of a special levy to cover such costs and expenses.

Questions and answers

Will the Company continue to operate if the Resolutions are passed?

For a period, yes. The Company will initially continue to operate as normal, with fixed week members being able to exercise their entitlement to occupy an Apartment for their specific week and floating week members having the right to reserve and occupy an Apartment for a week (which is not a fixed week), during a year, and members being required to pay annual levies.

The Board currently expects that members will cease being able to exercise their entitlement to stay at the Resort upon the earlier of:

(a) the Company's lease over the Property being terminated or surrendered, which will likely occur after a contract for sale of the Property has been entered into and the purchaser has satisfied any of its conditions precedent to sale, such as due diligence and finance; and

(b) if the Company lease is to be transferred to the purchaser contemporaneously with completion of the sale of the Property, shortly prior to the lease being disposed of by the Company.

On termination, surrender or disposal of the Property lease, the timesharing scheme will cease to operate, members will be unable to use the Resort as members and no further annual levies or special levies will be raised.

Will annual levies continue to be payable?

In part, yes. Annual levies will continue to be payable by 31 July each year until the Property lease is terminated, surrendered or disposed of and timesharing arrangements cease.

Will there be a refund of annual levies if the Property is sold during a year to which the annual levies correspond?

Yes. Annual levies fund both fixed costs of the Company and Resort (being costs which arise even if the Resort was vacant) and variable costs which are attributable to members and guests staying at the Resort and the provision of services to members.

The Board has determined that the split between fixed and variable costs is approximately 50/50. Therefore, if a member pays annual levies, the Property lease is terminated, surrendered or disposed of and timesharing arrangements cease during the year to which the annual levies correspond and, for a fixed week member, their fixed week for that year has not passed or, for a floating week member, the member has not used their entitlement (either themselves or via an exchange company), the Board proposes to refund 50% of that year's annual levy paid by the member. If a fixed week member's fixed week has passed (regardless of whether or not the member exercised their entitlement), or a floating week member has exercised their entitlement for that year (or any part of their entitlement), the member will not receive a refund of any part of their annual levy.

If the Proposal is successful, Property sold and Company wound up, how much will members receive for their interests?

The amount members will receive if the Property is sold and Company wound up will depend on a number of factors which are unknown at this time and/or which are beyond the control of the Board, including:

(a) the sale price achieved for the Property;

(b) the costs of implementing the Proposal, such as court fees, valuer fees, legal fees, trustee fees, liquidator fees, and real estate agent fees and expenses;

(c) the number of weeks in the Company and tenant-in-common interests; and

(d) whether the member is in default and owes money to the Company.

Accordingly, the Board is unable to provide members with an indication or estimate of the proceeds they may receive from the sale of the Property and winding up of the Company.

If the Resolutions are passed, how long will the sale of the Property and winding up of the Company take?

The Board is unable to provide any definitive guidance on how long it will take to complete the sale of the Property and winding up the Company. However, the Board expects the entire process could take at least two years and possibly a considerably longer time frame. This is because there are a number of factors (including many beyond the Company's or Trustees' control) which will influence the time frame such as:

(a) the Court may impose requirements or obligations as a condition of granting its approval or more Court applications may be required than currently anticipated which will delay commencement of the property sales and marketing process;

(b) before a marketing campaign commences, registration of the Property title into the name of the Trustees will need to occur and the Trustees may need to obtain expert town planning and other advice;

(c) given the nature of the Property, it is expected that an extensive marketing campaign will be required which will operate over a considerable time;

(d) if additional member meetings and court applications were required (for example, to obtain approval to certain matters or directions or there were challenges to the proposed sale), this would be likely to have an adverse impact on the time frame, cost and, potentially, successful completion of the Proposal;

(e) if there are no, or only a small number of, potential purchasers, additional marketing campaigns may need to be undertaken or alternative strategies implemented to attract a potential purchaser; and

(f) negotiations with potential purchasers may be a protracted process or a potential purchaser may require an extended settlement time frame.

Is there a risk that, even if the Resolutions are passed, the Proposal may not be successful?

Yes. There is no guarantee there will be a purchaser for the Property or if there is a potential purchaser, the Trustees will be able to negotiate acceptable terms and conditions, including the sale price, with the purchaser.

What are the key risks which may impede successful implementation of the Proposal?

Assuming the Resolutions are passed, the key risks which may result in the sale of the Property and winding up of the Company not being achieved are:

(a) there is a successful challenge to the appointment of the Trustees and/or Proposal (despite Resolutions being approved) (although the Board is not presently aware of any likely challenge);

(b) Court approval for the appointment of Trustees is not obtained; and

(c) there is no purchaser for the Property.

Has a valuation of the property been undertaken? Is the Board able to give an indication of the market value of the Property?

No valuation of the property was undertaken for the purposes of the Resolutions. Further, the Board does not consider it to be in the Company's interest to have obtained a valuation for inclusion with the notice of general meeting or to provide an indication of value.

This is because the Board did not want to unnecessarily incur the costs of a valuation if the Resolutions are not passed, was concerned the publication of a market value figure may communicate to potential purchasers a minimum purchase price for the Property (and therefore adversely impact the ability to achieve a higher sales price for the Property), and considered it may be misleading for the Board to provide an indicative value where they do not have a reasonable basis for such amount.

Any valuation obtained by the Trustees will have to be kept confidential to avoid adverse impacts on negotiations with potential purchasers.

What will happen if the Resolutions are not passed?

If the Resolutions are not passed, the Company will continue to operate as it currently does and the Board will consider the options for the future operation of the Company. However, the Board considers various maintenance and ongoing refurbishment works will be required for the Resort in the future years and would expect to achieve those works in the normal course of events.

What will happen if the Resolutions are passed but the Property is not sold?

If no purchaser is located for the Property (either at all or on terms which are acceptable to the Trustees), it would be expected that the Company will continue to operate as a timeshare resort and the Board will consider the options for the future operation of the Company.

If there is no interest in the Property upon completion of the marketing campaign, the Trustees will need to liaise with the real estate agent and consider whether to undertake a further campaign, to cease marketing the Property or to engage another real estate agent.

When will the Property cease to vest in the Trustees?

If the Property is sold, the Trustees' duties and their involvement will cease upon Net Proceeds being distributed to members (or to the Company in relation to defaulting members).

There is no set time frame within which the Trustees must achieve sale of the Property and this will depend on marketing conditions, the duration and success of a marketing campaign, whether any additional marketing campaign is undertaken and similar considerations. Once the Trustees are appointed, we consider it is likely the Property will be sold. However, we do not know how long the sale process will take or what sale price will be achieved.

How will the costs of the Proposal be paid?

There will be significant costs associated with the sale of the Property and winding up of the Company including:

(a) independent valuer fees;

(b) legal fees;

(c) Trustees' fees and expenses;

(d) real estate agent fees and expenses;

(e) Court fees;

(f) liquidator fees and expenses; and

(g) marketing costs and expenses.

If the Resolutions are passed, it is proposed that these expenses will be paid from sale proceeds upon completion of the sale of the Property, from the Company's cash reserves or via special levies in accordance with clause 9.5 of the Company constitution, if necessary. If the sale of the Property is not successful, there will still be expenses and fees payable (for example legal fees and valuation fees) and these will be paid from the Company's cash reserves and/or via special levies, if necessary.

Some costs have been incurred to date, for example legal fees associated with assisting the Board to prepare the notice of the special general meeting, and if Resolution 7 is not passed, such costs may need to be funded via the issue of a special levy to members. If Resolution 7 is passed (even if the other Resolutions are not), the Company's cash reserves will be utilised to pay these costs.

Why is this process necessary? Can the Company rely on the powers of attorney and escrow deeds provided by members to facilitate the sale of the Property?

No. While the power of attorney and escrow arrangements would enable the Company to sign transfer forms on behalf of those members who have lodged certificates of title, powers of attorney and deeds of escrow to facilitate the sale of their interests in the Property, the Company does not hold a power of attorney, escrow deed or title certificate for a several members. Accordingly, it is necessary to implement the process described in the Proposal to achieve the sale of the Property and winding up of the Company.

Resolution 1 seeks approval to apply to Court for various orders, including an order for certificates of title to be delivered to the Trustees or for Trustees to be granted control of those titles, now that certificates of title are all electronically recorded and paper titles are no longer required.

Will members still be able to exchange their accommodation entitlement for accommodation in other resorts through an exchange company?

Yes. Members will be able to utilise the services of an exchange company, such as 7 Across or RCI, until members cease to have an entitlement to occupy Apartments (i.e. upon termination, surrender or disposal of the Company's lease over the Property).

If the Property is sold, how will Net Proceeds be distributed to members?

If the Resolutions are passed and the Trustees are successful in selling the Property, we will write to members to obtain bank account details to facilitate the electronic transfer of a member's share of Net Proceeds directly to their account. Members who do not provide bank account details or whose bank account details are incorrect will be sent a cheque to the current address the Company has for that member. Therefore, if your address changes you should notify the Company of your new address.

If cheques are returned, the Company will seek to pay those monies to Court as unclaimed monies or otherwise in accordance with legal advice or the directions or orders of the Court.

For those members who are in default and owe money to the Company, it is proposed that orders be obtained authorising the Trustees to hold the Net Proceeds of each defaulting member (up to the amount of the debt owed to the Company) and permitting the Company to seek an enforcement warrant (garnishee order) directing the Trustees pay from the Net Proceeds held for a defaulting member the money owed by the defaulting member to the Company. Any Net Proceeds attributable to a defaulting member in excess of the amount they owe to the Company will be paid by the Trustees to the member or, if the Trustees agree, as the member directs in the same manner as described above.

What are the tax considerations for members?

Members should seek their own professional tax advice based on their specific circumstances.

However, as a general position for members who are Australian resident taxpayers, if the member's share of Net Proceeds received from the sale of the Property and winding up of the Company are more than the amount the member initially paid for their weeks and tenant-in-common interest, a capital gains tax (CGT) liability may arise. Conversely, if a member's share of Net Proceeds is less than the amount paid by a member, the member may realise a capital loss which they can offset against other capital gains they may have. The CGT regime was implemented in Australia on 20 September 1985 and members who held weeks and tenant-in-common interests prior to that may not have any CGT liability.

Glossary

Term	Definition
Applicant Members	means Grahame Wesley Edgell and Ramy Filo or, if either or both of them are unable or unavailable to act, such other member or members as determined by the Board
Board	means the Company's board of Directors.
Company	means Korora Bay Village Ltd ACN 001 779 200.
Conveyancing Act	means *Conveyancing Act 1919* (NSW).
Corporations Act	means *Corporations Act 2001* (Cth).
Court	means the Supreme Court of New South Wales or any other applicable court.
Director	means a director of the Company.
Net Proceeds	means proceeds from the sale of the Property net of the costs of, and taxes payable in connection with, such sale.
Proceedings	means an application to the Court pursuant to section 66G of the Conveyancing Act to appoint trustees of the Property, to vest the Property in such trustees to be held by them on statutory trust for sale, to obtain ancillary orders to effect the Proposal, and to obtain orders for the winding up of the Company.
Property	means the Resort property at 64 James Small Drive, Korora, New South Wales, being Lot 1 Deposited Plan 550722.
Proposal	means the proposal for the Property to be sold and the Company wound up as described in the notice of extraordinary general meeting and explanatory memorandum.
Resolutions	means resolutions 1 to 6 set out in the notice of extraordinary general meeting and Resolution means any one of them as the context requires.
Resort	means Korora Bay Village Resort, the resort located on the Property.
Resort Manager	means the Resort Manager employed by the Company.
Trustees	means the persons intended to be appointed as trustees for the purposes of section 66G of the Conveyancing Act, being Mr Thorn and Mr Tonks or such other persons selected by the Board who are willing and available to act and are acceptable to the Court.

Proxy Form

KORORA BAY VILLAGE LIMITED

ACN 001 779 200

All correspondence to: PO Box 6095
COFFS HARBOUR PLAZA NSW 2450

Appointment of Proxy

I/We, ____

Of, ____

Being financial members of Korora Bay Village Limited you are entitled to attend and vote and hereby appoint:

☐	The Chairman Of the Meeting (mark with an "X")	OR	☐	Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Club to be held on the 28th May 2022 at The Jetty Room, Pacific Bay Resort, Cnr of Pacific Highway and Bay Drive, Coffs Harbour, New South Wales, and at any adjournment thereof.

Voting Instructions

Your proxy will determine how to cast the vote or you may abstain from voting.
If you appoint the Chairman of the meeting as your proxy he/she will vote in accordance with the recommendation of the Board.
Voting directions to your proxy – please mark *X* to indicate your directions

		For	Against	Abstain
Resolution 1	By way of ordinary resolution, and subject to all other resolutions being passed, to approve the following members (**Applicant Members**), who have been nominated by the Board, to act as applicants in an application to the Supreme Court of New South Wales (Court) pursuant to section 66G of the Conveyancing Act 1919 (NSW) (**Conveyancing Act**) to appoint trustees for sale of 64 James Small Drive, Korora, New South Wales 2450 being Lot 1 in DP 550722 (**Property**) and to obtain the ancillary orders referred to in Resolution 5 (**Proceedings**): (a) Grahame Wesley Edgell of 'Somerton Park' 189 Jerrys Meadow Road, Sodwalls NSW 2790; and (b) Ramy Filo of 1023/2-14 The Esplanade, Burleigh Heads QLD 4220, or if either or both Applicant members are unable or unavailable to act, such other member or members as determined by the Board.	☐	☐	☐
Resolution 2	By way of special resolution, and subject to all other resolutions being passed, that: (a) the Applicant Members be authorised to apply to the Court seeking orders: (i) that Simon Thorn of PKF Newcastle, 755 Hunter Street, Newcastle NSW 2302 and Brad Tonks of PKF Sydney, 8/1 O'Connell St, Sydney NSW 2000 (or if they are unable or unavailable to act, or are not appointed by the Court, such other suitably qualified and experienced person(s) selected by the Board who are willing and available to act and acceptable to the court) (**Trustees**) be appointed trustees of the Property under section 66G of the Conveyancing Act and that the Property vest in the Trustees, to be held by them on statutory trust for sale; (ii) relating to the service of the material for the Proceedings on the members including, for example that service of the material is taken to have occurred on the happening of a specified event or at the end of a specified time (such as, that the Court application be served on members via posting to the last postal address and	☐	☐	☐

emailing to the last electronic address provided by the member to the Company, with deemed receipt to occur at a time determined by the Court);

(iii) relating to the vesting of the Property in the Trustees including, for example, that:

a. all certificates of title relating to any member's tenant in common interests in the Property which are held in escrow by the Company, or its agents, pursuant to clause 5.5(c) of the Company's constitution be delivered to the Trustees;

b. that an order be made pursuant to section 138 of the *Real Property Act* 1900 (NSW) directing the Registrar-General to register the vesting of the Property in the name of the Trustees without being required to deposit the members' certificates of title with the NSW Land Registry Services;

c. the Trustees be registered as proprietor of the Property; and

d. the Trustees take all steps necessary to amalgamate and consolidate the title relating to the Property;

(iv) the Trustees have power to execute a surrender of, or to terminate or otherwise dispose of, the lease to the Company, as lessor, as and when they consider appropriate for the purposes of or related to the sale of the Property;

(v) relating to the proportionate distribution of any proceeds from the sale of the Property net of the costs of, and taxes payable in connection with, the sale (**Net Proceeds**) including, for example, orders to the effect that each member's proportionate share of the Net Proceeds be paid in the following manner:

a. where the member has a debt to the Company:

i. firstly, an amount sufficient to discharge the member's debt to the Company is to be retained and paid by the Trustees pending receipt of an enforcement warrant (garnishee order) authorising their redirection to the Company in discharge of that member's debt; and

ii. secondly, the balance (if any) remaining after retention of any amount equal to the member's debt owing to the Company is to be paid by the Trustees directly to the member;

b. where the member has no debt to the Company, the member's full proportionate share of the Net Proceeds is to be paid by the Trustees directly to the member;

c. where the Trustees are left with unclaimed funds belonging to members who cannot be located, for such funds to be paid into Court so that the Trustees can be released and discharged from their duties by the Court;

(vi) where the member has a debt to the Company, the Company be permitted to seek an enforcement warrant (garnishee order) under Rule 39.34 of the *Uniform Civil Procedure Rules 2005* (NSW) authorising redirection from the Net Proceeds payable to the member all monies owing by the member to the Company;

(vii) that pursuant to section 461 of the *Corporations Act 2001* (Cth), after completion of the sale of the Property and distribution of sale proceeds, the Company be wound up by the Court; and

(viii) without limiting the orders above, comprise such varied or additional orders as the Applicant Members consider to be reasonably necessary to implement the Proposal.

Resolution 3 By way of ordinary resolution, and subject to all other Resolutions being passed that:

For ☐ Against ☐ Abstain ☐

(a) The Property be offered for sale to prospective buyers as the Trustees may determine, including by way of public auction, invitations for tender or private treaty on terms and conditions approved by the Trustees; and

(b) The Trustees are requested to have regard to the members' wishes that the sale price be at least ninety per cent (90%) of the highest and best possible market value determined, no more than 12 months prior to the date a contract for the sale of the Property is entered into, by an independent valuer appointed by the Trustees.

Resolution 4 By way of ordinary resolution, and subject to all other Resolutions being passed that the Board be authorised to surrender, transfer or otherwise dispose of, as required, and for such consideration as it may deem appropriate, the Resort lease between the Company, as lessee, and the members in respect of the Property, on a date and on terms and conditions determined by the Board, subject to a contract for the sale of the Property being entered into prior to termination, surrender or disposal.

For ☐ Against ☐ Abstain ☐

Resolution 5 By way of ordinary resolution, and subject to all other Resolutions being passed that the Board be permitted to offer for sale, or otherwise dispose of, the Resort assets (including any real property, furniture and equipment) owned by the Company in relation to the operation of the Resort, on such terms and conditions, including price, as the Board may determine, subject to a contract for the sale of the Property being entered into prior to, or in conjunction or contemporaneously with the sale of disposal of the Resort assets.

For ☐ Against ☐ Abstain ☐

Resolution 6 By way of ordinary resolution, and subject to all other Resolutions being passed:

For ☐ Against ☐ Abstain ☐

(a) to appoint the Company as agent of members for the purpose of undertaking the Proposal and specifically to implement the Resolutions; and

(b) the Company be authorised to do anything incidental to or reasonably necessary to carry out the Proposal including, for example, making any further applications to the Court, or appealing any decision in the Proceedings if the Board considers it appropriate to do so (after obtaining and considering legal advice).

		For	Against	Abstain
Resolution 7	By way of ordinary resolution, the Board be authorised to apply funds held in the cash reserve to meet fees and expenses of, or reasonably incidental to, the Proposal, including fees and expenses incurred prior to the meeting.	☐	☐	☐

Appointing a second Proxy *I/We wish to appoint a second proxy.* Mark with an "***X***" if you wish to appoint a second proxy ☐

PLEASE SIGN HERE This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Registered Member 1	Registered Member 2	Registered Member 3
Individual/Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Date: ____________________________

How to complete the Proxy Form

Your Address
This is your address as it appears on the company's share register which is the address of the AGM correspondence. If this information is incorrect, please provide your current address as indicated and mark with an asterisk "*".

Appointment of Proxy
If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a registered member of the Club. The proxy will be ineffective if the form is not dated.

Votes on Items of Business
You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your share holdings will be voted in accordance with such a direction. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy
You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the resort or you may copy this form.

To appoint a second proxy you must:

(d) indicate that you wish to appoint a second proxy by marking the box.

(e) on each of the first Proxy Form and the second Proxy Form state the number of registered share holdings applicable to that form. If the appointments do not specify the number of votes that each proxy may exercise, each proxy may exercise half of your votes. Fractions of votes will be disregarded.

(f) return both forms together in the same envelope.

Signing Instructions
You must sign this form as follows in the spaces provided:

Individual:	where the membership is in one name, the member must sign.
Joint:	where the membership is in more than one name, either or both members can sign.
Companies:	where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the resort.

Lodgement of a Proxy
This Proxy Form must be received by no later than 3.00 pm Thursday, 26th May 2022 at the address given below which is no later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

- By posting delivery, facsimile or email using scanning capabilities to Korora Bay Village Limited.
- Address: PO Box 6095, Coffs Harbour Plaza, NSW, 2450
- Facsimile: 02 66 536486 (Australian members)
- Facsimile: 61 2 66 536486 (Overseas members)
- info@kororabayvillage.com.au

PLEASE MAKE YOUR VOTE COUNT AND RETURN YOUR PROXY FORM