



MEMBERS UPDATE

DECEMBER 2018

PROPOSED RESIDENTIAL DEVELOPMENT EDEN GARDENS COUNTRY CLUB

The purpose of this Members Update is provide our members with the much awaited information on the current situation in relation to intention to construct a seniors retirement development for a portion of the freehold land holdings at the Eden Country Club.

As announced at the Annual General Meeting held in August this year, the Board has been pursuing a number of development proposals since June 2017. (Indeed, this issue dates back the over three decades .)

In that time, the Club has received THREE development offers, two of which were rejected earlier this year as they did not pass the due diligence standards required by the Club Board and advisors, despite having significant merit.

In May of this year, the Board granted developer " Lincoln Place " and exclusive 90 day period in which to formulate and present their development proposal to the Club at which time we have now received and reviewed at length.

Although similar in nature and composition to the earlier development proposals, the Lincoln Place proposal has been fully researched by an independent market research firm and so far to date has meet with the all required legal and probity requirements asked of the Club as regards the security and safeguards required for the Club to enter such an agreement that would meet in the Board's view , member approval.

As some members would be aware from management's public statements, the Club encountered a significant set back in August of this year when unexpectedly, the NSW Forestry Commission reversed it's earlier obtained consent to grant the Club use of decommissioned forest lands which adjoins the North West portion of the existing golf course.

This land area (DP 11814871651) would have accommodated up to six new fairways to be built and relocated from the existing course layout and effectively allowed the Club the bulk of it's freehold lots which are located upon the Northern corner of the Princes Highway (lots

1 & 2) and effectively represents approximately 9.8 Hs of freehold land for residential development .

Under the initial planning proposals, this site would have accommodated up to a maximum of 220 individual seniors/ retirement unit sites over the course of the development lifetime.

The NSW Forestry commission's decision has forced the club to now revise both the available land area for the development (approximately reduced the available land by 4.3Ha) and also resulted in fewer golf holes now being required to be relocated.

By the same token, the potential return on investment to the Club has been significantly reduced and this is presently the focus of management's attention as we are now for the first time in position to independently access the financial benefits of the proposal and determine if the business case provides sufficient validation to proceed.

The Club is and continues to lobby both our local member (Andrew Constance - Member for Bega) and the Minister for Forestry - Hon Paul Toole office directly in seeking a meeting in which to resolve the issues with the access to the forestry lease. As early as this week we have finally received confirmation from the Minister that his office is now investigating the issues at hand and is attempting to seek a resolution to overcome this issue .

Should, the Minister be able to resolve the land lease problem , it will NOT affect the current land proposal , however the Club and the developer have agreed to revisit a future extended development on site should a forest lease be obtained into the future.

In terms of the current proposal, Management can now provide the members with a current summary.

- The development consists of a partial subdivision and sale of 16 freehold residential house land packages. (To be built constructed along Storey Avenue).
- A seniors life style residential community will be constructed comprising up to 115 individual lots and villas. (ranging from 2 bedroom to 2 bedroom with study of approx 180sqm to 220 sqm in size.)
- The seniors villa estate will be offered to market on a land rent basis whereby the Club will retain permanent ownership of the land and receive a perpetual rental income stream. The Storey Avenue lots will be under a Torrens Title scheme and the Club will receive both an agreed value of the land sale and share of the development profit proceeds upon sale.
- The Club has now received the proposed Development contracts and extensive discussions between both parties and the Club's executive committee have been conducted over the past two months with the legal documentation now at " In Principal Agreement ". Both the Club and our legal advisors are satisfied that

agreements both comply and provide the Club with satisfactory risk and comfort as to meet Club Industry standards of Due Diligence.

- The Club and the developer will operate an equal share joint venture company to operate the seniors / life style estate and share the ongoing profits derived from that company.
- The Developer will provide an agreed sum of project funds to refurbish the existing the Club house so that “ Shared “ community facilities can be accessed by the residential community.
- The development is expected to generate up to 220 permanent new residents on site, many of which we anticipate to become golf and bowling club members.
- The initial project costs of construction is approximately \$ 46 Million dollars , will take up to five years to complete and generate in the vicinity of 30 new or equivalent full time positions .
- The developer is presently seeking Expressions of interest from local South Coast trades and business to undertake the bulk of construction related services eg.. civil works, electrical, hydraulics , roads etc..
- Up to 2 existing fairways will be located. Preliminary golf redesign plans have been made and presently , if not very shortly the project management team will issue tender documents to formally engage suitably golf services architects and engineers to plan for the proposed works.
- Under the proposed development agreement, the developer will advance the Club a secured loan to fund the golf works (repayable from future profits) so that the golf course can be modified retaining the 18 holes in play) before residential construction commences to avoid any significant interruption to member activities.
- The Club does not , nor has it, to-date identified within the planning proposal to suggest any major interruption to wither the Country Club normal business operations nor golf and bowls activities during the construction years (2020-2025).
- Subject to final member approval, the Club anticipates to have the Development Application for both the residential estate/s and golf course lodged to LGA in February 2019, and planning approval issued by October 2019.
- Work is presently underway accessing the projected profit and income yields as proposed by the developer and these will be announced at the appropriate time.

The Board is presently proposing to call a General Meeting of members sometime middle of February 2019 to seek final member support to execute the Project Management Agreement with Lincoln Place.

If approved , the developer will then commences Planning approval and issue sub contractor contracts to formally initiate the commencement of the development.

Management will be planning to conducted a minimum of two Member Information presentation meetings in January (23rd and 24th) at which time more detailed disclosures will be provided along with senior representatives from Lincoln Place to answer and address any issues raised by the public prior to the General Meeting.

In closing, I would like to add this has been a long and arduous process , however both I and Board believe the current proposal is the best and most appropriate outcome for the Eden Fishermen's Club and indeed the Eden community without placing the Company's and the members interests in harms way.

The success of this development will pave the way for the next future generation of members for our club and provide immediate short term financial stability to our club and allow us to finally upgrade our aging buildings , provide new modern services and amenities and transition our core club business to accommodate the new tourism boom for years to come.

Once again, we seek all our members support to finally make the club's long term vision a reality and secure the next generations of members enjoyment of this great club.

A handwritten signature in blue ink, appearing to read 'Andrew Terry', is positioned above the typed name.

Andrew Terry

CEO

For and on behalf of the Board of Directors.

Masterplan: LLC



EDEN GOLF & COUNTRY CLUB
CONCEPT LAYOUT PLAN #7

