

## **SECTION C . REPORT**

### **REPORT PART C1. INVESTIGATE THE PROCESSES REQUIRED TO SELL THE RESORT.....**

#### **C1.1. Summary**

This part of the Report explains the process required to sell a mixed-use Unit Title resort as a single property.

The resort includes the following Principal Units all held under the **Unit Titles Act 2010**.

- Timeshare Principal Units .
- Non-Timeshare Principal Units . One Title per Unit
- Future Development Units (FDUs) One title per Unit.

( Note Timeshare Principal Units and Non Timeshare Principal Units are the same under the Unit Titles Act . Where they differ is Timeshare Units have multiple ownership and are subject to Timeshare Leases, Non Timeshare have singular ownership and no Timeshare Lease)

The sale process requires:

- Agreement from a wide range of owners
  - Careful legal compliance
  - Clear communication and fair distribution of sale proceeds
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#### **C1.2. Purpose of the Report**

This report aims to:

- Explain the ownership structure in simple terms
  - Set out the steps required for a full sale
  - Highlight key risks and decision points
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#### **C1.3. Description of the Property**

##### **3.1 Unit Types Within the Resort**

The resort is made up of three types of Principal Units:

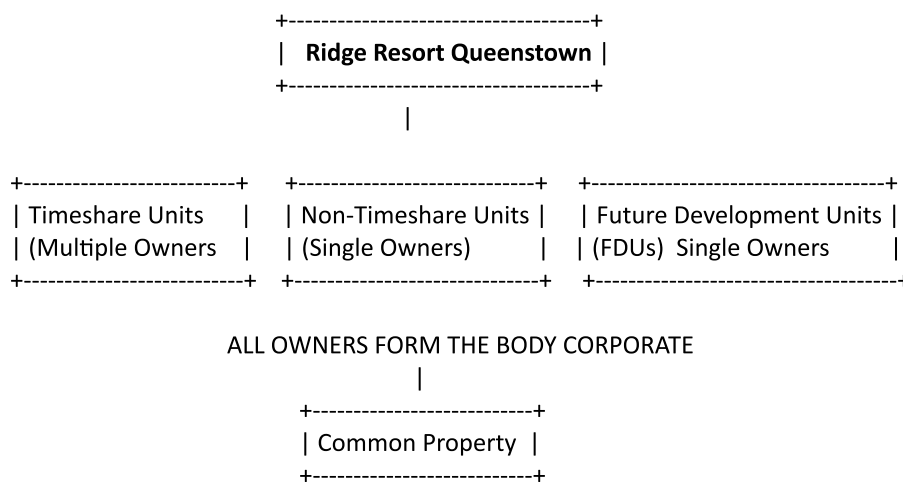
- **Timeshare Units**  
Owned by multiple people, each holding subsequent rights for certain time periods. Fifty one titles, each title equates to one week’s usage.
- **Non-Timeshare Units**  
Owned by a single individual or entity . One title , full time occupation
- **Future Development Units (FDUs)**  
Unbuilt Units specified for potential future development . One title

### 3.2 Governance Structure

All title owners are members of the Body Corporate. They elect a Body Corporate Committee which:

- engages a manager for the property
- oversees common property
- makes decisions under the Unit Titles Act
- has responsibilities under The Timeshare Lease

### C1.4. Ownership Structure Diagram



### C1.5. Legal Framework

The process is governed by:

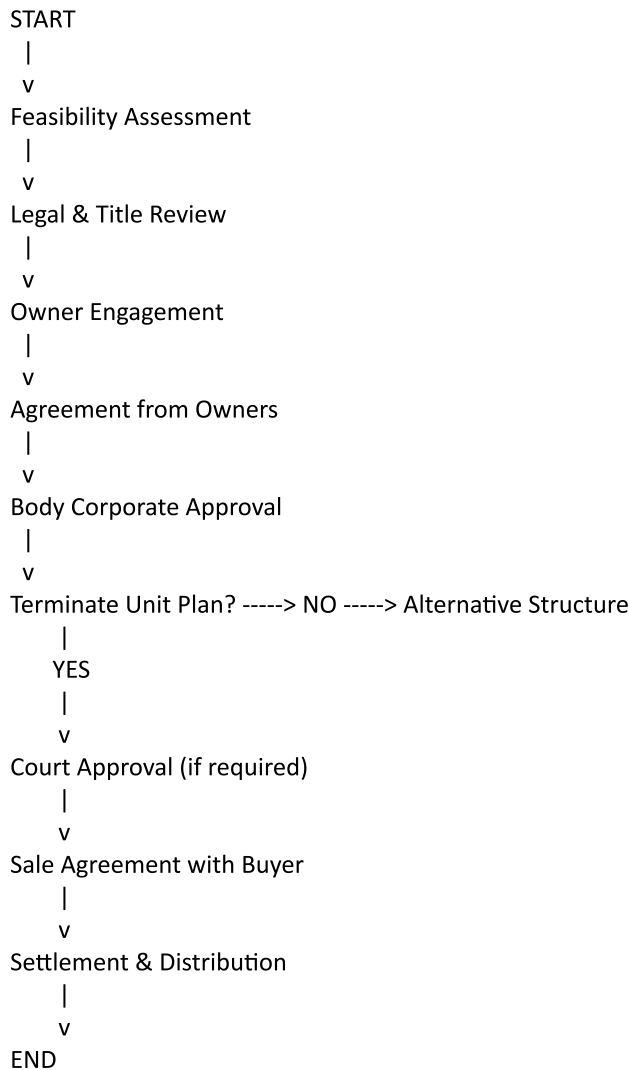
- The **Unit Titles Act 2010**
- Body Corporate operational rules
- Timeshare scheme documentation ( Timeshare Lease & Pooling Deeds)
- Individual unit titles

Decisions typically require:

- Majority (50%) or Special Resolutions (75% , both of Timeshare and Non Timeshare) depending on type of resolution
  - Proper notice and voting procedures
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## C1.6. Process Overview

### 6.1 Flowchart



## C1.7. Detailed Process Steps

### 7.1 Step 1 – Feasibility Assessment

- Confirm buyer interest
- Estimate likely sale value
- Consider returns for all unit types, including FDUs, as part of the whole

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## 7.2 Step 2 – Legal and Title Review

A lawyer should:

- review all Principal Unit titles
- check voting rights and ownership interests
- confirm requirements across:
  - Timeshare units ( Timeshare Lease, Pooling Deed )
  - Non-timeshare units
  - FDUs

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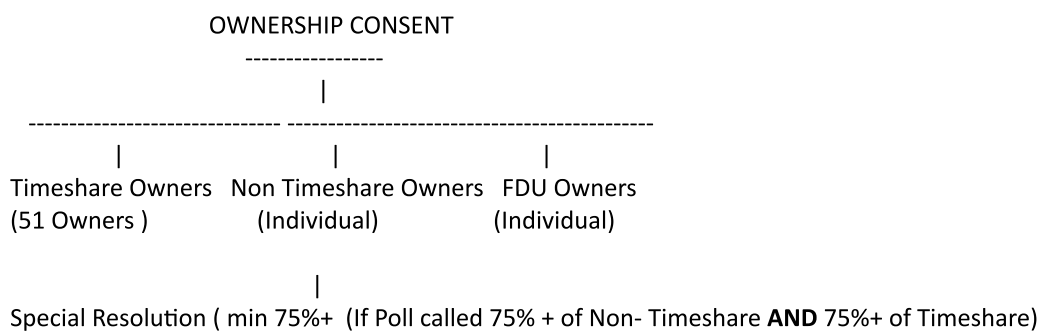
## 7.3 Step 3 – Owner Engagement

- communicate clearly with all owners
- provide simple explanations but backed with a full detailed plan.
- ensure all groups are included in discussions and treated fairly
- returns backed by Independent Valuation advice.

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## 7.4 Step 4 – Obtain Owner Agreement

### Consent Structure Diagram



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## 7.5 Step 5 – Body Corporate Approval

- Formal meeting held
- Voting carried out under legal rules
- May require special resolution

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## 7.6 Step 6 – Termination of Unit Plan

If the goal is to sell the resort as a single property:

- The unit plan will need to be terminated, unless a purchaser was to get agreement from each and every owner to transfer them their existing Unit Title.
- All unit types are included in this process
- Sections 177–189 of the Unit Titles Act (UTA) provide for the cancellation of a Unit Development

While the legal threshold is 75% support other timeshares following a similar process have been advised that support of over 90% results in expedited implementation and reduced costs.

### Diagram: Before and After

BEFORE:

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| Multiple Unit Titles           |  
(All Unit Types Included)

AFTER:

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Single Freehold Title

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## 7.7 Step 7 – Sale Agreement

- Agreement includes all units
- Price reflects the property as a whole
- Conditions may include:
  - Owner approvals
  - Legal completion steps
  - Due diligence

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## 7.8 Step 8 – Settlement and Distribution

### Funds Flow Diagram

Buyer Pays Purchase Price

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Settlement Account

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| Distribution to All Owners based on the predetermined Plan   |  
- Timeshare , Non-Timeshare and FDU

## **C1.8. Key Risks**

- **Insufficient agreement from owners**
  - **Legal complexity and compliance issues**
  - **Disputes over value and distribution**
  - **Time delays in decision-making**
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## **C1.9. Recommendations**

Selling the **Ridge Resort Queenstown** as a whole requires:

- A clear understanding of all unit types
- Early Legal input
- A detailed plan
- Strong owner engagement
- Compliance with the Unit Titles Act 2010
- A fair, equitable and transparent process

All components of the resort—including timeshare units, non-timeshare units, and future development units—form part of a single integrated property and should be treated accordingly throughout the sale process.

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## **C1.10. Conclusion.**

This outline does not imply that private or non-timeshare owners could ever be compelled to sell their property. Any future plan would require thorough navigation and consultation prior to any proposal to discontinue the current Unit Plan, ensuring that a satisfactory alternative is provided for the owners of the eleven Non-Timeshare Unit owners and the two Future Development Unit.

Additionally, survey data shows that over 25% of Timeshare Owners surveyed intend to continue utilising The Ridge for at least five more years.

The process of relieving current timeshare owners of their obligations—such as the annual levy and ongoing maintenance costs—is inherently complex. Addressing the legal requirements of the Unit Titles Act and other land ownership matters will require considerable time and effort. However, this document initiates a systematic and professional review. The team responsible for this document is confident in the feasibility of restructuring the current ownership model into one that is more manageable while also offering options for those wishing to divest earlier than others.

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