

BBX PROPERTY INVESTMENT FUND LIMITED

ACN 118 847 108

NOTICE OF GENERAL MEETING

EXPLANATORY STATEMENT

PROXY FORM

Date of Meeting:

Thursday, 14th May 2009

Time of Meeting:

10.30am (Sydney time)

Place of Meeting:

916 Pacific Highway,
Gordon, NSW 2072

BBX PROPERTY INVESTMENT FUND LIMITED ACN 118 847 108

NOTICE OF GENERAL MEETING

Thursday, 14th May 2009 at 10.30am

NOTICE is hereby given that a General Meeting of shareholders of BBX Property Investment Fund Limited ACN 118 847 108 ("the Company") will be held at 916 Pacific Highway, Gordon on 14th May 2009 at 10.30am, for the purpose of transacting the following business referred to in this Notice of General Meeting.

An Explanatory Statement containing information in relation to each of the following Resolutions accompanies this Notice of General Meeting.

BUSINESS:

Resolution 1 – Authorise Public Share Issue

To consider and, if thought fit, pass the following resolution as an **ordinary** resolution:

"That, for the purpose of Section IIA (Equity Securities) Listing Rule 6.25 of the Listing Rules of the National Stock Exchange of Australia Limited ("NSX") and for all other purposes, shareholders approve the issue of up to 2,000,000 fully paid ordinary shares at an issue price of \$1.00 and the issue of up to 8,000,000 "B" Class shares at an issue price of One BBX Trade Dollar (BBX\$1.00) at any time within a period of 3 months after the date of a Prospectus to be issued and recently lodged at the Australian Securities and Investments Commission in accordance with Chapter 6D of the Corporations Act 2001 (Cth) and otherwise on the terms set out in the Explanatory Statement accompanying this Notice of General Meeting."

See Notes below for Voting Exclusion Statement.

Resolution 2 - Section 195 Approval

To consider, and if thought fit, pass the following resolution as an **ordinary** resolution:

"That, for the purposes of section 195(4) of the Corporations Act 2001 (Cth) and for all other purposes, shareholders approve and authorise the Directors to complete all or any of the transactions as contemplated in this Notice of General Meeting."

See Notes below for Voting Exclusion Statement.

By Order of the Board

TIM CREASY
Company Secretary

NOTES

These Notes form part of the Notice of General Meeting.

Members entitled to attend and vote at the General Meeting

In accordance with the Company's Constitution and the Corporations Regulations 2001, the Board of Directors have determined, for the purpose of voting at the meeting, shares will be taken to be held by the person set out in the register of shareholders at 5.00pm (EST) on 7th May 2008. Transactions registered after that time will be disregarded in determining the shareholders entitled to attend and vote at the meeting.

Voting Exclusion Statement

Under Section IIA Listing Rule 6.46, the Company will disregard any votes cast on the resolutions by the following persons:

Resolution 1 : There are no persons to be excluded

Resolution 2 : There are no persons to be excluded

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Questions

If you have any questions about this Notice or the accompanying documents, please contact the Company Secretary, Tim Creasy on +61 2 9499 1118 or by fax on +61 2 9499 1199.

If you are planning to attend the General Meeting and have any questions you would like addressed, please register those questions in writing with the Company.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of shareholders in connection with the business to be conducted at the general meeting of the Company to be held at 916 Pacific Highway, Gordon, on 14th May 2009 at 10.30am.

The purpose of this Explanatory Statement is to provide information the Board of Directors believes is material to shareholders in deciding whether or not to pass the resolutions in the Notice of General Meeting and in order to comply with Listing Rule 6.48 in Section IIA of the NSX Listing Rules.

The Explanatory Statement explains the resolutions and identifies the Directors' reasons for putting them to shareholders.

1. GENERAL

1.1 Introduction

The Company proposes to raise up to \$10,000,000 (prior to associated costs) pursuant to an offer to the public of up to 2,000,000 Ordinary shares and up to 8,000,000 "B" Class shares which will be the subject of a prospectus lodged at the Australian Securities and Investments Commission in accordance with the Corporations Act.

1.2 Use of Funds

As a result of the issue, the Company may raise up to \$9.85 million (after associated costs). The funds will be used to acquire, invest and manage real property.

The minimum cash amount to be raised under the share issue is AUD\$200,000.

The issue is not wholly or partly underwritten.

1.3 Timetable

The proposed timetable for completion of the share issue is below.

Lodgement of Prospectus with ASIC and NSX	30 April 2009
Opening date for acceptance of Offers ("opening date")	15 May 2009
Closing Date for acceptance of offers ("Closing Date")	31 July 2009
Dispatch of Holdings Statements for New Shares	7 August 2009
New shares quoted	10 August 2009

Subject to the Listing Rules, the Directors reserve the right to close the offer early or to extend the Closing Date for the share issue. Any change in the Closing Date will have a consequential effect on the expected date for allotment and issue of the new shares.

A Prospectus for the offers of shares will be made available when the shares are to be offered. Any person who wishes to acquire shares pursuant to the offer will need to complete an application form that will be in or accompany the Prospectus. Any person who wishes to obtain a copy of the Prospectus and application form should contact the Company Secretary, Tim Creasy on +61 2 9499 1118 or by fax on +61 2 9499 1199 or by writing to The Secretary, BBX Property Investment Fund Limited at 916 Pacific Highway, Gordon NSW 2072 or sending a fax to +61 2 9499 1199.

It is proposed to lodge the Prospectus at ASIC prior to the general meeting in order to enable the Company to proceed with the offers as soon as practicable. Subject to the expiration of the applicable ASIC exposure period and the passing of the shareholder resolutions, copies of the Prospectus will then be distributed. No applications for shares pursuant to the offer under the proposed Prospectus (and no application monies) will be accepted unless and until all of the motions presented to shareholders at the general meeting have been passed. The Prospectus contains statements to this effect.

As soon as the outcome of the general meeting is known, an announcement will be made to the National Stock Exchange of Australia Limited. However, it is not presently intended to lodge a supplementary or replacement prospectus when such resolutions are passed as it is considered that the passing of such resolutions would **not** be a 'new circumstance' arising since the date of lodgement of the Prospectus (within the meaning of Section 719(1)(c) of the Corporations Act) which is materially adverse from the point of view of an investor.

2. Resolution 1 - Authorise Public Share Issue

2.1 General

The Company proposes to make an offer to the public of up to 2,000,000 fully paid Ordinary shares and up to 8,000,000 "B" Class shares - refer to the timetable in Section 1.3.

The Company will accept BBX Trade Dollars for payment for the issue of "B" Class shares only. To be eligible to subscribe for "B" Class shares, applicants must be an existing member (or have made an application to become a member of) the BBX Exchange.

The share issue will be completed by means of an offer under the Prospectus.

2.2 Reason for Resolution 1

Resolution 1 seeks shareholder approval pursuant to NSX Listing Rule 6.25 for the Directors to issue up to 2,000,000 fully paid Ordinary shares and up to 8,000,000 "B" Class shares. Without such approval, the Board of Directors of the Company does not have the power under Listing Rule 6.25 to issue such number of shares.

Listing Rule 6.25(1) restricts the Company's ability to issue equity securities in certain circumstances, unless approval is obtained from the shareholders. The effect of passing Resolution 1 will be to allow the Directors to issue up to 2,000,000 new fully paid ordinary

shares and up to 8,000,000 new fully paid "B" Class shares during the 3 months after the meeting, or a longer period, if allowed by NSX, without utilising any of the Company's 15% placement capacity under NSX Listing Rule 6.25 (1).

2.3 Specific Information Required by NSX Listing Rule 6.25

For the purposes of NSX Listing Rule 6.25, information regarding the share issue is provided as follows:

- (a) The maximum number of new fully paid Ordinary shares the Company can issue under the offer is 2,000,000 and the maximum number of fully paid "B" Class shares the Company can issue under the offer is 8,000,000.
- (b) The Company intends to raise up to AUD\$2,000,000 and BBX\$8,000,000 from the issue of the new shares.
- (c) The new shares will be issued progressively, no later than three (3) months after the date of the prospectus.
- (d) The new Ordinary shares will be issued by the Company for AUD\$1.00 each and the "B" Class shares for BBX\$1.00 (one BBX Trade Dollar) each.
- (e) The shares will be fully paid Ordinary shares and/or fully paid "B" Class shares in the capital of the Company and will rank equally with the Company's current issued fully paid Ordinary or "B" Class shares respectively.
- (f) The Company intends to use the funds raised from the share issue to acquire, invest and manage real property.

A voting exclusion statement is included in the Notice of Meeting.

2.4 Timetable

The timetable for completion of the share issue is in Section 1.3 of the Explanatory Statement.

3. Resolution 2 - Section 195 Approval

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered. NSX Listing Rule 6.46 is in similar terms.

Approval of Resolution 1 in the Notice may result in each of the Directors having a "material personal interest" in the subject of those Resolutions in that any Director, along with any member of the public, is free to subscribe to new shares pursuant to the Prospectus. In the absence of this Resolution 2, the Directors would not be able to form a quorum at any meetings necessary to carry out the transactions contemplated by this Notice or to participate in Board discussions or vote in relation thereto.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the matter to shareholders to resolve upon in order to enable them to deal with the matter.

4. Action to be Taken by Shareholders

Shareholders should read this Explanatory Statement carefully before deciding how to vote on the resolutions.

A Proxy Form is attached to the Notice. This is to be used by shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All shareholders are invited and encouraged to attend the meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions provided. Lodgement of a Proxy Form will not preclude a shareholder from attending and voting at the meeting in person.

Schedule 1 – Definitions

In this Explanatory Statement and Notice:

Article means an article of the Constitution.

Associate has the same meaning as provided by the Corporations Act 2001 (Cth).

ASIC means the Australian Securities and Investments Commission.

"B" Class share(s) means a fully paid "B" Class share in the capital of the Company.

BBX\$ means BBX Trade Dollars.

BBX Trade Dollar means the currency of the BBX Exchange.

Board means the Board of Directors of the Company.

Company means BBX Property Investment Fund Limited ACN 118 847 108.

Constitution means the Constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

EST means Eastern Standard Time, being the time in Sydney, New South Wales, Australia.

Explanatory Statement means the Explanatory Statement accompanying the Notice.

Listing Rules means the Official Listing Rules of NSX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this Notice of Meeting.

NSX means the National Stock Exchange of Australia Limited.

Ordinary Share(s) means a fully paid Ordinary share in the capital of the Company.

Prospectus means the prospectus pursuant to the Corporations Act to be lodged by the Company with the ASIC and pursuant to which the offers are made for the new share issue.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Share(s) means a fully paid Ordinary share(s) or a fully paid "B" Class share(s) in the capital of the Company.

Shareholder means a shareholder of the Company.

PROXY FORM

BBX PROPERTY INVESTMENT FUND LIMITED

ACN 118 847 108

General Meeting

Proxy Form

All correspondence to:

Registries Limited

GPO Box 3993

Sydney NSW 2001

Enquiries: 61 2 9290 9600

Facsimile: 61 2 9290 9655

www.registries.com.au

registries@registries.com.au

☐

Mark this box with an 'X' if you are Issuer Sponsored and want to make any changes to your address details (see reverse)

BBX Holdings Limited

916 Pacific Highway

GORDON NSW 2072



S00015545046

Appointment of Proxy

If appointing a proxy to attend the General Meeting on your behalf, please complete the form and submit it in accordance with the directions on the reverse of this page.

I/We being a shareholder/shareholders of BBX Property Investment Fund Limited pursuant to my/our right to appoint not more than two proxies, 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.

or failing him/her

Write here the name of the other person you are appointing.

or failing him/her, (or if no proxy is specified above), the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the General Meeting to be held at **916 Pacific Highway, Gordon NSW at 10.30am, Thursday 14 May 2009** and at any adjournment of that meeting.

This proxy is to be used in respect of _____ % of the ordinary shares I/we hold.

☐

If you do not wish to direct your proxy how to vote, please place a mark in the box. If you have appointed the Chair of the meeting to exercise your proxy, by marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of a particular resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chair intends to vote 100% of all open proxies in favour of the resolution.

Voting directions to your proxy – please mark ☒ to indicate your directions

RESOLUTION	For	Against	Abstain *
1. Authorise Public Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Section 195 Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* 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 computing the required majority on a poll.

PLEASE SIGN HERE

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

Executed in accordance with section 127 of the Corporations Act:

Individual or Shareholder 1

Sole Director & Sole Company
Secretary

Joint Shareholder 2

Director

Joint Shareholder 3

Director / Company Secretary

Dated this

day of

2009

Contact Name

Contact Business Telephone / Mobile

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Your pre-printed name and address is as it appears on the share register of BBX Property Investment Fund Limited. If you are Issuer Sponsored and this information is incorrect, please mark the box at the top of the proxy form and make the correction on the form. Securityholders sponsored by a broker on the CHESS subregister should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.
2. Completion of a proxy form will not prevent individual shareholders from attending the General Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the General Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the General Meeting.
3. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment do not specify this proportion, each proxy may exercise half of the votes.
4. A proxy need not be a shareholder of the Company.
5. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.
6. If a representative of a company shareholder is to attend the Meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the Meeting. Previously lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.
7. If a representative as Power of Attorney of a shareholder is to attend the meeting, a properly executed original (or originally certified copy) of an appropriate Power of Attorney should be produced for admission to the General Meeting. Previously lodged Powers of Attorney will be disregarded by the Company.

8. Signing Instructions

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

- | | |
|---------------------------|---|
| Individual: | Where the holding is in one name, the holder must sign. |
| Joint Holding: | Where the holding is in more than one name, all of the shareholders should sign. |
| Power of Attorney: | If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form. |
| Companies: | <p>Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person.</p> <p>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.</p> <p>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.</p> |

9. Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below not later than 10.30am on Tuesday, 12 May 2009 (48 hours before the commencement of the meeting). Any Proxy Form received after that time will not be valid for the scheduled meeting.

Hand deliveries

**Registries Limited
Level 7
207 Kent Street
Sydney NSW 2000**

Postal address:

**Registries Limited
GPO Box 3993
Sydney NSW 2001**

Fax number:

(02) 9290 9655