

Amendment of the Resort Rules

1. Interpretation

Words and terms defined in the resort rules for "The Phillip Island Resort" (Resort Rules) have the same meaning when used in this document, unless expressly provided otherwise.

2. Background

2.1 The Resort Rules provide that we, as Manager, may make further rules for the Resort provided that the rules are:

- (a) agreed to by a majority of Villa Owners; and
- (b) are made for the greatest benefit and enjoyment of a majority of Villa Owners.

3. Proposal to replace Resort Rules

3.1 As Villa Owners will be aware, the Resort Rules provide that:

'No Villa shall be let or occupied for a fee payable to any person other than as provided for in these rules or any sub lease of the Villa approved by the Manager'.

3.2 The Manager considers the circumstances in which Villa Owners may let out their Villa should be expanded if (and only if) the Phillip Island Resort Scheme ARSN 155 658 307 (PIRS) is terminated to allow Villa Owners to let out their Villa on and from the date of termination of PIRS through:

- (a) the Manager under a letting scheme that it proposes to operate or for the time being operates on-site at the Resort;
- (b) individual letting arrangements with or arranged by the Manager; or
- (c) an experienced professional letting agent who carries on business that comprises or includes the provision of letting services from off-site and who holds appropriate public liability insurance (being public liability insurance with a minimum cover of \$20 million) and provides the letting services with respect to the Villa from off-site,

(Proposed Amendment).

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- 3.3 The Manager considers that the Proposed Amendment will be for the greatest benefit and enjoyment to a majority of Villa Owners.
- 3.4 It has come to the attention of the Manager that there may have been another version of the Resort Rules provided to some Villa Owners before Resort Management by Wyndham Pty Ltd became the Manager at the Resort and that as a consequence there is some uncertainty as to the version of the Resort Rules that it is appropriate to use for the purpose of making the Proposed Amendment. To overcome any uncertainty the Manager seeks the approval of a majority of Villa Owners to replace the Resort Rules, in their entirety, with Resort Rules in the form of Annexure A. The terms of the Resort Rules in Annexure A are the form of the Resort Rules that the Manager has been operating under at the Resort since 2012 subject to changes for the purpose of making the Proposed Amendment and some minor updates to the name of the Resort, to remove references to the name of the previous manager at the Resort and to deal with a range of grammatical issues and for clarification purposes.
- 3.5 The Resort Rules will be replaced with the form of the Resort Rules in Annexure A subject to receiving the agreement of a majority of Villa Owners on the basis of one vote for each Villa.
- 3.6 The Manager proposes that the amendment will take effect from the date of signing this document by the last Villa Owner required for the purpose of achieving a majority of Villa Owners agreeing to the amendment.
4. **Agreement of majority of Villa Owners**
- 4.1 We, being the owners of a majority of the total number of 211 Villas at the Resort on the basis set out below, by executing the signing page, agree to the Resort Rules being amended in the manner and at the time as set out in section 4.

Villa Owner	Number of Villas owned
Wyndham Vacation Clubs South Pacific Limited ACN 090 503 923 as responsible entity of the Worldmark South Pacific Club	54
Moss Willis Capital No. 3 Pty Limited ACN 151 744 213	15
Befere Pty Ltd atf John D McPhee Trust	47
Total:	116

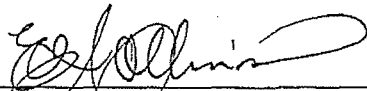
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- 4.2 This document may be executed in counterparts. Each counterpart constitutes an original of this document, all of which together constitute one document.
- 4.3 The amendment takes effect on the date of receipt of execution of the last Villa Owner required to form a majority of Villa Owners.

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Signing page

Executed by Wyndham Vacation Clubs
South Pacific Limited in its capacity as
responsible entity of the Worldmark
South Pacific Club in accordance with
Section 127 of the *Corporations Act 2001*
(Cth)



Signature of director

 ←

Signature of director/company secretary

(Please delete as applicable)

ELIZABETH COLLINSON

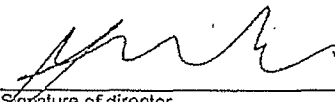
Name of director (print)

DONNA BORTHWICK

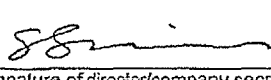
Name of director/company secretary (print)

Date: 3/12/2018

Executed by Moss Willis Capital No. 3 Pty
Limited ACN 151 744 213 in accordance
with Section 127 of the *Corporations Act*
2001 (Cth)



Signature of director

←  ←

Signature of director/company secretary

(Please delete as applicable)

GLENN WILLIS

Name of director (print)

SYMON SIMMONS

Name of director/company secretary (print)

Date: 3/12/2018

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Executed by Befere Pty Ltd ACN 002 929
231 as trustee for in accordance with
Section 127 of the Corporations Act 2001
(6th)

Karen Kubler

Karen Michelle Kubler

Signature of director

WITNES

C. Dec 11 27 2

GREGORY IAN HOLLAND AS
PROPERLY CONSTITUTED AND
DULY AUTHORIZED ATTORNEY
FOR BEFERE PTY LTD AS TRUSTEE
FOR JOHN D MCPHEE TRUST
UNDER POWER OF ATTORNEY

Signature of director/company secretary

ATTORNEY

(Please delete as applicable)

Name of director (print)

Name of director/company secretary (print)

03 12

Date: / / 2018

ANNEXURE A

"THE PHILLIP ISLAND RESORT"

Replacement Resort Rules

"THE PHILLIP ISLAND RESORT"

RESORT RULES

Interpretation:

The rules of the Resort shall be interpreted as often as possible on the basis of the plain meaning given to the words but always in a manner that provides the greatest benefit and enjoyment to a majority of the Villa Owners from time to time.

Manager

Resort Management by Wyndham Pty Ltd or the Lessee or Management Company who has possession and control of that part of the Phillip Island Resort that is not otherwise leased to private owners, being the "Common Areas" on the attached plan, shall be the management authority for the enforcement of the rules and the determination of issues or disputes that arise under the rules. In these rules, such a person is called the "Manager".

Operating Cost and Refurbishment Reserve Fund

On the commencement date of the leases for the Villas in the Resort, the Manager shall establish the Operating Cost and Refurbishment Reserve Fund ("Reserve Fund").

The Manager will have the primary authority and responsibility of maintaining the standard of the Resort by applying amounts standing to the credit of the Reserve Fund in each calendar year to this purpose.

Amounts standing to the credit of the Reserve Fund will be deposited in a separate interest bearing account in the name of the Manager with the National Australia Bank at its Cowes branch (or such other bank as the Manager determines from time to time) which account will only be operated by the authority of the Manager.

All interest that accrues on moneys standing to the credit of the Reserve Fund will merge with and form part of the Reserve Fund.

The Manager shall not less than 60 days before the beginning of any calendar year, determine the amount of funds necessary to carry out the proper management of the Resort, and the obligations of the Manager and the Lessor of the freehold property on which the Resort is located, for the coming calendar year ("the Resort Operating Cost"). In determining this amount, the Manager shall take into account the following:

- The expected balance of any funds retained in the Reserve Fund at the end of the current year;

- The expected costs of any capital works necessary to be carried out for the proper and efficient operation of the Resort;

- The expected costs of any maintenance works to be carried out within the Resort on any land or buildings;

- The amount of rates, taxes and charges of a current or capital nature levied on the premises at any time by any relevant authority;

- The costs of compliance with any notice issued by any Federal, State or Local Government Authority or any other statutory body that has power to charge for the provision of utilities to the Resort;

- The costs of maintaining an insurance policy over the Villas and Common Areas which provides indemnity cover for loss or damage to property of any relevant person, loss of management fee income and public liability insurance in an amount determined from time to time by the Manager which is appropriate for the Resort based on current industry standards and practice;

- The costs of replacing or refurbishing all of the furniture, fittings and equipment acquired for use in the Resort in/on the Villas and the Common Areas and the Internal surfaces, joinery, fixtures and equipment in the Resort in the Villas and the Common Areas at such times, in such manner and in such amounts as the Manager may from time to time consider is reasonably required;

The costs of providing services to and staff for the Resort of a kind and nature that may reasonably be expected by any Villa Owner in the Resort from time to time; and

A margin for gross profit earned on the operations of the Manager in providing these services to the Resort and the Villa Owners.

Such factors are to be determined at all times to a level or rate commensurate with the standard of accommodation of the premises and prevailing market conditions.

Annual Fees

Upon determining the amount of the Resort Operating Cost for the next calendar year the Manager shall determine each Villa Owner's proportion of the Resort Operating Cost for that calendar year and shall notify each Villa Owner of their required proportional contribution to the Resort Operating Cost to be paid into the Reserve Fund. Each Villa Owner's proportion of the Resort Operating Cost will be the Annual Fee payable by that Villa Owner.

In determining the Annual Fee payable by each Villa Owner, the contribution to the Resort Operating Cost will be calculated by the Manager by:

Apportioning that part of the Resort Operating Cost attributable to maintaining and keeping the Resort open, regardless of the rate of occupation, to the Villa Owners on a per Villa basis, equally between them, and;

Apportioning the balance of the Resort Operating Cost attributable to the wear and tear on the assets of the Resort by visitors/guests/occupants by a per capita distribution based on the maximum occupation capacity of each Villa, to each Villa,

where such apportionment from time to time shall be at the sole discretion of the Resort Manager.

The Annual Fee shall be due and payable on or before the 1st of January in each calendar year and shall be paid to the Manager by such method as the Manager decides and advises the owner of from time to time. In the event that the Manager is the Sub Lessee of the villa at the time payment of the Annual Fee is due, the fee may be deducted by the Sub Lessee from the Rent payable in each calendar month until the fee has been paid in full. Annual fees are not "rent" or "hiring charges" as defined in the *Residential Tenancies Act (Vic) 1997*.

Interest shall be payable on all Annual Fees that are overdue as at the 1st January, until such time as the fees are paid in full. Interest will be at the rate prescribed under the *Penalty Interest Rates Act 1983 (Vic)* from time to time.

Failure to pay the Annual Fees as and when due will constitute a breach of the rules which may be dealt with, if the Manager determines so, in accordance with the default provisions of these rules.

No Permanent Occupancy

No Villa shall be permanently occupied.

Notification Upon Entry

Upon entry to the Resort each person shall contact the Manager and inform him/her of the number of persons accompanying them and expected to be staying in the Villa and the intended duration of any stay. The Manager may introduce automated facilities to expedite this process.

Maximum Number of Occupants

The maximum number of persons permitted to occupy a Villa at any one time shall be determined by the Manager and notified to the Villa Owners in writing. At the commencement date of the Resort, the maximum number of occupants that may be accommodated overnight in any Villa shall be equal to the maximum number of persons that may be registered as holding the leasehold interest in any Villa.

Minimum Age of Occupants

No Villa shall be occupied at any time unless at least one person registering for occupation is 21 years or older at the time.

Letting of Villas

No Villa shall be let or occupied for a fee payable to any person other than as provided for in these rules or any sub lease of the Villa approved by the Manager or as otherwise approved by the Manager in writing.

If the Phillip Island Resort Scheme ARSN 155 658 307 (PIRS) is terminated, a Villa Owner may let out their Villa on and from the date of termination of PIRS through:

- (a) the Manager under a letting scheme that it proposes to operate or for the time being operates on-site at the Resort;
- (b) individual letting arrangements with or arranged by the Manager; or
- (c) an experienced professional letting agent who carries on business that comprises of or includes the provision of letting services from off-site and who holds appropriate public liability insurance (being public liability insurance of a minimum of \$20 million) and provides the letting services with respect to the Villa from off-site.

Breach of Resort Rules

If a Villa Owner breaches these rules, the Manager may serve a written notice of the breach on the Villa Owner. Notices are deemed to be effectively served if it is forwarded by mail to the address of any of the registered owners of the premises.

If a Villa Owner receives notice of a breach of the rules it shall forthwith take all steps to remedy the breach and make good any loss or damage occasioned by the breach.

If a Villa Owner fails to remedy the breach within 24 hours, where the Notice states that the breach is impacting upon the reasonable use and enjoyment of any other Villa Owners, or otherwise within 7 days, then the Manager may call a meeting between the Villa Owner and the Manager to be conducted at the Resort. No less than 48 hours' notice of the meeting must be given to the Villa Owner by the Manager. At such meeting, all parties must use their best efforts to seek to resolve any issues in dispute and to remedy any breach of the rules and make good any loss or damage arising from such breach.

If agreement, and arrangements acceptable to the Manager, are not agreed to in writing by the Villa Owner and the Manager, or the Villa Owner fails to attend the meeting without communicating a reasonable excuse for doing so and agreeing upon another time for a meeting with the Manager at a time suitable to the Manager, then the Manager shall notify the Lessor of the Villa Owner's property of a breach of the lease.

Upon receiving such notice the Lessor may deliver a further notice to the Villa Owner requiring the remedying of the breach within 14 days. Should the breach not be remedied within that time, then the Lessor may terminate the lease of the Villa Owner immediately.

In the event of termination of the lease, provided that all Annual Fees and any outstanding obligations for payment of any sum by the Villa Owner to the Lessor or the Manager have been paid or satisfied, the Lessor agrees, as an obligation under the lease between the Villa Owner and the Lessor, to offer any purchaser or transferee of the Villa a lease under the same terms and conditions of that given to the Villa Owner, save that the duration of the lease shall be for the number of years remaining in the initial 200 year period of the lease.

Restrictions

The Villa Owner in respect of a Villa must not:

Make or contribute any noise or behave in any manner that is likely to interfere with the reasonable use and enjoyment of any other Villa Owner and/or the Manager;

Allow any person occupying the Villa to behave in a manner that is deemed, according to reasonable and acceptable social standards, to be offensive or imposing upon any other Villa Owner or occupier, any person lawfully using the common areas;

Permit the disposal of any rubbish of any form in the common areas other than in rubbish bins or receptacles provided;

Carry out any works or make any alterations to the exterior of any Villa without the express written consent of the Manager, which consent will be declined, unless exceptional circumstances warrant such approval being given;

Alter the material, colour, or appearance of the external surfaces of any of the Villas or any internal fitting which impacts substantially on the visual appearance of any Villa, such as the external face of any drapes or window coverings;

Cut, trim or remove any, or any part of any vegetation in the common areas;

Use any part of a Villa or the common property which is designated for car parking for any other purpose;

Do anything which may affect or prejudice the safety or security of any Villa Owner or their property or the common areas;

Use or store on the Villa any flammable, chemical, liquid gas or other flammable material other than chemicals, liquids and gases and other materials intended to be used for domestic purposes;

Do anything which may invalidate or be likely to result in the suspension of any insurance policy taken out by the Manager or cause any premium to be increased;

Keep any pet, animal or livestock in the Villa or in the Common Areas at any time;

Erect or display any sign or notice on any part of the Villa or common area except as required by the Manager or by law from time to time;

Hang or permit to be hung any clothes, garments or other articles on any balconies or any external part of any Villa unless otherwise provided for under these rules;

Drive or allow to be driven any vehicle, including cars trucks motor cycles or bicycles in any of the common areas at a speed greater than brisk walking pace and shall at all times exercise all due care and diligence in that driving of any motorised or propelled vehicle.

Further Rules

The Manager may make further rules for the Resort provided only that the rules are agreed upon by a majority of the Villa Owners and that any such rules are made and implemented for the greatest benefit and enjoyment to a majority of the Villa Owners from time to time.