

Information Memorandum - Summer Letting Pool

For the most part, residents of UNSW Village (the "Village") enter into residential agreements for a full calendar year commencing on 1 January and terminating on 31 December of the relevant year and are required to pay residential fees for the full year pursuant to their residential agreement notwithstanding that a resident may not occupy their room for the full year.

Rather than leaving the room unoccupied over the summer period, UNSW Village Pty Limited ("Owner") proposes to operate a summer letting pool (the "Pool"), which gives participating resident(s) or study abroad organisations ("Licence Holders") an opportunity to earn income by allowing the Owner to let their room on a casual basis whether by itself or in conjunction with other room(s) in the Village as a group booking. The Owner has engaged Campus Living Villages Pty Limited ("the Manager") to assist the Owner to operate the Pool.

To operate the Pool, the Owner and the Manager rely on relief from certain requirements of the *Corporations Act 2001* granted to the Owner and Manager by the Australian Securities and Investments Commission. By entering into a Summer Letting Pool Agreement, you acknowledge the reliance of the Owner and the Manager on the relief in order to operate the Pool.

The Pool may have tax implications for participants, as any payment to participating resident(s) resulting from the Pool may be assessable income for Australian income tax purposes.

You should obtain independent advice about whether to participate in the Pool.

The key features of the Pool are as follows:

Participating in the Pool

- (a) The Pool will operate from and including a start date of 1 January 2012 up to and including an end date of 12 February 2012 (the "Pooling Period"), unless terminated earlier in accordance with the Summer Letting Pool Agreement (see paragraph (r) below).
- (b) Except to the extent required to give effect to the Summer Letting Pool Agreement, participation in the Pool does not affect resident's residential agreements or study abroad organisations' accommodation agreements with the Owner (together, "Licence Agreements"). An obligation to pay any amount (including residential fees) continues during the operation of the Pool.
- (c) Licence Holders are under no obligation to place their room(s) into the Pool.
- (d) A room is placed into the Pool on the later of the start date of the Pooling Period or the day after the day on which you entered into your Licence Agreement with the Owner.

Information Memorandum - Summer Letting Pool (continued)

Operation of the Pool

- (e) The Owner is entitled to let out all room(s) contributed to the Pool on a casual basis to third parties. The terms on which room(s) may be let out by the Owner to third parties on a casual basis are determined on a case by case basis by the Owner or the Manager, who is authorised to do so on behalf of the Owner.
- (f) Participants who place their room in the Pool take no responsibility for theft or damage caused to the room by casual occupants during the period that their room is in the Pool. The Owner or Manager will repair any damage at no cost to participants as soon as practicable after discovering the damage.
- (g) If any theft or damage by a third party to whom a room is let results in that room becoming unfit for occupation by a resident, when that resident would otherwise have a right to occupy the room (for example, if their residential agreement continues after the end of the Pooling Period or if they have withdrawn their room from the Pool), then the Owner or Manager will provide equivalent alternative accommodation at no additional charge to the resident concerned until the room is repaired. The alternative accommodation will be provided on a temporary basis and may not be in the Village.
- (h) For each booking that the Owner fulfils using rooms in the Pool, before the Owner gives a casual occupant access to any room in the Pool to fulfil the booking, the Owner must pay into a trust account established by the Owner, the amount calculated by multiplying the highest residential fee per night payable by any participant in the Pool by the number of nights on which the room will be occupied under the booking. The total of all of such payments will constitute the Pool income, out of which distributions will be paid. The trust account will be audited at least every 12 months.

Fees and expenses

- (i) No fee is payable directly by participants for contributing their room to the Pool, however, the Owner will deduct an administration fee for administering the Pool. The amount of the fee is 10% of the nightly residential fee applicable to your Room, for each night that your Room is in the Pool. The administration fee is charged by reducing the nominal value of rooms contributed to the Pool (refer to step 3 in the example calculation set out in Appendix 1). As the administration fee is factored into the calculation of distributions, no administration fee will be payable if no distributions are made.
- (j) All operating costs for operating the Pool and selling accommodation using the room(s) in the Pool (e.g. wages, cleaning, utilities, marketing etc), will be borne by the Owner.
- (k) Any income of the Pool remaining after paying distributions to participating resident(s) in accordance with the Summer Letting Pool Agreement will be

Information Memorandum - Summer Letting Pool (continued)

retained by the Owner. (See below for further information regarding distributions.)

Withdrawal from the Pool

- (l) After a participant has placed their room(s) into the Pool, the participant may only withdraw their room(s) from the Pool on 5 days' notice to the Manager or Owner, provided that the Manager or Owner does not require the room to fulfil a booking it had taken prior to being notified of the resident's withdrawal of their room from the Pool, in which case the participant's room will be deemed to be removed from the Pool 5 days after the last date that the room is required to fulfil a booking the Manager or Owner has taken for the room.
- (m) Your room will be withdrawn from the Pool 5 days before your intended arrival date indicated on your Summer Letting Pool Agreement.

Distributions and reporting to participants

- (n) At the end of the Pooling Period, the Manager or Owner will calculate the amount payable to each participant in the Pool in accordance with the procedure set out in the Summer Letting Pool Agreement. The procedure is described (and an illustrative example given) in Appendix 1. A distribution is calculated for each room that was in the Pool at any time during the Pooling Period. Study abroad organisations may contribute more than one room to the Pool - they will receive the distribution for each room they have contributed to the Pool.
- (o) Participants will be paid their distribution within a reasonable time (generally 21 days) after the end of the Pooling Period. Any income of the Pool remaining after payment of distributions to participants will be retained by the Owner.
- (p) Within a reasonable time after the end of the Pooling Period, the Owner or the Manager will provide a statement to participants explaining the calculation of the distribution.
- (q) Distributions will be paid:
 - (i) as a credit against residential fees payable by the participant;
 - (ii) by direct deposit into the participant's bank account; or
 - (iii) by cheque,as determined by the Manager or Owner in its discretion.

Termination of the Pool

- (r) Under the Summer Letting Pool Agreement, the Owner may determine not to run the Pool or to terminate the Pool at any time in its discretion. You are not entitled to any compensation should the Owner exercise this right.

Information Memorandum - Summer Letting Pool (continued)

Disclaimer: The description in this information memorandum of the way in which the Pool operates is only a summary. The Pool will be operated in accordance with the Summer Letting Pool Agreement, and to the extent that this information memorandum is inconsistent with the Summer Letting Pool Agreement, the Summer Letting Pool Agreement takes priority.

Significant risks

Participation in the Pool involves the following significant risks:

- There is no guarantee that any casual accommodation will be sold using the rooms in the Pool. If rooms that are not subject to a Summer Letting Pool Agreement with a participant or any other person are available to the Manager or the Owner, the Manager or Owner may use those rooms instead of rooms in the Pool to satisfy accommodation bookings. If no rooms in the Pool are used by the Manager or Owner, there will be no distribution payable to participants.
- A participant must not occupy a room at any time that it is in the Pool. If the participant seeks to withdraw a room from the Pool and occupy that room instead, but the room is required by the Owner or Manager to fulfil a booking that has been made, the participant may need to find alternative accommodation until the room is no longer required for bookings and is withdrawn from the Pool. Any alternative accommodation required by a participant because of a permitted delay in withdrawing the Room from the Pool is at the cost of the participant.
- If the participant is not able to occupy the room by reason of theft or damage caused by a person who occupied the room when it was in the Pool, the participant will be provided with equivalent alternative accommodation at the Manager or Owner's cost (see paragraph (h) above). While the participant will not incur the cost of the alternative accommodation, the Manager or Owner cannot guarantee that the alternative accommodation will be in the Village. The participant may be inconvenienced and/or incur incidental costs (such as transport costs) if alternative accommodation cannot be found in the Village.

Questions and complaints

If you have any questions or a complaint in relation to the Pool, you should in the first instance contact: Steve Nobbs, General Manager (UNSW Village, Gate 2 High Street, UNSW Sydney NSW 2052 Australia, phone: + 61 2 9662 2500, facsimile: +61 2 9662 2511, email: info@unswvillage.com.au).

If you are not satisfied with the response, you may contact the Manager or the Owner:

Manager:

Campus Living Villages Pty Limited ABN 19 093 198 915 (Phone: + 61 2 9270 1600, facsimile: + 61 2 9270 1601)

Owner:

UNSW Village Pty Limited ABN 19 125 227 401 (Phone: + 61 2 9270 1600, facsimile: + 61 2 9270 1601)

Information Memorandum - Appendix 1

Example calculation of payment to resident/study abroad organisation participating in Pool

This Appendix sets out an example of the calculation used to determine distributions for participants in the Pool. The figures used in this example are for illustrative purposes only; they are not indicative of actual results of the Pool. Figures shown below have been rounded to two decimal places, however when calculating the distributions to be paid to participants, only the final distributions will be rounded (to the nearest cent).

A "**Room Night**" means, in relation to each Room in the Pool, a night on which the Room was in the Pool;

Step 1 – Determine percentage of Room Nights constituted by each room type in the Pool

Owner or Manager determines percentage of Room Nights in the Pool represented by each room type.

Number of rooms	Room type	Number of nights in Pool	Total Room Nights in Pool for Room Type	Percentage of Pool
10	1 bed apartment	20 nights	200 room nights	11.76%
15	Studio apartment	40 night	600 room nights	35.29%
30	5 bed apartment	30 nights	900 room nights	52.94%
			1700 room nights	

Step 2 – Determine room nights sold

Owner or Manager determines number of Room Nights in the Pool sold on a casual basis throughout the Pooling Period to casual occupants.

For purpose of example only, assume 400 Room Nights were sold during the Pooling Period.

Step 3 – Determine value to the Pool of each room per night

Owner or Manager determines value to be attributed to a sold room per night as follows:

Room type	Residential fee paid by resident per night (based on weekly residential fee per room type under residential agreement)	Administration Fee (being 10% of per night residential fee)	Value to Pool per night per room type
1 bed apartment	\$52*	\$5.20	\$46.80
Studio apartment	\$46*	\$4.60	\$41.40
5 bed apartment	\$26*	\$2.60	\$23.40

*Note: amounts estimated for example purposes only.

Step 4 – Determine Pool income to be distributed to resident(s) participating in Pool

Owner or Manager determines the Pool income to be distributed to resident(s) participating in the Pool per room type as follows:

Room type	Calculation			Funds to be distributed to resident(s) participating in Pool per room type
	Total room nights sold (step 2) x Percentage of Pool per room type (Step 1) x Rate per night per room type (Step 3)			
1 bed apartment	400 rooms	11.76%	\$46.80	\$2,201.47
Studio apartment	400 rooms	35.29%	\$41.40	\$5,844.02
5 bed apartment	400 rooms	52.94%	\$23.40	\$4,995.18

Step 5 – Determine amount to be paid to resident(s) for each Room Night that room (by type) was in the Pool

Owner or Manager determines amount to be paid to resident(s) for each Room Night that a room type was in the Pool as follows:

Room Type	Calculation		Per night in Pool Payment Amount
	Pool income to be distributed to resident(s) participating in Pool per room type (step 4) x Total Room Nights in Pool for room type (Step 1)		
1 bed apartment	\$2,201.47	200 Room Nights	\$11.01
Studio apartment	\$5,844.02	600 Room Nights	\$9.74
5 bed apartment	\$4,995.18	900 Room Nights	\$5.55

Step 6 – Determine amount to be paid to resident(s) for all Room Night that the residents’ room(s) was/were in the Pool

Owner or Manager determines amount to be paid to each resident for the actual number of Room Nights on which the resident’s room was in the Pool as follows:

Room type	Number of nights resident had room in the Pool	Per night in Pool Payment Amount	Payment to resident
1 bed apartment	20 nights*	\$11.01	\$220.20
Studio apartment	40 night*	\$9.74	\$389.60
5 bed apartment	30 nights*	\$5.55	\$166.50

*Note: number of nights may vary from resident to resident and number of nights estimated are for example purposes only.