

Dated

22 August

20 23

COST SHARING AGREEMENT

TERRACE DOWNS RESORT OWNERS' SOCIETY INCORPORATED

("Society")

PHC TERRACE DOWNS RESORT LIMITED

("PHC")



Saunders
Robinson
Brown

219918/1 - 3978356.12

COST SHARING AGREEMENT dated the 22nd day of August 2023

PARTIES

TERRACE DOWNS RESORT OWNERS' SOCIETY INCORPORATED an incorporated society registered under the Incorporated Societies Act 1908 under NZBN 9429051535438 ("Society")

PHC TERRACE DOWNS RESORT LIMITED an incorporated company with its registered office at Auckland, registered under NZBN 9429048665742 ("PHC")

BACKGROUND

- A. PHC is the current owner of the Resort.
- B. Within the Resort, there are Residential Properties owned by various private owners. PHC also owns a number of those Residential Properties.
- C. There are various encumbrances and easements registered on some of the titles to the Residential Properties and the Common Property which require the Owners to pay a levy to the current owner of the Resort (currently PHC) in exchange for certain services provided by PHC within the Resort and for the benefit of the Owners and the Body Corporates.
- D. The Owners and PHC have agreed to record those services to be provided by PHC, and the amount payable by the Owners.
- E. The Owners have formed the Society for this purpose and will require each Owner to become a Member of the Society. The Society will levy funds from the Members which it will then use to pay PHC in accordance with this Agreement.

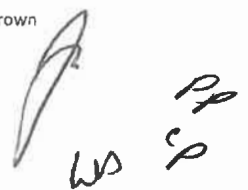
THE PARTIES AGREE

1. Interpretation

In this Agreement unless the context indicates otherwise:

1.1 Definitions

- (a) "Agreement" means this cost sharing agreement;
- (b) "Body Corporate" means each of Body Corporate 323820, Body Corporate 336323, and Body Corporate 349497;
- (c) "Commencement Date" means the date of this Agreement;
- (d) "Common Property" means any common property owned by a Body Corporate;
- (e) "Estimated Maintenance Cost" means the estimate of the total annual cost to be incurred by PHC for the provision of the Property Services, which is estimated for the initial year of the Term under Schedule 1 and which will be reviewed from time to time in accordance with this Agreement;
- (f) "Long Term Maintenance Plan" means the long term maintenance plan established in accordance with clause 8 and reviewed from time to time in accordance with this Agreement;
- (g) "Members" means the members of the Society;

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- (h) "Monthly Payment" means a monthly payment by the Society of the Service Fee as outlined under clause 6.1(a);
- (i) "Owners" means the registered owners of each of the Residential Properties;
- (j) "PHC Contact " means the contact person appointed by PHC under clause 13 below;
- (k) "Property Services":
 - (i) means the agreed services to be provided by PHC to the Owners and the Body Corporates as set out in Schedule 2 and amended from time to time in accordance with this Agreement; and
 - (ii) includes PHC supplying (where it is within its control to do so) and otherwise procuring the supply of, the Resort Infrastructure to the Property Owners and the Body Corporates;
- (l) "Residential Properties" means together the residential properties within the Resort as follows:
 - (i) 12 unit titles which form part of Body Corporate 323820;
 - (ii) 19 unit titles which form part of Body Corporate 336323;
 - (iii) 30 unit titles which form part of Body Corporate 349497;
 - (iv) the Common Property; and
 - (v) 68 fee simple titles which are often referred to as the chalets, or vacant sites on which a chalet can be built;
- (m) "Resort" means the resort currently known as Fable Terrace Downs Resort and Hotel Operations located at 623 Coleridge Road, Windwhistle, Selwyn 7572, Canterbury which contains the Resort Land, the Residential Properties and any other land or infrastructure which forms part of that resort;
- (n) "Resort Land" means all of the land currently owned by PHC as outlined in Schedule 3;
- (o) "Resort Infrastructure" means the following infrastructure within the Resort:
 - (i) roading,
 - (ii) stormwater,
 - (iii) potable water supply and distribution;
 - (iv) sewerage distribution and treatment systems; and
 - (v) existing lighting.
- (p) "Review Date" means the date which is three (3) months prior to each Variation Date;
- (q) "Review Meeting" means the meeting held on or around each Review Date in accordance with clause 9;

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- (r) "Service Fee" means the fee payable by the Society based on the Society's share of the Estimated Maintenance Cost as outlined in Schedule 1, as varied from time to time in accordance with this Agreement;
- (s) "Sinking Fund" means a long-term management fund established in accordance with clause 7.1 to be used in accordance with the Long Term Maintenance Plan;
- (t) "Society Contact" means the contact person appointed by the Society under clause 13 below;
- (u) "Term" means the term of this Agreement being forty (40) years commencing on the Commencement Date;
- (v) "Variation Date" means 1 April 2024 and the dates which are every three (3) years after that date during the Term; and
- (w) "Working Day" has the same meaning as in the Property Law Act 2007.

1.2 **Headings:** Headings are for ease of reference only and shall not be deemed to form any part of the context or to affect the interpretation of this Agreement.

1.3 **Plural and Singular:** Words importing the singular shall include the plural and vice versa.

1.4 **Schedules and Appendices:** The schedules and appendices to this Agreement and the provisions and conditions contained in such schedules and appendices shall have the same effect as if set out in the body of this Agreement.

1.5 **Parties**

- (a) A "Party" means a party to this Agreement.
- (b) A reference to a Party, person or entity includes:
 - (i) an individual, partnership, firm, company, body corporate, corporation, association, trust, estate, state, government or any agency thereof, municipal or local authority and any other entity, whether incorporated or not (in each case whether or not having a separate legal personality); and
 - (ii) where applicable, its successors, personal representatives and permitted assigns.

2. **Property Services**

- 2.1 PHC will provide the Property Services for the benefit of PHC, the Society, the Owners and the Body Corporates, on the terms outlined in this Agreement.
- 2.2 In consideration of PHC providing the Property Services, the Society will pay the Service Fee to PHC on the terms outlined in clause 6.1.

3. **Term**

- 3.1 This Agreement commences on the Commencement Date and continues for the Term, subject to the terms of this Agreement.

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4. Effect of this Agreement

- 4.1 The terms of this Agreement supersede any other agreements, (including but not limited to any registered interests or notations on the titles to the Residential Properties) between:
- (a) the Parties;
 - (b) PHC and any of the Owners; or
 - (c) PHC and any of the Body Corporates,
- and relating to:
- (d) the Property Services;
 - (e) payment of the Estimated Maintenance Cost; or
 - (f) any other costs, charges or levies which PHC can charge to any Owner or to any Body Corporate in respect of the Property Services.
- 4.2 This Agreement is intended to clarify and confirm the only cost payable by the Owners and the Body Corporates to PHC under any encumbrance or easements registered on any of the Residential Property titles, or any Common Property titles. Notwithstanding any provision contained in any easements or encumbrances registered over the Residential Property titles or the Common Property titles, but subject to clause 6.4, PHC:
- (a) undertakes that it will not levy the Members or the Body Corporates directly for any costs or expenses in respect of any Property Services; and
 - (b) acknowledges that no Owner or Body Corporate will be required to pay PHC directly in respect of any Property Services, except through the Society in accordance with this Agreement.
- 4.3 The Society will use reasonable endeavours to ensure that:
- (a) each Owner:
 - (i) becomes a Member of the Society; and
 - (ii) remains a Member of the Society while it owns a Residential Property; and
 - (b) the Members pay the relevant levies set by the Society for the purposes of the Society complying with this Agreement and paying the Service Fee to PHC.
- 4.4 The Society will include an obligation in its constitution that if a Member enters into an agreement to sell or otherwise transfer their Residential Property to another person, then that Member must include a provision in that agreement requiring the purchaser or transferee (as the case may be) to become a member of the Society immediately upon becoming a registered owner of the Residential Property.
- 4.5 If PHC (or the then owner of the Resort) sells the Resort, then it must ensure that the purchaser enters into a Deed of Covenant (in a form approved by the Society), covenanting that the purchaser will observe all the terms and conditions of this Agreement. PHC's obligations under this clause will be recorded in the covenant in gross described in clause 5.5 below.

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5. PHC Obligations

- 5.1 PHC will, at its cost, provide the Property Services for the benefit of PHC and for the benefit of the Society, and each of the Owners and each of the Body Corporates (subject to clauses 7.5 and 7.6 below).
- 5.2 PHC will pay a contribution to the Sinking Fund in accordance with clause 7.4(b) below.
- 5.3 PHC will pay all costs associated with providing the Property Services regardless of the Estimated Maintenance Cost. PHC acknowledges that these costs may be more, or less than the Estimated Maintenance Cost (subject to clauses 7.5 and 7.6 below).
- 5.4 In providing the Property Services, PHC will:
- (a) at its own cost and risk, provide or engage all people, equipment and any other resources required to provide the Property Services;
 - (b) use appropriately skilled, qualified and experienced people to carry out the Property Services;
 - (c) ensure that PHC and all of its employees and contractors exercise reasonable skill, care and diligence in carrying out the Property Services;
 - (d) ensure that PHC and all of its employees and contractors comply with all relevant laws and current industry health and safety best practices when carrying out the Property Services;
 - (e) ensure all Property Services are provided at reasonable times, and PHC minimises any disruption to the Owners and their invitees when providing the Property Services; and
 - (f) immediately make good all damage to any facility or property within the Resort caused by PHC or its employees, contractors, invitees, or agents.
- 5.5 Immediately following the date of this Agreement, PHC will register a covenant in gross for the benefit of the Society on the records of title to the Resort Land. The covenant in gross will require any owner for the time being of the Resort Land to be bound by the terms of this Agreement by way of a Deed of Covenant with the Society.
- 5.6 Despite the Commencement Date of this Agreement, PHC:
- (a) warrants that it has complied with its obligations under this Agreement as from 1 April 2022; and
 - (b) will be liable to the Society for any breach of its obligations under this Agreement occurring on or after 1 April 2022.

6. Society Obligations

- 6.1 In consideration of PHC providing the Property Services, the Society will pay PHC the Service Fee on the following terms:
- (a) The Service Fee will be payable in equal monthly instalments in arrears on the twentieth (20th) day of each month ("Payment Date").

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- (b) If the Agreement commences on a day other than the twentieth (20th) day of a month, then the Society will pay the monthly instalment of the Service Fee calculated on a daily basis from the Commencement Date through to the next Payment Date.
- (c) The Service Fee will not be due and payable until the Society has received a valid tax invoice from PHC in respect of that monthly payment of the Service Fee.

6.2 The Society will use reasonable endeavours to ensure that:

- (a) each Owner; and
- (b) each Body Corporate,

grants PHC and its employees and contractors reasonable access to the external areas of the Residential Properties and any Common Property to the extent reasonably required for PHC to carry out the Property Services.

6.3 Despite anything else in this Agreement, the Society's liability to pay the Service Fee (including any contributions payable by the Society to the Sinking Fund) to PHC is limited to the total amount of levies that the Society receives from its Members in respect of that Monthly Payment (including contributions to the Sinking Fund). This means that if an Owner:

- (a) does not become a Member of the Society, or ceases to be a Member of the Society and therefore does not pay a levy to the Society; or
- (b) is a Member of the Society, but fails to pay the levies set by the Society to allow the Society to pay the Service Fee to PHC,

then, the Society is only required to pay up to the amount that it has received from its Members to pay that Monthly Payment. In that case, the Society will promptly notify PHC in writing of the following matters:

- (c) that the Society will not be paying the full Monthly Payment, as it has not received all of the expected levies from the Owners; and
- (d) the amount that the Society will pay in lieu of the Monthly Payment; and
- (e) the Owner(s) that have failed to pay the Society's levy relating to the relevant Monthly Payment ("Defaulting Owner"), and the amounts that each of those Owner(s) are required to pay in respect of the relevant Monthly Payment ("Default Amount").

6.4 If PHC receives a notice from the Society in accordance with clause 6.3 above, then despite anything else in this Agreement:

- (a) PHC will be entitled to seek the Default Amount together with any default interest payable under this Agreement for late payments directly from the Defaulting Owner; and
- (b) It will not be a breach of this Cost Sharing Agreement for PHC to suspend any Property Services provided to a Defaulting Owner until the Defaulting Owner has paid the Default Amount. The suspension of those Property Services must not affect any Property Services provided to, or which benefits the other non-defaulting

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Owners. For the avoidance of doubt, once the Default Amount has been paid by a Defaulting Owner, PHC must immediately resume any suspended Property Services to that Owner.

7. Sinking Fund

- 7.1 The Parties will create the Sinking Fund for the long term maintenance of the Resort Infrastructure. The Sinking Fund will be administered in accordance with this clause 7.
- 7.2 The Sinking Fund will be held in a separate bank account registered in the joint names of the Parties and any funds forming part of the Sinking Fund will only be used in accordance with the Long Term Maintenance Plan.
- 7.3 The Sinking Fund will have a signatory from each Party and payments from the Sinking Fund may only be made with joint signing authority.
- 7.4 The Parties will contribute an annual amount to the Sinking Fund as follows:
 - (a) The Society will pay fifty percent (50%) of the estimated annual contribution required for the Sinking Fund as outlined in Schedule 1 (subject to review in accordance with clause 9 below). That contribution is included in the Service Fee and is payable in accordance with clause 6.1 above.
 - (b) PHC will pay fifty percent (50%) of the estimated annual contribution required for the Sinking Fund as outlined in Schedule 1 (subject to review in accordance with clause 9 below). Immediately after the Society has paid its Monthly Payment, PHC will transfer the Society's contribution to the Sinking Fund, together with PHC's contribution to the Sinking Fund to the Sinking Fund account.
- 7.5 Despite clauses 5.1 and 5.3, PHC's obligation to provide Property Services which form part of the Long Term Maintenance Plan ("Long Term Services") will be subject to there being sufficient funds in the Sinking Fund for PHC to reasonably pay for the cost of providing those Long Term Services.
- 7.6 If there are not sufficient funds in the Sinking Fund for PHC to reasonably provide any of the Long Term Services, then:
 - (a) PHC will provide any Long Term Services it can reasonably provide with the remaining funds in the Sinking Fund; and
 - (b) the Parties will meet to discuss making additional contributions to the Sinking Fund as required; and
 - (c) each Party will make any additional contributions to the Sinking Fund as agreed; and
 - (d) if no additional contributions to the Sinking Fund are agreed, then PHC will not be required to provide the Long Term Services it was unable to provide under clause 7.6 (a) until there are sufficient funds in the Sinking Fund to meet the cost of providing those services.

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8. Long Term Maintenance Plan

- 8.1 Prior to the first Review Date, PHC will draft a Long Term Maintenance Plan in relation to the Resort Infrastructure. Any reasonable costs incurred by PHC in preparing the draft Long Term Maintenance Plan will be shared equally between PHC and the Society.
- 8.2 The Long Term Maintenance Plan must:
- (a) cover a period of at least 10 years from the date of the plan;
 - (b) identify future repairs, replacements and maintenance requirements of the Resort Infrastructure and estimate the costs involved;
 - (c) support the establishment and management of the Sinking Fund; and
 - (d) record the Society's contribution toward the Sinking Fund to be paid as part of the Service Fee.
- 8.3 The Long Term Maintenance Plan must not include any maintenance or other requirements which do not relate to the long term maintenance requirements of the Resort Infrastructure.
- 8.4 The Long Term Maintenance Plan must be approved by the Society. If the Parties cannot agree on the form of the Long Term Maintenance Plan prior to the first Review Date, then clause 9.7 below will apply.
- 8.5 The Long Term Maintenance Plan will be reviewed from time to time in accordance with clause 9 below.

9. Review

- 9.1 Not earlier than thirty (30) working days, and not later than ten (10) working days prior to each Review Date, each Party must submit any variations they propose to the items outlined in clauses 9.3(a) – (d) to apply from the next Variation Date.
- 9.2 On or around the Review Date (but no later than the relevant Variation Date), representatives of each Party who hold authority to act on their Party's behalf will hold a Review Meeting.
- 9.3 At each Review Meeting, the Parties' representatives will discuss any issues arising in the previous year relating to this Agreement. The Parties' representatives will also review any of the following matters which have been raised prior to the relevant Review Meeting in accordance with clause 9.1 above:
- (a) the list of Property Services;
 - (b) the Long Term Maintenance Plan including the annual contribution of the Society and PHC to the Sinking Fund;
 - (c) the Estimated Maintenance Cost;
 - (d) the Society's percentage share of each item comprising the Estimated Maintenance Cost outlined in Schedule 1 (and amended from time to time) ("Society's Proportion").

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For the avoidance of doubt, the Parties may (but are not required to) consider any variations which have not been raised prior to the Review Meeting in accordance with clause 9.1 above.

- 9.4 A minute taker will be appointed by the Parties' representatives to take minutes of the Review Meeting. The minutes will:

- (a) record any agreed variations to the items listed in clauses 9.3(a) – (d); and
- (b) be circulated to the Parties for approval promptly following the relevant Review Meeting.

Each Party will then have five (5) working days after receiving the minutes to confirm with the other Party that the minutes are:

- (c) approved; or
- (d) not approved, and the reason why they are not approved together with the suggested amendment(s) to the minutes required for that Party's approval. In that case, the other Party will have a further three (3) working days to accept the suggested amendments to the minutes in writing.

- 9.5 If a variation is agreed to any items listed in clauses 9.3(a) – (d) at a Review Meeting and recorded in the minutes which have been approved under clause 9.4, the Parties will be bound by those variations and will take all steps necessary to implement those variations.

- 9.6 If, at the Review Meeting, the Parties do not agree on a proposed variation to:

- (a) The list of the Property Services, then the list of the Property Services applying immediately prior to the Review Meeting will continue to apply.
- (b) The Long Term Maintenance Plan, then this will be determined in accordance with clause 9.7 below.
- (c) The Estimated Maintenance Cost, then this will be determined in accordance with clause 9.8 below.
- (d) The Society's Proportion (as defined in clause 9.3(d) above), then the Society's Proportion applying immediately prior to the Review Meeting will continue to apply, unless the list of Property Services has changed in which case if the Parties cannot agree on the Society's Proportion in relation to such amendment then the Parties will appoint an independent expert to determine the Society's Proportion in respect of that amended item or items. If the Parties cannot agree on an independent expert within ten (10) working days then one will be appointed by Thompson Wentworth or the property manager for the Resort at that time. The expert's costs will be shared equally by the Parties.

- 9.7 If the Parties cannot agree on the initial Long Term Maintenance Plan or a proposed variation to the Long Term Maintenance Plan at the Review Meeting, then the Parties will agree on a suitable independent expert to create or amend (as the case may be) the Long Term Maintenance Plan which will then be adopted as the Long Term Maintenance Plan. If the Parties cannot agree on an independent expert within ten (10) working days of the

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Review Meeting, then one will be appointed by Thompson Wentworth or the property manager for the Resort at that time. The expert's costs will be shared equally by the Parties.

- 9.8 If the Parties cannot agree on a proposed variation to the Estimated Maintenance Cost at the Review Meeting then the Parties will appoint a suitable independent expert to determine the Estimated Maintenance Cost for the upcoming year. If the Parties cannot agree on an independent expert within ten (10) working days then one will be appointed by Thompson Wentworth or the property manager for the Resort at that time. The expert's costs will be shared equally by the Parties.
- 9.9 In determining the Estimated Maintenance Cost, the Parties will instruct the expert to have regard to all reasonably relevant factors, including but not limited to:
- (a) the fair market cost likely to be incurred by PHC in carrying out the Property Services (including for cost of materials, personnel and other resources) for the then current year; and
 - (b) any agreed variations to the definition of Property Services.
- 9.10 For the avoidance of doubt, the Service Fee will be varied to reflect any agreed variations to the Estimated Maintenance Costs, or to the Society's Proportion.
- 10. Amendment**
- 10.1 Except as otherwise provided for in this Agreement, any variations to this Agreement must be in writing and signed by each Party.
- 11. Insurance**
- 11.1 PHC will keep current at all times a policy, or policies of:
- (a) public liability insurance applicable to the Resort and the Property Services with a limit of not less than \$2,000,000;
 - (b) statutory liability insurance applicable to the Resort and the Property Services with a limit of not less than \$2,000,000; and
 - (c) material damage insurance for the Resort Infrastructure on terms and conditions approved by the Society, acting reasonably. The total sum insured value is to be determined by way of an insurance valuation undertaken by an appropriately qualified professional at least three (3) yearly.
- 11.2 PHC will, if requested by the Society, provide the Society with copies of policies and certificates of currency.
- 12. Default Interest**
- 12.1 If any amount payable under this Agreement is unpaid for fourteen (14) days after the due date for payment (whether any demand has been made or not) such amount will bear interest at 10% per annum, calculated from the due date until the date of payment in full.

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13. Contact Persons

- 13.1 The Society will appoint a contact person from time to time ("Society Contact") for the purposes of liaising with PHC, on behalf of the Society, in relation to any matters arising under this Agreement.
- 13.2 If the Society appoints a new Society Contact, then the Society will promptly notify PHC of that, together with the contact details of the new Society Contact. The Society Contact as at the date of this Agreement is:

Angus McKenzie
C/- Thompson Wentworth Property Management Limited
info@twl.net.nz
03 357 1340 ext 2

- 13.3 PHC will appoint a contact person from time to time ("PHC Contact") for the purposes of liaising with the Society, on behalf of PHC, in relation to any matters arising under this Agreement.
- 13.4 If PHC appoints a new PHC Contact, then PHC will promptly notify the Society of that, together with the contact details of the new PHC Contact. The PHC Contact on the date of this Agreement is:

Murray Davison
C/- PHC Terrace Downs Resort Limited
murray@cpgroupnz.com
09 302 0732

14. Confidentiality

- 14.1 Each Party will keep all information used in connection with this Agreement confidential and shall not, without the prior written consent of the other Party, disclose the same to any other person.
- 14.2 Despite clause 14.1, the Parties may disclose that information to:
- (a) each of the Owners and the Body Corporates;
 - (b) any professional advisors of each of the Parties or of any Owner or Body Corporate; and
 - (c) any prospective purchasers of any Residential Property or of the Resort,
- as long as each of those people are bound by the same obligations contained in clause 14.1.

15. Default and Termination

- 15.1 If a Party:
- (a) breaches, or fails to properly or promptly perform, any obligation of that Party under this Agreement and fails to remedy the breach or perform the obligation within twenty (20) working days after receiving notice from the other Party specifying the breach or failure and requiring remedy;

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- (b) becomes, or is deemed to be unable to pay its debts, insolvent or bankrupt, or makes an assignment for the benefit of, or enters into or makes any arrangement or compromise with, its creditors generally, or has a liquidator, trustee, or receiver appointed in respect of all of any of its property; or
- (c) has any resolution passed, or any proceeding commenced, for the dissolution of that Party;

then the other Party may, by notice to the Party, terminate this Agreement immediately by giving notice in writing.

- 15.2 Expiry or termination of this Agreement is without prejudice to any other right, power, or remedy under this Agreement, at law, or otherwise that either Party has in respect of a default by the other Party.

16. Dispute Resolution

- 16.1 The Parties will first endeavour to resolve any dispute or difference relating to this Agreement by agreement, and if the Parties agree, by mediation.
- 16.2 Unless any dispute or difference is resolved by mediation or other agreement within forty (40) working days of the dispute or difference arising, the dispute or difference will be submitted to the arbitration of one arbitrator, who will conduct the arbitral proceedings in accordance with the Arbitration Act 1996 or any other statutory provision then relating to arbitration.
- 16.3 If the Parties are unable to agree on the arbitrator within a further ten (10) working days, an arbitrator will be appointed upon request of any Party, by the president or vice president of the New Zealand Law Society. That appointment and any decision of the arbitrator will be binding on all Parties to the arbitration and will be subject to no appeal. The provisions of Article 11 of the First Schedule of the Arbitration Act 1996 are to be read subject to this and varied accordingly.
- 16.4 This clause 16 does not apply if a Party disagrees to the variations of the items listed in clause 9.3(a) – (d).

17. Contractual Privity

- 17.1 Where this Agreement requires PHC to perform an obligation for the benefit of the Owners and/or the Body Corporates ("Recipient"), then that obligation will be enforceable by the Recipient against PHC under section 12 of the Contract and Commercial Law Act 2017.

18. Costs

- 18.1 PHC will pay half of the Society's legal costs incurred in respect of entry to and negotiation of this Agreement.

19. General

- 19.1 **Delay:** No delay, grant of time, release, compromise or other indulgence by one Party in respect of any breach of any other Party's obligations under this Agreement will:
- (a) operate as a waiver of, or prevent the subsequent enforcement of, that obligation; or

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- (b) be deemed a delay, grant of time, release, compromise or other indulgence in respect of, or a waiver of, any subsequent or other breach.

- 19.2 **Amendments:** No amendment to this Agreement will be effective unless agreed in writing by all the Parties.
- 19.3 **Agreement to Continue:** In the event that any one or more of the provisions of this Agreement is or becomes invalid, void, illegal, or unenforceable, the remaining provisions will remain in full force and effect to the extent that they are not performed at settlement.
- 19.4 **Execution:** This Agreement may be executed in any number of counterparts and on the basis of an exchange of facsimile or scanned email copies, which together will constitute one document.

EXECUTION

Executed as an agreement.

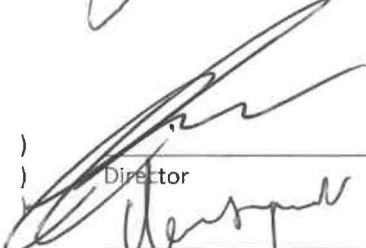
SIGNED for and on behalf of
TERRACE DOWNS RESORT OWNERS'
SOCIETY INCORPORATED


) 
) _____
) Committee Member



Committee Member

SIGNED for and on behalf of
PHC TERRACE DOWNS LIMITED
by its Directors

) 
) _____
) Director



Director

Schedule 1

Estimated Maintenance Cost by Property Service Category (all numbers are GST inclusive)

Service Categories	Estimated Maintenance Costs per annum)	Service Fee per annum) being the Society's share of the Estimated Maintenance Cost	The Society's Proportion
Security	86,000	12,900	15%
Property Maintenance	86,700	43,350	50%
Account Administration	75,000	19,500	26%
Water Connection	30,415	17,305	57%
Water Maintenance	5,000	4,000	80%
Emergency Water	20,000	15,000	75%
Sanitary Sewer	15,320	10,724	70%
Minor Road Maintenance	10,000	7,000	70%
Gardening	54,800	28,800	53%
Total maintenance costs	383,235	158,579	
Sinking Fund	57,933	28,966	50%
Total Costs	441,168	187,545	

Estimated Maintenance Costs per annum (as at the date of this Agreement):

\$441,168.00 (including GST)

Service Fee per annum (as at the date of this Agreement):

\$187,545.00 (including GST)

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Schedule 2:

List of Property Services

1. **Resort Security, Access Management, Safety and Compliance:** PHC will employ an overnight security and safety support person to provide assistance as follows:
 - (a) From 7.00-am to 10.30-pm – Manager on Duty – contact number is 03 318 6943 (or another number designated by the Resort from time to time); and
 - (b) From 10.30pm to 7.00-am – Resort Manager – contact number is 021 434 869 (or another number designated by the Resort from time to time)

on each day, for emergencies, during the Term. This person will be on call for any Resort guest or occupier of a Residential Property who requires a related Health and Safety, Fire, Medical or other emergency assistance.
2. **Property Maintenance:** PHC will employ or contract a Property Maintenance Manager during 9.00am to 3.00pm (Mondays to Fridays, excluding public holidays). The contact number for the Property Maintenance Manager and process for logging maintenance will be made available by the Resort to all owners from time-to-time during the Term. The Property Maintenance Manager will carry out general property repair and maintenance within the Resort and will spend approximately 50% of that time undertaking general maintenance which benefits the Owners including, but not limited to: Wastewater system, water supply and reticulation and miscellaneous schedule and break-fix activities relating to the Residential Properties.
3. **Accounts Administration:** PHC will employ an administrator, Mondays to Fridays, to assist with general administration requirements related to this Agreement. The parties acknowledge that a third-party administrative company has been employed for this purpose as at the date of the agreement in relation to the Society's portion.
4. **Utilities:** PHC will organise and facilitate the provision of the following services:
 - (a) **Water connection:** through the Selwyn District Council and paid by PHC.
 - (b) **Water maintenance:** Various miscellaneous repairs and maintenance required for the water reticulation systems to and around the Resort.
 - (c) **Sanitary Sewer Maintenance and Repairs:** Various miscellaneous repairs and maintenance required for the sanitary sewer systems to and around the Resort. The Parties note the individual charges are set by the regional council and are not controlled or managed by PHC or the Resort, rather a direct on charge from the relevant Utility Supplier/ Authority.
5. **Emergency Water Contingency:** Emergency water supply for all Society Members. If the contingency is not utilised, then it will be carried forward and not levied in the following year.
6. **Roading and footpath Maintenance and Repairs:** Maintenance and repairs of the Resort's spine and tributary roading, driveways and footpath assets excluding the Clubhouse owned carpark.

Handwritten signatures and initials, including a large stylized 'S' and 'R' and the initials 'WS'.

7. **Gardens and Grounds Maintenance:** PHC employ or contract gardening teams to carry out approximately 30 hours of maintenance per week (based on cumulative time spent by of all employees or contractors). Those gardening teams will spend approximately 70% of their time on maintaining access road berms (the tussock gardens) and general roadside presentation. For the avoidance of doubt, any landscaping and grounds maintenance undertaken by the gardening teams on the Common Property of each of the three Body Corporates do not form part of the Property Services, and PHC will separately invoice the Body Corporate in relation to this work.
8. **Long term maintenance:** Long term maintenance to be undertaken in accordance with the Long Term Maintenance Plan.

Handwritten initials and signature. The initials 'PP' and 'CP' are written in the upper right, and a large, stylized signature 'J' is written in the lower left, with 'WS' written below it.

Schedule 3 (Resort Land)



Handwritten signatures and initials:
A large, stylized signature, possibly "J. R. B.", is written in the bottom right corner. To its right are the initials "PP" and "CP". Below the main signature is the word "WLD" in parentheses.