



November 2020

Dear Members of Marriott Vacation Club Destinations, Australia,

First and foremost, I hope that you, your families, and communities are safe. As a representative of the Club Manager, I felt moved to reach out to you during this challenging and evolving time when a global pandemic is affecting all of our personal and professional lives.

Attached to this letter, you will find a copy of your 2021 Maintenance Fee invoice, as well as an overview of the 2021 budgeted expenses. In addition, you will find answers to frequently asked Maintenance Fee questions, and information about available methods of payment.

2020 Focus Areas

I would like to inform you that the two Club properties in Bali and Surfers Paradise remain open. We all are fully aware of the travel restrictions we all have to suffer but it is important to mention that keeping the properties fully operational gives us the possibility of satisfying local demand and keeping the properties in good condition.

Marriott Vacation Club has been closely monitoring the COVID- 19 conditions to prepare and implement necessary changes and ensure the safety of our Members, Owners, guests, and associates. To accomplish this, we have implemented the Enhanced Operations Program (EOP), which provides cleaner and safer spaces for our Members, Owners, guests and associates. We have elevated protocols and focused on key touch-points throughout our villas using hospital-grade disinfectants and hand sanitizing stations are available at high-traffic public spaces. You can see our enhanced cleaning procedures here: <https://clean.vacationclub.com/>. These protocols will likely be with us until the pandemic is completely over.

Aside from safety and keeping the properties in good condition, we have also focused our attention on finding opportunities to bring as many savings as possible at all levels and to offer Club Members different ways to use their Club Points.

Maintenance Fees

As compared to the 2020 budgeted Maintenance Fees, the 2021 budget increases by 0.0%. Below are the primary elements related to the 2021 budget:

- Operational expense, including Front Office, Housekeeping and Maintenance total AUD\$487.44 per 1000 Club Points.
- The 2021 budget includes a contribution of AUD\$26.00 per 1000 Club Points into the reserve fund. The reserve is the source of the funds used to renew the Resort's furniture, fixtures, and equipment on a periodic, as needed basis.
- Club Administration costs are AUD\$111.07 per 1000 Club Points, covering collection costs, regional support, printing and postage, taxes, and audit fees.
- Management fees amount to AUD\$93.80 per 1000 Club Points.
- There is no subsidy from the Developer in 2021.

The Maintenance Fee remains unchanged in 2021 primarily due to removing the Developer's subsidy offset by reductions in operational expenses and Club Administration costs driven by the COVID-19 pandemic. Additionally, the reserve fund is adjusted down so that there is no increase to the 2021 Maintenance Fees.

We are aware that many of you have requested for waivers or discounts on your Maintenance Fees because you have not been able to travel. However, doing so would mean that the Club would not be able to pay the costs that continue to be incurred for the properties and we would not be able to manage your Club Membership to the standards that you have come to expect from us.

Maintenance Fees are determined annually and collected by the Club for costs associated with managing the Club Membership including the cost of operating and maintaining the Club Resorts Properties. Maintenance fees are used for a variety of costs, including the operating expense to cover resort expenses throughout the year, to provide a reserve for planned funding of capital replacement of large items such as appliances, furnishings and roof replacement, and to pay for any taxes not billed directly to a Club Member. Many of these expenses continue to be incurred even when the resort is closed. For example, we continue to have to pay for the salaries of associates who assist with the operations and your Club Membership, electricity costs while reduced, continue to be incurred, property and land taxes, repair and Maintenance of the Club units and public areas, etc.

The entire Operations team has been highly focused on generating as many savings as possible during this year. Each property's General Manager has also implemented important cost reduction measures; some of these measures go from salary reductions to renegotiating contracts with providers where possible. As a result of these measures, there will be no increase to your Maintenance Fee for 2021.

Adjustments to Cancellation Policy

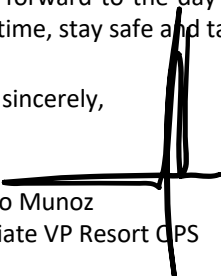
Starting from March 2020, in response to some requests and in anticipation of the needs of our Club Members, Marriott Vacation Club modified the cancellation policy so that Club Members with confirmed reservations who cancelled on less than 60 days' notice were able to have their Club Points deposited into their Holding Accounts and available for use through an extended period ending 31 December 2021. In addition, the booking window for these Club Points in the Holding Account was extended from 60 to 120 days. While subject to change, we will continue with this cancellation policy until further notice to give our Club Members more flexibility in how they use their Club Points.

Your usage options

Meanwhile, you may continue to access guest rooms and suites at the two Club Resort Properties, as well as exchange for accommodations at other Marriott Vacation Club Resorts through the Marriott Vacation Club Destinations™ Exchange Program. You can also enjoy thousands of other holiday options, such as taking advantage of the Explorer Collection, featuring an exclusive selection of travel options in a variety of destinations. You can also choose to convert your Club Points to Marriott Bonvoy points, for stays at Marriott hotels both domestically and worldwide. And you may exchange your points through Interval International for a week at one of their more than 2,000 resorts worldwide. Please contact our Owner Services team or visit vacationclubap.com for more details.

I look forward to the day when we can say with confidence that we have made it through this difficult chapter. In the meantime, stay safe and take care of each other.

Yours sincerely,


Ignacio Munoz
Associate VP Resort OPS