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Disclosure Statement for the purposes of the Retirement Villages Act 2003

CARMEL COUNTRY ESTATE

Lawyers of the Bay

Annan

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DATE

1 October 2019

1. Statement of Information for Intending Residents

1.1 Important information for intending residents

Below is a copy of the full text of Schedule 4 of the Retirement Villages (General) Regulations 2006

Decisions about retirement villages are very important. They have long-term personal and financial consequences.

You should read this disclosure statement carefully.

This disclosure statement draws your attention to some of the important matters you should consider before deciding to enter a retirement village.

Ask questions

You must obtain advice from a lawyer independent of the operation of the village before you sign an occupation right agreement (i.e., a document that confers on any person the right to occupy a residential Unit within the Village and specifies any terms or conditions to which that right is subject).

It is common for there to be misunderstandings by residents and their families about:

- 1.1.1 the kind of legal interest that the resident has in the village;
- 1.1.2 what happens if the resident or their family wants to exit an occupation right agreement;
- 1.1.3 the fees and charges that apply to entering, moving between units within, and leaving the Village; and
- 1.1.4 the ongoing fees and charges.

It is important that you and your family understand what is involved in entering into an occupation right agreement to join a retirement Village.

Although in most cases you will have 15 working days to cancel an occupation right agreement after signing it, you should consider the issues carefully before you sign any application form or agreement.

2. Directory

- 2.1 **Name of the Retirement Village:** Carmel Country Estate
- 2.2 **Date of registration of Retirement Village:** 24 September 2007
- 2.3 **Address of the Retirement Village:**
- 2.3.1 **Street address:** 11 Hollister Lane
Tauranga
- 2.3.2 **Registered office:** C/- Staples Rodway Tauranga Limited
247 Cameron Road
Tauranga
- 2.3.3 **Address for service:** 11 Hollister Lane
Tauranga
- 2.4 **Operator's details:**
- 2.4.1 **Name:** Carmel Country Estate
- 2.4.2 **Street address:** 11 Hollister Lane
Tauranga
- 2.4.3 **Registered office:** C/- Staples Rodway Tauranga Limited
247 Cameron Road
Tauranga
- 2.4.4 **Postal address:** 11 Hollister Lane
Tauranga
- 2.4.5 **Telephone:** (07) 544-5553
- 2.4.6 **Facsimile:** (07) 544-0050
- 2.4.7 **Contact person:** Jason Christopher John Rowling
(Village manager)
- 2.5 **Village manager's details:**
- 2.5.1 **Name:** Jason Christopher John Rowling
- 2.5.2 **Experience:** 19 years as Village manager at Carmel Country Estate looking after the safety and wellbeing of the residents in the Village.
- 2.5.3 **Address:** 11 Hollister Lane
Tauranga
- 2.5.4 **Telephone:** (07) 544-5553
- 2.5.5 **Facsimile:** (07) 544-0050
- 2.5.6 **Mobile phone:** 0274 727-658
- 2.5.7 **E-mail Address:** jasonrowling@carmel.co.nz

- 2.5.8 **Contact times:** Monday to Friday, 8 am to 5 pm
(excluding public holidays and annual leave periods)
- 2.6 **Statutory supervisor's details:**
- 2.6.1 **Name:** Covenant Trustee Services Limited
- 2.6.2 **Street address:** Level 6, 191 Queen Street
Auckland 1010
- 2.6.3 **Registered Office:** Level 6, 191 Queen Street
Auckland 1010
- 2.6.4 **Postal address:** PO Box 4243
Shortland Street
Auckland 1140
- 2.6.5 **Telephone:** (09) 302 0638
- 2.6.6 **Facsimile:** (06) 302 1037
- 2.6.7 **E-mail Address:** team@covenant.co.nz
- 2.6.8 **Contact person:** Malcolm Gray
- 2.7 **Directors of the Operator:**
- 2.7.1 Jason Christopher John Rowling Dip.Bus.Stud. A.R.E.I.N.Z
- 2.7.2 Philip Charles Annan LLB

3. **Ownership, Management and Supervision**

3.1 **Ownership structure and occupancy rights**

- 3.1.1 **Legal nature of Operator:** Carmel Country Estate (**Operator**) is a partnership of the two private companies Carmel Holdings Limited and J R Retirement Limited.
- 3.1.2 **Directors of the Operator:** The Directors of the Operator are described in the Directory.
- 3.1.3 **The Operator's interest in the Village:** The Operator retains ownership of the freehold estate in the land and buildings comprising the Village. The Village land is comprised and described in all the land in computer registers:

SA39B/466

SA46B/932

SA57D/135

SA57D/136

847681

together with any additional land used by the Operator for the Retirement Village from time to time.

3.1.4 Nature and extent of security interests affecting the Operator's interest in the Village: The Operator has granted:

- (a) A first ranking security in favour of the Statutory Supervisor over the Village, comprising Encumbrance 6741094.2, B632485.1 and 11181660.8 registered against the Village land and has entered into a second ranking general security agreement with the Statutory Supervisor in favour of the Statutory Supervisor in respect of all of the Operator's present and after acquired property. The amount secured and maximum amount able to be secured by these securities cannot be ascertained as at the date of this disclosure statement because the securities secures the performance by the Operator of all its liabilities pursuant to a Deed of Supervision both entered into by the Operator and the Statutory Supervisor in respect of the Village.
- (b) A second ranking security in favour of the Bank of New Zealand Limited (BNZ) over the Village, comprising Mortgage 6741094.3, B617691.4 and 11181660.9 registered against the Village land and has entered into a first ranking general security deed with BNZ in favour of BNZ in respect of all the Operator's present and after acquired property. As at the date of this disclosure statement the maximum facility amount secured by these securities is \$6,500,000. On 1 October 2019 the sum secured is \$5,272,155.
- (c) a guarantee in respect of the obligations of J & S Rowling Trustee Limited as trustee of the J & S Rowling Trust up to a limit of \$5,000,000 plus 24 months interest and costs in favour of the BNZ. The guarantee is secured by the mortgage and general security deed granted to BNZ as recorded above.

The Operator, Statutory Supervisor and Bank of New Zealand Limited are parties to a Security Sharing and Priority Deed which regulates the priorities as between the securities referred to above in the event of a default by the Operator and either secured party wishing to enforce their securities.

- 3.1.5 Nature of residents' tenure interest in the Village:** Each resident must enter into an Occupation Right Agreement with the Operator. An Occupation Right Agreement grants to the named resident the right to occupy a unit in the Village and the right, in common with other residents of the Village, to use the common facilities and common areas of the Village and to receive the general services provided by the Operator on the terms and condition set out in that document. Each resident's rights rest in contract only. The residents do not have any interest in the land on which their unit or the Village is situated. A separate computer register is not issued for each unit. Each resident's interest is not secured. However, the Statutory Supervisor's security described at paragraph 3.1.4(a) is held by the Statutory Supervisor for the benefit of all residents of the Village.

3.2 The resident's interest in the unit

3.2.1 Rights of the resident in relation to the unit: The Resident has the right to:

- (a) Grant a security interest in the termination proceeds which are paid by the Operator to the resident following the termination of the Occupation Right Agreement. Such a security interest can only be granted with the Operator's prior written consent. This right is subject to the prior right of the Operator to deduct from such proceeds any amounts owed by the resident to the Operator, in terms of the Occupation Right Agreement.
- (b) Have a member of the resident's family (including a de facto partner) stay with the Resident in the Unit. The Resident is entitled to have members of the resident's family stay in the unit for short periods of time, but the same

person cannot stay for more than five weeks in any one year. The Operator will consent to a de facto, married or civil union partner of the resident living in the unit where that person would otherwise meet the Operator's normal entry criteria and such person agrees to be bound by the Occupation Right Agreement, as the Operator considers appropriate.

- (c) Sell or market the unit. Following the termination of the resident's Occupation Right Agreement, the Operator will market a new Occupation Right Agreement for the unit. However, the resident is entitled to introduce a new resident to the Operator at any time who is willing to pay the market value for an Occupation Right Agreement in respect of the unit and who satisfies the Operator's normal entry criteria for the Village. The Operator will not pay a commission for any such introduction.

3.2.2 **Rights that the resident does not have in relation to the unit:** The resident is not entitled to:

- (a) Grant a mortgage or otherwise borrow against the resident's interest in the unit. The resident is able to grant a security interest against the termination proceeds, as described at paragraph 3.2.1(a).
- (b) Let or sub-licence the unit to another person.
- (c) Have a person board with the resident in the unit.
- (d) Have a person stay with the resident in the unit as a companion or carer for the resident other than as set out at paragraph 3.2.1(b).
- (e) Have a person stay in the unit to mind it for the resident while the resident is away.
- (f) Keep a pet in the unit. The resident is not permitted to keep a pet without the prior written consent of the Operator, which may be withheld at the Operator's discretion and may be withdrawn at any time if in the Operator's opinion the pet becomes a nuisance.

3.2.3 **Rules that apply to the Village:** The resident must comply with the rules of the Village. The Operator may amend the rules from time to time. The rules are adopted for the efficient management and operation of the Village. Each resident and his, her or their guests is required to comply with the rules as a term of the Occupation Right Agreement. The current rules are set out in Schedule 5 of the Occupation Right Agreement.

3.2.4 **Limits on the resident living in and using the unit:** The resident is not entitled to:

- (a) Use or permit the unit to be used other than as a private residence.
- (b) Damage or misuse the unit, including do anything or allow anything to be done that may cause a blockage or interfere with utility services to or from the unit.
- (c) Make alterations or additions to the unit or fit any radio or television aerials, satellite dishes or other appurtenances to or about the unit, without the prior written consent of the Operator. However, if the resident has or develops disabilities the resident may (at the resident's cost) alter the unit to meet the resident's needs. Following the vacation of the unit the resident must reinstate the unit to the condition it was in prior to such works being undertaken.

- (d) Damage or misuse the Village or any of its common facilities and common areas.
- (e) Do anything or omit to do anything that causes a nuisance or annoyance to the other residents in the Village or voids or increases the insurance premium payable by the Operator for the Village.
- (f) Use any portion of the Village as a garden, without the prior consent of the Operator.
- (g) Hang any washing other than on clothes lines provided for the purpose.
- (h) Inscribe, paint or display any sign, notice or advertisement at the unit, without the prior consent of the Operator.
- (i) Park or stand any vehicle other than a car in the designated parking areas other than as permitted by the Operator.
- (j) Leave the unit vacant for more than seven days, without first advising the Operator.
- (k) Deposit any waste or rubbish, other than in approved receptacles.
- (l) Obstruct the use of the common facilities and common areas of the Village.

3.2.5 ***Sale or marketing of the unit:***

- (a) the Operator will control the sale and marketing of a new Occupation Right Agreement for the unit following termination of the resident's Occupation Right Agreement and vacation of the unit by the resident. However, the resident is entitled to introduce a new resident to the Operator at any time who is willing to pay the market value for an Occupation Right Agreement in respect of the unit and who satisfies the Operator's normal entry criteria for the Village. The Operator will not pay a commission for any such introduction.
- (b) The Operator will market an Occupation Right Agreement for the unit in accordance with the terms of the Occupation Right Agreement.
- (c) The Operator will market an Occupation Right Agreement for the unit at the market value for the same, as determined by the Operator.
- (d) The Operator may agree to buy the resident's interest in the unit.
- (e) The rights of the Resident, if there is a delay in the sale of a new Occupation Right Agreement for the unit, are:
 - (i) to be consulted by the Operator about the marketing plan for the same;
 - (ii) to be informed on a monthly basis about progress with marketing including the steps taken to market a new Occupation Right Agreement for the unit and any progress achieved in finding a new resident;
 - (iii) if an Occupation Right Agreement has not been entered into in respect of the unit within six months of the termination date of the resident's Occupation Right Agreement, the Operator must obtain at its expense a valuation of the unit by an independent registered valuer experienced in retirement villages and the Operator must market the unit at the price established by that valuation and if the

resident disagrees with that valuation and obtains another valuation (at the resident's cost), the Operator must give consideration to the second valuation in determining a suitable price for an Occupation Right Agreement in respect of the unit; and

if an Occupation Right Agreement has not been entered into in respect of the unit within nine months of the termination date of the resident's Occupation Right Agreement, the resident may give a dispute notice concerning the sale process, in accordance with the Occupation Right Agreement.

3.2.6 Circumstances in which the resident is entitled to a refund of the capital sum paid and how it is calculated:

- (a) Following termination of the Occupation Right Agreement, a termination payment, being an amount equal to the purchase price paid by the departing resident, will be paid by the Operator to the resident (or the resident's personal representatives).
- (b) The termination payment will usually be paid by the Operator to the resident, five working days after:
 - (i) the Operator holds a validly executed and certified Occupation Right Agreement with a new resident in respect of the unit;
 - (ii) the expiry of the new resident's cooling off rights; and
 - (iii) the Operator receiving payment of the purchase price specified in the new resident's Occupation Right Agreement.
- (c) Where the Occupation Right Agreement is terminated by the Operator then the Operator must pay the termination payment to the resident within 7 days after the date on which termination notice took effect.
- (d) Where the Occupation Right Agreement is terminated following the damage or destruction of the unit or Village and it has been determined that the unit or Village will not be rebuilt, then the Operator must pay the termination payment to the resident upon the later of:
 - (i) The date which is three months after the termination date; and
 - (ii) Where the damage or destruction is an insured loss or damage event, five working days after receipt by the Operator of full payment from its insurers for the loss or damage event.
- (e) Where the resident has died, the executors or administrators of the resident's estate must provide to the Operator proof of the High Court grant of probate or letters of administration before the termination payment will be made.
- (f) At the time the resident receives the termination proceeds or insurance proceeds, the resident must pay the Facilities Payment, which has accrued during the term of the Occupation Right Agreement and all such other amounts as are owing by the resident to the Operator in terms of the Occupation Right Agreement.
- (g) The Operator when making any payments due to the resident, is entitled to set off against such payments, any payments due from the resident to the Operator.

3.3 Management arrangements

3.3.1 **Manager.**

- (a) The Operator has employed a Village manager whose name, experience, contact details and times of availability are described in the Directory.
- (b) The Village manager and general staff can be contacted through the Village office or by telephone, facsimile or email as set out in the Directory.
- (c) The times during which the Village manager and general staff will be available at the Village are set out in the Directory. The Village manager and general staff can only be contacted during these times.
- (d) A 24 hour emergency call system is operated at the Village and will be responded to at all times.
- (e) The core duties of the Village manager are to administer the day to day affairs of the Village, to manage all staff, to arrange the provision of services and to ensure all of the required repairs and maintenance work to the buildings and grounds within the Village are carried out promptly and efficiently. The Village manager keeps all day to day accounts of the Village on behalf of the Operator and assists with all compliance matters.
- (f) The Village manager is an employee of the Operator. The village manager is also a director and shareholder in the two companies that make up the Operator. The employment agreement between the Operator and the village manager currently provides for a salary of \$55,000.00 per annum.

3.4 **Statutory Supervisor:**

3.4.1 **Obligation to appoint:** Under the Retirement Villages Act 2003, the operator of a retirement Village must appoint a statutory supervisor for the Village unless the Registrar of Retirement Villages exempts the operator from the requirement.

3.4.2 **Core duties:** The core duties of a Statutory Supervisor are to:

- (a) provide a stakeholder facility for intending Residents and Residents who pay deposits or progress payments in respect of Occupation Right Agreements or uncompleted residential units or facilities at the Retirement Village; and
- (b) monitor the financial position of the Retirement Village; and
- (c) report annually to the Registrar and Residents on the performance of its duties and exercise of its powers; and
- (d) perform any other duties that are imposed by the Act or any other Act, any Regulations made under the Act and any document of appointment.

3.4.3 **Statutory Supervisor's details:** The name and contact details for the Statutory Supervisor of the Village are set out in the Directory.

3.4.4 **Exemption:** There is no exemption from the requirement to appoint a Statutory Supervisor.

3.5 **Residents Committee**

The Village has a residents' committee. The residents elect the committee members comprising eight residents. Its role and function is determined by the rules and constitution adopted from time to time by that committee.

4. State of Retirement Village, Services, Charges and Accounts

4.1 State of Village

4.1.1 Details of buildings

<i>Building</i>	<i>Year</i>	<i>Age</i>	<i>Construction Material</i>	<i>Condition</i>	<i>Maintenance</i>
Community centre, facilities listed at paragraph 4.1.2	2004	15 yrs	Concrete, brick, cedar, concrete roof tiles, aluminium joinery	Very Good	Continuously
136 units and 6 Apartments	2000-2009	10-19 yrs	Concrete, brick, concrete roof tiles, aluminium joinery	Very Good	Continuously

4.1.2 Details of other improvements

<i>Improvement</i>	<i>Nature of Improvement</i>	<i>Condition</i>	<i>Maintenance</i>
Paths	Access around Village and paths to each unit	Very Good	Continuously
Driveways	Driveways to service each unit	Very Good	Continuously
<i>Improvement</i>	<i>Nature of Improvement</i>	<i>Condition</i>	<i>Maintenance</i>
Roads	Access around Village	Very Good	Continuously
Grounds	Landscaped grounds and lawns	Very Good	Continuously
Lighting	All external doors, outdoor areas and paths are well lit	Very Good	Continuously
Heating	Electric heating in all units and common areas	Very Good	Continuously
Security features	Perimeter wall with lockable gates. Independent security guards	Very Good	Continuously
Sprinklers, smoke alarms	All units and common areas have systems that meet Building Act requirements	Very Good	Continuously
Emergency call system	St John Medical Alarm System	Very Good	Continuously

4.1.3 **Stage of completion and new units planned:** The Village is fully completed.

4.1.4 **Effect on existing residents of planned new units:** The Operator will take reasonable steps to minimise any disturbance caused by development at the Village and will keep residents' informed as to progress. The Operator gives

equal emphasis to the sale of Occupation Right Agreements for new and existing units.

- 4.1.5 **Number of units occupied, unoccupied and still to be completed:** Refer to Schedule 1.
- 4.1.6 **Details of unit disposals in last 12 months:** Refer to the Schedule.
- 4.1.7 **Average time to dispose of occupied units (in days):** Refer to the Schedule.
- 4.1.8 **Average time to dispose of unoccupied units (in days):** Refer to the Schedule.

4.2 Services and facilities at the Village:

4.2.1 Services:

Service	Nature	Extent	Frequency
Gardening	Planting and maintenance of the gardens in the common area	Common gardens surround the entire Village	Continuous maintenance programmed to occur throughout the year
Lawn mowing	Lawns surround the Village	Lawns are mowed regularly	Weekly during the growth period and then up to once every three weeks as the growth requires
Repairs and maintenance	As and when required to all buildings	All necessary repairs are recorded when required on a repairs and maintenance sheet at the Village office. These are provided to the Manager	Repair person on site as and when required
Nursing and medical services:	Doctors rooms	A registered nurse will be available for consultations in the doctors rooms A physiotherapist and a podiatrist will be available for consultations in the doctors rooms 24 hour medical alarm system	Weekly – registered nurse By appointment – physiotherapist and podiatrist

monitored by St
John

<i>Provision of meals</i>	<i>Not available</i>		
<i>Shops and other services for provision of goods</i>	<i>Not available</i>		
<i>Laundry Services</i>	<i>Not available</i>	<i>All units have their own laundry</i>	
<i>Hairdressing and other personal care services</i>	<i>Hairdressing</i>	<i>A hairdresser has a salon in the community centre</i>	<i>By appointment</i>
<i>Transport Services</i>	<i>Village minibus</i>	<i>The Village minibus makes trips and outings as required.</i>	<i>At the Manager's discretion</i>
<i>Recreation and entertainment services</i>	<i>Determined by residents' social committee</i>	<i>Determined by residents' social committee</i>	<i>In accordance with resident's social committee bookings</i>
<i>Security Services</i>	<i>Co-ordinated by the Village manager</i>	<i>Co-ordinated by the Village manager</i>	<i>All times</i>

4.2.2 **Facilities:**

<i>Facility</i>	<i>Description</i>	<i>Availability</i>
<i>Dining facility</i>	<i>Available upon request</i>	<i>Group bookings to be made via the Village manager</i>
<i>Lounge or television room</i>	<i>Lounge seating for residents, includes projector TV and 60" plasma screen</i>	<i>Group bookings to be made via the Village manager, otherwise at all times</i>
<i>Laundry</i>	<i>Not available. A laundry area is provided in each unit</i>	
<i>Gymnasium</i>	<i>Small gymnasium holding weights and exercise machines</i>	<i>At all times</i>
<i>Spa pool and swimming pool</i>	<i>Not available</i>	
<i>Health clinic</i>	<i>Doctors Room</i>	<i>Thursday mornings By appointment</i>

Facility	Description	Availability
<i>Tennis court</i>	<i>Not available</i>	
<i>Petanque court</i>	<i>Beside the community centre</i>	<i>At all times</i>
<i>Bowling green</i>	<i>Outdoors artificial matting</i>	<i>At all times</i>
<i>Library</i>	<i>Extensive selection of books to cater for all types of reading</i>	<i>At all times</i>
<i>Kitchen facility</i>	<i>Commercial kitchen is available to residents for catered dinners or in-house meal preparation</i>	<i>Group bookings to be made via the Village manager</i>
<i>Darts</i>	<i>Not available</i>	<i>At all times</i>
<i>Croquet lawn (artificial)</i>	<i>Available</i>	<i>At all times</i>
<i>Snooker and billiards room</i>	<i>Contains billiard/snooker tables and associated chairs</i>	<i>At all times</i>
<i>Table Tennis Table</i>	<i>Available</i>	<i>At all times</i>
<i>Wood and metal workshop</i>	<i>Machinery and benches</i>	<i>At all times</i>

4.2.3 **Services and facilities to be provided:** The Operator has no plans to provide any additional services or facilities.

4.3 Charges

4.3.1 **Charges for services and facilities:** Each resident is required to pay the following charges on the terms set out in their Occupation Right Agreement:

- (a) **Village Outgoings Charge:** The Village Outgoings Charge is a weekly fee payable by the resident to the Operator, being the resident's proportionate contribution to the costs, charges, expenses, fees and other outgoings incurred by the Operator in maintaining, managing, supervising and operating the Village, the common facilities and common areas. Without limiting the generality of the forgoing it includes:
- (i) all taxes (except income tax or capital taxes in respect of our income or profits) in respect of the Retirement Village;
 - (ii) all rates, levies, charges, assessments and fees payable to any Government, territorial or local authority in respect of the Retirement Village or the land and not directly recovered from the residents of the Retirement Village directly;
 - (iii) the cost of compliance with any statutes, regulation, bylaw or other lawful obligation in respect of the Retirement Village;
 - (iv) the charges for the supply of water, gas, electricity, fuel, telephone and tolls, cable/satellite television charges and internet charges and other utilities or services to the Retirement Village, including common areas and the Retirement Village generally (but excluding the same to the extent they are supplied direct to a residential unit);

- (v) where utilities of the type described at paragraph (iv) are provided by the Operator to a particular residential unit or class of residential units, then for that residential unit or class of residential units only, the charges for that utility or those utilities;
- (vi) insurance premiums relating to all buildings and facilities of the Retirement Village, including common areas, all of the Operators chattels, equipment, fixtures, fittings, stores and motor vehicles (but excluding the personal belongings and vehicles of the residents) and any associated valuation fees;
- (vii) payment of all remuneration, salaries, wages, fees, superannuation and pension payments and Accident Compensation levies and management, supervision, printing and stationery, advertising, general administration, laundry services, and such other charges, fees and expenses as may from time to time be incurred by the Operator in running and maintaining the Retirement Village;
- (viii) a reasonable annual management fee or salary in respect of the management services the Operator provides at the Retirement Village, such fee or salary being subject to review each year to *reflect then current market terms and conditions*;
- (ix) the costs of cleaning the Retirement Village generally, including the common areas and all areas used by the Operator (but excluding the interior of each residential unit, being the responsibility of each occupying resident);
- (x) the costs of all gardening and landscaping at the Retirement Village (but excluding any work which is the responsibility of a resident);
- (xi) the costs of operating, maintaining, repairing and replacing any community courtesy vehicle(s);
- (xii) the costs of keeping secure the Village;
- (xiii) the costs of replacing painting, repairing, maintaining and servicing all buildings, the exterior of the residential units, the common areas and the Retirement Village generally (but excluding any painting, repair, maintenance and service costs payable by a resident pursuant to the provisions of the resident's occupation right agreement);
- (xiv) the costs of keeping secure the Retirement Village, including the costs of security guards, regular security patrols, on-call security patrols, camera systems, virtual monitoring and alarm systems;
- (xv) a reasonable sum in each financial year, as determined by the Operator in its sole discretion, as a contribution to a maintenance fund to cover the cost of Retirement Village repairs, maintenance, renovations and replacements (including items of a capital nature) *of a substantial but infrequent or irregular nature*;
- (xvi) payment of all charges for services supplied to the Retirement Village for the general purposes or benefit of the residents of the Retirement Village;

- (xvii) payment of all moneys payable under the Deed of Supervision including the appropriate fees and expenses of the Statutory Supervisor; and
- (xviii) all accounting, audit, and legal costs incurred in the administration of the Village.

The Village Outgoings Charge is payable by the resident in consideration of the Operator agreeing to pay all the operating expenses of the Village (described above).

The Village Outgoings Charge is calculated on a cost recovery basis. No margin is included by the Operator.

The Village Outgoings Charge will be payable from the commencement date of the Resident's Occupation Right Agreement until the date on which another Occupation Right Agreement is issued for on that unit. However if another Occupation Right Agreement has not been issued for the unit within six months of the resident's Occupation Right Agreement having been terminated and the Resident vacating the unit, then the Village Outgoings Charge will be reduced by 50%.

The Village Outgoings Charge will also abate, by an amount agreed between the Operator and Statutory Supervisor, where the unit or Village is damaged or destroyed and pending reconstruction.

- (b) *Additional Services Charge:* The Additional Services Charge is a weekly calculated fee payable by the resident to the Operator, being the sum of additional charges incurred by the resident for the provision of additional services by the Operator. The provision of such services and the charging for the same is by agreement between the parties.

The Additional Services Charge is payable by the resident in consideration of the Operator supplying the Additional Services.

The Additional Service Charge is calculated on a cost recovery basis. No margin is included by the Operator.

Any Additional Services Charge will be payable from the date the resident begins to receive the relevant services and will cease on the date the resident's Occupation Right Agreement is terminated and the unit vacated.

- (c) *Weekly Fee:* The Village Outgoings Charge and Additional Services Charge are payable together as the Weekly Fee.

The Weekly Fee is payable by a resident to the Operator by four weekly payments in advance. The resident will be given an invoice by the Operator for the first payment, when the amount charged changes and otherwise upon request by the resident.

The amount of the Weekly Fee (and its component charges) may be reviewed and changed by the Operator from time to time. If the Operator wishes to change the Weekly Fee (or its component charges) in a way that may have a material impact on the residents' occupancy or ability to pay for the services, then the Operator will provide a reasonable opportunity for consultation with the residents and the Statutory Supervisor before making the change. The Operator will give at least four weeks notice of any change to the charges.

The Weekly Fee is not payable during the period while the Unit is damaged or destroyed through no fault of the Resident and is uninhabitable up until the Unit is replaced and is ready for occupation by the Resident.

- (d) *Facilities:* There is no specific charge for the provision of the Village common facilities and common areas (other than as included in the Village Outgoings Charge) as the right to use these facilities forms part of the Facilities Fee paid at the time the resident leaves the Village.

4.3.2 **Payments to secure an interest in the unit**

- (a) *Purchase price:* A Resident is required to pay the purchase price to the Operator for an Occupation Right Agreement in respect of the nominated unit. The amount of the payment is described in the Information Sheet. This payment is determined by the Operator as an appropriate capital sum for the right to occupy the unit and, in common with the other residents, use the common facilities and common areas and receive the general services at the Village
- (b) *Facilities fee:* The maximum Facilities Fee payable by the Resident is an amount equal to 30% of the Purchase Price, unless reduced as set out in this clause. The Facilities Fee will accrue to the Operator on the due date for payment of the Termination Payment. The parties agree that there is no liability for the Facilities Fee until this Agreement ends (ie the Operator has completed the provision of services to the Resident)

Where the due date for payment of the Termination Payment is less than three years from the Commencement Date the Facilities Fee will be reduced from 30% of the Purchase Price by the percentage calculated as: $\text{Reduction} = 30\% \times (A/36)$. Where A is the number of months (or part month) between the due date for payment of the Termination Payment and the date that is three years after the Commencement Date.

For example, if the due date for payment of the Termination Payment is 24 months after the Commencement Date (being 12 months before the date that is three years after the Commencement Date), the Facilities Fee will be reduced by 10%, and The Resident will be required to pay a Facilities Fee of 20% of the Purchase Price.

During the period that the Unit is damaged or destroyed through no fault of the Resident and is uninhabitable up until the Unit is replaced and is ready for occupation by the Resident the Facilities Fee reduction will be adjusted to exclude that period.

- (c) The resident is required to pay the Operator's reasonable legal fees associated with the documentation and settlement of the Occupation Right Agreement. The amount of these costs will depend on the extent of the legal services provided, but are currently estimated at \$700.00 plus GST, office services and disbursements.

4.3.3 **Payments on permanently leaving the Unit.** The following charges are payable by the resident to the Operator:

- (a) *Facilities Fee:* See paragraph 4.3.2(b) above. This does not apply if the unit is destroyed or damaged and cannot be repaired or reinstated and the Occupation Right Agreement is terminated.
- (b) *Lesser purchase price:* Where the purchase price paid by the new resident is less than the termination payment to be paid by the Operator to the departing resident, an amount equal to the difference between the termination payment and purchase price. This does not apply if the unit is

destroyed or damaged and cannot be repaired or reinstated and the Occupation Right Agreement is terminated.

- (c) *Refurbishment*: The resident is required to pay for the cost of making good any damage to the unit which goes beyond fair wear and tear. For the avoidance of doubt, damage caused by smoking or disability/mobility aids does not constitute fair wear and tear. This does not apply if the unit is destroyed or damaged and cannot be repaired or reinstated and the Occupation Right Agreement is terminated.
- (d) *Disability modifications*: The cost of removing any disability modifications made by the resident to the unit. This does not apply if the unit is destroyed or damaged and cannot be repaired or reinstated and the Occupation Right Agreement is terminated.
- (e) *Removal costs*: If the resident does not remove from the unit all of the resident's possessions on termination then the Operator may remove the possessions and place them into storage. The cost of this removal and storage shall be charged to the resident and deducted from payments due to the resident. The Operator may sell the possessions if they are not collected in 60 days.
- (f) *Weekly Fee*: Any outstanding Weekly Fee. To this end:
 - (i) The Village Outgoings Charge will be payable on the terms set out at paragraph 4.3.1(a): and
 - (ii) Any Additional Services Charge will be payable on the terms set out at paragraph 4.3.1(b).
- (g) *Outstanding charges*: any other amounts due to the Operator under the Occupation Right Agreement.
- (h) *Legal costs*: The resident is required to pay the Operator's reasonable legal fees associated with the termination of the Occupation Right Agreement. The amount of these costs will depend on the extent of the legal services provided, but are currently estimated at \$700.00 plus GST, office services and disbursements.

These payments will be made by the resident at the time the unit is sold. The Operator is entitled to set these payments off against the termination payment which it pays to the resident. The payments are inclusive of GST unless otherwise noted

4.3.4 ***Payment on transferring to another unit***: The payments described at paragraph 4.3.3 will be payable where the resident wishes to sell their existing unit and move to a new unit in the Village. However rather than paying a new Facilities Fee for the new unit the balance of the Facilities Fee for the existing unit will be carried over and will accrue as if the Occupation Right Agreement for the existing unit had not been terminated.

4.3.5 ***Periodic charges payable by the resident***:

- (a) *Village Outgoings Charge*: The Village Outgoings Charge is largely described at paragraph 4.3.1(a). It is calculated by dividing the total operating expenses of the Village by the number of units in the Village. The Village Outgoings Charge currently payable by each resident is \$164.40 including GST (if any) per week. The Village Outgoings Charge is usually reviewed annually at the commencement of each financial year of the Village but may be reviewed more frequently if required.

- (b) **Additional Services Charge:** The Additional Services Charge is largely described at paragraph 4.3.1(b). The amount of the Additional Services Charge can only be calculated once the additional services have been agreed between the resident and Operator. The Additional Services Charge is usually reviewed annually at the commencement of each financial year of the Village but may be reviewed more frequently if required.
- (c) **Weekly Fee:** The Weekly Fee (comprising the Village Outgoings Charge and Additional Services Charge) is largely described at paragraph 4.3.1(c). The Weekly Fee must be paid to the Operator by direct debit from the resident's bank account on the date advised to the resident. The amount to be deducted will be notified to the resident by letter. Four weekly invoices will not be issued unless requested by the resident.

4.3.6 **Additional charges or expenses:** In addition to the charges disclosed elsewhere in this section 4, the resident is also required to pay for the following additional charges or expenses under the Occupation Right Agreement and these charges and expenses will relate only to the time the resident remains in the Village:

- (a) **Utility charges:** The supply of telephone connection, telephone rental and tolls, and any other utility charges in respect of the unit. Such charges are payable to the utility company which supplies the service.
- (b) **Repair charges:** The cost of all repairs and maintenance to the interior of the unit.
- (c) **Insurance Charges:** The cost of insuring the resident's personal belongings and vehicles.
- (d) **Third party providers:** The resident will be responsible for the payment of any external service providers the resident uses.
- (e) **Default interest:** If the resident fails to make payment of any moneys payable under the Occupation Right Agreement on the due date for payment, then the Operator is entitled to charge interest on such unpaid moneys at the rate of 4% per annum above the commercial lending base rate charged by the Operator's bank, calculated on a daily basis.
- (f) **Insurance excess payment:** If the Village is damaged or destroyed as a result of an act or negligence of the resident or the resident's guests then, without prejudice to the Operator's other rights, the Operator may require the resident to pay the amount of any excess charge to any insurance claim. Currently the excess amount under the Operator's insurance cover is: \$500 (standard); \$2,500 (theft without violence); \$1,000 (burglary); \$500 (money); \$5,000 (landslip/subsidence); and \$2,500 (water damage to community centre).
- (g) **Contribution to legal costs:** The resident shall pay, on demand, the Operator's legal costs incurred the preparation or termination of the Occupation Right Agreement and in the exercise of any discretion, consent or remedy of any default by the resident under the Occupation Right Agreement.

4.3.7 **Maintenance, Rates and Insurance Payments:** The resident is not required to make any separate payments for maintenance, rates and insurance in respect of the land and the exterior of the buildings comprising the Village as these costs are paid by the Operator as part of the Village Outgoings Charge. The resident will be liable for the cost of interior maintenance to the unit as described at paragraph 4.4.2 below.

4.4 Maintenance and refurbishment

4.4.1 **Maintenance the Operator is responsible for:**

- (a) The Operator is responsible for:
 - (i) maintaining the exterior of the units (excluding windows and the garage door);
 - (ii) maintaining connections for all usual utility services to the units;
 - (iii) ensuring that the grounds surrounding the units are kept in clean and tidy order
 - (iv) maintaining the exterior and interior of all other buildings and the plant and equipment in the Village in a good, clean, tidy repair, order and condition; and
- (b) On being advised of any defect or need for repair to any of the above, the Operator must within a reasonable time take appropriate steps to repair and make good the defect.

4.4.2 **Maintenance that the resident is responsible for:**

- (a) The resident is responsible during the term of the Occupation Right Agreement for keeping the interior of the unit, internal and external windows, the garage door (and opening mechanism) and the fixtures, fittings and chattels in the unit in good clean order, repair and condition. Generally the same must be in the condition they were in at the commencement date of the Occupation Right Agreement after taking into account fair wear and tear since that date.
- (b) The Operator may from time to time inspect the unit and require the resident to undertake such repair and maintenance work.
- (c) The resident must organise and pay for such repair and maintenance work. The resident may ask the Operator to undertake the work for the resident, otherwise the resident must ensure that all work is carried out in a proper and tradesman like manner by workmen or contractors approved by the Operator.
- (d) On termination of the Occupation Right Agreement, the resident must refurbish the interior of the unit in accordance with paragraph 4.3.3(d).

4.4.3 **Maintenance or sinking fund:** The Operator has a maintenance or sinking fund for repairs, maintenance, refurbishment and capital replacement works associated with the Village (including its facilities). The details of the fund are as follows:

- (a) The balance of the maintenance fund is specified in the Schedule.
- (b) The expenditure planned from the fund is specified in the Schedule.
- (c) The purposes for which expenditure from the fund may be incurred is as above and the fund will not be used to refurbish the interior of any unit.
- (d) The Operator determines how the fund will be expended, after taking into account its maintenance and refurbishment plans. The residents will be consulted on such matters prior to the Operator making its expenditure decision.

- (e) A resident who disposes of his, her or their unit is not entitled to a payment, refund, or credit from the maintenance fund.

4.5 Financial Accounts

- 4.5.1 **Financial Reporting Act 1993:** The Financial Reporting Act 1993 requires the Operator to prepare audited financial statements relating to the Operator. The financial statements of the Operator are the financial statements of the Village.
- 4.5.2 **Process for preparing accounts:** The Operator commences the preparation of financial statements to comply with the requirements of the Financial Reporting Act 1993 following the end of each financial year on 31 March and causes these accounts to be audited by independent qualified auditors. The audited accounts must be filed at the Companies Office within five months and 20 working days after the end of the financial year. The Operator will give the Statutory Supervisor a copy of such audited financial statements as soon as they are available and in any event, within 5 months of the end of the financial year.
- 4.5.3 **Financial accounts available to Residents:** The Operator will make available to the resident free of charge on request a copy of the most recent audited financial statements of the Operator. These audited financial statements are reviewed by the Operator with residents at the Annual General Meeting each year.
- 4.5.4 **Forecast Village accounts:** The Operator prepares at the commencement of each financial year a forecast statement of all income and expenditure relating to the Village and gives the Statutory Supervisor a copy of such forecast statement within 3 months of the commencement of the financial year. This annual budget is reviewed by the Operator with residents at the Annual General Meeting each year.
- 4.5.5 **Manager.** The Village manager is an employee. There is no contracted management company. As such no financial statements are prepared for a manager.
- 4.5.6 **Financial Statements:** A copy of the most recent financial statements relating to the Operator are attached to this disclosure statement. These financial statements have been audited.

5. Occupation Right Agreements, Terminations, Deductions and Estimated Financial Returns

5.1 Cooling-off period and cancellation of Occupation Right Agreement:

5.1.1 Section 28 of the Retirement Villages Act 2003:

Below is a copy of the full text

- (1) An occupation right agreement must contain a provision allowing a resident (other than a person who is a resident solely because paragraph (c) of the definition of resident applies to that person) to cancel the agreement,—
- (a) without having to give any reason, by notice given not later than 15 working days after the agreement is signed by the resident; and

- (b) if the agreement relates to a residential Unit to be built or completed at a later date and the residential Unit is not finished to the point of practical completion within 6 months after the proposed date for completion of the Unit, by notice given at any time after the expiry of that 6-month period.
- (2) Notice of cancellation—
 - (a) must be in writing and in a form that indicates (irrespective of the exact words used) the intention of the resident to cancel the agreement; and
 - (b) may be given by the resident or any person authorised in writing by the resident to act on his or her behalf.
 - (3) The notice may be given to—
 - (a) the operator; or
 - (b) the real estate agent or other person who dealt with the resident on behalf of the operator when the resident acquired an occupation right, unless the operator has notified the resident that the person has ceased to act on behalf of the operator; or
 - (c) any person who the operator has notified the resident is a person authorised to receive communications on behalf of the operator.
 - (4) The operator is entitled to reasonable compensation for services provided to the resident under the occupation right agreement and for damage to a residential Unit or any facilities in the retirement Village for which the resident is responsible before the cancellation takes effect.
 - (5) Despite subsection (1), an occupation right agreement may contain a cancellation provision of the kind referred to in subsection (1) that is more favourable to the resident than the provision referred to in subsection (1), but, if the agreement fails to contain any provision of the kind referred to in subsection (1) or contains a provision that is less favourable to the resident than that provision, the agreement is deemed to contain the provision referred to in subsection (1).

5.1.2 **Definitions:** The following definitions are contained in section 5 of the Retirement Villages Act 2003 and are used in section 28 of the Act, reproduced above:

facilities in relation to a retirement Village, means facilities of a shared or communal kind provided in the retirement Village for the benefit of residents of the retirement Village and includes recreational facilities and amenities.

occupation right agreement means any written agreement or other document or combination of documents that—

- (a) confers on any person the right to occupy a residential Unit within a retirement Village; and
- (b) specifies any terms or conditions to which that right is subject.

operator, in relation to a retirement Village, means any person who is 1 or more of the following:

- (a) a person who is, or will be, liable to fulfil all or any of the obligations under occupation right agreements to residents of the Village:

- (b) a holder of a security interest who is exercising effective management or control of the retirement Village:
- (c) a receiver of the property comprising the retirement Village, or the liquidator of the person to whom either of paragraph (a) or paragraph (b) applies.

resident means any of the following:

- (a) a person who enters into an occupation right agreement with the operator of a retirement Village:
- (b) a person who, under an occupation right agreement, is, for the time being, entitled to occupy a residential Unit within a retirement Village:

residential Unit or Unit means a building, or part of a building, that is a house, flat, townhouse, Unit, serviced Unit or apartment (whether or not it has cooking facilities), villa, or similar dwelling erected, or currently used, primarily and principally as a Unit of accommodation; and includes any land, improvements, or appurtenances belonging to the Unit or usually enjoyed with it.

services means services provided at a retirement Village of 1 or more of the following kinds:

- (a) gardening, repair, or maintenance services:
- (b) nursing or medical services:
- (c) the provision of meals:
- (d) shops and other services for the provision of goods:
- (e) laundry services (not being the provision of facilities for residents to carry out their own laundry):
- (f) services (for example, hairdressing services) for the personal care of residents:
- (g) transport services:
- (h) services for recreation or entertainment:
- (i) security services:
- (j) other services for the care or benefit of residents.

5.1.3 **Favourable provision:** The Occupation Right Agreement does not contain a more favourable cooling-off and cancellation provision than contained in section 28(1) of the Retirement Villages Act 2003.

5.2 Varying the Occupation Right Agreement

5.2.1 **Variation:** The terms of an Occupation Right Agreement cannot be varied by the Operator or the resident except by the mutual agreement of both parties and after prior consultation with the statutory supervisor.

5.2.2 **Code of Practice:** To the extent that the Occupation Right Agreement may contain a provision which is less favourable to the resident than the provisions of the Code of Practice, the terms of the Code of Practice will prevail and the Occupation Right Agreement will be deemed to be varied accordingly.

5.3 Termination of Occupation Right Agreement

- 5.3.1 **Resident's right to terminate:** The resident is entitled to terminate his, her or their Occupation Right Agreement for any reason and at any time on service of one month's prior written notice to the Operator. Such notice once given cannot be revoked.
- 5.3.2 **Automatic termination:** The Occupation Right Agreement is automatically terminated upon the death of the resident or the death of the last survivor of joint resident. The Occupation Right Agreement will also terminate when the resident moves to another unit in the Village.
- 5.3.3 **Termination by agreement:** The Occupation Right Agreement may terminate by agreement between the Operator and resident.
- 5.3.4 **Termination upon damage or destruction:** If the unit is damaged or destroyed, then the Operator will repair and reinstate the unit unless such repair or reinstatement is impracticable because of the extent of the damage or destruction or because the necessary building consents cannot be obtained or the insurance money needed to repair or replace the unit cannot be obtained or there is insufficient money to replace the property damaged or destroyed. In such circumstances the Operator will consult the resident to agree whether or not it is practicable to repair or replace the unit and, in the absence of agreement following such consultation, will terminate the Occupation Right Agreement.
- 5.3.5 **Termination by the Operator:** The Operator may terminate the Occupation Right Agreement on the following grounds:
- (a) *Intentional damage:* where the resident has intentionally or recklessly caused or allowed or is likely to cause or allow:
 - (i) serious damage to the unit or the Village;
 - (ii) damage which is not itself of a serious nature but which is made so by its continuous nature; or
 - (iii) serious injury or harm to the Operator, its contractors or employees, or an invitee of the Operator or another resident of the Retirement Village,

and has failed to remedy that damage, injury or harm within 40 working days or such other lesser time as may be specified by the Operator and which is reasonable in the circumstances;
 - (b) *Abandonment:* the resident has abandoned the unit for a continuous period of six or more months and failed to re-occupy the unit within a reasonable time of the Operator serving notice requiring this;
 - (c) *Use contravention:* the resident has used the unit other than as a private residential dwelling, has transferred or sub-licensed the resident's rights or granted a security interest in the unit, without the Operator's prior written consent;
 - (d) *Material breach:* the resident has otherwise, in a material or significant way, breached the Occupation Right Agreement and has failed to rectify the breach within a reasonable time after receiving written notice from the Operator that the Operator intends to terminate the same unless the breach is remedied;
 - (e) *Medical grounds:* where a medical practitioner appointed by (but independent of) the Operator following consultation with the resident,

certifies that the resident's or the last survivor of joint resident's, physical or mental health is such that the resident or one of the residents, as the case may be, cannot live safely in the Village; or

- (f) *General:* where, in the reasonable opinion of the Operator and the Statutory Supervisor, it is best for the safety, security and well-being of the community of residents in the Village.

5.3.6 **Effect of termination on persons living with the resident:** On termination of the Occupation Right Agreement the resident and any person living in the Unit with the resident will be required to vacate the unit immediately.

5.3.7 **Charges that are payable after termination:** The charges that continue to be payable by the resident after the termination of the Occupation Right Agreement are:

- (a) *Facilities and services charges:* Except where the Unit is damaged or destroyed and cannot be repaired or reinstated, the charges for the facilities and services set out at paragraph 4.3.1 will continue to be payable, provided that:

- (i) The Village Outgoings Charge will be payable until the date on which a new Occupation Right Agreement is issued for the same unit. However if a new Occupation Right Agreement for the Unit has not been issued within six months of the resident's Occupation Right Agreement having been terminated and the resident vacating the unit, then the Village Outgoings Charge will be reduced by 50%.
- (ii) Any Additional Services Charge will cease on the date the resident's Occupation Right Agreement is terminated and he, she or they vacate the Unit.

- (b) *Additional charges:* The charges specified at paragraph 4.3.6 will be payable until the unit is vacated.

- (c) *Termination charges:* The charges payable upon termination, as set out at paragraph 4.3.3.

5.3.8 **Process for locating new resident:** The process to be followed by the Operator in finding a new resident for the vacated unit is as follows:

- (a) The Operator will keep the former resident informed on a monthly basis about the progress with the marketing of a new Occupation Right Agreement for the unit;
- (b) The Operator will follow up any contact list of persons who have expressed interest in living in the Village and respond to all enquiries about the unit in a timely and helpful way;
- (c) The resident has the right to introduce a new resident at any time provided that the Operator is not required to accept any prospective resident who does not meet the normal entry criteria for the Village or whose offer to buy does not, in the Operator's opinion, reflect the market value of an Occupation Right Agreement for the unit. No commission will be paid by the Operator for any such introduction and on-sale;

5.4 Deductions From Payments

5.4.1 **Deductions made on entry or exit from the Village and deductions from periodical payments:** The resident pays the purchase price for an Occupation Right Agreement in respect of the unit upon entry into the Village. The Facilities

Fee accrues from the due date for payment of the termination payment and is only payable following termination of the resident's Occupation Right Agreement. The Facilities Fee and all other termination charges payable by the resident to the Operator described at paragraph 4.3.3, are deducted from the termination payment paid by the Operator to the resident.

5.4.2 Deductions made for the purposes of maintenance, refurbishment and development: The resident is not liable for any maintenance, refurbishment or developments costs other than as set out at paragraph 4.4.

5.4.3 Deductions for rates, maintenance and other outgoings: No deduction for rates, maintenance and other outgoings will be made in addition to the Village Outgoings Charge as set out at paragraph 4.3.

5.5 Estimated financial return on disposal of Unit:

The estimated financial return that a resident can expect to receive on the sale of a new Occupation Right Agreement for the unit at intervals of two years, five years and ten years after the resident enters into an Occupation Right Agreement are set out in the Information Sheet.

6. Other Matters

6.1 Date of Registration

This disclosure statement was registered on 6 December 2019.

6.2 Details Relating to Certain Security Interests

The Operator advises that no holder of a security interest (to which Section 12(1)(b) of the Retirement Villages Act 2003 applies) has refused consent to the registration of the retirement Village under the Act.

6.3 Insurance

6.3.1 Operator: The Operator will take out and keep in force a comprehensive insurance policy. The policy will cover loss or damage to or destruction caused by fire, accident or natural disaster of all:

- (a) Retirement village property
- (b) Capital improvements or additional fittings provided by Residents
- (c) Units that are owned by Residents.

The insurance policy will be for full replacement as set out in clause 7.1 of the Occupation Right Agreement. All insurance policies will comply with the Code of Practice.

6.3.2 The insurance policies taken out by the Operator are with various insurers as arranged by its broker Crombie Lockwood (NZ) Limited. The policies are subject to various excesses, endorsements and clauses. The policies include

- (a) Material damage insurance for a total sum insured of \$54,463,300 (plus GST).
- (b) Commercial vehicle insurance for a total sum insured of \$93,000 (plus GST).

- (c) Management liability insurance
- (d) Business interruption insurance (to cover temporary/alternative accommodation costs) to a total sum insured of \$7,000,000 (plus GST) for a maximum indemnity period of 24 months.

6.3.3 **Resident:** The Resident may arrange insurance protection in respect of the Resident's personal belongings, including any vehicles. The Resident may also arrange insurance protection for temporary accommodation or facilities.

6.4 **Effect of Marriage, etc, on Occupation Right Agreement**

If a resident marries or enters into a civil union during the term of an Occupation Right Agreement then the married or civil union partner of the Resident shall be entitled to reside in the unit with the resident, subject to that person agreeing to observe and perform certain terms and conditions of the Occupation Right Agreement, as specified by the Operator.

6.5 **Financial Assistance**

Any financial assistance to residents will be extended at the sole discretion of the Operator. No financial assistance is currently offered.

6.6 **Statement of information about avoiding Occupation Right Agreement**

Below is a copy of the full text of Schedule 5 of the Retirement Villages (General) Regulations 2006

Section 31 of the Retirement Villages Act 2003 gives you the right to void an agreement that you enter into for the right to occupy a residential Unit in a retirement Village, but only if you enter into the agreement in the circumstances described in a row of the table below and the circumstances involve:

- 6.6.1 a significant detriment to you; or
- 6.6.2 a material (not merely technical or minor) breach of the Act; or
- 6.6.3 deliberate misconduct by the operator of the Village.

You can use the right only by giving written notice to the operator of the Village, and the statutory supervisor (if there is one) of the Village, within the period described in the relevant row of the table.

Circumstances:

Period:

The Village was not registered, but was required to be

3 years after you entered into the agreement or 6 months after you knew, or ought to have known, the circumstances existed when you entered into the agreement, whichever ends first

The registration of the Village was suspended and the operator had been notified of the suspension

3 years after you entered into the agreement or 6 months after you knew, or ought to have known, the circumstances existed when you entered into the agreement, whichever ends first

The agreement did not contain, in clear and unambiguous form, the material it was required by the Act to contain

1 year after you entered into the agreement or 6 months after you knew, or ought to have known, the circumstances existed when you entered into the agreement, whichever ends first

You did not receive independent legal advice before entering into the agreement

1 year after you entered into the agreement or 6 months after you knew, or ought to have known, the circumstances existed when you entered into the agreement, whichever ends first

Before entering into the agreement, you did not receive a disclosure statement that complied with the Act, the residents' code of rights and a copy of the agreement

1 year after you entered into the agreement or 6 months after you knew, or ought to have known, the circumstances existed when you entered into the agreement, whichever ends first

You should seek legal advice before using the right.

If you use the right, you are entitled to a refund of some amounts you paid for the right to occupy the Unit and for services or facilities that were not provided, interest on those amounts, and your actual and reasonable costs associated with using the right (such as legal expenses and removal costs).

The operator may dispute your use of the right, refer the dispute to a disputes panel under the Retirement Villages Act 2003, and refuse to pay the refund while the dispute is unresolved.

6.7 Code of Practice

The operator is bound by and will comply with the Retirement Villages Code of Practice 2008.

6.8 Documents to be made available

The following documents are available to the resident or his or her personal representative:

- 6.8.1 The most recent audited financial statements that relate to the Owner and comply with the Financial Reporting Act 1993 if that Act applied during the period to which the statements relate.
- 6.8.2 A copy of the Occupation Right Agreement;
- 6.8.3 A copy of the rules that apply to the Village, which are attached to the Occupation Right Agreement; and
- 6.8.4 A copy of the Deed of Supervision between the Operator and the Statutory Supervisor.
- 6.8.5 A copy of the Operator's insurance policy schedules.

7. Information Sheet

7.1 Indicative price of the Unit(s) in which you have expressed an interest

Unit no: {Number/Address}

Price: \${Amount}

7.2 Estimated financial return

After:	Purchase Price	Termination Payment	Facilities Payment	Est. Financial Return
2 yrs				
5 yrs				
10 yrs				

7.3 Notes

- 7.3.1 The above model assumes that the sale price obtained by the Operator for a new Occupation Right Agreement in respect of the unit is not less than the purchase price paid by the departing Resident. The sale price will be influenced by all usual market factors including (without limitation), the repair of the unit, inflation, the general residential housing market and demand for residential units in retirement villages and specifically the Village.
- 7.3.2 The above model also assumes that the Occupation Right Agreement has not been terminated by reason of the damage or destruction of the unit or Village.
- 7.3.3 The Facilities Payment has been calculated for a number of full years. The Facilities Payment is calculated on a monthly basis.
- 7.3.4 The Occupation Right Agreement requires the resident to refurbish the unit. The unit must be refurbished to the standard it was in at the commencement date less fair wear and tear. The amount attributed to refurbishment in the above model is an estimate by the Operator only based on the refurbishment costs incurred by residents over the last three years at the Village. The actual cost of refurbishment will differ and may be substantially higher or lower depending on the resident's care of the unit.
- 7.3.5 In calculating the estimated total financial return, it is assumed the resident will not owe any other money to the Operator at the time the unit is sold. Any other amount owing plus default interest if applicable will also be deducted on termination.

7.4 Effect of duration on estimated return

The estimated financial return is affected by the duration of the Occupation Right Agreement because the Facilities Payment accrues monthly over time. However, the Facilities Payment may not exceed 30% of the purchase price on or after 36 months from the commencement date.

7.5 Effect of termination on estimated return

The estimated financial return is affected by a termination of the Occupation Right Agreement arising out of a breach of the agreement by the resident. In the event of a breach, the resident may be required to pay default interest for the non-payment of moneys due under the agreement, together with any insurance excess on damage caused to the Village by the resident and any legal costs incurred by the Operator as the result of the breach.

Schedule 1 - State of the Village

1. Units occupied, unoccupied and still to be completed

<i>Unit type</i>	<i>No. Occupied</i>	<i>No. Unoccupied</i>	<i>No. Not Completed</i>
Units	129	7	0
Apartment	5	1	0

2. Details of Unit disposals in last 12 months

	<i>Units</i>	
Occupied before disposal	12	
Unoccupied before disposal	0	
Number of disposals of occupied	12	
Number of disposals of unoccupied	0	
Time taken to dispose (in days):		
(a) occupied		
Unit	Apt E	Days
	7	104 days
	10	102 days
	19	92 days
	58	102 days
	61	203 days
	91	102 days
	101	232 days
	102	100 days
	102	106 days
	110	237 days
	122	97 days
(b) unoccupied	nil	
Average time to dispose of occupied units (in days)	134.63	
Average time to dispose of unoccupied units (in days)	0	

3. Maintenance Fund

(a)	Balance of the maintenance fund:	Short Term	\$13,135
		Long Term	\$69,563
(b)	Expenditure planned from the fund:		\$50,000