

DISCLOSURE STATEMENT

ARROWTOWN LIFESTYLE RETIREMENT VILLAGE

27 SEPTEMBER 2024

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1. IMPORTANT INFORMATION FOR INTENDING RESIDENTS

This section is as set out in Schedule 4 of the RV Regulations.

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 operator of the village before you sign an occupation right agreement (i.e., a document which 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:

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

This Disclosure Statement sets out details about the Village and the rights and obligations you have relating to a Home at the Village.

Important information for intending residents can be found in section 1.

Specific details and information relating to your proposed personal interest in the Village can be found in section 16.

Where any words or phrases are shown with capital first letters, their meanings are set out in section 15.

3. DIRECTORY

Date of Disclosure Statement	27 September 2024
Date Lodged for Registration	27 September 2024
Village Name	Arrowtown Lifestyle Retirement Village
Village's Street Address	224 McDonnell Road, Arrowtown 9371
Village's Registered Office and Address for Service	224 McDonnell Road, Arrowtown 9371
Operator	<p>Arrowtown Lifestyle Retirement Village Joint Venture, being a joint venture between Arrowtown Retirement Investments Limited and Merryfield Investments Limited created pursuant to a joint venture agreement dated 6 March 2017.</p> <p>Each joint venture partner is a company registered under the Companies Act 1993. Arrowtown Retirement Investments Limited is registered under number 6151388, and Merryfield Investments Limited is registered under number 6233522.</p>
Operator's Directors	<p>The directors of Arrowtown Retirement Investments Limited are Richard Peter Anderson, Ronald Douglas Anderson, Aaron James Ivan Armstrong and Jennie Frances Anderson.</p> <p>The director of Merryfield Investments Limited is Roger Francis Monk.</p>
Operator's Registered Office and Street Address	224 McDonnell Road, Arrowtown 9371
Operator's Contact Details	<p>Phone: 03 442 1050</p> <p>Email: info@arrowtownretirement.co.nz</p>
Operator's Agent	Jade Errington, Village Manager
Operator's Agent's Contact Details	<p>Phone: 03 443 1050</p> <p>Mobile: 022 098 5734</p> <p>Email: jade@arrowtownretirement.co.nz</p>
Statutory Supervisor	Covenant Trustee Services Limited
Statutory Supervisor's Contact Details	<p>Address: Level 6, 191 Queen Street, Auckland</p> <p>Phone: 0800 746 422</p> <p>Email: info@covenant.co.nz</p>

4. DETAILS OF THE VILLAGE

State of the Village

Construction of the Village began in August 2017 and is not yet complete.

The Village buildings are, or will be, constructed of weatherboard, cedar, plaster and schist. The Village and its facilities, paths, driveways, roads, grounds, lighting and heating arrangements are in an excellent condition and standard of maintenance.

The Operator intends to build 155 Homes, comprising 97 villas, 38 townhouses and 20 assisted living apartments. Development of the Village will be completed in stages:

- Earthworks commenced in August 2017 and construction began in December 2017.
- Stages One to Three consisting of 78 two and three bedroom villas and The Lodge are complete.
- Stage Four will comprise 12 villas. Construction is well advanced and is expected to be completed in March 2025.
- Stage Five will comprise 30 townhouses. Construction is scheduled to start in February 2025 and is expected to be completed in November 2026.

It is anticipated that the development of the Village will be completed by 2029 subject to demand. Both the composition of the Village and the completion date are subject to market demand and financial conditions.

The effect of any development on existing residents may be that some inconvenience, traffic and noise is associated with construction. However, we would intend to minimise any adverse effect on existing residents. Any development will not have any effect on the fees payable by existing residents.

The number and type of Homes at the Village, along with information on the number of sales in the last 12 months is set out in the attached schedule.

5. SERVICES AND FACILITIES AT THE VILLAGE

Services Offered at the Village

The following services are available at the Village:

Service	Details, including frequency and charges
Gardening and lawn mowing	Gardening and lawn mowing of the common areas of the Village, as well as the Villa gardens (other than any raised planters), is carried out by us as required.
Repair and maintenance	Repairs and maintenance of the common areas of the Village and the Homes will be carried out by us as required. Some of the costs of this service are included in the Monthly Fee. Some costs are invoiced to residents as set out in section 9.
Hairdressing and other personal care services	We arrange for a hairdresser to visit the Village at such times as reasonably required by residents. If a resident uses this service they pay the hairdresser directly.
Provision of meals	Social meals are organised regularly by the Operator, subject to demand. A fee is charged to Residents who attend these meals. Additional or occasional means may be purchased as an additional service.
Transport services	Outings are arranged according to residents' requests. Residents who use this service pay a set fee to contribute towards the cost of transport.
Recreation and entertainment services	The Operator arranges recreational and entertainment services. Some services may be free but a fee may be payable for other services as and when the services are used.
Security Services	The Village has security gates with 24 hour remote monitoring. The gates automatically close between 10 pm and 6 am. The Operator provides a 24-hour emergency call system, which is monitored by an external monitoring company. See below for further details on the emergency call system.

Unless specified above, the costs of providing the above services are included in the Monthly Fee.

Facilities Offered at the Village

The following facilities are available at the Village:

Facilities	Details, including limits on availability and charges
Dining facilities	Available for meals as scheduled, or by special arrangement.
Lounge or television room	A lounge area is available daily between 9am to 5pm, or after hours by arrangement.
Gymnasium	Daily between 7am to 5pm.
Indoor swimming pool	Daily between 7am to 5pm
Spa pool	Daily between 7am to 5pm.
Cinema	Daily between 9am to 5pm
Pétanque court	Daily between 9am to 5pm.
Indoor bowling mat	Daily between 9am to 5pm.
Library	Daily between 9am to 5pm.
Bar	A Village Bar is available for regular happy hours as advertised from time to time. Residents pay for their own drinks on a user pays basis.
Putting green	Daily between 9am to 5pm
Vegetable gardens	Daily between 7am and 7pm.
Barbeque Area	Daily between 7am and 7pm
Walking paths	Daily

Residents may use the facilities during reasonable hours and in accordance with the Village's rules. The cost of providing these facilities is included in the Monthly Fee (unless otherwise specified above).

Planned Services and Facilities

We intend to make the following services available as development of the Village continues:

- Nursing and medical services - Once the Care Facility is constructed, it is intended that a range of nursing services will be available on request. Costs will be invoiced separately to the Resident as Additional Services Costs.

Other than those set out above, we do not plan to make any other facilities or services available at this stage.

Services and Facilities Not Offered at the Village

The following services and facilities are not offered at the Village: laundry services, communal laundry facilities, shops or other services for the provision of goods, health clinic, tennis court or recreational vehicle, trailer, caravan and campervan parking and there are currently no plans to make these services and facilities available.

Emergency Call System Procedure

Each Home has a call bell. Call bells are currently monitored by an external monitoring company.

A brief summary of the call bell procedure at present is as follows:

- When a call bell is activated, the monitoring company will contact the resident to assess what level of assistance is required.
- If the monitoring company receives no answer from the resident, an ambulance is dispatched.
- The monitoring company will also notify Village staff that a call bell has been activated.

The call bell procedure may change following consultation with Residents. Any changes will be notified to Residents in writing.

Moving into the Care Facility

As at the date of this disclosure statement, no rest home or hospital care facilities are available in the Village.

The Operator holds resource consent to develop a care facility on Village land. If the Operator decides to develop the care facility, it currently intends to provide dementia, rest home, and hospital level residential aged care.

If we do decide to develop a care facility and if you have been assessed as requiring long-term rest home, hospital or dementia level care, we will give you priority access to the care facility (once completed) over applicants who are not residents of

the Village. This is subject to your request, us considering such a move necessary and the availability of suitable facilities. Care beds are not kept open for residents, and there will be no guarantee that care beds will be available at any given time.

We may require you to be assessed by an independent geriatrician or a needs assessor at your cost. If you move into the care facility, the costs of any such care are payable by you including any costs of additional services and any premium room charges. You may be eligible for a residential care subsidy from the government in respect of care services.

6. YOUR OCCUPATION RIGHT AGREEMENT AND YOUR RIGHTS

Nature of Your Interest and Occupancy Rights

You are offered a contractual licence to occupy your Home entitling you to reasonable exclusive use and occupation of your Home free from our unnecessary interruption. That licence is called an Occupation Right Agreement.

The rights granted to you under your Occupation Right Agreement are personal contractual rights only and cannot be registered. The Occupation Right Agreement does not give you any interest in land, ownership right or tenancy in the Village or your Home.

If the Occupation Right Agreement is for two of you, you both hold the benefits and have obligations jointly. If one of you dies, the interest of that person automatically transfers to the other person.

Your Occupation Right Agreement is secured by the encumbrance and general security agreement in favour of the Statutory Supervisor described in section 11 below.

Effect of Marriage or Civil Union on Your Occupation Right Agreement

The Occupation Right Agreement is a personal licence to you to occupy your Home. As such, if you later marry, remarry, or enter into a civil union, there is no change to the Occupation Right Agreement and it remains in your sole name.

If you would like your spouse or partner or new spouse or new partner to become a resident of your Home under an Occupation Right Agreement, you will need to ask us for approval. We may require your original Occupation Right Agreement to be terminated and replaced with a new Occupation Right Agreement. We may choose not to charge the usual termination amounts but reserve our right to charge an administration fee and recover our legal costs of such arrangement.

Prior to a spouse or partner or new spouse or new partner becoming a party to the new Occupation Right Agreement, he or she will need to satisfy the usual criteria required to be a resident of the Village (including the age and health criteria), and will therefore need to be approved by us.

Varying Occupation Right Agreement

The Occupation Right Agreement can only be varied or amended if you and we both agree to do so. Any such variation will be recorded in writing.

Your Rights

In addition to the rights you have under the Code of Residents' Rights you, and other residents of the Village, have the following rights:

Right	Details, conditions and any limitations
To have a member of your family (including a de facto partner) stay with you in your Home, or to have a person stay with you in your Home as a companion or carer	<p>You may have guests stay with you for no longer than three weeks at any one time. If you get our prior written consent, you may have guests for longer stays or have a larger number of guests.</p> <p>You may have a carer stay with you if you get our prior written consent (which may be subject to certain conditions).</p> <p>We may require any guest to leave if we consider other residents' enjoyment of the Village is negatively affected by their stay.</p>
To keep a pet in your Home	Residents must obtain our prior approval if they wish to keep any cat, dog, bird or other pet or animal in the Village (which approval shall be at our sole discretion). Any approval we give under this clause may be withdrawn by us at any time.

Rights you do not have

You, and other residents, do not have the following rights:

To sell or market your Home. Please see section 10 for further information on how we sell and market the Home following termination of your Occupation Right Agreement.
To have a person board with you in your Home.
To have a person stay in your Home to mind it for you while you are away.
To let or sub-licence your Home to another person.
To mortgage or otherwise borrow against your interest in your Home, or to grant a security interest in the termination proceeds.

Limits on living in or using your Home

You, and other residents of the Village, are subject to the following limitations on your use of your Homes:

Alterations	<p>You must not make any alterations or additions to your Home or modify the Operator's Chattels, fit aerials or other items without our prior written consent.</p> <p>However, if you have a disability you are entitled to alter your Home if it does not meet your needs. If you wish to make such alterations you must give us written notice and consult with us. We will undertake such alterations at your cost and may require the Home to be reinstated to its original condition on termination (at your cost).</p>
Personal use and occupation	<p>Your Home must only be used for your personal use and occupation, subject to any rights to have people stay in your Home as described above.</p>
Rules	<p>All residents are expected to comply with our Village Rules at all times and ensure their guests are made aware of and comply with the Rules. The Rules may be changed by us provided we first consult with all residents and any such amendment does not affect or detract from your existing rights. Any changes to the Rules do not take effect until we give you notice of the changes.</p>
Your relationships with others	<p>You must not do anything or allow anything to be done (within your control) which is or could be a nuisance or annoyance or cause distress to other residents, us, people who work at the Village or guests. You must also respect the rights of, and treat with courtesy, other residents, us, the people who work at the Village and the people who provide services at the Village. Your use of Community Facilities and any Services is to be exercised with care and consideration for others.</p>
Damage	<p>You must not do anything which damages your Home.</p>
Access to your Home	<p>You will permit us at all reasonable times to enter your Home for the purpose of carrying out an inspection, to give you care and assistance, or to carry out any repairs or alterations we consider necessary. In doing so we will try to cause you as little disturbance as possible, and to the extent possible, we will try to give you at least 24 hours' notice.</p>

Parking	<p>You may only park in your garage attached to your Home or such other carpark which we have agreed you may use.</p> <p>Your carpark or garage may only be used for storage of your own car, motorcycle or mobility scooter and may not be used for parking caravans, boats, trailers, motorhomes or similar vehicles unless you first get our consent (which may be subject to certain conditions).</p> <p>Your guests may only park a vehicle in the designated areas set aside for visitor parking.</p>
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7. ENTRY AND EXIT PAYMENTS

Entry Payment

To secure an interest in a Home, you must pay us an Entry Payment. A deposit of \$2,500 is payable when you apply for a Home with the balance of the Entry Payment payable on the Commencement Date of the Occupation Right Agreement.

The Entry Payment depends on the Home you are interested in. The amount for the Home you are interested in is shown in section 16. It is set by us and reflects the market price of an Occupation Right Agreement for that Home (in our opinion).

Exit Payment

After the Occupation Right Agreement is terminated and on the Exit Payment Date, we pay to you the Exit Payment, which is an amount equal to the Entry Payment, subject to the following deductions:

- The Deferred Management Fee which is a maximum amount equal to 25% of the Entry Payment. The Deferred Management Fee will accrue to us at a rate equal to 5% of the Entry Payment per year calculated on a daily basis from the Commencement Date until the earlier of the Termination Date or five years from the Commencement Date.

The Deferred Management Fee are set by us when you apply for an Occupation Right Agreement and represent a contribution towards the provision of communal Village facilities and buildings;

- The outstanding balance of any payments due to us under the Occupation Right Agreement;
- Any amounts we are entitled to invoice you for which remain unpaid or were not yet invoiced;
- Any amounts due or that will be due by you to the operator of the care facility; and

- Any other money due or that will be due from you under the Occupation Right Agreement.

Circumstances in which you are entitled to a Refund

You are entitled to a refund of your Entry Payment if you exercise your rights during the cooling-off period to cancel your Occupation Right Agreement. Please see section 13 for further details.

You will also be entitled to a refund of your Entry Payment, if you avoid your Occupation Right Agreement under section 31(1) of the RV Act. Please see section 13 for further details.

If you have paid a deposit but your application does not proceed for any other reason, you are entitled to a refund of that deposit but are not entitled to any interest earned on that deposit.

8. ONGOING CHARGES

You must pay the ongoing charges detailed below. Specific amounts of these charges for the Home you are interested in are shown in section 16.

Monthly Fee

The Monthly Fee is the total amount you pay each month while you live in your Home. It is made up of the Village Outgoings Payment and the Services Fee.

The Monthly Fee is payable by you in advance by automatic payment from the Commencement Date to the Termination Date (or later Vacation Date). If you permanently stop living in your Home prior to the Termination Date then the Services Fee portion of the Monthly Fee will stop on that date.

Village Outgoings Payment

The Village Outgoings Payment is your contribution to the cost of the Village Outgoings that we incur in the operation of the Village. Amounts payable for maintenance (except those costs specifically your responsibility), rates and insurance (except for insurance of your personal belongings) are included in the Village Outgoings Payment.

The amount of the Village Outgoings Payment is determined by us and advised to you and, once fixed, will not be increased during the term of your Occupation Right Agreement. We may set different Village Outgoings Payments for different residents.

We retain the Village Outgoings Payments we receive to cover the costs of the Village Outgoings.

Services Fee

The Services Fee covers the cost of the services that we provide to you as set out in your Occupation Right Agreement.

The amount of the Services Fee is determined by us and advised to you when you apply for the Services and depends on the Services Level that you have selected. As at the date of this Disclosure Statement, we only offer Level One Services. All residents are required to receive the Level One Services. As the Village develops, we may offer other services levels. Subject to the Level One Services Level being compulsory, if we offer other Services Levels in the future, you will be entitled from time to time, on giving us reasonable prior written notice, to elect to purchase a reduced or increased level of Services by selecting from the range of Services provided by us.

The portion of the Services Fee that is for Level One Services is fixed for the term of your Occupation Right Agreement. We may change the Services Fee for any other Services Levels that we may offer in the future where there is a change in the Services provided to you or in the cost to us in providing the Services. Any increase will take effect one month after we give you notice of the increase.

We retain part of the Services Fee we receive to cover our costs of providing the Services.

Additional Services Fee

If you request us to provide any Additional Services not included in the Services or the Village Outgoings, you will pay the cost set by us of providing such service. We may change the fee for any Additional Services provided to you where there is a change in the cost to us of providing the Additional Services. Any increase will take effect one month after we give you notice of the increase.

Fees for regular and ongoing Additional Services are payable by you by direct debit. Fees for any one-off or occasional Additional Services will be invoiced and payable by you by direct debit on the 20th of the month following the date of the invoice.

Other Costs

You are liable to pay all your utility costs relating to your Home directly to the relevant provider, except where any utilities are included in the Monthly Fee.

If any ongoing charge is not paid within five Working Days of the due date, we are entitled to charge default interest on the outstanding amount at a rate of 3% per year above the overdraft rate charged by our bankers until it is paid.

We do not anticipate introducing any new ongoing charges, or changing the existing ongoing charges, except as disclosed above.

9. MAINTENANCE, REFURBISHMENT AND INSURANCE

Our Maintenance Responsibilities

We are responsible for maintaining the common areas and buildings of the Village (including each Home) and keeping them in good order and condition.

We endeavour to ensure that the Village meets residents' current needs by maintaining the Village in good order and condition. We cannot ensure that the Village meets your changing needs, but we do offer access to the Care Facility as set out in section 5.

The Village (including the Homes, facilities, grounds and common areas) meets the requirements of the national standards identified in NZS 4121:2001 (Design for Access and Mobility: Buildings and Associated Facilities), to the extent that it applies.

Maintenance or Sinking Fund

There is no sinking fund for the Village.

We will report on how we propose to pay for the maintenance and periodic upgrading of the Village property to the residents' Annual General Meeting.

Your Maintenance Responsibilities

You are responsible for keeping your Home and its surrounds, together with the Operator's Chattels, in good working order and in a tidy, clean and proper condition.

You are responsible for replacing (at your cost) all light bulbs and batteries as and when they break or wear out. The replacement items must be of at least the same quality as those installed at the Commencement Date.

If you wish to have the interior of your Home upgraded or refurbished during the term of the Occupation Right Agreement (for example, have the carpet replaced), then we will arrange for the necessary works to be carried out, and you will be responsible for paying such costs upon invoice.

You are not responsible for paying our costs of repairs or maintenance to, or replacement of the Village, Home or the Operator's Chattels unless you or your guests have intentionally or carelessly caused damage beyond Fair Wear and Tear. These costs are payable on invoice.

Our Insurance Responsibilities

We are responsible for maintaining a comprehensive insurance policy for loss or damage or destruction caused by fire, accident or natural disaster for the Village (including the Homes), for its full replacement value. Such insurance must be to the Statutory Supervisor's satisfaction.

We hold the following insurance policies:

- Comprehensive full replacement insurance in respect of all retirement village property, capital improvements, and additional fittings provided by you up to the amount set out in the current insurance valuation of the Village;
- Business interruption insurance;

- Contract works insurance;
- Public liability insurance;
- Statutory liability insurance; and
- Employers' liability insurance.

All policies are subject to excesses.

Your Insurance Responsibilities

You are strongly recommended to (but are not required to) insure your personal belongings for loss and damage under an appropriate policy. You are required to insure any vehicle that you keep at the Village. We are not responsible for any loss or damage to your belongings or vehicle unless we, or our staff, have caused or contributed to that loss or damage.

If we suffer any loss or damage as a result of your, or your visitors', actions, carelessness or negligence, you must upon demand:

- reimburse us for any insurance policy excess, where such loss or damage is covered by our insurance.
- compensate and reimburse us in full, where such loss or damage is not covered by our insurance.

Damage or Destruction of your Home

The following provisions apply if your Home is damaged or destroyed by fire, accident, natural disaster or any other risks ("Damage Event").

- If your Home becomes uninhabitable following a Damage Event which is not as a result of any of your, or your visitors', acts or omissions, the calculation of the Deferred Management Fee will be suspended from the date of the Damage Event (unless we are providing temporary accommodation to you, in which case the calculation shall continue) until your Home or its replacement is ready for occupation by you following repair or replacement.
- If your Home becomes uninhabitable following a Damage Event which is not as a result of any of your, or your visitors', acts or omissions, the Monthly Fee, the Services Fee and any Additional Services Fees will be suspended from the date of the Damage Event until your Home or its replacement is ready for occupation by you following repair or replacement. If we are providing temporary accommodation to you, you will pay the actual cost of personal services and outgoings relating to that temporary accommodation.

- If, following a Damage Event, we decide it is not practicable to repair or replace your Home the Occupation Right Agreement is automatically terminated (unless the bullet point below applies), and we will pay you the Exit Payment without deducting any Deferred Management Fee, but we will be entitled to deduct any other amounts due to us.
- If, following a decision not to repair or replace your Home as set out in the bullet point above, we offer you an option to transfer to another Home (either pre-existing or yet to be constructed) in the Village or in another retirement village owned by us which is in reasonable proximity to the Village and you do not accept such offer, the usual Exit Payment provisions and deductions will apply including the Deferred Management Fee.

10. TERMINATION OF OCCUPATION RIGHT AGREEMENT

Exit Payment Date

We must pay you the Exit Payment minus the deductions listed in section 7 above not later than five Working Days after we hold a new Occupation Right Agreement for the Home and we receive full settlement of the new resident's Entry Payment for the Home. To be clear, this means that we will not be able to pay you until the new resident's cooling off period has expired and their Occupation Right Agreement has settled.

However, in some circumstances the payment will be made on a different date, as set out in the Occupation Right Agreement.

Ongoing Charges Payable after Termination

No ongoing charges will continue to be payable after termination as long as you have stopped living in the Home, vacated it and removed your belongings.

Capital Gain and Capital Loss

You are not entitled to any capital gain when a new resident enters into an Occupation Right Agreement for the Home. You are not liable for any capital loss when a new resident enters into an Occupation Right Agreement for the Home.

Effect of Termination on Other Persons Living in Home

Any persons living or staying with you who are not named as a resident in the Occupation Right Agreement must vacate the Home by the date of termination of the Occupation Right Agreement, unless we agree otherwise.

Marketing of the Home

We control the sale and marketing of the Home when your Occupation Right Agreement terminates. Following termination, we will take all reasonable steps to obtain a new resident for the Home. You do not have any control over the selling and marketing process but are entitled to introduce a new resident to us. We are not obliged to accept any prospective resident who we consider as unsuitable for the Home or the Village.

We will consult with you about when the Home goes on the market and the general nature of the marketing plan. We will keep you informed of the marketing progress on a monthly basis. You are not required to pay directly any costs incurred by us in the selling or marketing process.

If a new Occupation Right Agreement is not entered into within three months of termination, we will let you know in writing and will then provide monthly written reports on the process, stating the steps we have taken and the progress that has been made.

If after six months a new Occupation Right Agreement is not entered into, we will obtain a valuation (at our cost) of the Home by an independent registered valuer with experience in valuing retirement village units, to establish a suitable price for marketing the Home. We will market the Home at this price. If you do not agree with the valuation, you have the right to obtain a second valuation performed by an independent registered valuer, at your cost. If a second valuation is obtained, we will consider it when setting the price.

If a new Occupation Right Agreement is not entered into within nine months of the Home becoming available for re-occupation, you may be able to give a Dispute Notice if you have grounds to do so under the RV Act.

We may, in our discretion, agree to pay you the Exit Payment less deductions prior to issuing a new Occupation Right Agreement for the Home. If so we will make payment within 20 Working Days of the date of such agreement.

Transfer Payments

We acknowledge that you may wish to move to another home within the Village. We will try to enable a transfer subject to:

- The availability of another home;
- Our being satisfied that the home will be suitable for you;
- At our option, a new resident agreeing to purchase an occupation right agreement for your Home;
- you paying a transfer fee of 3.5% plus GST (if any) of the Entry Payment; and
- you meeting our reasonable legal costs associated with the transfer.

Any other terms and conditions that will apply to your transfer to another home within the Village will be at our sole discretion.

11. OWNERSHIP, MANAGEMENT AND SUPERVISION OF THE VILLAGE

Our Interest in the Village

As the Operator, we are responsible for meeting all the obligations to you under your Occupation Right Agreement. We own the underlying freehold interest in the Village land, which is registered as identifier 766317 (Otago Land Registration District).

The Village land is subject to the following charges:

- A first-ranking encumbrance and a second-ranking general security agreement in favour of the Statutory Supervisor to secure our obligations to residents. There is no maximum sum secured by these charges.
- A second-ranking mortgage in favour of ASB Bank Limited ("ASB") and a first ranking general security agreement to secure all amounts payable to ASB, including the amounts payable pursuant to a loan facility which has a facility limit of \$35,000,000, of which as at 24 September 2024 \$32,202,494 is drawn down.
- A third-ranking mortgage in favour of Roger Francis Monk and Cook Adam Trustees Limited as trustees of the Mount Soho Trust to secure a loan facility of \$1,600,000 to purchase the Village land. As at the date of this Disclosure Statement, the facility is fully drawn down.

Management Arrangements for the Village

We carry out the day to day management of the Village ourselves.

We were established in 2017. Most of the directors of Arrowtown Retirement Investments Limited have been involved for more than ten years in managing and operating retirement villages in New Zealand. The director of Merryfield Investments Limited is Roger Monk, an experienced business owner and operator in the Queenstown Lakes District. Having farmed in the area for some time Roger Monk also brings experience in development projects in the region.

We will consult with residents if we decide to appoint a new entity as manager of the Village. However, we will not consult with residents if we decide to employ new staff members in managerial roles.

Key Staff at the Village

The key staff member at the Village is Jade Errington, Village Manager.

The Village Manager is available during usual business hours, Monday to Friday. The contact details of the Village Manager are set out in the directory.

Administrative staff and duty staff are also available during usual business hours, Monday to Friday.

Residents' Committee

A residents' committee has been established at the Village. Their responsibilities include organising additional resident activities over and above the Village activities program, and discussing issues with management. We are not bound to incur any expenditure or make any particular decision following any such discussion with the Residents' committee.

Supervision of the Village

We have appointed Covenant Trustee Services Limited as Statutory Supervisor of the Village. Its contact details are in section 3.

Under the RV Act, the operator of a retirement village must appoint a statutory supervisor for the village unless the Registrar of Retirement Villages grants the operator an exemption.

The core duties of a statutory supervisor are to:

- 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
- Monitor the financial position of the retirement village; and
- Report annually to the Registrar and residents on the performance of its duties and the exercise of its powers; and
- Perform any other duties that are imposed by the RV Act or any other Act, any regulations made under the RV Act, and any documents of appointment (being the Deed of Supervision).

12. DOCUMENTS AVAILABLE

Copies of the following documents are available to residents or intending residents upon request. Requests can be made to us or our staff:

- Our audited financial statements;
- Sample of the Occupation Right Agreement including the Rules relating to the Village, and
- Deed of Supervision between us and the Statutory Supervisor.

Financial Accounts

The RV Act requires us to prepare and register our audited financial statements. These financial statements are prepared by us and audited by PKF Goldsmith Fox.

Our audited financial statements are available by searching the Village's file on the Retirement Villages Register. This can be accessed on the Companies Office website at www.companiesoffice.govt.nz under "All Registers". There is no requirement for separate financial statements to be prepared for the Village.

13. COOLING-OFF PERIOD

The cancellation provisions in the Occupation Right Agreement offered to residents for Homes in the Village are the same as those described in section 28(1) of the RV Act.

Accordingly, you have fifteen working days from the date you sign the Occupation Right Agreement in which to give written notice to cancel the Occupation Right Agreement without giving a reason.

If the Home is not complete, and is not completed to the point of practical completion within six months after the proposed date of completion of the Home, you may cancel the Occupation Right Agreement by written notice without giving a reason after the expiry of that six month period.

A resident has certain rights during their cooling-off period. Following is a copy of Section 28 of the RV Act:

- (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).*

Definitions relating to cooling-off period

The definitions below are taken from the RV Act and relate only to terms used in Section 28 (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, whether or not the agreement is made with that person or some other person;*
- (c) *if the occupation right agreement so provides or with the consent of the operator of the retirement village, the spouse, civil union partner, or de facto partner of the person referred to in paragraph (b) who is occupying the residential unit with that person, or after that person's death or departure from the 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.*

14. INFORMATION ABOUT AVOIDING OCCUPATION RIGHT AGREEMENT

This section is as set out in Schedule Five of the RV Regulations.

Section 31 of the RV Act gives you the right to avoid 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:

- *a significant detriment to you; or*
- *a material (not merely technical or minor) breach of the RV Act; or*
- *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.

<i>Circumstances</i>	<i>Period</i>
<i>The village was not registered, but was required to be</i>	<i>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</i>
<i>The registration of the village was suspended and the operator had been notified of the suspension</i>	<i>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</i>
<i>The agreement did not contain, in clear and unambiguous form, the material it was required by the Act to contain</i>	<i>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</i>
<i>You did not receive independent legal advice before entering into the agreement</i>	<i>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</i>
<i>Before entering into the agreement, you did not receive a disclosure statement that complied with the Act, the residents' code of rights, the code of practice or a statement when the code would come into force, and a copy of the agreement</i>	<i>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</i>

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 RV Act and refuse to pay the refund while the dispute is unresolved.

15. GLOSSARY

Following is a list of terms that are used throughout this Disclosure Statement, with an explanation of their meanings. Terms not explained here have the same meaning as in the Occupation Right Agreement.

Term	Meaning
Occupation Right Agreement	The document which sets out your right to occupy a Home at the Village. It also specifies the terms and conditions that apply to that occupation right.
Operator's Chattels	Any chattels installed in your Home by us as set out in the Occupation Right Agreement.
Resident	A person or persons who have entered into an Occupation Right Agreement for a Home.
Home	A villa or apartment at the Village which is used for the accommodation of a resident.
RV Act	The Retirement Villages Act 2003, including any amendments to it.
RV Regulations	The Retirement Villages (General) Regulations 2006, including any amendments.
Village	The retirement village known as Arrowtown Lifestyle Retirement Village, including the Homes and all communal areas and facilities used by residents.

16. ESSENTIAL INFORMATION FOR YOU

The information in this section is prepared solely for you as at *[date]*.

Your name(s)	[] and []
Home	[Villa / Apartment] [insert home number]
Entry Payment	[\$[]]
Deferred Management Fee	Maximum amount of \$[] (being 25% of the Entry Payment)

Monthly Fee	<p>[\$] per month (paid monthly in advance)</p> <p>The Monthly Fee is comprised of:</p> <ul style="list-style-type: none"> • \$ being the fixed Village Outgoings Payment; and • \$ being the Services Fee, which is fixed for Level One Services and subject to change for other Services Levels (if any).
Services Level	Level One
Additional Services Fee	[\$]

Examples of the estimated financial return that you, or your estate, could expect to receive on the disposal of your vacant Home are set out below:

Term	Entry Payment	Deferred Management Fee	Estimated Financial Return
Two years	[\$]	10% of Entry Payment	[\$]
Five years	[\$]	25% of Entry Payment	[\$]
Ten years	[\$]	25% of Entry Payment	[\$]

Assumptions:

The estimated financial return is calculated on the following assumptions:

- Your Entry Payment is as set out above;
- The Deferred Management Fee is calculated in accordance with the Occupation Right Agreement and there has been no Damage Event;
- No deductions from the Exit Payment except for the Deferred Management Fee are required to be made.

The method of calculating the above information is in accordance with the details set out in section 7 and the Occupation Right Agreement.

The estimated financial return is not affected by a termination arising from a breach by you or by your voluntary decision to terminate the Occupation Right Agreement.

SCHEDULE

Homes at the Village

As at 8 August 2024, there are the following Homes in the Village:

Type of Home	Completed	Vacant	Occupied	To be Completed
Villa	78	1	77	19
Townhouse	0	0	0	38
Assisted Living Apartment	0	0	0	20
TOTAL	78	1	77	155

Disposals in the last 12 Months

Listed below are details of Homes which were disposed of in the 12 months prior to 24 September 2024 which have been previously occupied:

Home	Time Taken to Dispose of (in days)
Villa 13 Homeward Bound Drive	119
Villa 50 Homeward Bound Drive	170

The average time taken to dispose of previously occupied Homes (all being villas) was 144.5 days.

The time taken to dispose of a previously occupied Home is calculated from the date the Home became available for licensing until the date we settle an Occupation Right Agreement for the Home to a new resident.

Listed below are details of Homes which were disposed of in the 12 months prior to 24 September 2024 which have not previously been occupied (i.e. no ORA has previously been issued to a resident for this Home):

Home	Time Taken to Dispose of (in days)
Villa 4 Malings Peak Lane	1
Villa 3 Sawyers Lane	1
Villa 4 Sawyers Lane	1

Home	Time Taken to Dispose of (in days)
Villa 5 Sylvia Creek Lane	1
Villa 2 Malings Peak Lane	1
Villa 2 Sawyers Lane	1
Villa 6 Brow Peak Lane	1
Villa 24 Lady Fayre Drive	1
Villa 18 Lady Fayre Drive	1
Villa 2 Lady Fayre Drive	1

The average time taken to dispose of previously unoccupied Homes (all being villas) was 1 day

The time taken to dispose of a previously unoccupied Home is calculated from the date the Home is available for occupation until the date we settle an Occupation Right Agreement for the Home.

These averages do not include any time taken to dispose of Homes which are currently on the market and have not yet settled. Inclusion of the disposal times for these Homes may significantly alter the average time given.