

AROHA RETIREMENT VILLAGE OCCUPATION

DISCLOSURE STATEMENTS

Date Issued: June 2022

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Retirement Villages Disclosure Statement
Section 30(1)(a), Retirement Villages Act 2003

Retirement village name:	Aroha Retirement Village
Retirement village street address:	6 Cooper Street Taita Lower Hutt
Retirement village registered office:	6 Cooper Street Taita Lower Hutt
Retirement village address for service:	6 Cooper Street Taita Lower Hutt
Operator name:	Taita Home Trust Board
Operator street address:	6 Cooper Street Taita Lower Hutt
Operator registered office:	6 Cooper Street Taita Lower Hutt
Contact details of agent (if the Operator is not a natural person):	Trish Watts Village Manager Phone: (04) 567-1026 Mobile: NA Fax: (04) 567-6284 Email: manager@arohacarecentre.co.nz
Retirement village registration date:	12 January 2009

INTRODUCTORY STATEMENT OF INFORMATION

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

Important Information for Intending Residents

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 Villa/Flat 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 Villa/Flats 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.

Information about Avoiding Occupational Right Agreements

(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 avoid an agreement that you enter into for the right to occupy a residential Villa/Flat 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) a significant detriment to you; or
- (b) a material (not merely technical or minor) breach of the Act; or
- (c) 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, the code of practice or a statement when the code would come into force, 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 Villa/Flat 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.

Cooling-Off Period and Cancellation for Delay

(Below is a copy of the full text of section 28 of the Retirement Villages Act 2003)

- (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 Villa/Flat to be built or completed at a later date and the residential Villa/Flat is not finished to the point of practical completion within 6 months after the proposed date for completion of the Villa/Flat, 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 Villa/Flat 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).

The Definitions below are taken from the Retirement Villages Act 2003 and relate 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 Villa/Flat 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 Villa/Flat 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 Villa/Flat with that person, or after that person's death or departure from the retirement village.

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

1. OWNERSHIP, MANAGEMENT AND SUPERVISION OF VILLAGE

1.1 The legal nature of the operator is that Taita Home Trust Board (“the Operator”) is an incorporated Charitable Trust registered under the Charitable Trusts Act 1957 under number 210594 and registered with the Charities Commission under number CC33819.

1.2 The Board of Trustees of the Operator comprises:

Mr Ian Avison	Dr Lorna Macann
Mrs Maureen Lamb	Mr Graeme Beardsley
Ms Patricia Carter	Rev Lynn Russell
Mr Andrew Hughson	
Mr Chris Upton	
Mr Richard Stevens	

1.3 The Operator’s interest in the Village is as owner of the freehold estate in the land occupied by the Village. That land comprises:

Certificate of Title WN19B/187	Lot 1 Deposited Plan 46798	3.767 hectares
Certificate of Title WN56C/346	Lot 3 Deposited Plan 89020 and Lot 1 Deposited Plan 30165	6.805 hectares
Certificate of Title WN658/12.	Lot 770 Deposited Plan 15393	0.655 hectares

The Village is not part of a Villa/Flat titled development and therefore no details of the body corporate and management structures in place are required to be disclosed.

1.4 As it is owner of the land comprising the Village, the Operator does not retain any registered or unregistered encumbrances, mortgages, or security interests in the Village or its Villa/Flats.

1.5 The Operator employs a Village Manager and other staff to manage the Village as set out below:

Village Manager	Trish Watts	Phone: (04) 567-1026 Fax: (04) 567-6284 Mobile: 021 044 5632 Email: manager@arohacarecentre.co.nz
Clinical Nurse Manager	Michelle Montgomery	Phone: (04) 567-1026 Email: michelle.montgomery@arohacarecentre.co.nz
Finance Manager/Board Secretary	Patrick Knowles	Phone: (04) 567-1026 Email: finance@arohacarecentre.co.nz

The Village Manager is available at the Village between the hours of 9.00 am and 5.00 pm from Monday to Friday. Outside of the above time, the Village Manager can also be contacted on (04) 385-7191 or 021 044 5632.

The Village Manager is a Registered Nurse and is the Principal Nurse Manager of the Aroha Care Centre for the Elderly in Taita, Lower Hutt.

There are no ownership links between the Village Manager and the Operator and as the Village Manager is an employee of the Operator, no Management Agreement or fee applies.

- 1.6 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 grants the operator an exemption. 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 Villa/Flats 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 the 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 documents of appointment.

There is no statutory supervisor for the Village. An exemption from that requirement was granted on 26 November 2021 for a term of 5 years. The terms of that exemption are available on request from the Village or from the website of the Registrar of Retirement Villages.

2. RESIDENT'S INTEREST IN VILLA/FLAT

- 2.1 Each resident has a contractual licence to occupy a Villa or Flat in the Village (referred to as "the Villa/Flat"), which does not grant the resident any interest in the land comprising the Village or the particular Villa or Flat occupied. Residents must use their Villa/Flat for their own personal use and occupation only, subject to any right to have people stay in the Villa/Flat as described below. Residents must be at least seventy years old in order to purchase an interest in a Villa/Flat.
- 2.2 The resident may not:
- (a) Sell or market the Villa/Flat;
 - (b) Mortgage or otherwise borrow against the resident's interest in the Villa/Flat;
 - (c) Let the Villa/Flat to another person or have a person board with the resident.
 - (d) Have a person stay in the Villa/Flat to mind it for the resident while the resident is away.

- 2.3 The resident has the right to:
- (a) grant a security interest in the termination proceeds (known as “the Exit Payment”) as further set out in clause 1.2 of the Schedule to the Occupation Right Agreement;
 - (b) keep a pet in the Villa/Flat with the prior written approval of the Operator.
- 2.4 The Occupation Right Agreement is a personal license to the Resident allowing them to occupy the Villa/Flat. If the Resident marries or enters into a civil union during the term of an Occupation Right Agreement, there is no change to the Occupation Right Agreement and it remains in the name of the original resident. The spouse/partner may live in the Villa/Flat with the Resident, however, they have no right to remain in the Villa/Flat after the resident passes away or permanently leaves the Villa/Flat for any reason. If the Resident would like their spouse/partner to become a resident, the original Occupation Right Agreement may be terminated and replaced with a new Occupation Right Agreement in joint names. No further Entry Payment is payable.
- 2.5 The Village Handbook contains details of any further rules applying specifically to the Village that the resident must comply with when living in the Village or using the Villa/Flat. The Operator may amend these rules from time to time. The resident is responsible for ensuring that any guests of the resident comply with these rules.
- 2.6 There are further limits on the resident’s use of the Villa/Flat as follows:
- (a) Alterations: Residents are not permitted to make any alterations or additions to the Villa/Flat, or modify the Operator’s Chattels, without the Operator’s prior written consent. That consent is at the Operator’s sole discretion.

However, if the Resident has, or develops a disability, they are entitled to alter their Villa/Flat if it does not meet their needs. If a Resident wishes to make such alterations they must give the Operator written notice and consult with the Operator as to what the alterations shall be. The Operator will arrange for those alterations to be undertaken at the Resident’s cost and may require the Villa/Flat to be reinstated to its original condition when the occupation right agreement terminates, at the Resident’s cost.
 - (b) Nuisance: Residents must not do anything or allow anything to be done within a resident’s control) which is or which could be a nuisance or an annoyance to other residents or to the Operator.
 - (c) Damage to Villa/Flats: Residents must not do anything which damages the Villa/Flat or the Village, or which avoids the Operator’s insurance.
 - (d) Smoking: Residents are not to smoke in the Villa/Flat or in the facility unless the area has been designated by the Operator as an area where smoking is permitted.
- 2.7 The Village is adjacent to the Aroha Care Centre for the Elderly, also operated by the Operator, which provides rest home and hospital level care. As the Centre is not part of the Village, there is no ability for residents to transfer to it if they required additional care, but Village staff will assist the Resident to apply for a bed in the Centre as necessary, subject to the Centre’s usual criteria.

- 2.8 The Villa/Flat does not include a specific car park allocated to the Villa/Flat. Residents, their guests and visitors may park in any Village car parks which have not previously been allocated to a Resident. Residents may request that a specific carpark is allocated to them. The Operator is not required to approve all requests. If the Operator agrees to provide an allocated carpark to a Resident, a weekly Car Park licence fee will be payable by the Resident.

3. BUYING AN INTEREST IN A VILLA/FLAT IN THE VILLAGE

- 3.1 To secure an interest in a Villa/Flat at the Village, the Resident must pay the Operator an Entry Payment. The Entry Payment is set by the Operator depending on the market value of the particular Villa/Flat that the Resident is interested in. After a resident leaves a Villa/Flat, the Market Value for it is assessed by an independent registered valuer. This valuation is used to determine the former's resident's Exit Payment and set the value for which the Villa/Flat will be marketed for sale by the Operator.
- 3.2 A deposit of 10% of the Entry Payment is payable on signing the Occupation Right Agreement. The balance of the Entry Payment is payable on or before the Occupation Date. The Occupation Date is the date that the resident is entitled to occupy the Villa/Flat and is set out in further detail in the Occupation Right Agreement, but will be no earlier than fifteen working days from the date upon which a resident enters into an Occupation Right Agreement in relation to the Villa/Flat.
- 3.3 The Deposit is fully refundable if at any time during the fifteen working day cooling-off period, the resident chooses to cancel the Occupation Right Agreement. The resident will be entitled to any interest earned on the Deposit. If the balance of the Entry Payment is paid before the Occupation Date, the Entry Payment is fully refundable in the event of cancellation during the cooling-off period.
- 3.4 If the Resident wishes to terminate the Occupation Right Agreement within one year of the Occupation Date, an Exit Payment of 90% of the Entry Payment is payable.
- 3.5 If the Resident wishes to terminate the Occupation Right Agreement after more than one year from the Occupation Date, the Market Value of the Villa/Flat will be assessed by an independent registered valuer as at the Termination Date. An Exit Payment will be made in accordance with the terms and conditions in the Occupation Right Agreement. This includes, but is not limited to; an occupation fee of 20%, and other deductions per Clause 7 of the Occupation Right Agreement. If the price at which the Villa/Flat is sold to a new resident (i.e. their Entry Payment) differs from the Market Value, no adjustment is made to the Exit Payment payable to the former resident.
- 3.6 The Village Outgoings Payment of \$238.00 (including GST) per month is payable on the first day of each month. The Village Outgoings Payment covers a proportion of the Operator's costs incurred in operating the Village. It is used towards the recovery of Village outgoings.
- 3.7 The Occupation Right Agreement sets out details of the Village Outgoings. They include (but are not limited to):
- (a) Rates, charges and other fees to any government, territorial or local authority;
 - (b) The cost of complying with any statute, regulation or other lawful obligation;
 - (c) Charges for utilities (including water);

- (d) Insurance premiums for all Villa/Flats and common areas;
- (e) Salaries, wages and other remuneration for persons engaged in the administration, management and operation of the Village;
- (f) The costs of providing security, gardening and other services for the general use and benefit of the residents;
- (g) The costs of general maintenance and repair of buildings and facilities.

The Resident is not liable to continue to pay the Village Outgoings Payment once the Resident has vacated the Villa/Flat and removed all of their possessions.

3.8 Other charges payable by the Resident are:

- (a) Residents are responsible for keeping the interior of their Villa/Flat in good condition. Residents are not required to carry out any maintenance or repair work themselves, but must notify the Operator of the defect and pay the Operator for the cost incurred in doing the work. The cost of any refurbishment required to a Villa/Flat after a Resident leaves may be sought from the Resident. The cost of fair wear and tear will not be sought from the Resident.
- (b) Residents are responsible for replacing at their own cost, all mirrors, light shades, light bulbs, power elements and electrical fittings in their Villa/Flat as and when they wear out or are broken or become unserviceable. Replacement items must be of at least the same quality as those installed at the Occupation Date of the Occupation Right Agreement.
- (c) Residents must pay their own insurance premiums to cover risk of loss or damage to their personal belongings.
- (d) Residents must pay their legal expenses in relation to the entry into an Occupation Right Agreement.
- (e) Expenses incurred by the Operator in dealing with a breach or termination of a Resident's Occupation Right Agreement.

3.9 The Village Outgoings Payment is reviewed annually by the Operator and adjusted in accordance with the Consumer Price Index or the actual increase in meeting village outgoings, whichever is greater. No less than one month's written notice is given of any changes to the Village Outgoings Payment.

3.10 There is currently no sinking fund for the Village.

4. SALE AND MARKETING OF THE VILLA/FLAT

- 4.1 The Operator controls the sale or marketing of the Villa/Flat. Payment of the Exit Payment due (calculated as set out in clause 3.4 and 3.5 above) will be made to the Resident or his/her personal representative within nine (9) months of the Termination Date.
- 4.2 If the Termination Date is more than (1) year from the Occupation Date the Resident will be required to pay 50% of the registered valuer's cost in valuing the Villa/Flat.

5. VILLAGE SERVICES AND FACILITIES

- 5.1 The Village was established circa 1977 and constructed using concrete materials. The condition of the Villa/Flats is very good. The Operator has a continuous programme of preventative maintenance and servicing.
- 5.2 At the date of this Disclosure Statement the Village is fully completed and no further development of the Village is contemplated.
- 5.3 Details of other improvements available and their condition are:

Improvement	Condition	Maintenance
Paths	Very good	Continuously
Driveways	Very good	Continuously
Roads	N/A	
Grounds	Very good	Continuously – A gardener and maintenance person are employed to maintain gardens & premises
Lighting	Very good	Continuously
Heating	Very good	Continuously
Security features	All Villas are within gated grounds after hours. Staff at the adjacent Aroha Care Centre for the Elderly also operated by the Operator have procedures to follow when visitors come onto the Property after normal working hours.	

- 5.4 Details of the services available at the Village are:

Service	Nature and Extent	Frequency
Gardening	A gardener maintains the garden as the seasons demand and is employed for four hours a week	Weekly
Lawn mowing	A contractor is employed to mow the lawns	Fortnightly
Repairs and maintenance	A contractor is contacted as and when required	As required

Nursing and medical services	An emergency call system is installed in all Villa/Flats to call a Registered Nurse or caregiver.	7 days a week
Provision of meals	Refer to handbook	
Shops and other services for the provision of goods	Refer to handbook	
Laundry services	None provided – residents have facilities to do own laundry	
Hairdressing and other personal care services	Refer to handbook	
Transport services	None provided	
Recreation and entertainment services	Refer to handbook	
Security services	No additional services provided – refer to clause 5.3 above	
Other services	None provided	

5.5 Details of the facilities available at the Village are:

Facility	Description	Availability
Dining facilities	Refer to handbook	\$10 per main meal
Lounge or television room	Available	No restrictions
Laundry	Available	\$15 per load
Gymnasium	Not available	
Spa pool	Not available	
Health clinic	Not available	
Swimming pool	Not available	
Tennis court	Not available	
Petanque court	Not available	
Bowling green	Not available	
Library	Available	No restrictions
Other facilities	Chapel available including all entertainment and church services	No restrictions

The Operator has no plans to provide any additional services or facilities.

6. CONSULTATION WITH RESIDENTS

- 6.1 The Operator encourages residents to form a residents committee to provide a forum for discussion about Village matters and to communicate residents' interests to the Operator. Currently, the residents have chosen not to form a committee.

- 6.2 The Operator meets with residents as required and at least every six months. A list of the specific matters in relation to which the Operator will consult with residents is set out in the Occupation Right Agreement.

7. FINANCIAL INFORMATION AND INSURANCE

- 7.1 The Operator is obliged to provide financial statements relating to both the Operator and the Village under the Financial Reporting Act 1993.
- 7.2 Financial statements relating to both the Operator and the Village are prepared by the Finance Manager at the end of the financial year (being 31 March) and sent to the Village's auditor to be audited. Once audited the financial statements are adopted by the Operator and provided to the residents by the end of June each year. Final audited financial statements are made available to all Residents at no cost.
- 7.3 As the Operator is a charity registered with the Charities Commission, certain financial information must also be provided to the Commission annually in order to ensure the Operator remains registered as a charity.
- 7.4 The Operator is responsible for insuring the Village as a whole, including the Resident's Villa/Flat. It maintains a comprehensive insurance policy for full replacement value covering the Village for usual risks including damage or destruction by fire and earthquake, and any other insurable risks which the Operator considers desirable. That cover excludes residents' personal belongings. If the resident requires cover for their personal belongings, they should obtain their own contents insurance. The Operator is not responsible for any loss or damage to the resident's property.
- 7.5 Except to the extent that the Operator is covered by its insurance policy, the Operator will not be liable to the Resident or any other person for water damage caused by the overflow of water supplied or rainwater, unless the Operator has received prior written notice of any defect or want of repair and has failed to remedy the same within a reasonable period and that failure has contributed to the damage.
- 7.6 The Resident is required to reimburse the Operator for any loss or damage suffered by the Operator as a result of carelessness or negligence by the Resident or their guests, except for damage or loss which is covered by the Operator's insurance. However, the Operator reserves the right to require the Resident to pay any excess applicable to the insurance claim. If the Resident's or visitor's acts or omissions have made the Operator's insurance void, the Resident will be liable to reimburse the Operator in full for its loss or damage.

8. STATE OF THE VILLAGE

- 8.1 At the date of this Disclosure Statement, the Village comprises:

	Villas	Flats
Occupied	4	0
Unoccupied	3	2

- 8.2 In the twelve months before the date of issue of this Statement, four Villa/Flats were disposed of:
- (a) No Villas occupied before their disposal;
 - (b) None were Villas unoccupied before their disposal.
 - (c) None were Flats occupied before their disposal.
 - (d) None were Flats unoccupied before their disposal.

8.3 If a Villa/Flat has not been sold to a new resident within nine months of the Termination Date, the Villa/Flat is purchased by the Operator and the Exit Payment is paid to the Resident. Details of actual sales achieved in the last twelve months are required to be disclosed in this Statement, regardless of whether Exit Payments may have been made to residents earlier. The average time taken to dispose of an:

- (a) Occupied Villa was nine months.
- (b) Unoccupied Villa was N/A.
- (c) Occupied Flat was nine months.
- (d) Unoccupied Flat was N/A.

8.4 Previous sales: Villa 1 was occupied after 5 months.

9. ESTIMATED FINANCIAL RETURN

9.1 The Operator is required to provide residents with an indication of the estimated financial return they could expect to receive on the termination of their Occupation Right Agreement in relation to a Villa/Flat.

The Operator provides a Summary Financial Disclosure Declaration to the occupier to be transparent regarding your potential Exit Payment after deductions. This separate document must be signed as understood, and witnessed by your lawyer. The declaration complies with the Retirement Villages Act 2003, schedule 2.

9.2 The estimated financial return makes a number of assumptions. The assumptions have uncertainties and risks that may or may not occur.

- a) The Exit payment Value of the Villa/Flat at one year from the Occupation Date is the same amount of the Entry Payment.
- b) The Exit Payment is 90% of the Entry Payment if a resident terminates within one year of the Occupation Date. After one year, the exit payment is 80% of the Entry Payment.
- c) There are further deductions per the Occupation Right Agreement, and these must be taken into consideration. This includes a refurbishing deduction, legal and valuation fees.
- d) Please refer to the Aroha Retirement Village Summary Financial Declaration for a more detailed disclosure of deductions and any financial returns.
- e) The above Market Value assumes the Villa/Flat is at least the standard it was in at the Occupation Date.

e) 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 Villa/Flat is sold. Any other amount owing plus default interest if applicable will also be deducted on termination.

9.3 The estimated financial return is affected by the duration of the Occupation Right Agreement. Residents have lifetime occupation rights, therefore the longer the occupation, the longer the spread of the occupation fee.

- 9.4 The estimated financial return can be 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 costs incurred by the Operator as the result of the breach.

10. OTHER MATTERS

- 10.1 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 Village under the Act.
- 10.2 The Operator does not have an exemption from the requirement to comply with the provisions of the Code of Practice.
- 10.3 Any financial assistance to Residents will be extended at the sole discretion of the Operator. No financial assistance is currently offered.
- 10.4 The Resident or his or her personal representative will receive the following documents before executing an Occupation Right Agreement:
- (a) A copy of the Disclosure Statement;
 - (c) A copy of the Occupation Right Agreement;
 - (d) A copy of the Summary Financial Declaration;
 - (c) A copy of any Rules that apply to the Village;
 - (d) A copy of the Code of Practice; and
 - (e) A copy of the Code of Residents' Rights.

- 10.5 Before signing an Occupation Right Agreement, the following documents are available to the Resident or his or her personal representative:
- (a) The most recent audited financial statements that relate to the Operator and Village and comply with the Financial Reporting Act 1993 if that Act applied during the period to which the statements relate.
 - (b) The Village's current insurance policies.
- 10.6 A Resident's Occupation Right Agreement may be amended with the written consent of both the Operator and the Resident.

End of document