



Disclosure Statement

Issued by 139 On Union Limited in respect of HBH Howick Views Apartments (139 on Union)

Dated 11 December 2024

1. STATEMENT OF INFORMATION FOR INTENDING RESIDENTS	1
1.1 Important information for intending residents	1
2. DIRECTORY.....	2
2.1 Name of retirement village:	2
2.2 Date of registration of disclosure statement:	2
2.3 Retirement Village addresses:	2
2.4 Operator's details:.....	2
2.5 Manager's Details:	2
2.6 Statutory Supervisor's Details:	3
2.7 Directors of the Operator:.....	3
3. OWNERSHIP, MANAGEMENT AND SUPERVISION.....	3
3.1 Ownership Structure and Occupancy Rights.....	3
3.2 Resident's Interest in the Apartment	4
3.3 Management Arrangements.....	8
3.4 Statutory Supervisor	9
4. STATE OF VILLAGE, SERVICES, CHARGES, TRANSFERS AND ACCOUNTS	10
4.1 State of Village.....	10
4.2 Services and Facilities	11
4.3 Charges, Fees and Transfers	14
4.4 Maintenance and Refurbishment	19
4.5 Financial Accounts.....	20
5. OCCUPATION RIGHT AGREEMENT, TERMINATIONS, DEDUCTIONS AND ESTIMATED FINANCIAL RETURNS.....	21
5.1 Cooling-off Period and Cancellation of Occupation Right Agreement.....	21
5.2 Varying the Occupation Right Agreement	23
5.3 Termination of Occupation Right Agreement.....	23
5.4 Deductions from Payments	27

5.5	Repayment of Capital Sum and Parking Lot Capital Sum	28
5.6	Estimated Financial Return on Disposal of Apartment	28
6.	OTHER MATTERS	29
6.1	Details Relating to Certain Security Interests	29
6.2	Exemption from Requirement to Comply with Code of Practice	29
6.3	Insurance.....	29
6.4	Moving into Rest Home or Hospital.....	31
6.5	Effect of Marriage on Occupation Right Agreement	31
6.6	Statement of information about avoiding Occupation Right Agreement.....	32
6.7	Parking Lot Surrender.....	33
7.	INFORMATION SHEET.....	34
7.1	Price of the Apartment(s) and Parking Lot in which you have expressed an interest.....	34
7.2	Estimated Financial Return	34
7.3	Notes:	34
7.4	Effect of Duration on Estimated Return	35
7.5	Effect of Termination on Estimated Return.....	35
	SCHEDULE	36

1. STATEMENT OF INFORMATION FOR INTENDING RESIDENTS

1.1 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 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

- 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. DIRECTORY

- 2.1 Name of retirement village:** HBH Howick Views Apartments (139 On Union)
- 2.2 Date of registration of disclosure statement:** Lodged for registration on 11 December 2024
- 2.3 Retirement Village addresses:**
- (a) Registered Office: 139 Union Road, Howick, Auckland.
 - (b) Address for service of notices: 139 Union Road, Howick, Auckland
 - (c) Street address: 139 Union Road, Howick, Auckland.
- 2.4 Operator's details:**
- (a) Name: 139 On Union Limited.
 - (b) Address of registered office: 139 Union Road, Howick, Auckland.
 - (c) Street address: 139 Union Road, Howick, Auckland.
 - (d) Contact details: Phone: (landline) (09) 538 0800
 - (e) Agent: Name: Kylie Windle
Designation: GM- Housing and Projects
Contact details: (09) 538 0800
- 2.5 Manager's Details:**
- (a) Name: Howick Baptist Healthcare Limited
 - (b) Experience: Howick Baptist Healthcare has provided long term continuing care for older adults at 139 Union Road, Howick since 1977.
 - (c) Contact times at Village: Usually on a Monday to Friday between 8:00am to 4:30pm (excluding public holidays and annual leave periods).
 - (d) Manager's contact details:

Name: Kylie Windle
Designation: GM- Housing and Projects
At the Village: PO Box 38093
Howick,
Auckland 2145
Telephone : (09) 538 0800

2.6 Statutory Supervisor's Details:

- | | | |
|-----|-------------------|---|
| (a) | Name: | Covenant Trustee Services Limited |
| | | Phone No: (09) 302 0638 |
| (b) | Contact details: | Email: info@covenant.co.nz |
| (c) | Street address: | Level 6, 191 Queen Street, Auckland 1010 |
| | • Postal address: | PO Box 4243, Shortland Street,
Auckland 1140 |
| | • Fax: | (09) 302 1037 |

2.7 Directors of the Operator:

-
- Graeme Owen
- Keith Frederick Ardern
- Elizabeth Tremlett
- Scott Latif McLaren
- Charles Livingston Miller
- Bradley Nicholson

3. OWNERSHIP, MANAGEMENT and SUPERVISION

3.1 Ownership Structure and Occupancy Rights

- 3.1.1 **Legal nature of operator:** 139 On Union Limited is a limited liability company. The shares in the company are wholly owned by Howick Baptist Healthcare Limited.
- 3.1.2 **Directors of the operator:** The Directors of 139 On Union Limited are described in the Directory¹.

¹ See Directory on page 2

3.1.3 Underlying tenure interest in the Village retained by the Operator: The Operator, 139 On Union Limited, is a lessee of Area 1 Deposited Plan 462220 (registered under certificate of title 609276 North Auckland Land Registration District) being the land comprising the Village by virtue of a registered Memorandum of Lease entered into between the Operator as lessee and Howick Baptist Healthcare Limited as registered owner of the fee simple in the land (registered under certificate of title NA90A/365 North Auckland Land Registration District).

3.1.4 Nature and extent of charges and security interests affecting the Operator's tenure interest in the Village:

- (a) An encumbrance granted by the Operator registered as a first charge over certificate of title 609276 in favour of Covenant Trustee Services Limited. The amount secured and maximum amount able to be secured by this encumbrance cannot be ascertained at the date of this disclosure statement because the encumbrance secures performance by the Operator of all its liabilities pursuant to a Deed of Supervision entered into between the Operator and the Statutory Supervisor.
- (b) An encumbrance granted by Howick Baptist Healthcare Limited registered as a first charge over certificate of title NA90A/365 in favour of Covenant Trustee Services Limited. The amount secured and maximum amount able to be secured by this encumbrance cannot be ascertained at the date of this disclosure statement because the encumbrance secures performance by the Operator of all its liabilities pursuant to a Deed of Supervision entered into between the Operator and the Statutory Supervisor.

3.1.5 Nature of Residents' tenure interest in the Village: The Residents' tenure interest is a contractual licence to occupy the apartment with a shared right to the common areas in the Village and, if selected, a parking lot on the terms and conditions contained in the Occupation Right Agreement. A Resident's interest does not grant the Resident any interest in the land of the apartment and is not held under a separate title. The Resident's interest is secured by the encumbrances in favour of the Statutory Supervisor described in clauses 3.1.4(a) and 3.1.4(b) above.

3.2 Resident's Interest in the Apartment

3.2.1 Rights of a Resident in relation to the Apartment: The Resident has the right to:

- (a) **Grant a security interest in the termination proceeds.** This right is subject to the prior right of the Operator to deduct from such proceeds any amounts owing by the Resident in terms of the Occupation Right Agreement at termination.
- (b) **Have a person stay with the Resident in the Apartment as a companion or carer for the Resident.** The Resident may have a care giver stay with the Resident in the apartment subject to the prior written consent of the Operator which may be withheld at the Operator's discretion and may be withdrawn at any time.

- (c) **Sell or market the Apartment.** The Resident is entitled to propose a new Resident at any time who is willing to pay the market value of the licence and who satisfies the Operator's normal entry criteria for the Village. The Operator will carry out the marketing and sale of a licence for the apartment.
- (d) **Have a member of the Resident's family stay with the Resident in the Apartment.** The Resident is entitled to have members of the Resident's family stay in the apartment for an aggregate total in respect of all guests of 60 days in any period of 12 consecutive months (or longer with the prior written consent of the Operator) and subject to due compliance by such guests with all house rules of the Village.
- (e) **Have an Occupation Right Agreement issued to a Family Trust.** An intending resident may ask that a family trust be named as the licensee on the Occupation Right Agreement. In this case the licensee acknowledges that only the Resident will be entitled to occupy the Apartment, and if selected, a Parking Lot, and use the Village facilities. Further the licensee and the resident will be jointly and severally liable to the Operator for all payments and the observance and performance of all obligations of the Resident under the Occupation Right Agreement. When reading this disclosure statement the term Resident will include the licensee where the context permits.

3.2.2 **Rights that the Resident does not have:** The Resident is not entitled to:

- (a) **Let the apartment to another person.**
- (b) **Mortgage or otherwise borrow against the Resident's interest in the apartment.** The Resident is however able to grant a security interest in the termination proceeds as noted in clause 3.2.1(a).
- (c) **Keep a pet in the apartment.** The Resident may keep a pet with the prior written consent of the Operator which may be withheld at the Operator's discretion and may be withdrawn at any time.
- (d) **Have a person to board with the Resident in the apartment or to mind the apartment while the Resident is away.**

3.2.3 **Rules that apply to the Village:** The Operator adopts and amends rules from time to time that affect the Resident in living in or using the apartment. These rules are adopted for the efficient management and operation of the Village and the facilities. The Operator will consult with Residents in the Village prior to amending the rules and each Resident in the Village is required to comply with such rules as a term of his/her Occupation Right Agreement.

3.2.4 Limits on Residents living in and using the Apartment:

A Resident:

- (a) May not carry out any additions, maintenance or repair work in the apartment. Any maintenance or repair work required to the interior of the apartment or to the Operator's chattels, and any additions approved in writing by the Operator, will be carried out by the Operator. The Resident will pay the Operator, on demand, all costs incurred by the Operator in carrying out repairs and maintenance for which the Resident is liable, as described in clause 4.4.2. A Resident with disabilities may alter his/her apartment if it does not meet his/her needs subject to first obtaining the written consent of the Operator. Such consent will be given subject to terms and conditions which the Operator considers appropriate and which will be advised to the Resident at the time of seeking consent.
- (b) May use the apartment only as a private dwelling and is not permitted to do anything or omit to do anything that causes a nuisance or annoyance to or causes distress to the other Residents in the Village.
- (c) Is not permitted to deposit waste, other than in approved receptacles or cause any drains or pipes to become blocked.
- (d) May not erect any radio or television aerial or antenna or install audible burglar alarms without the written consent of the Operator.
- (e) Must not smoke/vape nor allow his or her guests to smoke/vape anywhere within the Village including in the apartment or in any buildings at the Village.

3.2.5 Sale or Marketing of the Apartment:

- (a) The Operator will control the sale and marketing of the apartment following termination of the Occupation Right Agreement and vacation of the apartment by the Resident.
- (b) The Resident shall be entitled to introduce a prospective Resident but the Operator is not obliged to accept any prospective resident who does not meet the Operator's normal village entry criteria or whose offer to buy does not meet the fair market value or conditions.
- (c) The Operator bears the cost of selling and marketing the apartment and must take all reasonable steps to enter into a new Occupation Right Agreement for the apartment in a timely manner and for the best price reasonably obtainable.
- (d) The rights of the Resident, if there is a delay in the sale of the apartment, are:
 - (i) To be consulted by the Operator about the marketing plan for the apartment including when the apartment goes on the market and the general nature of the marketing plan for the apartment;

- (ii) To be informed on a monthly basis about progress with marketing including the steps taken to market the apartment and any progress achieved in finding a new Resident;
- (iii) If a new Occupation Right Agreement for the apartment has not been entered into within 6 months of the termination date the Operator will obtain at its expense a valuation of the apartment by an independent registered valuer experienced in valuing retirement villages to establish a suitable price at which to market the apartment. The Operator will market the apartment at the price established by that valuation provided that it will consider any other valuations obtained by the Resident in determining the suitable price.
- (iv) If the apartment has not been relicensed within 9 months after the apartment has become available to the Operator for disposal in accordance with the Occupation Right Agreement the Resident may give a dispute notice in accordance with the Disputes Procedure.

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

- (a) If the Occupation Right Agreement is terminated by the Resident giving the required period of one month's notice or the death of the Resident (or where two Residents have jointly signed the Occupation Right Agreement, the death of the surviving Resident) then the Operator will pay the original capital sum to the Resident (less any amounts owing by the Resident in terms of the Occupation Right Agreement) on the expiry of 5 working days after the date on which the Operator shall settle payments under an Occupation Right Agreement of the apartment to a new resident. The amount of the refund will be calculated by deducting from the original capital sum the following:
 - (i) **Outgoings Fee:** - The Outgoings Fee will be calculated up to the date on which the Occupation Right Agreement has been validly terminated and the apartment has been vacated (including removal of the Resident's possessions and the keys returned).
 - (ii) **Village Fee:** - The Village Fee (as described in 4.3.2(c)) will be calculated up to the date the Occupation Right Agreement is terminated or any such later date that the Resident vacates the apartment, removes their possessions and returns the keys.
 - (iii) **Other Payments:** - All other moneys (including any liability for repairs to the apartment) payable by the Resident to the Operator in terms of the Occupation Right Agreement. If the Resident does not take possession of his personal possessions within one month of the termination of the Occupation Right Agreement the Operator may sell such possessions and the sale proceeds, after deduction of expenses of removal, storage and sale, will be paid to the Resident. The Operator will not exercise the power of sale without first giving 7 days prior written notice to the Resident or his solicitor advising the Operator's intention to sell the possessions.

- (b) The estimated financial return after years two, five and ten is described in item 7.2 of the Information Sheet².
- (c) If the Occupation Right Agreement is terminated by the Operator upon any of the grounds set out in the Occupation Right Agreement, the Operator shall repay the original capital sum to the Resident less the amounts described in clauses 3.2.6(a) (i), (ii) and (iii) above within 5 working days of the date on which the termination takes effect.
- (d) If the Occupation Right Agreement is terminated upon damage or destruction of the apartment and paragraph 6.3.2 applies, the above payments will be adjusted as set out in that paragraph.
- (e) The Resident is entitled to a refund of the capital sum if they exercise their rights under the cooling off period (see clause 5.1) or if they cancel their Occupation Right Agreement under section 31(1) of the Retirement Villages Act 2003.

3.3 Management Arrangements

3.3.1 Manager and Management Staff

- (a) The Operator has employed a Manager whose name, experience, contact details and times of availability are described in the Directory³.
- (b) The core duties of the Manager are to administer the day to day affairs of the Village, to arrange the provision of services and to carry out all of the required repairs and maintenance work to the buildings and grounds within the Village.
- (c) Key management staff of the Village comprise the:
 - Chief Executive Officer of Howick Baptist Healthcare Limited;
 - GM Housing and Projects
 - GM Procurement, Property and Tenancy
 - Tenancy and Village Co-ordinator
 - GM: Clinical and Quality
 - Clinical Services Manager
 - Day Programme Team Leader/Apartments Wellness Co-ordinator
 - GM Finance and IT; and
 - Social Worker

² See Information Sheet on page 33

³ See Directory on page 2

Such management staff can be contacted at the Village on telephone number (09) 538 0800 and will usually be available at the Village during the hours of 8:00am to 4:30pm Monday to Friday (excluding public holidays and periods of annual leave). A suitably qualified person will be in attendance at the Village 24 hours a day, seven days a week and can be contacted on the phone number provided in the Residents' hand book and for emergencies by the emergency call button installed in every apartment.

- (d) The legal relationship between the Manager and the Operator is that the Manager is a contractor to the Operator. The Operator is a wholly owned subsidiary of the Manager. There is a management agreement between the Operator and the Manager which provides:
 - (i) the agreement will continue indefinitely and may be terminated by either party giving a written termination notice to the other.
 - (ii) for a management fee of \$15,000 a month inclusive of GST (if any).

3.3.2 **Committee of Residents:** No Residents' committee has been established at the Village. However, Residents meet with management monthly to discuss ideas, concerns or any matters Residents wish to raise. Should the Residents wish to establish a committee in the future, this would be supported by the Operator.

3.4 Statutory Supervisor

3.4.1 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. 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 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.

3.4.2 A Statutory Supervisor has been appointed and its name and contact details are set out in the Directory⁴.

⁴ See Directory on page 2

3.4.3 No exemption exists from the statutory requirement to appoint a Statutory Supervisor.

4. STATE OF VILLAGE, SERVICES, CHARGES, TRANSFERS AND ACCOUNTS

4.1 State of Village

4.1.1 Details of Buildings

	Constructed In	Construction Materials	Condition	State of Maintenance
Independent Apartments	2008	Brick plaster of concrete block, Concrete and steel roof	Excellent	Excellent

4.1.2 Details of Other Improvements

	Constructed In	Nature of Improvements	Condition	State of Maintenance
Facilities	2008	Refer to clause 4.2.2	Excellent	Excellent
Paths	2008	Concrete	Excellent	Excellent
Driveways	2008	Asphalt and concrete	Excellent	Excellent
Roads	2008	Asphalt	Excellent	Excellent
Grounds	2008	Lawns and gardens	Excellent	Excellent
Lighting	2008	Street lighting	Excellent	Excellent
Heating	2008		Excellent	Excellent
Security features	2008	Perimeter security and emergency call system	Excellent	Excellent

4.1.3 Completion of Village

As at the date of this disclosure statement, the Village is complete.

There are 42 completed independent apartments in the Village. These apartments were completed in September 2008. There are no plans to construct additional apartments.

4.1.4 Number of Apartments Occupied, Unoccupied and still to be Completed

All apartments in the Village have been completed.

4.1.5 Details of Apartment Disposals in Last 12 Months

Refer to the Schedule⁵.

4.1.6 Average Time to Dispose of Occupied Apartments (in weeks)

Refer to the Schedule⁶.

4.1.7 Average Time to Dispose of Unoccupied Apartments (in weeks)

Refer to the Schedule⁷.

4.2 Services and Facilities

4.2.1 Services:

Service	Nature	Extent	Frequency
(a) Gardening:	Planting and maintenance of gardens in common area.	Operator will arrange for all gardening work to be carried out.	Continuous maintenance, programmed to occur throughout the year.
(b) Lawn mowing:	Common area lawns and edges.	Operator will arrange all lawn mowing.	As required.
(c) Repairs and Maintenance:	Repairs and maintenance to Village community facilities, apartment exteriors and Operator's plant and equipment.	Operator will carry out all repairs and maintenance to a clean and safe working order, suitable for their intended use.	Continuous maintenance programme, with repairs undertaken as required.
(d) Personal assistance and supervision services:	Supervision of medication administration, check in visit, simple wound dressings for minor skin tears, showering and	The Operator will arrange for these services to be provided by Howick Baptist Healthcare Limited the operator of the	Services will be available in accordance with the contracted terms, as required.

⁵ See Schedule on page 36.

⁶ See Schedule on page 36.

⁷ See Schedule on page 36.

Service	Nature	Extent	Frequency
	<p>hygiene assistance.</p> <p>NB Complicated wound dressings requiring assessment will need to be done externally.</p>	<p>adjacent care facility. .</p> <p>No nursing or medical services are provided directly by the Operator.</p>	
	Emergency Service Response.	24 hour response to emergency calls.	As required.
(e) Shops and other services for provision of goods:	Not available	Not available.	Not available.
(f) Provision of Meals:	Breakfast, lunch and dinner available.	<p>Resident may order these meals and are charged on a user pays basis.</p> <p>Residents are invoiced on a monthly basis.</p>	<p>Daily as required.</p> <p>Meal packages may be arranged with the Operator.</p>
(g) Laundry Services:	A laundry service is available.	<p>May be purchased from the Operator.</p> <p>Residents are invoiced on a monthly basis</p>	As contracted by the Resident with the Operator.
(h) Hairdressing	Hair dressing.	Resident to pay on a user-pays basis.	By appointment arranged by Resident with provider of the service.
(i) Transport Services:	Private bus transport.	For scheduled group outings.	As arranged by the Operator.
(j) Recreation and entertainment services:	Organised recreational events.	Weekly programme facilitated by the Social Co-ordinator.	Dependent on demand from Residents.
(k) Security Services	Emergency call system.	Available in all apartments and in common areas.	24 hours a day 7 days a week.

Service	Nature	Extent	Frequency
	Grounds Security.	Perimeter security.	During night and as required.
(l) Other services:	Home cleaning services.	May be purchased from the Operator. Residents are invoiced on a monthly basis.	As contracted by the Resident with the Operator.

The Village does not provide nursing or medical services.

Unless otherwise stated, the costs of these services are included in the Outgoings Fee. Clause 4.3.1 sets out more information on the costs of services that are offered by the Operator.

4.2.2 Facilities:

Facility	Nature	Extent	Frequency
(a) Dining Facilities	Dining room.	Located in the community complex.	Sit down meal 3 times per week or per resident demand.
(b) Lounge or Television Room	Lounge and television area provided in Community Centre.	Available to all Residents.	As required by Residents.
(c) Laundry	A laundry is available in all two bedroom apartments. All other apartments have access to a laundry in the community complex. There are ironing facilities in the community laundry facilities.	Residents of 1 bed and 1 and ½ bed apartments have use of the community laundry facilities at no charge.	As required by Residents.
(d) Library	A library room.	Available for all Residents.	As required.
(e) Other facilities	Men's room	Available for all Residents.	As required.

The Village does not have a gymnasium, spa pool, swimming pool, health clinic, tennis court, bowling green or a petanque court.

Unless otherwise stated, the costs of using these facilities are included in the Outgoings Fee.

- 4.2.3 **Services and Facilities to be provided:** no additional services or facilities are planned.

4.3 Charges, Fees and Transfers

4.3.1 Charges for Services and Facilities

The Operator offers a range of household services to Residents in the Village.

The services offered to Residents are as follows:

- home cleaning
- household laundry
- meal plans and casual meals
- personal assistance and supervision

Residents can contract with the Operator to purchase or arrange these additional services into their independent apartment. The services are not prescriptive and are tailored according to the personal needs of the Resident. Prices for services are advertised within the Village and are available on request. Services are priced according to frequency and service levels required. The charges for services are competitive and Residents have the option to seek alternative providers in the community. Upon request, the Operator can put together a service package for Residents.

The charge for household services, known as the "Village Services Charge", is payable by a Resident to the Operator by monthly payments on the 20th day of each month following delivery of the service. The Operator will be entitled to review the Village Services Charge payable by Residents from time to time. The Operator will consult with the Resident regarding any increase 4 weeks in advance of any proposed review, this will provide the Resident with time to discuss or negotiate service levels or seek alternative providers. The basis for reviewing the Village Services Charge is increases in the cost of providing the service.

A Resident may elect to alter the quantity and type of services they purchase from the Operator as long as they give the Operator 5 working days prior written notice. The Village Services Charge will then be altered accordingly.

The Village Services Charge will cease upon giving the Operator 5 working days written notice or on the date on which the Resident permanently vacates the apartment, whichever is the earlier.

There is no specific charge for the provision of the Village Facilities (other than as included in the above levels of service) as the right to use these facilities forms part of the capital sum paid to secure an interest in the apartment.

4.3.2 Amounts to secure an interest in an Apartment

- (a) A Resident is required to pay a capital sum to the Operator for the right to occupy the apartment and, if selected by the Resident, a parking lot capital sum to use a parking lot. The amount of the payment for the apartment and a parking lot the Resident is considering securing an interest in is described in the Information Sheet⁸. This payment is determined by the Operator as an appropriate charge for the right to secure an interest in the apartment and a parking lot.
- (b) The capital sum payment is refundable in the event that the occupation right agreement is terminated in accordance with the terms of that licence. The refund of the capital sum is payable by the Operator to the Resident on the expiry of 5 working days after the date the Operator receives payment under a licence of the apartment to a new Resident. An exception is in the case where the Operator exercises a right to terminate the Occupation Right Agreement, in which event, the capital sum is payable within 5 working days of the date on which the termination takes effect. Another exception is where the Occupation Right Agreement is terminated due to damage or destruction of the Village or the apartment, in which event the capital sum paid to the Operator in respect of the apartment minus the amounts owing by the Resident under the Occupation Right Agreement is payable within 10 working days after the date the Operator receives full payment from its insurers for the loss or damage.
- (c) The Resident is required to pay a Village Fee (sometimes referred to as the deferred management fee) following termination of the Occupation Right Agreement on settlement of payments of a licence of the apartment to a new Resident. The Village Fee will be up to a maximum amount equal to 28% of the capital sum which accrues to the Operator as follows:
 - (i) 5% of the capital sum on the commencement date of the Occupation Right Agreement;
 - (ii) 8% of the capital sum for the first calendar year from the commencement date of the Occupation Right Agreement;
 - (iii) 7% of the capital sum for the second calendar year from the commencement date of the Occupation Right Agreement;
 - (iv) 6% of the capital sum for the third calendar year from the commencement date of the Occupation Right Agreement; and
 - (v) 2% of the capital sum for the fourth calendar year from the commencement date of the Occupation Right Agreement.

⁸ See Information Sheet on page 34

The Village Fee will be calculated on a daily basis for each year from the commencement date until the earlier of the expiry of four years or the termination of the Occupation Right Agreement and the vacation of the Apartment by the Resident including the removal of all the Resident's possessions from the Apartment ,.

- (d) The amount of the refund is the original capital sum payment less the amount of the accrued Village Fee and any other amounts owing by the Resident to the Operator under the terms of the Occupation Right Agreement as adjusted for any early repayment of the capital sum in relation to the parking lot.
- (e) A Resident who has paid a capital sum for a parking lot may surrender the parking lot and the Resident may return vacant possession of the parking lot to the Operator at any time. The surrender of the licence will be evidenced by a notice in writing signed by the Resident. The parking lot capital sum shall be paid by the Operator within 14 days of the date of receipt of written notice of such surrender.

4.3.3 Permanently leaving an Apartment, transferring to another Apartment

If a Resident wishes to transfer to another apartment in the Village the Operator will try to accommodate this request subject to the following terms and conditions and as set out in the Occupation Right Agreement:

- (a) The Resident must terminate the current Occupation Right Agreement and enter into an Occupation Right Agreement for the replacement apartment;
- (b) The Resident must pay the Operator's reasonable legal costs in documenting the transaction;
- (c) Payment of a transfer fee being 3% of the higher value of the two apartments;
- (d) The Resident is required to pay a capital sum for the replacement apartment. This may be met by the application of funds from the relicensing of the Resident's original apartment and payment of any additional amount.;
- (e) One Village Fee will be payable by the Resident for both apartments and this will be calculated on the higher value of the two apartments. The Village Fee will accrue over the maximum accrual period provided for in the first Agreement. For example if two years accrual has occurred at the termination of the first Agreement, the termination period for the second Agreement will be two years.

The above terms will only apply to a Resident's first transfer in the Village. There is no charge for a Resident permanently leaving an apartment other than the charges on termination as described in clause 5.3.6.

4.3.4 Periodic charges payable by the Resident

A periodical charge called an "Outgoings Fee" is payable by the Resident in consideration of the Operator agreeing to pay all the operating expenses of the Village.

The operating expenses means all operating costs (including rent payable by the Operator under the said lease of the land), expenses and outgoings incurred by the Operator or on its behalf and paid or payable in respect of the Village and its management, supervision and operation.

The Outgoings Fee is set by the Operator prior to the Resident signing the Occupation Right Agreement. As at the date of this disclosure statement the Outgoings Fee is \$150.00 for a single resident and \$180.00 for two residents per week, inclusive of GST. The Outgoings Fee is reviewable each year and the Outgoings Fee applicable for each intending Resident will be as completed by the Operator at the time of enquiry in section 7.1 "Price of the Apartment(s) and Parking Lot in which you have expressed an interest" of this Disclosure Statement. The Operator will be entitled to review the Outgoings Fee at any time and to increase the charge to reflect the increase in cost of the operating expenses of the Village. Any increase in the Outgoings Fee will take effect 10 working days after Residents are notified of the change. The Outgoings Fee must be paid to the Operator by direct debit from the Resident's bank account on the 20th day of each month. The Operator will give to the Resident 10 days' written notice of the amount of the proposed charge prior to deducting such amount from the Resident's bank account.

An intending Resident has no direct role in the setting of the Outgoings Fee which is determined by the Operator. However, the Operator will consult with the Residents prior to any review of the Outgoings Fee.

The Outgoings Fee continues to be payable until the date on which the Occupation Right Agreement for the apartment has been validly terminated and the unit has been vacated (including removal of all the Resident's possessions) at which point, the Outgoings Fee for the vacated unit will cease.

The Village Services Charge is another periodic charge payable by Residents and, as described at clause 4.3.1 above, covers the cost of household services provided to the Resident. The Operator pays all of the Village Services Charge it receives to the Manager who provides the services on behalf of the Operator.

4.3.5 Additional charges or expenses

The Resident is 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 you remain in the Village:

- (a) **Utility charges:** The supply of electricity, telephone connection, telephone rental and tolls, internet connection, television subscription and connection fees and any other utility charges in respect of the apartment. Such charges are payable to the utility company which supplies the service provided that where an apartment does not have a separate meter, a charge will be calculated by the Operator, as a fair proportion attributable to the Resident's apartment. In this case the

Resident will be billed on a monthly basis for the supply of such utilities.

- (b) **Rest home or Hospital care:** If the Resident requires either temporary or permanent rest home care, either in the rest home or hospital adjoining the Village or in an alternative care facility, then the cost of such service will be payable by the Resident as a separate charge. The cost to the Resident for this care will be determined in accordance with the level of care that the Resident requires at the time the service is obtained. The Resident will be billed for the service by the operator of the rest home or hospital on a monthly basis. Refer to 6.4 for further detail.
- (c) **Emergency service response:** The Operator will arrange for a 24 hour a day response to any emergency calls by a Resident. The Resident will not be required to pay a separate charge for any emergency calls, being an unexpected and critical event that poses a threat to the Resident and requires urgent attention. There may be a charge for non-emergency calls made by a Resident.
- (d) **External service providers:** If the Resident uses the service of any external provider (e.g. hairdressers, physiotherapists, doctors, pharmacists, etc.) then the Resident will be required to pay a separate charge as levied by the provider of that service.
- (e) **Motor vehicle insurance:** The Resident is required to arrange, at the Resident's own cost, insurance protection in respect of any motor vehicle kept by the Resident at the Village.
- (f) **Handling charge:** The Resident will be required to pay to the Operator on demand a reasonable charge in the event that the cost of any goods or services supplied to the Resident is charged directly to the Operator. Any such charge will be billed to the Resident by the Operator on a monthly basis.
- (g) **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 default interest on such unpaid moneys at the rate of 4% above the 90-day bank bill rate, calculated on a daily basis.
- (h) **Insurance excess payment:** If the buildings and/or the Operator's Chattels in the Village or, any part of them, are damaged or destroyed as a result of the negligent or wilful act of the Resident then without prejudice to the Operator's other rights, the Operator will be entitled at its option by notice in writing served on the Resident to require the Resident to pay the amount of any excess charge made by the insurer of such assets and the Resident agrees to pay to the Operator the amount of such excess charge immediately upon demand being made in writing.

- (i) **Restoring the apartment and Operator's chattels:** On termination of the Occupation Right Agreement, the Resident is required to pay to the Operator the costs incurred by the Operator in restoring the interior of the apartment and the Operator's chattels to the condition at commencement of the licence, less fair wear and tear.

4.3.6 Maintenance, Rates and Insurance Payments

The Resident is not required to make additional 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 operating expenses of the Village. The Resident may be liable for the cost of interior maintenance to the apartment as detailed in clause 4.4.2 below.

4.4 Maintenance and Refurbishment

4.4.1 Maintenance the Operator is Responsible for:

- (i) The Operator is responsible for maintaining all the buildings and the plant and equipment in the Village in a good, clean, tidy repair, order and condition.
- (ii) On being advised in writing of any defect or need for repair to the apartment or the Operator's chattels in the apartment the Operator must within a reasonable time take appropriate steps to repair and make good the defect.
- (iii) The Resident is required to pay the Operator on demand all costs incurred by the Operator in repairing and maintaining the interior of the apartment in good order, repair and condition.
- (iv) The Operator will meet the costs of any necessary repair, maintenance and/or replacement of the Operator's chattels, as reasonably determined by the Operator, unless the repair, maintenance or replacement is required as a result of the Resident's (or the Resident's guests) intentional or careless damage.
- (v) The Operator endeavours to ensure that the Village meets Residents' current needs by maintaining the Village in good order and condition. The Operator cannot ensure that the Village meets Residents' changing needs but does offer access to an adjoining rest home and hospital.
- (vi) The Village (including the apartments, 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).

4.4.2 Maintenance that Resident is Responsible for:

- (i) The Resident is responsible during the term for keeping the interior of the apartment, the parking lot (if applicable) and the fixtures, fittings and chattels in the apartment in good order, repair and condition. The Resident is not liable to carry out maintenance or repair work but may be liable to pay the Operator for the cost incurred by the Operator in carrying out this work.

- (ii) On termination of the Occupation Right Agreement the Resident is required to pay to the Operator the costs incurred by the Operator in repairing any damage or want of maintenance or repair caused to the interior of the apartment (including the Operator's chattels) which is not attributable to fair wear and tear.

Following vacation of the apartment and removal of the Resident's possessions, the Operator will carry out an assessment of the Resident's liability under the Occupation Right Agreement for maintenance and repairs to the interior of the apartment and the Operator's chattels. The Operator will consult with the Resident on the extent and cost of any required maintenance and repairs and if agreement is not reached the Operator will arrange for a Quantity Surveyor to assess the cost of completing the work. The Operator will arrange for a contractor to carry out such work in a prompt and efficient manner. The Resident is required to pay the Operator the cost incurred by the Operator in carrying out such maintenance and repair work (including the cost of the Quantity Surveyor) and any such liability shall be deducted from the moneys payable by the Operator to the Resident following the re-licensing of the apartment to a new Resident.

4.4.3 Maintenance or Sinking Fund

There is no maintenance or sinking fund for repairs, maintenance, refurbishment and capital replacement works associated with the Village.

4.5 Financial Accounts

4.5.1 Accounts Required by Legislation

The Retirement Villages Act requires the Operator to prepare and register audited financial statements of the Operator, but not the Village.

4.5.2 Process for Preparing Accounts

The Operator prepares financial statements to comply with the Generally Accepted Accounting Principles following the end of each financial year on 30 June and has these financial statements audited by PKF Goldsmith Fox Audit Limited. 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 five months of the end of the financial year.

4.5.3 Financial Accounts Available to Residents

The Operator's 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". The financial statements are an attachment to the annual return. The Operator will make available to any Resident free of charge on request a copy of the most recent audited financial statements.

4.5.4 Other Financial or Accounting Statements

- (i) The Operator prepares at the commencement of each financial year a forecast statement of all income and expenditure (unaudited) relating to the Village and gives to the Statutory Supervisor and each Resident a copy of such forecast statement within 3 months of the commencement of the financial year.
- (ii) Financial statements are prepared and audited for the Manager annually and are available to Residents upon request.

5. OCCUPATION RIGHT AGREEMENT, TERMINATIONS, DEDUCTIONS AND ESTIMATED FINANCIAL RETURNS

5.1 Cooling-off Period and Cancellation of Occupation Right Agreement

(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 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

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 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 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

5.1.1 The Occupation Right Agreement does not contain a more favourable cooling-off and cancellation provision than contained in section 28(1) of the Act.

5.2 Varying the Occupation Right Agreement

5.2.1 The terms of an Occupation Right Agreement cannot be varied without the consent of the Operator, Licensee and Resident but the Operator can, in consultation with the Statutory Supervisor, vary the terms of the Occupation Right Agreement for new Residents of the Village.

5.2.2 If a Resident or Licensee requests a variation to the Occupation Right Agreement, the Resident or Licensee will be liable for all legal costs incurred by the Operator and the Resident or Licensee in considering whether to agree to this change and if agreed to the subsequent agreement of terms and documentation.

5.3 Termination of Occupation Right Agreement

5.3.1 Resident's Right to Terminate:

- (i) A Resident is entitled to terminate his/her Occupation Right Agreement for any reason and at any time on service of one month (refer to clause 3.2.6(a)) prior written notice to the Operator.

- (ii) An Occupation Right Agreement is automatically terminated when the Resident dies provided that if two persons are named as Residents in the Occupation Right Agreement the termination occurs only when the last surviving Resident dies.

5.3.2 Termination if the Apartment is Destroyed

The Occupation Right Agreement may be terminated upon damage or destruction of the apartment (see paragraph 6.3.2 and the relevant provisions of the Occupation Right Agreement).

5.3.3 Termination by the Operator

The Operator may terminate the Occupation Right Agreement by giving the Licensee and the Resident notice of intention to terminate on the following grounds:

- (i) **Medical Grounds:** If a registered medical practitioner, after assessing the Resident, certifies that the Resident's physical or mental health is such that the Resident or other Residents cannot live safely in their apartments. The medical practitioner should in the first instance be the Resident's regular medical practitioner or otherwise the Operator will appoint a registered medical practitioner for the purposes of carrying out this assessment who must be independent of the Operator. The assessment of the registered medical practitioner must take into account:
 - (a) the care, support and facilities offered in the Village, including the opportunity to transfer to a higher level of care;
 - (b) support services that could be brought in from outside the Village to support the Resident to remain in the apartment.

The Resident may obtain a second opinion and present this to the Operator for its consideration within 7 working days of the Resident being advised of the assessment that the Operator has obtained.

If the Operator has complied with its obligations under this clause 5.3.3(i) and the circumstances giving rise to the Operator's right to terminate have not changed, then the Operator will give the Licensee and the Resident not less than one month's final written notice of termination.

- (ii) **Breach:** If the Resident has materially breached the Occupation Right Agreement the Operator may terminate the Occupation Right Agreement provided:
 - (a) the breach must be material;
 - (b) the Operator has notified the Licensee and Resident in writing of its intention to terminate the Occupation Right Agreement unless the breach is remedied;
 - (c) the Operator has given the Licensee and Resident at least one month's notice to remedy the breach;

- (d) the Licensee or Resident has failed to remedy the breach within the time period given in the Operator's notice;
 - (e) if the Operator still wishes to terminate the Occupation Right Agreement then the Operator will give the Licensee and Resident not less than one month's final written notice of termination.
- (iii) **Abandonment:** The Operator may terminate the Occupation Right Agreement on the grounds of abandonment subject to the following conditions:
- (a) The Operator must have made reasonable enquiries and determined that the Resident has permanently abandoned the apartment;
 - (b) The Operator has notified the Licensee and Resident in writing of the Operator's intention to terminate the Occupation Right Agreement unless the Resident re-occupies his or her apartment;
 - (c) The Operator must have given the Resident at least one month to re-occupy and the Resident has failed to re-occupy the apartment in that time period;
 - (d) If the Operator still wishes to terminate the Occupation Right Agreement then the Operator must give the Licensee and Resident not less than one month's final written notice of termination.
- (iv) **Serious Damage to the Apartment or Serious Injury, Harm or Distress to People:** The Operator may terminate a Resident's Occupation Right Agreement if the Resident, intentionally or recklessly has caused or allowed or is highly likely to cause or allow:
- (a) serious damage to the apartment or facilities or damage which has become serious because it continues;
 - (b) serious injury, harm or distress to the Operator or another Resident or an employee or guest of the Operator or any Resident.

The Operator must have notified the Resident of the Operator's intention to terminate the Occupation Right Agreement unless the damage, injury, harm or distress is remedied in a specified time that is reasonable in the circumstances. The Operator must have taken into account the nature and extent of the damage, injury, harm or distress in determining the time period given to the Resident to provide a remedy. Further, the Resident must have failed to remedy the damage, injury, harm or distress within the period given in the Operator's notice.

If the Operator has complied with its obligations under this clause 5.3.3(iv) and the circumstances giving rise to the Operator's right to terminate have not changed or been remedied and the Operator still wishes to terminate the Occupation Right Agreement, then the Operator will give the Licensee and the Resident as much final written notice as is reasonable in the circumstances.

5.3.4 **General**

The termination date of the Occupation Right Agreement will be the first working day after the expiry of the applicable notice period set out in clauses 5.3.3(i), (ii), (iii) or (iv).

5.3.5 **Effect of Termination on Persons living with the Resident**

On termination of the Occupation Right Agreement any person living in the apartment with the Resident will be required to vacate the apartment immediately.

5.3.6 **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) **Outgoings Fee:** - this periodic charge continues to be payable on the same terms as set out in clause 4.3.4.

This charge will cease to be payable by the Resident if the Operator enters into a tenancy arrangement for the apartment with a third party with the prior consent of the Resident. In such circumstances, the Operator shall be entitled to retain the rent income in lieu of charging the Outgoings Fee during the period of the tenancy arrangement.

- (b) **Village Fee:** - this charge will continue to accrue on the same terms as set out in clause 4.3.2(c).

- (c) **Default Interest:** - will be payable for late payment of moneys due under the Occupation Right Agreement as set out in clause 4.3.5(g).

5.3.7 **Capital Loss/Gain**

If the capital sum received by the Operator under a licensing of the apartment to a new Resident is less than the original capital sum paid by the Resident, then the Resident is not required to pay to the Operator any portion of the capital loss.

Any capital gain arising as a result of the termination of the Occupation Right Agreement and the issuing of a new Occupation Right Agreement for the apartment shall be retained by the Operator.

5.3.8 Process in Locating New Resident

The process to be followed by the Operator in finding a new Resident for the vacated apartment is as follows:

- (a) 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 apartment in a timely and helpful way;
- (b) 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 meet the market value or conditions.

Clause 3.2.5 sets out details of the sale and marketing of the apartment.

5.3.9 Process for Determining Price of Apartment

The initial marketing price of the apartment will be an amount which the Operator considers to be the fair market value of the apartment.

5.4 Deductions from Payments

5.4.1 Deductions Made on Entry or Exit from the Village and Deductions from Periodical Payments:

From the original consideration payment made by the Resident at the time of entering the apartment the Operator will be entitled to deduct the following payments:

- (a) **Village Fee:** A deduction for the amount that accrues to the Operator in accordance with clause 4.3.2(c). The maximum Village Fee is calculated in accordance with clause 4.3.2(c) (see also clause 6.3.2).
- (b) **Outgoings Fee:** A deduction for the amount of the Outgoings Fee that accrues to the Operator in accordance with clause 4.3.4 (see also clause 6.3.2).
- (c) **Removal Costs:** If the Resident does not remove from the apartment 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. If the Resident does not take possession of his personal possessions within one month of the termination of the Occupation Right Agreement the Operator may sell such possessions and the sale proceeds, after deduction of expenses of removal, storage and sale will be paid to the Resident. The Operator will not exercise the power of sale without first giving 7 days prior written notice to the Resident or his solicitor advising the Operator's intention to sell the possessions.
- (d) **Costs and Unpaid Moneys:** The Operator will be entitled to deduct from moneys due to the Resident any moneys falling due during the term of the Occupation Right Agreement which remain unpaid at termination, including default interest for late payment of moneys due under the Occupation Right Agreement, any costs or charges payable by the Resident in terms of the Occupation Right Agreement.

5.4.2 Deductions Made for the Purposes of Maintenance, Refurbishment and Development

The cost incurred by the Operator in carrying out refurbishment of the apartment in accordance with the terms set out in clause 4.4.2 shall be deducted by the Operator from the payments due to the Resident.

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 Outgoings Fee as referred to in clause 5.4.1.

5.5 Repayment of Capital Sum and Parking Lot Capital Sum

If repayment of the Capital Sum and, if applicable, the Parking Lot Capital Sum is more than nine months after the date the Agreement is terminated, subject to the conditions set out in clause 5.5.1 the Operator will pay the Licensee interest on the amount due to the Licensee. Interest will be paid to the Licensee 5 Working Days after the date on which the Operator shall settle the payments under a licence of the Apartment to a new resident and will be calculated at a rate equal to the rate set out in section 12(3) of the Interest on Money Claims Act 2016 from the date that is nine months after the date the Agreement is terminated until the date that funds are held by the Statutory Supervisor and available to be paid to the Licensee.

5.5.1 The Operator's obligation to pay the Licensee interest in accordance with clause 5.5 is subject to the following conditions:

- (a) that the payment of interest will not cause the Operator to breach the Deed of Supervision or any conditions of any funding that the Operator may have in place at the time the payment of interest is due to be made; and
- (b) that the Operator has satisfied the Solvency Condition. For the purposes of this clause, "Solvency Condition" means that the Operator is solvent and is able to satisfy the solvency test contained in section 4 of the Companies Act 1993, (as modified by section 52 of the act) on the date that the interest payment is due to be made, and that the Operator will continue to satisfy the solvency test immediately after making the payment.

5.6 Estimated Financial Return on Disposal of Apartment

The estimated financial return that a Resident can expect to receive on the sale of the apartment 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 Sheet⁹.

⁹ See Information Sheet on page 34

6. OTHER MATTERS

6.1 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 Village under the Act.

6.2 Exemption from Requirement to Comply with Code of Practice

The Operator advises that it has not sought any exemption from the requirement to comply with the provisions of the Code of Practice 2008.

6.3 Insurance

6.3.1 Operator's Insurance Responsibilities

The Operator is 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 apartments), for its full replacement value. Such insurance must be to the Statutory Supervisor's satisfaction.

The following are the details of the insurance covers that the Operator has obtained for the Village:

- (i) Material Damage Cover in respect of all retirement village property, capital improvements and additional fittings provided by residents, up to the amount set out in the current insurance valuation of the property;
- (ii) Business Interruption Cover in respect of gross fees receivable;
- (iii) Motor Vehicle Cover at market value;
- (iv) Broadform (Public Liability) Cover;
- (v) Fines and Defence Legal Costs;
- (vi) Employers' Liability Cover;
- (vii) Professional Indemnity Cover;
- (viii) Directors' and Officers' Liability Cover;
- (ix) Contract Works Cover on construction contracts.

All policies are subject to excesses. In the case of natural disasters the excess is 2.5% of the material damage location sum insured but not less than \$2,500 for any one Event and and \$500 for Non Natural Disaster events, \$10,000 for landslide or subsidence and \$1,000 for theft.

Resident's Insurance Responsibilities

The Resident is strongly recommended to (but is not required to) arrange his/her own insurance protection in respect of the Resident's chattels in the Village. The Resident is required to arrange his/her own insurance protection in respect of any motor vehicle he/she keeps at the Village. Regardless of whether the Resident holds such insurance, the Operator is not responsible for any loss or damage to the Resident's chattels or motor vehicle(s).

6.3.2 Damage or Destruction of the Apartment

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

- (a) If the apartment becomes uninhabitable following a Damage Event which is not as a result of any of the Resident's, or their visitors', acts or omissions, the accrual of the Village Fee will be suspended from the date of the Damage Event (unless the Operator is providing temporary accommodation to the Resident, in which case the accrual shall continue) until the apartment or its replacement is ready for occupation by the Resident following repair or replacement.
- (b) If the apartment becomes uninhabitable following a Damage Event which is not as a result of any of the Resident's, or their visitors', acts or omissions, the Outgoings Fee and the Village Services Charge will each be suspended from the date of the Damage Event until the apartment or its replacement is ready for occupation by the Resident following repair or replacement. If the Operator is providing temporary accommodation to the Resident, the Resident will pay the actual cost of personal services and outgoings relating to that temporary accommodation.
- (c) If, following a Damage Event, the Operator decides it is not practicable to repair or replace the apartment, the Occupation Right Agreement is automatically terminated (unless paragraph (d), below, applies), and the Operator will pay the Resident an amount equal to the Capital Sum and, if applicable, the Parking Lot Capital Sum, without deducting any Village Fee, but the Operator will be entitled to deduct any other amounts due to the Operator (see paragraph 5.4.1).
- (d) If, following a decision not to repair or replace the apartment as set out in paragraph (c) above, the Operator offers the Resident an option to transfer to another residential unit (either pre-existing or yet to be constructed) in the Village or in another retirement village owned by the Operator which is in reasonable proximity to the Village and the Resident does not accept such offer, the usual repayment provisions and deductions as set out in paragraph 5.4.1 will apply.

6.4 Moving into Rest Home or Hospital

The Village is on the same site as an aged residential care facility operated by Howick Baptist Healthcare Limited (HBH), a company related to the Operator. The care facility currently offers continuing care rest home and hospital levels of care and day programme services. As at the date of this disclosure statement there are 129 dual care (rest home and hospital) service rooms. HBH also provides 2 dedicated respite rooms for Village Residents and members of the wider community. Hospital level respite care is available subject to room availability.

The Operator will, subject to availability, when the health of the Resident so requires, arrange with HBH, to provide the Resident, at the Resident's cost, with either temporary or permanent residential care in the care facility. Residents of HBH Howick Views Apartments (139 on Union) will have priority over non-Residents for beds in the residential care facility, subject to availability of a suitable bed at the time of application for care.

An independent assessment by the DHB needs assessment service is required before a Resident can be admitted into the residential care facility. Residents cannot permanently enter the residential care facility without this assessment.

If the resident chooses to enter into care a transfer of the Occupation Right Agreement does not occur. Refer to 5.3 regarding termination of Occupation Right Agreement

The base fees for care are those set by the Government and are subject to change. The cost will be determined in accordance with the level of care required by the Resident at the time the service is provided. Depending on a Resident's financial position the Resident may be entitled to Government assistance in paying this base fee.

The care facility currently offers both standard and premium rooms. If a Resident chooses to occupy a premium room then the Resident will also be required to pay a premium room fee on top of this base fee. Prices, terms and conditions associated with the provision of care are available in HBH's standard admission agreement which can be provided on request. The Operator and HBH cannot guarantee that a standard room will be available when a Resident needs to transfer to the Care Facility.

6.5 Effect of Marriage on Occupation Right Agreement

- (a) 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 apartment with the Resident, subject to that person executing in favour of the Operator a Deed of Covenant in terms of which that person agrees to observe and perform certain terms and conditions as specified by the Operator.
- (b) At the Resident's request in writing the Operator will amend the Occupation Right Agreement to the joint names of the Resident and married or civil union partner provided that the partner meets the Operator's normal criteria as a resident in the Village and the Resident pays the Operator's reasonable legal costs. If the Resident does not request the Operator in writing to amend the Occupation Right Agreement in accordance with this provision then upon termination of the Occupation Right Agreement (through the death of the

Resident or otherwise) the married or civil union partner will be required to vacate the apartment.

6.6 Statement of information about avoiding Occupation Right Agreement

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 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) 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

Circumstances

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

Period

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 apartment 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 Parking Lot Surrender

If the Resident has paid a capital sum for a parking lot but the Resident ceases to use such parking lot for parking the Resident's motor vehicle or the Resident is permanently unable to drive then the Operator shall be entitled on written notice to the Resident to require the Resident to surrender the parking lot and in such event the Operator shall refund the parking lot capital sum within 14 days of the date of service of such written notice from the Operator. The Resident may surrender the parking lot in accordance with clause 4.3.2(e).

7. INFORMATION SHEET

7.1 Price of the Apartment(s) and Parking Lot in which you have expressed an interest

Licensee Name:

Resident Name:

Apartment Number:

Capital Sum:

Parking Lot Capital Sum:

Outgoings Fee:

7.2 Estimated Financial Return¹⁰

Estimate for apartment - Village Fee accruing progressively over 4 years, at an amount equal to 5% of the capital sum on commencement of the Occupation Right Agreement, 8% of the capital sum for year 1, 7% of the capital sum for year 2, 6% of the capital sum for year 3 and 2% of the capital sum for year 4, up to a maximum amount equal to 28% of the capital sum.

After	Capital Sum	Less Village Fee (i)	Less Repairs (ii)	Estimated total financial return (iii)
2 yrs	\$500,000	\$100,000	Nil	\$400,000
5 yrs	\$500,000	\$140,000	nil	\$360,000
10 yrs	\$500,000	\$140,000	nil	\$360,000

7.3 Notes:

- (i) The Village Fee has been calculated here for a full year. If the Resident leaves part way through a year, the Village Fee will accrue on a daily basis for the incomplete year at the specified rate.
- (ii) Assumes no damage over and above fair wear and tear so repairs are nil.
- (iii) Assumes that there has been no Damage Event (as detailed in paragraph 6.3.2).
- (iv) In calculating the estimated total financial return, the Capital Sum is taken less the Village Fee and repair costs. It is assumed the Resident will not owe any other money to the Village on termination. Any other amounts owing by the Resident (including the Outgoings Fee and default interest if applicable) will also be deducted from the estimated total financial return on termination.

¹⁰ See clause 5.6

7.4 Effect of Duration on Estimated Return

The estimated financial return is affected by the duration of the Occupation Right Agreement because the Village Fee accrues on a daily basis from the Commencement Date (as defined in the Occupation Right Agreement), to a maximum charge equal to 28% of the capital sum. This maximum level of charge is reached on the expiry of four years after 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, or a decision of the Resident to terminate the agreement voluntarily, in the following ways:

- (a) 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;
- (b) In the event of a voluntary termination during the cooling-off period, the Resident will be entitled to the return of the capital sum, with interest, subject to an obligation to pay reasonable compensation to the Operator for services provided under the agreement, and for any damage to the apartment and any facilities of the apartment in the Village;
- (c) In the event of a voluntary termination for delay in completing the apartment within 6 months after the proposed date for completion of the apartment, the Resident will be entitled to a full refund of the capital sum and all other payments for which services and facilities were not provided, interest and actual and reasonable costs associated with voiding an agreement.

SCHEDULE

(refer to clause 4.1)

STATE OF THE VILLAGE AS AT 11 DECEMBER 2024

Apartments occupied, unoccupied and still to be completed

Apartment Type	Total numbers	No. Occupied	No. Unoccupied
Independent Apartments	42	39	3

Details of Apartment Disposals in last 12 months

Listed below are details of the apartments that were disposed of in the 12 months prior to the date of this Disclosure Statement that were **occupied** prior to 20 December 2024

Apartment	Time taken to dispose of or buy back occupied apartment (days)
35	111
13	260*
36	307*
14	231*
19	275*

The average time taken to dispose of occupied apartments was 237 days. The time taken to dispose of an occupied apartment is calculated from the date the occupation right agreement for the apartment is terminated until the date a new resident enters into an occupation right agreement for the apartment and 15 days "cooling off" period is expired or until the operator buys back an apartment. Apartments with a * were all purchased back from the exiting resident.

There are no apartments that were disposed of in the 12 months prior to the date of this Disclosure Statement that had been **unoccupied** prior to their disposal.

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