

FREQUENTLY ASKED QUESTIONS

Retirement is your time to do the things most important to you. It is a time to focus on your happiness and live life at the pace you choose.

For many people, the decision to consider changing your current home to a retirement village raises a number of questions. To make this transition easier to understand, we have summarised some of the more common questions and answers below.

If there is anything you don't understand, please don't hesitate to contact Kelvin Lloyd, our Village Manager. He will be more than happy to help.

Q. What is a Licence to Occupy?

- A. It is important for anyone intending to purchase an apartment in Mt Eden Gardens to fully understand the nature of the ownership of their apartment. This is covered in much more legal detail in the Occupation Licence, but to summarise:
- When you buy an apartment in Mt Eden Gardens you purchase a Licence to Occupy contract.
 - This gives you the right to live in your apartment and enjoy the use of all the village facilities.
 - The title to the land and building remains with Mt Eden Gardens.
 - The Licence to Occupy does not carry any entitlement to capital gain when you move out and the apartment is resold.

The Licence to Occupy is the most common form of occupation and ownership in retirement villages in New Zealand. All villages are governed by the Retirement Villages Act 2003 and its regulations. The Act requires the appointment of a Statutory Supervisor whose role it is to protect the rights of the village, particularly so in the event of the village operator failing to honour its obligations under the RVA Act. Mt Eden Gardens has appointed the "Covenant Trustee Company" as the Statutory Supervisor for this village.

We recommend you ask your solicitor to review the Licence to Occupy documentation and explain it if you have any queries – most solicitors are familiar with this type of contract as it is typical in the retirement village industry.

Q. What payments do I need to make if I move into Mt Eden Gardens?

- A. There are three types of payments that you will make to Mt Eden Gardens:
- The purchase price – this is the amount you pay for your apartment.
 - The Weekly Fee – this fee is charged for each apartment and covers your share of all the village costs, expenses and other out goings. This is explained in more detail in the sheet entitled "Weekly Fee and Service Packages" which you will find inserted in the back of the brochure. This fee is compulsory for each apartment.
 - The Service Fees – this fee is for the optional service packages that you can choose to pay for if you want additional services. These are also detailed in the sheet entitled "Weekly Fee and Service Packages". If you wish to tailor-make a service package to meet your specific needs, just ask our Village Manager.

The only other costs you will have will be your normal living expenses e.g. food, electricity, phone and contents insurance.

Q. What payments do I make when I leave Mt Eden Gardens?

A. When you terminate your Licence to Occupy agreement, two types of payments are deducted from the original purchase price. These are:

1. The Village Contribution (also known as the Deferred Management Fee) – this finances the provision of leisure facilities, and the maintenance costs not covered by the weekly fee. It covers redecoration and the majority of refurbishment costs (unless significant damage has been made to the interior of the apartment – including chattels – that is not attributable to normal wear and tear).

It is a percentage of your original purchase price, calculated on a monthly basis at 7.5% per year for 4 years, to a maximum of 30%.

In practical terms the Village Contribution works like this:

Example – Purchase price of Licence to Occupy \$300,000

Village Contribution of 7.5% p.a. over 4 years = \$90,000

At period end	Village Contribution	Accumulated fee	Total repayable to resident
Year 1	7.5% of purchase price	\$22,500	\$277,500
Year 2	15% of purchase price	\$45,000	\$255,000
Year 3	22.5% of purchase price	\$67,500	\$232,500
Year 4	30% of purchase price	\$90,000	\$210,000

2. Any outstanding amounts owed to Mt Eden Gardens from your service packages or weekly fees.

Q. What is the weekly fee and what does it cover?

A. The weekly fee is \$130.00 this covers:

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| -All maintenance | -Landscaping and Gardening | -Building Insurance |
| -Rates | -Water heating and usage | -Rubbish removal |
| -All window cleaning | -Cleaning of common areas | -Security systems |
| -24 hour emergency call response system | | -Administration |
| -Complimentary tea/coffee in common areas | | |
| -Organised activities and outings (some may incur a small surcharge) | | |
| -Daily newspaper delivery (if ordered) | | |
| -Use and enjoyment of all village common areas e.g. lounges, spa, gym, restaurant, library | | |

This amount is paid monthly in advance.

It does not include:

- Contents insurance
- Power charges to your apartment
- Telephone charges

Q. Can the weekly fee change?

A. Yes, the reality of the weekly fee is that it covers the costs of running Mt Eden Gardens. During the sell-down stage we subsidise the overall running of the village. Once the village is fully occupied, we expect it to become self sufficient in covering its costs. To protect you, all budgets and expenditure are presented to the residents and the Statutory Supervisor before any increase can occur.

Q. Who looks after the interests of the residents?

A. Under the terms of the Licence to Occupy contract, a Statutory Supervisor is appointed who represents the interests of the residents. In our case this is the Covenant Trustee Company.

In addition, we encourage the residents to elect a Residents Committee that works with our village team to ensure we meet the needs of our residents. The Village Manager's door is always open to discuss any issues or concerns you may have.

Lastly, Mt Eden Gardens is a member of the Retirement Villages Association which has a code of practice designed to protect the needs/rights of residents.

Q. Is this a good location?

A. One of the biggest benefits of living at Mt Eden Gardens is that it is centrally located in the heart of Mt Eden. For many of our residents, this means they no longer need to worry about driving – they can simply walk where they need to. We believe that people want to “retire where the action is” and be able to continue to play a part of a community – whether that be walking to the shops or getting involved in local clubs. Buses also stop right outside the village that will take you to many different areas of Auckland.

Q. Can I bequeath my occupation Licence to a family member?

A. No, the Occupation Licence is not transferable.

Q. Can a Family Trust purchase an Occupation Licence?

A. The Occupation Licence can only be issued in the names of the resident/residents occupying the dwelling. However, the funds used to purchase the Licence can come from a Family Trust. In this case, a separate Deed will be drawn up between the parties involved, to legally identify where the funds came from, and where they are later to be distributed on termination of the Licence.

Q. Is Mt Eden Gardens safe and secure?

A. Your personal and general security is very important to us. Security fencing, controlled entrance gates, and strategically placed emergency call buttons in each apartment are provided and monitored 24 hours a day. Between the hours of 8.00am and 5.00pm a staff member will be at reception monitoring the coming and goings of visitors to the village giving total security.

Q. Will my independence and privacy be respected?

A. Your independence is encouraged, but assistance is available if you need it on a user pays basis. You can choose from a range of different service packages if you wish to get any additional help. You can be as independent as you want to be when you live in Mt Eden Gardens.

You will live in a community of like-minded people – of similar age with lots of different personal situations and personalities. You can enjoy the freedom of a lifestyle where you can be as active or as relaxed as you wish. A range of activities are available to all – which you can choose to be involved in if you wish. If, however, you simply wish to choose the quiet privacy of your own home – that is fine too. The choice is yours.

Q. Is garaging available?

A. Permanent covered or uncovered parking is available on site. It is purchased as an optional extra for \$15,000 for covered and \$7,500 for uncovered parking. This amount is in addition to the purchase price of your apartment. If circumstances change and you no longer need your car park, you can surrender it back to us and receive a full refund with no deductions.

Q. Can my family and friends stay?

A. Of course – this is your home. Your family, grandchildren and friends are very welcome to stay with you for short periods of time (up to three months). But may not move in on a permanent basis without prior approval from the Village Manager.

You can entertain your family and friends in your apartment and your guests are more than welcome to use the common facilities, provided you are with them.

Q. Am I able to have my pets living with me?

A. We understand the integral part pets can play in your family, so small domestic animals are welcome to join you in your new home. The only limitation to this is the possibility that your pet could become a nuisance to others living at Mt Eden Gardens and as a precaution, we will need to “meet” your pet beforehand! Approval is at the discretion of the Village Manager.

Q. What happens when I/we go on holiday?

A. One of the great advantages of living in a retirement village is that there are always people to collect your mail, look after your home and even water your plants. Whether you go away for a week or a few months, the management team will take care of things for you. You just need to remember to let us know you are going away.

Q. Who is responsible for insurance?

A. Mt Eden Gardens insures the buildings (including carpets, floor coverings and fixed chattels). You are responsible for insuring your own contents and personal effects, as well as your car if you have one. You will also be responsible for the repair costs or excess, on any insurance claim arising out of any wilful damage done by yourself or your guests to your apartment, chattels or common areas.

Q. Who is responsible for maintenance and repairs?

A. We are responsible for all the maintenance of your apartment. However, any repairs which are not attributable to fair wear and tear may be charged back to you. This decision is solely at the discretion of the Mt Eden Gardens management team.

Q. What happens if I have an accident or get sick?

A. If you have an accident and need immediate attention, simply press any one of the strategically placed emergency buttons in your apartment and the response will be immediate. If your health deteriorates significantly, the Village Manager will work with you and your family to facilitate community services to our home as required, or you may purchase any of the additional Service Packages we offer.

Q. What happens if my health deteriorates and I need long term care?

A. The reality is that only 5% of people in New Zealand need rest home care. Most retirement village residents find that they can remain in their own home or apartment, with support from either community care services or the village’s own services. As our residents age, we find their needs tend to increase – and we have a range of services available to help them continue to live at Mt Eden Gardens. For further details, please read the insert titled “Weekly Fees and Service Packages.”

Q. What if I want to decorate my apartment – e.g. change the wall or floor covering?

A. This can be done at your own expense, in consultation and at the discretion of the Village Manager.

Q. How do I go about purchasing an apartment at Mt Eden Gardens?

A. After you have selected the apartment of your choice, you can then put an option on that apartment. This option will hold the apartment for 10 working days. Relevant documentation will be prepared for you and a copy of this documentation will be emailed to your solicitor and copies to you also.. Your solicitor will read the documentation and advise you as he sees fit. At the end of these 10 working days should you wish to proceed with this transaction, you will need to sign the documentation and pay a deposit of \$2,500. This deposit is paid to the Covenant Trustee Company Ltd and your apartment is secured.

For your peace of mind, should you for any reason not proceed with your purchase, the deposit will be refunded in full, plus any interest earned (interest at normal bank rates).

From this point on, our Village Manager will work with you to determine the appropriate settlement dates for you to move into your apartment, and for the settlement funds to be paid. And before you know it – you too can be living at Mt Eden Gardens.

Q. Are you able to help me sell my current home?

A. Our Village Manager, Kelvin Lloyd, has had considerable experience in both the retirement village and real estate industries. He is able to help and advise you on any aspects of the sale of your own home that you may be concerned about.

The questions and answers above are provided for your convenience. We have attempted to be as accurate as possible, but it does not replace the need for you to read and understand the Investment Statement. Where a conflict arises between the interpretation of this paper or the Investment Statement, the Investment Statement shall take precedence.
