



Settlers  
ALBANY  
LIFESTYLE VILLAGE

## **DISCLOSURE STATEMENT**

### **SETTLERS ALBANY**

D1504003.SJR - Sept 2016

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## DISCLOSURE STATEMENT

### Pursuant to the Retirement Villages Act 2003 and the Retirement Villages (General) Regulations 2006

This Disclosure Statement sets out details about Settlers Albany Lifestyle Village, the Operator, Settlers Albany Limited, and the rights and obligations a Resident has relating to a Residential Unit at the Village.

Specific details and information relating to a particular Resident's personal interest in the Village can be found in the Schedule attached to this Disclosure Statement.

Capitalised terms used in this Disclosure Statement are explained in the Glossary on page 40.

### IMPORTANT INFORMATION FOR INTENDING RESIDENTS

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

You should read this Disclosure Statement carefully.

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

Ask questions.

You must obtain advice from a lawyer independent of the operator of the village before you sign an Occupation Right Agreement (i.e., a document which confers on any person the right to occupy a Residential 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.

### INFORMATION ABOUT AVOIDING AN 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 Retirement Villages Act 2003; 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 of the village, within the period described in the relevant row of the table.

Circumstances	Period
The village was not registered, but was required to be	3 years after you entered into the agreement or 6 months after you knew, or ought to have known, the circumstances existed when you entered into the agreement, whichever ends first
The registration of the village was suspended and the operator had been notified of the suspension	3 years after you entered into the agreement or 6 months after you knew, or ought to have known, the circumstances existed when you entered into the agreement, whichever ends first
The agreement did not contain, in clear and unambiguous form, the material it was required by the Act to contain	1 year after you entered into the agreement or 6 months after you knew, or ought to have known, the circumstances existed when you entered into the agreement, whichever ends first
You did not receive independent legal advice before entering into the agreement	1 year after you entered into the agreement or 6 months after you knew, or ought to have known, the circumstances existed when you entered into the agreement, whichever ends first
Before entering into the agreement, you did not receive a disclosure statement that complied with the Act, the residents' code of rights, the code of practice or a statement when the code would come into force, and a copy of the agreement	1 year after you entered into the agreement or 6 months after you knew, or ought to have known, the circumstances existed when you entered into the agreement, whichever ends first

You should seek legal advice before using the right.

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

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

### **COOLING-OFF PERIOD**

A Resident also has certain rights during their cooling-off period. Please see clause 10 of this Disclosure Statement for further details. Following is a copy of Section 28 of the *Retirement Villages Act 2003* which sets out your rights:

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 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 sub-section (1) as above, 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 sub-section (1), but, if the agreement fails to contain any provision of the kind referred to in sub-section (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 sub-section (1).

**DEFINITIONS**

The definitions below are taken from the *Retirement Villages Act 2003* and relate to terms used in Section 28 of the Retirement Villages Act 2003 (which is set out above):

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

**Occupation Right Agreement** means any written agreement or other document or combination of documents that:

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

**Operator**, in relation to a retirement village, means any person who is 1 or more of the following:

- (a) a person who is, or will be, liable to fulfil all or any of the obligations under Occupation Right Agreements to residents of the village;
- (b) a holder of a security interest who is exercising effective management or control of the retirement village;
- (c) a receiver of the property comprising the retirement village, or the liquidator of the person to whom either of paragraph (a) or paragraph (b) applies.

**Resident** means any of the following:

- (a) a person who enters into an Occupation Right Agreement with the operator of a retirement village;
- (b) a person who, under an Occupation Right Agreement, is, for the time being, entitled to occupy a Residential Unit within a retirement village, whether or not the agreement is made with that person or some other person;
- (c) if the Occupation Right Agreement so provides or with the consent of the operator of the retirement village, the spouse, civil union partner, or de facto partner of the person referred to in paragraph (b) who is occupying the Residential Unit with that person, or after that person's death or departure from the retirement village.

**Residential Unit or unit** means a building, or part of a building, that is a townhouse, a serviced apartment or an apartment 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) 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.

**DETAILS OF VILLAGE AND OPERATOR**

Date of Disclosure Statement:	30 June 2017
Date of Registration:	26 September 2016
Name of Retirement Village:	Settlers Albany Lifestyle Village
Village's Registered Office:	C/- McVeagh Fleming, Level 14, 1 Queen Street, Auckland
Village's Address for Service:	C/- McVeagh Fleming, Level 14, 1 Queen Street, Auckland
Village's Street Address:	550 Albany Highway Albany, Auckland 0632
Operator of Village:	Settlers Albany Limited
Operator's Registered Office:	550 Albany Highway, Albany, Auckland 0632
Operator's Street Address:	550 Albany Highway, Albany, Auckland 0632
Operator's Contact Details:	Phone: 09 415 2617 Fax: 09 415 2618 Email: operator@settlers.co.nz
Operator's Agent:	Premier Lifestyle Villages Limited Contact Person: On-Site Village Manager, Keith Thorpe
Operator's Agent's Contact Details:	For day to day enquiries contact: On-Site Village Manager, Keith Thorpe Phone: 09 415 2617 Fax: 09 415 2618 Mobile Phone Keith: 027 788 0156 Email: Keith.thorpe@settlersalbany.co.nz  Address for Service: C/- McVeagh Fleming, Level 14, 1 Queen Street, Auckland Email: operator@settlers.co.nz

## **OWNERSHIP, MANAGEMENT AND SUPERVISION**

### **1. OWNERSHIP STRUCTURE AND OCCUPANCY RIGHTS**

#### **1.1 Legal Nature of Operator**

The Operator, Settlers Albany Limited is a private limited liability company. The directors of the Operator are Scott Francis Vernon and David John McFarlane.

#### **1.2 Details of Operator**

The sole shareholder of the Operator is Premier Lifestyle Villages Limited.

#### **1.3 Operator's Interest in the Village**

The Operator owns the underlying freehold interest in the Village Land, contained in certificate of title 674854.

#### **1.4 Charges over or Interests in the Operator's Interest**

The nature and extent of any registered or unregistered encumbrances, mortgages, or security interests affecting the interests retained by the Operator are as follows:

- (a) Memorandum of Encumbrance 8118502.1 registered against the Village Land ("Encumbrance") together with a second ranking General Security Agreement dated 1 April 2009 both in favour of the Statutory Supervisor to secure performance of the obligations of the Operator to the Residents.

The amounts secured by the Encumbrance and General Security Agreement are unable to be ascertained as at the date of this Disclosure Statement because:

- (i) the Encumbrance secures an annual rent charge of one dollar plus all moneys secured and the Operator's obligations to Statutory Supervisor under the Deed of Supervision.
- (ii) the General Security Agreement secures all present and future obligations and indebtedness of the Operator to the Statutory Supervisor and/or residents of the Village which the Operator has to the Statutory Supervisor and/or residents under the General Security Agreement, Deed of Supervision and Encumbrance.
- (b) Mortgage No 6305137.3 registered against the Village Land in favour of Westpac New Zealand Limited ("Westpac") together with a first ranking General Security Agreement dated 1 April 2009 (perfected by a financing statement registered on the Personal Property Securities Register on 23 March 2005 and renewed on 25 January 2010 and 15 January 2015) which together secure all amounts owed by the Operator to Westpac from time to time. Westpac has acknowledged in a Security Sharing Deed entered into on 29 May 2009 with the Operator and the Statutory Supervisor that any exercise of its power of sale as

mortgagee is subject to the first ranking Encumbrance in favour of the Statutory Supervisor.

- (c) Mortgage Priority Instrument registered against the Village Land, whereby Memorandum of Encumbrance in favour of the Statutory Supervisor referred to in paragraph 1.4(a) above is a first charge and the mortgage in favour of Westpac referred to in paragraph 1.4(b) above is a second charge.
- (d) The Operator has granted an unlimited Guarantee and Indemnity in respect of the obligations of Premier Lifestyle Villages Limited in favour of Westpac ("the Guarantee and Indemnity"). Premier Lifestyle Villages Limited has likewise granted an unlimited Guarantee and Indemnity in respect of the obligations of the Operator in favour of Westpac. Premier Lifestyle Villages Limited does not currently have any lending with Westpac.
- (e) As at the date of this Disclosure Statement, the mortgage, General Security Agreement and Guarantee and Indemnity in favour of Westpac secure amounts payable to Westpac in respect of a wholesale development facility and a wholesale term loan facility both dated 15 May 2013. The amount secured as at the date of this Disclosure Statement is unable to be ascertained as the facility amounts fluctuate on a daily basis but the maximum amount currently available to the Operator pursuant to the above loan agreements is \$8,000,000.00 under the wholesale term loan facility and \$17,000,000.00 under the wholesale development loan agreement. The maximum amount able secured pursuant to the above mortgage, General Security Agreement and Guarantee and Indemnity is therefore \$25,000,000.00 plus all other interest, default interest, fees, costs and expenses owing to Westpac from time to time.

### **1.5 Nature of Resident's Interest and Occupancy Rights**

A Resident has no interest in the Village Land.

Residents at the Village are offered a contractual licence to occupy their Residential Unit that does not grant the Resident any interest in the land relating to that Residential Unit. That Occupation Licence constitutes an Occupation Right Agreement.

A Resident's interest in the Occupation Right Agreement is secured by a first charge Memorandum of Encumbrance and second ranking General Security Agreement in favour of the Statutory Supervisor.

## 2. RESIDENT'S RIGHTS

### 2.1 Rights the Resident has

A Resident has the following rights:

#### Right

A Resident may have a spouse or de facto partner living in the Residential Unit

#### Details, conditions and limitations

A Resident may have a spouse or de facto partner living with them in the Residential Unit however the Operator, at its sole discretion, may decline a request for that spouse or de facto partner to be joined as a party to the Occupation Right Agreement (although the spouse or de facto partner may still live with the Resident) or may require that the Occupation Right Agreement is terminated and replaced with a new Occupation Right Agreement signed by both the Resident and the spouse or de facto partner.

Irrespective of whether a new Occupation Right Agreement is entered into, the Resident and the spouse or de facto partner must pay any additional charges and fees payable as a result of their occupation. The Resident must ensure that their spouse or de facto partner complies with the Operator's rules.

If the spouse or de facto partner is not party to an Occupation Right Agreement with the Operator, they will have no rights of occupation of the Residential Unit and must leave on death of the Resident or termination of the Occupation Right Agreement.

To have friends or a member of the Resident's family stay with the Resident in the Residential Unit

A Resident may have up to two friends or members of the Resident's family stay in the Residential Unit for up to one calendar month per year without the consent of the Operator provided the Resident advises the Operator of the names of those visitors and the duration of their stay. If a Resident wishes to have more than two visitors stay or have visitors stay for a longer duration than one calendar month per year, they must first obtain the Operator's prior written consent. Such consent may be withdrawn at any time.

The Resident must ensure that all of their guests comply with the Operator's rules.

**Right**

To have a person stay with the Resident in the Residential Unit as a companion or carer for the Resident

**Details, conditions and limitations**

A Resident may have a companion or carer stay with the Resident in the Residential Unit provided the Operator's prior written consent has been obtained. Such consent may be provided on a conditional basis and may be withdrawn at any time.

The Resident must ensure that their companion or carer complies with the Operator's rules.

To have a person stay in the Residential Unit to mind it for the Resident while the Resident is away

A Resident may have a person stay in the Residential Unit to mind it for the Resident while the Resident is away provided the Operator's prior written consent has been obtained. Such consent may be withdrawn at any time.

The Resident must ensure that their guests comply with the Operator's rules.

To keep a pet in the Residential Unit

A Resident may have a pet provided the Operator's prior written consent has been obtained. Such consent may be withdrawn at any time.

**2.2 Rights the Resident does not have**

A Resident does not have the following rights:

**Right**

To sell or market the Residential Unit. Please see clause 2.5 below for further information on selling and marketing the Residential Unit;

To have a person board with the Resident in the Residential Unit.

To let the Residential Unit to another person.

To grant a mortgage or security interest or otherwise borrow against the Resident's interest in the Residential Unit that may be available to the Resident following termination of the Occupation Right Agreement.

**2.3 Rules**

A Resident must comply with the Operator's rules for the Village. A copy of the rules are provided to the Resident as part of the Operator's induction process but those rules may be changed by the Operator from time to time. The rules are also available on request from the Onsite Village Manager. If the Operator wishes to change the rules it will consult with the Residents and notify them of any changes before requiring Residents to comply with them.

A Resident must also comply with the obligations set out in their Occupation Right Agreement.

## **2.4 Limits on living in or using the Residential Unit**

### **Alterations**

A Resident must not make any changes (including to fixtures, decor and fittings) to the Residential Unit or any garden area located within the Village without the Operator's prior written consent. However, if the Resident has a disability and the Resident requires physical alterations to be made to the Residential Unit so that it meets the Resident's needs, the Resident must give the Operator notice in writing specifying what alterations the Resident requires to be made. The Operator will then consult with the Resident regarding the alterations and will then arrange for the alterations to be undertaken at the Resident's cost.

The Operator reserves the right following termination, to reinstate the Residential Unit to the condition it was in prior to the alterations being made and the Resident or the Resident's estate will be responsible for the costs of restoring and reinstating the Residential Unit and/or any garden area to the original condition.

The Resident must not erect or install any aerials or audible burglar alarms without the written consent of the Operator.

### **Personal Use and Occupation**

The Resident must occupy the Residential Unit only as a residence subject to any rights in clause 2.1 above.

### **Nuisance or Annoyance**

A Resident must not make excessive noise or disturb or annoy or be a nuisance to other Residents or to the Operator.

### **Damage**

A Resident must not do anything which damages or defaces the Residential Unit or any part of the land or buildings in the Village, or which adversely affects or avoids the Operator's insurance.

## **2.5 Marketing of the Residential Unit**

The Operator controls the sale and marketing of the Residential Unit when a Resident's Occupation Right Agreement terminates. Following termination, the Operator will start the process of entering into a new Occupation Right Agreement for the former Resident's Residential Unit in accordance with the former Resident's Occupation Right Agreement and the Code of Practice 2008. The Operator will make all reasonable efforts and take proper steps to find a new Resident and enter into a new Occupation Right Agreement for the Residential Unit in a timely manner and for the best price reasonably obtainable. The Operator will respond to all enquiries about the Residential Unit in a timely and helpful way.

The Operator will not give preference to finding residents for a Residential Unit in the Village that has not previously been occupied by a Resident under an Occupation Right Agreement.

The Resident does not have any control over the selling and marketing process but is entitled to introduce a new resident.

A new Resident must be suitable for the Village (in the Operator's opinion) and must be prepared to enter into an Occupation Right Agreement on the Operator's then standard terms and conditions and at a price consistent with the Operator's usual prices at that time.

The Operator will consult with the Resident about when the Residential Unit goes on the market and the general nature of the marketing plan. The Operator will keep the Resident informed of the marketing progress on a monthly basis.

If a new Occupation Right Agreement is not entered into within three months of termination, the Operator will let the Resident know in writing and will then provide monthly written reports on the process. The reports will state the steps taken by the Operator to market the Residential Unit and the progress made towards finding a new resident.

If a new Occupation Right Agreement is not entered into within six months of termination, the Operator will obtain, at its expense, a written valuation of the Residential Unit by an independent registered valuer who has experience in valuing retirement village units. The written valuation will establish a Licence Payment amount at which to market the Residential Unit. If the Resident does not agree with the valuation, the Resident may, at his/her cost obtain a second written valuation from a similarly qualified independent registered valuer. The Operator will market the Residential Unit at the Licence Payment amount established by the Operator's valuer, unless the Resident obtains a second valuation, in which case the Operator will consider the second valuation in determining a suitable Licence Payment amount at which to market the Residential Unit.

If a new Occupation Right Agreement is not entered into within nine months of the Residential Unit becoming available for re-occupation, the Resident may give a Dispute Notice.

A Resident is not required to pay any costs incurred by the Operator in the selling or marketing process. Once a new Occupation Right Agreement is entered into, the Operator will pay all monies owing to the Resident no later than five working days after the date the operator receives payment in full from the new Resident for the replacement Occupation Right Agreement. The Statutory Supervisor currently controls this process for the additional protection of the residents.

The Operator may agree in writing to buy a Resident's interest in the vacant Residential Unit and if the Operator decides to do so, the Operator must comply with the provisions of the Code of Practice. The price for the Residential Unit must reflect the Resident's Occupation Right Agreement or the price will be agreed between the Operator and the Resident and will reflect the market value of similar retirement village properties locally. In the event that the Operator agrees to purchase the Resident's interest in the vacant Residential Unit, the



Operator will, within 20 working days of the date of the agreement to purchase, pay to the Resident the amount due to the Resident as a consequence of termination of the Occupation Right Agreement.

## **2.6 Circumstances in which a Resident is entitled to a Refund**

A Resident is entitled to a refund of their Licence Payment and any Optional Additional Payment if they exercise their rights pursuant to the Cooling-off Period. Please see clause 10 of this Disclosure Statement for further details.

If an intending Resident has paid a deposit upon applying for an Occupation Right Agreement but that application does not proceed and no Occupation Right Agreement has been entered into, the Resident is entitled to a refund of that deposit and any interest earned on that deposit.

A Resident is also entitled to a refund if they avoid the Occupation Licence pursuant to section 31(1) of the Retirement Villages Act 2003.

## **3. MANAGEMENT ARRANGEMENTS FOR THE VILLAGE**

### **3.1 Details of Manager**

The Operator has appointed Premier Lifestyle Villages Limited ("Manager") from 1 April 2014 for the overall supervision and management of the Village.

### **3.2 Key Management Personnel and Staff at the Village**

#### **Key Personnel - Settlers**

In addition to the Manager, Keith Thorpe is employed by the Operator as the "Onsite Village Manager," and is assisted in his role by other personnel of the Manager.

Other key personnel and staff of Settlers as at the date this Disclosure Statement was registered with the Registrar of Retirement Villages are as follows:

Village Sales Manager	Rosalie Pearson
Receptionist	Glenda Adams
Village Administrator	Monika Hunter
Registered Nurse	Elaine Smith
Registered Nurse	Lyn Godsell
Head Housekeeper	Robyn Pasalic
Maintenance	Katie Parkyn
Head Groundsman	Philip Smith

#### **Key Personnel – Manager**

The directors of the Manager, Premier Lifestyle Villages Limited are David John McFarlane and Scott Francis Vernon. The directors are the key management personnel of the Manager.

Terry Middlemost is Chief Executive Officer of the Manager, providing various operational, strategic and other executive assistance to the Manager. In

particular, he is involved in co-ordinating all staff and operations of the Manager as delegated by the board of the Manager and in co-ordinating, attending and providing information to Residents at the Resident's Annual General Meetings.

Brett Noonan is the Chief Financial Officer of the Manager, providing various accounting, financial and other executive assistance to the Manager.

### **3.3 Times when the Manager or its Staff or Staff of the Operator are at the Village**

The directors of the Manager are available at the Village on an "as required" basis with no set hours.

The Onsite Village Manager and other key members of staff will usually be at the Village from 8.30 am to 5:00 pm Monday to Friday, with nursing staff being present seven days a week, 24 hours a day.

### **3.4 Other Times the Manager can be Contacted**

The Onsite Village Manager can be contacted on an "on-call basis" 24 hours a day, seven days a week on 027 788 0156.

### **3.5 Contact Details of Manager and Staff at Village**

For day to day enquiries, the Onsite Village Manager can be contacted on 09 415 2617 or 027 788 0156

The Manager's address for service is:

C/- McVeagh Fleming, Level 14, 1 Queen Street, Auckland.

The following email address can also be used for service:  
[operator@settlers.co.nz](mailto:operator@settlers.co.nz).

### **3.6 Experience and Core Duties of Manager**

The Manager has had overall supervision and management of the Village since 1 April 2013, although has been involved with the Village as sole shareholder of the Operator since construction commenced in 2007. The Manager's personnel and principals have significant experience in retirement village management. The Manager is responsible to the Operator to undertake all executive functions and duties in respect of the Village on behalf of the Operator including managing high level legal and financial matters of the Operator and the Village and ensuring the overall effective and efficient operation of the Village. In particular, and without limitation, the Manager's core duties are to:

- generally oversee and direct the Onsite Village Manager;
- manage the Operator's employees and contractors either via the Chief Executive Officer, the Onsite Village Manager or directly;
- provide financial services, including management of day to day cashflows, negotiating funding and ensuring compliance with lending covenants;

- set marketing policy, including assisting with sales strategies and promotions;
- ensure compliance with all relevant legislation;
- prepare progress reports, timeframes and budgets in respect of the operation of the Village; and
- ensure at all times that competent and suitably qualified staff are employed by the Operator.

The Onsite Village Manager, Keith Thorpe, was CEO of Youthtown for 10 years and has experience in facility management, Human Resources and establishing key stakeholder relationships in both private and public sector.

### **3.7 Legal Relationship Between Manager and Operator**

The Operator has appointed the Manager in terms of an Executive Village Management Agreement effective from 1 April 2013 and which is terminable on 6 months' notice. The contract provides for an annual fee which is reviewable every six months. The annual management fee of \$375,000.00 plus GST is set for the period 1 April 2016 to 31 March 2017.

In terms of the period 1 July 2016 to 30 June 2017, \$90,456.00 (inclusive of GST) of the annual management fee paid to the Manager by the Operator is passed on to Residents and this amount is recovered through the Village Outgoings Payment.

As stated above, the Manager, Premier Lifestyle Villages Limited, is also the sole shareholder of the Operator.

The shareholders of Premier Lifestyle Villages Limited (the Manager), are:

- Horizon Holdings Albany Limited; and
- Prime Life Partnership Limited;

The sole director of Horizon Holdings Albany Limited is Scott Francis Vernon and its shareholder is (jointly) Scott Francis Vernon and Wyndham Trustees Limited.

The directors of Prime Life Partnership Limited are David John McFarlane and Stephanie Elizabeth Douglas Banks, and its shareholders are:

- David John McFarlane and Timothy John Burcher; and
- Stephanie Elizabeth Douglas Banks and Timothy John Burcher.

David John McFarlane and Scott Francis Vernon are directors of the Operator and Manager and this is another link between the Manager and the Operator.

The Onsite Village Manager, Keith Thorpe, has no links with the Operator other than as an employee.

### **3.8 Residents' Committee**

A Residents' committee is established at the Village. Subject to the Operator's need to operate the Village without undue interference and to provide services for the benefit of all Residents, the committee enables Residents to express their views collectively and engage with management regarding the operation of the Village. The committee also organises some social or recreational activities. The Operator is not bound to incur any expenditure by any decision of the committee.

#### **4. STATUTORY SUPERVISOR**

Under the Retirement Villages Act 2003, the Operator of a retirement village must appoint a statutory supervisor for the village unless the Registrar of Retirement Villages grants the Operator an exemption.

The core duties of a statutory supervisor are to:

- provide a stakeholder facility for intending Residents and Residents who pay deposits or progress payments in respect of Occupation Right Agreements or uncompleted Residential Units or facilities at the retirement village; and
- monitor the financial position of the retirement village; and
- report annually to the Registrar and Residents on the performance of its duties and the exercise of its powers; and
- perform any other duties that are imposed by the Retirement Villages Act or any other legislation, any regulations made under the Retirement Villages Act, and any documents of appointment.

##### **4.1 Details of Statutory Supervisor**

The Operator has not applied for or obtained any exemption from the requirement for statutory supervision.

The Statutory Supervisor of the Village is Covenant Trustee Services Limited. The Statutory Supervisor's contact details are:

Postal:	PO Box 4243 Shortland Street Auckland 1140
Contact:	Malcolm Gray
Tel:	09 302 8073
Fax:	09 302 1037
Email:	team@covenant.co.nz

## STATE OF VILLAGE, SERVICES, CHARGES AND ACCOUNTS

### 5. STATE OF THE VILLAGE

#### 5.1 Details of Village

The Village was completed in January 2016 with, construction having commenced in 2007. The Village has 15 completed buildings which include eight buildings comprising townhouses, six buildings that contain apartments and the Hellyers building which contains apartments and a number of community facilities.

The eight buildings containing townhouses (both two and three bedroom) are as follows:

Airborne	7 townhouses
Clemow	7 townhouses
Dobbyn	7 townhouses
Eskdale	7 Townhouses
Foley	7 Townhouses
Greenfield	5 Townhouses
Nautilus	7 Townhouses
Orchard	7 Townhouses

The six buildings comprising of apartments are as follows:

Bush	15 apartments – a mixture of two and three bedroom units
Ingham	45 apartments – a mixture of one and two bedroom units
Joseph	20 apartments – a mixture of one, two and three bedroom units
Kaipatiki	40 apartments – a mixture of two and three bedroom units
Lucas	33 apartments – a mixture of two and three bedroom units
Massey	30 apartments – a mixture of two and three bedroom units

The Hellyers building includes nine apartments available for residents and one apartment which is occupied by the Village nurse.

The main community facility is housed in the Hellyers building and was officially opened on 14 February 2013 and comprises of:

- residents' lounge with Tea/coffee and bar facilities;
- stage/dance floor for Resident functions/entertainment;
- TV area;
- doctor/nurse room;
- administration offices;
- dining facilities with a commercial kitchen;
- swimming pool;

- spa pool;
- gym;
- bloke's Shed;
- cinema;
- library and Lounge area;
- billiard/pool/games area;
- separate lounge/private meeting function room; and
- multi-purpose activity room for Resident activities such as art/craft, indoor bowls, table tennis etc.

Other facilities that have been completed are:

- outdoor bowling green;
- croquet lawn; and
- petanque or Boules green

All lighting, paths, security features, roading and car parking surrounding the completed buildings have been completed. The entrance gates are also complete. Infrastructure, landscaping and fencing work is ongoing but will be completed before the final Council Environmental Consent is signed off.

The area of land on the left by the main entrance has been consented for townhouses. Any decision by the Operator as to whether or not to proceed with such development or any other type of development that will complement the Village, will be at the Operator's sole discretion and the Operator makes no representation that such facility or any other facilities will be built.

## **5.2 Construction of the buildings**

Construction of all buildings may vary throughout the development. All buildings are constructed of tilt slab concrete walls and concrete floors, aluminium joinery and steel long run roofing. The grounds and landscaped gardens surrounding each building have been completed. The following improvements are in excellent condition:

- Common facilities;
- Paths;
- Driveways;
- Roads;
- Grounds;
- Lighting;
- Heating; and
- Security Features including perimeter fencing and closure of the main gates overnight.

Regular maintenance is carried out continuously as required and therefore the Village is in an excellent state of maintenance.

### 5.3 Residential Units at the Village

As at the date of this Disclosure Statement, there are 247 completed units in total at the Village, being:

- 193 apartments; and
- 54 townhouses.

Currently, one apartment is being used as nurse's accommodation. This means that currently, 192 apartments and 54 townhouses are available for occupation pursuant to an Occupation Right Agreement.

Refer to Number 9 of the attached Schedule of Specific Information for an Intending Resident for details regarding the number of units occupied and unoccupied in the Village.

### 5.4 Disposals in the last 12 Months

Refer to Numbers 11 and 12 of the attached Schedule of Specific Information for an Intending Resident for details regarding disposals of Residential Units in the last 12 months.

## 6. SERVICES AND FACILITIES AT THE VILLAGE

### 6.1 Services Offered or Planned at the Village

**The following services are currently offered at the Village:**

<b>Service</b>	<b>Details, including frequency and charges</b>
Gardening	Daily from Monday to Friday - weeding, pruning, fertilising and general upkeep, although residents can choose to do their own gardening provided they do not alter any part of the Village gardens without the Operator's prior written consent.
Lawn mowing	Lawn mowing is carried out on a regular rotational basis depending on seasonal growth for all lawn areas throughout the Village including those surrounding the Residential Units.
Repair and maintenance	Repairs and maintenance to the exterior of the Residential Units and common areas/facilities including roofs, windows and exterior cladding is carried out by qualified tradesmen as required.  Window cleaning and replacement of light bulbs in common areas is also undertaken.

<b>Service</b>	<b>Details, including frequency and charges</b>
Transport services	The Village has a mini bus that takes Residents on regular shopping trips at times established by a designated resident.
Security Services	<p>Security costs are included in the Village Outgoings Payment. The security features at the Village are:</p> <p>The entrance gates.</p> <p>Electronic key entry into buildings.</p> <p>CCTV monitoring for foyers and main gate entrance.</p> <p>Residents have emergency /security alarms.</p>
Other Services: Housekeeping	<p>The Village provides weekly housekeeping services on a Monday to Friday basis covering cleaning of kitchen, bathroom and toilet, vacuuming of carpet, mop of hard surfaces, dusting of cabinets and tops and removal of rubbish.</p> <p>The Resident can purchase housekeeping services on a one-off basis as an additional service as set out in Schedule D of the Occupation Right Agreement.</p>
Nursing and medical services	<p>The Village ensures a nurse is on duty 24 hours a day, 7 days a week</p> <p>Wellbeing services are by appointment with the nurse with emergency help on call 24 hours a day as required.</p>
Catering	<p>The Village employs a contractor to provide café and catering services at the Village.</p> <p>The Operator will consult with residents and will endeavour to meet the residents' needs as demand for catering grows.</p>



<b>Service</b>	<b>Details, including frequency and charges</b>
Hairdressing and other personal care services	For the amenity of Residents, the Village arranges for third party service providers to attend the Village and provide services to Residents. At the date of registration of this disclosure statement, a hairdresser is available at the Village for either male or female hairdressing by appointment. All services (including hairdressing) are contracts between Residents and the service provider and payment for the services (and any other arrangements with the service provider) are to be made directly by the Resident.
Recreation and entertainment services	The Operator and the residents' committee arrange various recreational and entertainment services. Some services may be free but a fee may be payable for other services as and when the service is used and may be a contract between the Resident (or relevant residents) and the service provider rather than being matters provided for directly to residents by the Operator.

## 6.2 Services Not Offered and Not Planned at the Village

Shops are not offered at the Village.

## 6.3 Facilities Offered at the Village

The Community facility provides the following facilities (either indoor in the community facility or, where indicated, are outdoor facilities that are close by and easily accessed from the Community facility or surrounding buildings):

- Limited dining facilities and a commercial kitchen for meal preparation;
- Residents lounge with tea/coffee and bar facilities;
- Stage/dance floor for Resident functions/entertainment;
- TV area;
- Nurse & wellbeing clinic;
- Administration offices;
- Indoor Swimming pool;
- Indoor Spa pool;
- Gym;
- Hobby Space;
- Billiards and pool lounge;
- Outdoor bowling green;
- Cinema;
- Library and lounge area;
- Separate lounge/private meeting/function room; and

- Art/indoor bowls room.
- 'Blokes shed' (this is managed by a club operated by residents of the Village).

The facilities are available for the use of all Residents and, where applicable, invited guests. Children under the age of 16 are not able to use the spa pool, billiards or snooker tables.

#### **6.4 Facilities Not Offered and Not Planned at the Village**

Common self-use laundry facilities and tennis court facilities are not offered and are not planned to be offered at the Village.

### **7. CHARGES**

#### **7.1 Licence Payment**

To secure an interest in a Residential Unit, the Resident must pay the Operator a Licence Payment. The amount required to be paid depends on the Residential Unit the Resident is interested in. A deposit of \$5,000 is payable when a Resident signs the Application Form and the balance is payable on settlement of the Occupation Right Agreement.

The amount is set by the Operator and is based on market value but indicative minimum prices are as follows:

- From \$460,000 to \$1,300,000 for 1, 2 and 3 bedroom apartments; and
- From \$800,000 to \$1,300,000 for 2 and 3 bedroom townhouses.

The Licence Payment is refundable if the Resident exercises their rights under the Cooling-off Period or if the Resident avoids the Occupation Licence pursuant to section 31(a) of the Act.

See page 6 of this Disclosure Statement for further details.

#### **7.2 Payment on Termination**

##### **Exit Payment**

After the Occupation Right Agreement is terminated and the Resident has permanently left the Residential Unit, the Operator pays to the Resident the "Exit Payment," being an amount equal to the Licence Payment:

**PLUS** any amount the Operator has agreed to pay the Resident pursuant to clause 3.7 of the Occupation Right Agreement (detailed below in the Optional Additional Payment clause 7.8 of this Disclosure Statement);

**MINUS** the following deductions the Operator is entitled to deduct by way of set off:

(a) **Village Contribution**

The Village Contribution which the Resident must pay to the Operator, to a maximum of 25% of the Licence Payment.

In respect of all Residential Units (townhouses and apartments), the Village Contribution is calculated at 10% of the Licence Payment for the first year of occupation from the Commencement Date followed by 7.5% of the Licence Payment for each year thereafter (adjusted proportionately on a per month basis in the case of any incomplete year) to a maximum of 25% of the Licence Payment.

Calculation of the Village Contribution will stop the earlier of:

- The expiry of 3 years; or
- The Termination Date.

The Village Contribution is set by the Operator when the Resident applies for an Occupation Right Agreement and represents a contribution to the Operator's general costs incurred in the supply of accommodation, community facilities and common areas for use by Residents of the Village. The Resident has no role in setting the Village Contribution;

(b) **Refurbishment costs**

Any actual costs of the Operator in refurbishing the Residential Unit not being due to Fair Wear and Tear (as defined in the Occupation Right Agreement). The cost of refurbishment is set by the Operator in its sole discretion upon inspection of the Residential Unit following termination;

(c) **Administration Payment**

Administration Payment being 2% of the Licence Payment including GST (if any). The Administration Payment is set by the Operator when the Resident applies for an Occupation Right Agreement and the Resident has no role in setting the amount of such payment; and

(d) **Other Payments**

The outstanding balance of any payments due to the Operator pursuant to the Occupation Right Agreement.

**Final Payment Date**

The Operator is generally obliged to repay to the Resident the Exit Payment no later than five working days after the Operator receives full settlement of a new Resident's Licence Payment for the Residential Unit and the Operator is in receipt of an Occupation Right Agreement signed by the incoming Resident for the Residential Unit. The Resident has an entitlement to the Exit Payment but has no entitlement in respect of any new Resident's Licence Payment in respect of the Residential Unit.

If the Operator terminates the Resident's Occupation Right Agreement, then the Operator will within five working days of the date on which the termination takes effect pay all sums due to the Resident.

If the Occupation Right Agreement is terminated pursuant to clauses 10.1.5 and 13.8 and 13.9 of the Occupation Right Agreement (due to damage or destruction of the Residential Unit), the Resident will receive the Exit Payment three months after the Termination Date or if it is necessary to obtain payment from the Operator's insurers in order for the Operator to meet its obligations to the Resident, the Resident will receive the Exit Payment ten working days after the date on which the Operator or the Statutory Supervisor receives full payment from its insurer relating to the loss or damage to the Residential Unit.

### **7.3 Transfer and Transfer Payments**

At the Resident's written request to the Operator and subject to availability, the Resident may move from the Residential Unit to another Residential Unit within the Village which is vacant and available for occupation at the Village. The Operator will consult with the Resident (and the Resident's family or representative if requested) and will provide the Resident with advice on all available options as a transferring resident.

If the Resident transfers to another Residential Unit within the Village, the Occupation Right Agreement will terminate and the Resident will enter into a new Occupation Right Agreement with the Operator in respect of the other Residential Unit. This new Occupation Right Agreement may provide for different provisions than the previous one, including in respect of price and fees payable. This will depend on the nature of the Residential Unit the Resident is transferring to, and the Occupation Right Agreement and related legislation that is current at the time of the transfer. The Resident's right to transfer will be subject to:

- (a) a new Resident entering into an Occupation Right Agreement in respect of the Resident's Residential Unit and making full payment to the Operator of the licence payment in respect of that Occupation Right Agreement and the Resident's Residential Unit. The Operator may agree to waive this requirement on terms acceptable to the Operator and at the Operator's sole discretion;
- (b) receipt by the Operator of a signed termination of the Occupation Right Agreement in a form prepared by the Operator;
- (c) the Resident agreeing and entering into a new Occupation Right Agreement for the new Residential Unit the Resident is transferring to, and that new Occupation Right Agreement becoming unconditional in all respects;
- (d) the Resident not cancelling the new Occupation Right Agreement in the cooling off period that applies to that new Occupation Right Agreement; and
- (e) payment having been made by the Resident of all other relevant fees, charges and transfer charges payable or owing to the Operator at the time of the transfer.

### **Operator's transfer assistance packages**

The Operator will assist you to manage the costs and cash flow consequences of any agreed transfer and this is set out in the Village Transfer Policy.

### **Transfer – Administration Fee or costs**

The Operator reserves the right to charge the Resident an Administration Fee in respect of the transfer, but may charge a lesser amount for any administrative costs relating to the transfer, at the Operator's sole discretion.

### **Transfer – costs of moving**

Once the new agreement is signed for the Resident's new Residential Unit, the Resident will be responsible for the Resident's physical transfer and the transfer of personal belongings to the new Residential Unit, although the Operator may at the Resident's cost, provide such assistance as is necessary.

## **7.4 Periodic Charges**

Periodic Charges payable by the Resident to the Operator are by way of a Village Outgoings Payment, and a Charge for Additional Services for any additional services that the Operator has agreed to provide. All of these payments are payable monthly, in advance by way of direct debit.

### **(a) Village Outgoings Payment**

The Village Outgoings Payment as at the date of this Disclosure Statement is set out at Number 7 of the attached Schedule of Specific Information for an Intending Resident. The Village Outgoings Payment is calculated on a cost recovery basis and is a contribution towards the recovery of all costs, charges, expenses and other outgoings incurred by the Operator in owning, managing, operating and maintaining the Village, including (but without limitation):

- general rates and water rates and other Local Authority or Government duties, fees, imposts and taxes (excluding income tax of the Operator);
- the costs of compliance with any statute, regulation, by-law or other lawful obligation in respect of the Village;
- appropriate fees and expenses of the Statutory Supervisor and auditor any other cost, expense or outgoing reasonably incurred by the Operator and paid or payable in respect of the Village;
- the costs of preparation and filing of the Disclosure Statement for the Village;
- a portion of the management fee paid to the Manager (which is a related party) in respect of the management services provided;
- insurance premiums and the costs of comprehensively insuring buildings within the Village;
- all charges for electricity, light, power, fuel, telephone, sewage, garbage collection, equipment, leases and other services or requirements furnished or supplied to the Village for the general

benefit or purposes of the Village and its residents not otherwise separately levied or charged to and payable by particular Residents;

- the costs of internal and external maintenance of all buildings within the Village other than internal maintenance of Residential Units, the responsibility for which rests with a particular Resident;
- the cost of maintenance of lawns, grounds, drives and paths together with common facilities and areas in the Village;
- the cost of operating, supplying, maintaining, inspecting, testing and repairing all services and facilities provided in relation to the units and any community facilities and common areas appurtenant to the units (including facilities for the personal care or convenience of residents generally to the extent that these are not met by direct charges to residents utilising the same) from time to time provided by the Operator for the benefit of Residents;
- the costs of transport and consumables;
- the cost of staffing and administration of the Village;
- provision for cost of Village maintenance, renovations, repairs and replacements which are of a substantial but infrequent or irregular nature; and
- any other expenditure reasonably or properly incurred by it in the ownership, management and maintenance of the Village and the provision of services and facilities to the Residents.

The Village Outgoings Payment is payable monthly in advance on the first day of each month. The Operator may review the Village Outgoings Payment from time to time. Subject to consultation with Residents and the Operator notifying the Statutory Supervisor, the Operator may change the Village Outgoings Payment to reflect any increase in the Village Outgoings by giving Residents at least four weeks' written notice.

(b) **Charge for Additional Services**

If a Resident requests the Operator to provide any additional services that are not included in the Village Outgoings Payment, then the Resident will pay the actual cost of providing such services as set by the Operator. Charges for Additional Services are invoiced monthly and payment is due within seven days from the date of invoice. If the Village has agreed to provide any additional services on or from Commencement date, the additional services to be provided to the Resident shall be as is set out in the Occupation Right Agreement. Subject to the rights of the Resident under all applicable Retirement Village legislation, the Operator may review and alter the availability and costs of additional services from time to time.

## 7.5 Other Costs

A Resident is liable to pay for the costs of electricity or other utilities and their own telephone costs.

The Resident may be liable to pay default interest at the rate of 2% per annum above the Operator's overdraft interest rate on any amounts which the Resident is liable to pay without prejudice to any of the Operator's other rights or remedies. Interest shall be calculated on a daily basis from the due date until the date of actual payment.

The Resident may also be liable to pay the Operator's insurance excess as the case may be in accordance with clause 5.5 of the Occupation Right Agreement.

## 7.6 Amounts Payable for Maintenance, Rates and Insurance

Amounts payable for maintenance, rates and insurance are included in the Village Outgoings Payment detailed above.

As at the date of this Disclosure Statement the following amounts are included in the Village Outgoings Payment for each Residential Unit per week:

Maintenance (excluding long term maintenance fund)	\$10.77
Rates	\$22.64
Water Rates	\$ 5.57
Insurance	\$18.48

## 7.7 Maintenance or Sinking Fund

A long term maintenance fund was established for the Village on 1 April 2014.

The long term maintenance fund can be utilised by the Operator for the costs of repairs and maintenance, refurbishment and capital replacement works of a substantial but infrequent or irregular nature in accordance with the Operator's long term maintenance plan for the Village. The fund will not be used to refurbish a Residential Unit following the termination of an Occupation Right Agreement.

Residents currently contribute \$7.00 per week for each Residential Unit towards the fund and such amount is included in the Village Outgoings Payment.

The amount of the Resident's contribution to the long term maintenance fund is determined each financial year by the Operator and the Operator reports at the Resident's Annual General Meeting on how the Operator proposes to spend the fund. The Operator must consult with the Resident in writing if any planned expenditure will have a material impact on the Resident's occupancy or their ability to pay for services and facilities.

Any contributions made by a Resident to the fund are not refunded to the Resident when their Occupation Right Agreement is terminated.

The balance of the long term maintenance fund is set out at Number 10 of the attached Schedule of Specific Information for an Intending Resident.

### 7.8 Optional Additional Payment

The Resident may choose to pay to the Operator an Optional Additional Payment of 5% of the Licence Payment. The Resident must make this choice at the time that the Occupation Right Agreement is entered into, and the Optional Additional Payment is payable on the Commencement Date. Where the Resident elects to take up this option, the amount of the Optional Additional Payment shall be listed in Item C of Schedule B of the Occupation Right Agreement.

Where the Resident has elected to pay the Optional Additional Payment on the Commencement Date, following termination of the Occupation Right Agreement, the Operator will pay the Resident the lesser of:

- an amount equivalent to 50% of the amount that the Licence Payment paid by a new Resident for the outgoing Resident's Residential Unit exceeds the Licence Payment paid by the Resident pursuant to the Occupation Right Agreement; or
- an amount equivalent to the Village Outgoings Payment actually paid by the Resident from the Commencement Date through until the Termination Date.

Only the Village Outgoings Payment is subject to the above election. Any other costs payable by the Resident, including, without limitation Additional Services contracted for by the Resident are not subject to this election.

#### Example - Resident 1:

The Resident's Licence Payment is \$600,000 and the Resident has paid an Optional Additional Payment of 5% of the Licence Payment, being \$30,000. The Resident's occupation terminated after five years.

The Resident has paid a total of \$43,929.60 in Village Outgoings Payments. If a new Resident pays \$700,000 in respect of the outgoing Resident's Residential Unit, the amount the Operator pays the Resident cannot exceed the lesser of:

- \$43,929.60 being the amount the Resident has paid in Village Outgoings;
- \$50,000, being 50% of the \$100,000 difference between the outgoing Resident's Licence Payment and the Licence Payment of the new resident.

The Resident would therefore receive a total payment from the Operator of \$43,929.60, which is \$13,929.60 more than the original \$30,000 Optional Additional Payment made by the Resident to the Operator.

**Important note:** If the Resident is not in occupation long, there is a risk that the Resident could receive back less than the Optional Additional Payment the Resident elected to pay, as per Example 2 below:



**Example - Resident 2:**

The Resident's Licence Payment is \$600,000 and the Resident has paid an Optional Additional Payment of 5% of the Licence Payment, being \$30,000. The Resident's occupation terminated after two years.

The Resident has paid a total of \$16,796.88 in Village Outgoings Payments. If a new Resident pays \$625,000 in respect of the outgoing Resident's Residential Unit, the amount the Operator pays the Resident cannot exceed the lesser of:

- \$16,796.88, being the amount the Resident has paid in Village Outgoings;
- \$12,500, being 50% of the \$25,000 difference between the outgoing Resident's Licence Payment and the Licence Payment of the new resident.

The Resident would therefore receive a total payment back from the Operator of \$12,500.00, which is \$17,500.00 less than the original \$30,000 Optional Additional Payment paid by the Resident on the Commencement Date.

**Notes to Above Examples:**

The Village Outgoings Payment amounts set out in the above examples are by way of example only. While the Operator has used reasonable endeavours to use relatively accurate figures based on historical figures, the Operator cannot guarantee any particular outcome or that the Resident will receive any particular outcome since by its very nature, the future and future market conditions and economic factors are not capable of being predicted with any accuracy by the Operator. Therefore the above calculations and the Licence Payment paid by the incoming new Resident are rough estimates only for example purposes and should not be relied on by the Resident, who should utilise their own judgement in considering the option after taking all financial and legal advice the Resident considers necessary. In particular:

- the examples are based on an approximate current Village Outgoings Payment which commences at \$703.30 per month and is then subject to an annual increase of 3% per year over the term of the Occupation Right Agreement. However, actual annual increases in the Village Outgoings Payment will differ from year to year due to a variety of market factors which are not predictable by Settlers and the actual Village Outgoings Payment from time to time will be dependent on these market factors;
- settlers cannot predict how long the Resident will be in occupation for and therefore how much in Village Outgoings the Resident may pay over the term of the Occupation Right Agreement. The longer the Resident is in occupation for, the more money they will potentially receive back from the Operator in terms of this Optional Additional Payment Option; and
- the Licence Payment an incoming Resident will pay for an Occupation Right Agreement in respect of the Resident's Residential Unit is unknown and will depend upon general market and economic conditions at the time of sale which are outside of the Operator's control.

## **8. MAINTENANCE AND REFURBISHMENT**

### **8.1 Operator's Maintenance Responsibilities**

The Operator is responsible for maintaining the communal facilities and buildings of the Village and the exterior of each Residential Unit and keeping them in good order and condition.

### **8.2 Resident's Maintenance Responsibilities**

The Resident is responsible for maintaining the interior of the Residential Unit and Operator's Chattels and keeping the Residential Unit and its surrounds in a clean and tidy condition. Following termination, the Resident must pay the actual costs of the Operator of refurbishing the Residential Unit, except for Fair Wear and Tear (as defined in the Occupation Right Agreement).

## **9. FINANCIAL ACCOUNTS**

### **9.1 Accounts Required by the Retirement Villages Act 2003 or the Financial Reporting Act 1993**

The Retirement Villages Act 2003 and the Financial Reporting Act 1993 requires the Operator to prepare and register audited financial statements of the Operator, but not of the Village. These financial statements are prepared by Rogers & Co, Chartered Accountants and audited by PKF Goldsmith Fox.

### **9.2 Other Accounts**

The Statutory Supervisor does not require the Operator to prepare financial statements relating to the Village.

Separate financial statements are prepared for the Manager but these are not required to be disclosed to Residents.

### **9.3 Availability of Accounts**

The Operator's audited financial statements are available by searching the Operator's file on the Companies Office website at [www.companies.govt.nz](http://www.companies.govt.nz) or by contacting the Companies Office on 0508 266 726 (a fee may be payable). They are also available at no charge to all Residents and intending Residents upon request made to the Onsite Village Manager.

## **OCCUPATION RIGHT AGREEMENTS, TERMINATIONS, DEDUCTIONS AND ESTIMATED FINANCIAL RETURNS**

### **10. COOLING-OFF PERIOD AND CANCELLATION OF OCCUPATION RIGHT AGREEMENT**

#### **10.1 Section 28 of Retirement Villages Act 2003**

The full text of section 28 of the Retirement Villages Act 2003 is found on page 4 of this Disclosure Statement.

## **10.2 Cancellation Provisions in Occupation Right Agreement**

The cancellation provisions in the Occupation Right Agreement offered to Residents is the same right provided for in section 28(1) of the Retirement Villages Act 2003.

This means a Resident has fifteen working days from the date they sign the Occupation Right Agreement in which to give written notice to cancel the Occupation Right Agreement without giving a reason.

## **11. VARYING OCCUPATION RIGHT AGREEMENT**

The Operator and the Resident may only vary the Occupation Right Agreement by mutual written agreement.

## **12. TERMINATION OF OCCUPATION RIGHT AGREEMENT**

### **12.1 Effect of Termination on Persons Living in Residential Unit with Resident**

Any persons living or staying with the Resident must vacate the Residential Unit by the date of termination of the Occupation Right Agreement.

### **12.2 Charges Payable upon and after Termination**

The Resident is liable to pay the Village Contribution and the Administration Payment up until termination (but no such amount accrues after termination), as detailed under clause 7 "Charges" of this Disclosure Statement.

The Resident must continue to pay the Village Outgoings Payment until the date on which a new Occupation Right Agreement with a new Resident is entered into for the Residential Unit, provided however that if such date is not within either six months of the termination date (or any later date that the Resident stops living in the Residential Unit and removes his/her possessions) the Operator will from that date reduce such charges by 50%.

The Resident must also pay for any additional services until the date the Resident stops receiving the relevant services or permanently vacates the Residential Unit (at which time these charges cease to be payable):

- (a) Any Charge for Additional Services (as set out in clause 7.4(b); and
- (b) Any other costs (refer clause 7.5).

If termination occurs due to damage to or destruction of the Residential Unit or the Village, special provisions apply as set out in clause 16 of this Disclosure Statement.

### **12.3 Capital Gain and Capital Loss**

A Resident is not entitled to any capital gain and the operator will not charge any capital loss when a new Resident enters into an Occupation Right Agreement for the Residential Unit.

### **13. ESTIMATED FINANCIAL RETURN ON DISPOSAL OF RESIDENTIAL UNIT**

The estimated financial return for a particular Resident in relation to the Residential Unit they are interested in is set out in the attached Schedule of Specific Information for an Intending Resident.

Because the Village Contribution is a charge which accrues with time, the Village Contribution increases with time and the Resident's financial return decreases as a result.

The estimated financial return is not directly affected by a termination of the Occupation Right Agreement arising out of a breach of the agreement by the Resident or a decision by the Resident to terminate the Occupation Right Agreement voluntarily. However, if the Occupation Right Agreement is terminated due to the Resident having damaged the Residential Unit, a charge will be payable to rectify such damage and the Exit Payment payable to the Resident will decrease accordingly.

### **14. RESPONSIBILITIES FOR INSURANCE**

The Operator is responsible for insuring the Village, including the Residential Units, for its full replacement value in respect of all usual risks including damage to or destruction of the Village caused by fire, accident or natural disaster of all Village property and capital improvements or additional fittings provided by residents. Such insurance must be in place and maintained and must be to the Statutory Supervisor's satisfaction.

The Residents are encouraged to insure their personal belongings for loss and damage and any vehicle they keep at the Village under an appropriate comprehensive policy. The Operator is not responsible for any loss or damage to the Resident's belongings or vehicles (nor any belongings or vehicles of the Resident's visitors).

The Resident is required to reimburse the Operator for any loss or damage suffered by the Operator as a result of the Residents or their visitor's carelessness or negligence, except loss or damage by risks the Operator has insured against. However, the Resident will be responsible for payment of any insurance excess, in this case. Where the Resident, or their visitor's acts or omissions have made any such insurance void, the Resident will, upon demand, compensate and reimburse the Operator in full for such loss or damage.

The Operator has in place the following insurance policies covering the period 01 April 2016 to 01 April 2017:

- (a) Material Damage to the sum of \$181,250,000 extending to buildings, infrastructure, flats, common ground, retirement village and retirement village operator's chattels;
- (b) Business Interruption to the sum of \$7,720,000 covering reduction in revenue, additional increased costs of working, claims preparation costs and residents alternative accommodation resulting from

interruption to the business of the Operator following material damage loss; and

- (c) Public Liability (Village Operators Liability) to the sum of \$2,000,000 and Management Liability \$1,000,000. We also insure Statutory and Employers Liability. Statutory Liability covers breaches of Government acts including Health & Safety.
- (d) Motor Vehicle to the sum of \$114,022 for vehicles and \$10,000,000 for third party liability to others.

## 15. MOVING INTO REST HOME/HOSPITAL CARE IN THE VILLAGE

The Operator has currently made no decision with respect to the building of a rest home and/or hospital facility on Village land. If the Operator decides to proceed, the building of the rest home and/or hospital will be the last stage of the Village development. Any decision by the Operator as to whether or not to proceed with such development will be at the Operator's sole discretion, as well as the ability of the Operator to obtain the necessary consents and/or approvals from the relevant health board and Auckland Council. The decision as to whether a rest home and/or hospital is built rests solely with the Operator and the Operator makes no representation that such facility will be built.

The Operator currently has an agreement with Fairview Care Facility (situated at 21 Fairview Avenue, Albany) which provides rest home and hospital level care. The Fairview Care Facility contains 47 hospital beds which can also be used as rest home beds as the case may be.

The Fairview Care Facility is operated by Fairview Care Limited which has leased the facility from Fairview Lifestyle Village. The agreement is between Fairview Lifestyle Village, Fairview Care Limited and the Operator and states that Residents of Settlers Village will have priority access to the Fairview Care Facility in preference to people who are not residents of the Village, but behind the residents of Fairview Lifestyle Village. The Resident may request a transfer to the Fairview Care Facility where the Resident wishes to be a private patient of the Fairview Care Facility or where the Resident has been assessed by the District Health Board as needing care. Any transfer by the Resident will be subject to consent by the Operator, Fairview Care Limited's acceptance of the Resident into the Fairview Care Facility, the availability of a bed in the Fairview Care Facility and suitability of the Fairview Care Facility for the Resident's needs. A Resident will not have the right to insist on transfer to the Fairview Care Facility.

If you permanently transfer to a rest home or hospital bed in the Fairview Care Facility, the termination provisions of the Occupation Right Agreement will apply (provided that where the Occupation Right Agreement was granted to two of you, the termination will only apply to the Resident transferring to the Fairview Care Facility). Upon transfer to the Fairview Care Facility, the Resident enters into a Resident Admission Agreement with Fairview Care Limited and all charges in respect of the Resident's care in the Fairview Care Facility are payable to Fairview Care Limited.

With the Operator's prior consent a Resident may receive temporary respite care at the Fairview Care Facility without termination of the Occupation Right

Agreement, but this will be subject to acceptance of the Resident by Fairview Care Limited and the availability of a bed. The Resident will be required to pay the cost of the Resident's respite care to Fairview Care Limited. The Resident's rights and obligations pursuant to the Occupation Right Agreement will remain the same if the Resident receives such temporary respite care in the Fairview Care Facility.

## **16. DAMAGE OR DESTRUCTION TO RESIDENTIAL UNIT**

If your Residential Unit (or a part of it) is destroyed or damaged by any risk which the Operator is insured for, the Operator's primary obligation is to endeavour to fully repair or reinstate your Residential Unit as soon as practicable provided it receives sufficient insurance proceeds to enable it to do so. This is also subject to the Operator being able to meet all legal requirements in respect of such repair and reinstatement and obtain the necessary permits and consents to undertake repair work to your Residential Unit. This is also subject to it being (in the Operator's sole opinion) commercially and legally practicable to repair and reinstate your Residential Unit having regard to the extent of the damage to the entire Village, including the common property and other amenities.

In the instance of your Residential Unit being destroyed or damaged, the Operator will consult with you and will ultimately provide you with a decision in writing as to whether it will repair or reinstate your Residential Unit. If it does not repair or reinstate your Residential Unit, the Operator may offer to transfer you to another Residential Unit at the Village. If the Operator does not offer to transfer you to another Residential Unit, the Occupation Right Agreement is terminated and you will be entitled to repayment on termination calculated as set out in clause 13.9 of your Occupation Right Agreement. If the Operator does offer to transfer you to another Residential Unit and you decline the transfer, your Occupation Right Agreement will be terminated as set out in clause 13.8 of the Occupation Right Agreement.

If your Residential Unit is destroyed or so badly damaged that you cannot safely live in it, or if you need to move out in order for it to be assessed or for repairs to be undertaken, the Operator may give you written notice of the date you are required to give up possession and until your Residential Unit has been fully repaired or reinstated the Operator may provide you with temporary accommodation (as is more fully detailed in clause 13 of your Occupation Right Agreement.)

## **17. EFFECT OF MARRIAGE OR CIVIL UNION ON OCCUPATION RIGHT AGREEMENT**

If the Occupation Right Agreement was initially granted to two Residents, then both Residents will hold the benefits of the Occupation Right Agreement jointly. Both Residents will also bear joint responsibility for all obligations pursuant to the Occupation Right Agreement.

Where the Occupation Right Agreement was granted to two Residents and one Resident dies, the interest of the person who has died automatically transfers to the survivor.

Where the Occupation Right Agreement is granted to two Residents and one Resident ceases to permanently occupy the relevant Residential Unit (as determined by the Operator, acting reasonably), the rights and interests of the Resident who has ceased to permanently reside at the relevant Residential Unit transfer to the remaining Resident.

If the Occupation Right Agreement was only granted to one Resident and that Resident marries or enters into a civil union, or for any reason wishes to live in the Residential Unit with another person, the Operator may at the Operator's sole discretion, require the Occupation Right Agreement to be terminated and replaced with a new Occupation Right Agreement signed by both the Resident and the Resident's spouse/partner or a variation of the existing Occupation Right Agreement be signed by the Resident and the Resident's spouse/partner. The Operator will also require both the Resident and the Resident's spouse/partner to agree to any additional fees or charges payable. The Resident's spouse/partner must comply with the Operator's Rules.

## **18. DOCUMENTS AVAILABLE TO RESIDENTS AND INTENDING RESIDENTS**

Copies of the following documents are available to Residents or intending Residents on request to the Onsite Village Manager.

- (a) Audited financial statements of the Operator;
- (b) Sample of the Occupation Right Agreement;
- (c) Disclosure Statement;
- (d) Rules relating to the Village;
- (e) Code of Practice;
- (f) Code of Residents' Rights;
- (g) Certificate of Currency in respect of Village insurance;
- (h) Management Agreement between the Operator and the Manager dated with an effective date of 1 April 2013; and
- (i) Deed of Supervision between the Operator and the Statutory Supervisor dated 1 April 2009.

## **19. OTHER MATTERS**

### ***Details Relating to Certain Security Interests***

No holder of a security interest to whom section 12(1) (b) of the Act applies refused to consent to the registration of the village.

### ***No Exemption from the Requirement to Comply with Code of Practice***

The Operator has not applied for or obtained any exemption from the requirement to comply with the provisions of the Code of Practice.

## GLOSSARY

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

<b>Term</b>	<b>Meaning</b>
Care Facility	Means the Care Facility providing rest home and hospital level care situated at Fairview Lifestyle Village.
Cooling-off Period	The period in which a Resident is entitled to cancel the Occupation Right Agreement and receive a full refund. See page 6 for further details.
Disclosure Statement	This Disclosure Statement.
Manager	Premier Lifestyle Villages Limited
Occupation Right Agreement	The document which sets out a Resident's right to occupy a Residential Unit at the Village. It also specifies the terms and conditions to which that occupation right is subject. In relation to this Village, the Occupation Right Agreement is in the form of an Occupation Licence.
Operator	Settlers Albany Limited being the entity liable to fulfil the obligations under the Occupation Right Agreements to Residents.
Resident	A person or persons who have entered into an Occupation Right Agreement in respect of a Residential Unit at the Village and "Residents" means more than one Resident.
Residential Unit	An apartment or townhouse at the Village which is used for the accommodation of a Resident and includes any appurtenances or improvements usually enjoyed with the Residential Unit.
Retirement Village	That part of the village which is the retirement village comprising the apartments, townhouses, together with associated community facilities.
Statutory Supervisor	Covenant Trustee Services Limited. Further details of the Statutory Supervisor's role are provided at clause 4 of this Disclosure Statement.
Village	The retirement village known as Settlers Albany Lifestyle Village, comprising the complex and the Retirement Village and including the Residential Units and all communal areas and facilities used by the Residents.
Village Land	Means the land contained in certificate of title 674854.



## SCHEDULE

### SPECIFIC INFORMATION FOR A SPECIFIC INTENDING RESIDENT

The information in the schedule is prepared solely for the intending resident named below as at: 30 June 2017

<b>1</b>	<b>Resident's Name/s</b>		
<b>2</b>	<b>Residential Unit Number and Type:</b>	Apartment/Townhouse	
<b>3</b>	<b>Licence Payment:</b>	\$	
<b>4</b>	<b>Additional Optional Payment:</b> (Refer clause 3.7.1 of the Occupation Right Agreement)	Not Applicable	
<b>5</b>	<b>Commencement Date:</b>		
<b>6</b>	<b>Maximum Village Contribution:</b>	In respect of all Residential Units (townhouses and apartments), the Village Contribution is calculated at 10% of the Licence Payment for the first year of occupation from the Commencement Date followed by 7.5% of the Licence Payment for each year thereafter (adjusted proportionately on a per month basis in the case of any incomplete year) to a maximum of 25% of the Licence Payment.	
<b>7</b>	<b>Periodic Payments:</b>	<b>Village Outgoings Payment:</b>	\$731.44 per month
		<b>Charge for Additional Services (if any)</b>	\$ -
		<b>TOTAL:</b>	\$731.44 per month  The above charges are all payable monthly in advance and on a weekly basis equate to \$168.79 per week.
<b>8</b>	<b>Administration Payment:</b>	2% of the Licence Payment including GST(if any)	\$

<b>9</b>	<b>Estimated Financial Return:</b>	<b>Dwelling Example - 3 Year Village Contribution</b>					
		<b>%</b>	<b>Length of time</b>	<b>Licence Payment</b>	<b>Village Contribution</b>	<b>Administration Payment</b>	<b>Estimated Financial Return</b>
		10.0%	Year One	\$750,000	\$75,000	\$15,000	\$660,000
		7.5%	Year Two	\$750,000	\$131,250	\$15,000	\$603,750
		7.5%	Year Three	\$750,000	\$187,500	\$15,000	\$547,500
			Year Five	\$750,000	\$187,500	\$15,000	\$547,500
			Year Ten	\$750,000	\$187,500	\$15,000	\$547,500
		<p>The above calculations are for example purposes and should not be relied on by the Resident, who should utilise their own judgement after taking all financial and legal advice the Resident considers necessary. The estimated financial returns have been calculated on the following assumptions:</p> <p>(a) The Resident has not elected to pay the Optional Additional Payment in accordance with clause 3.7.1 of the Occupation Right Agreement – refer to clause 7.8 of this Disclosure Statement for examples relating to the Optional Additional Payment.</p> <p>(b) No refurbishment charges are payable following termination.</p> <p>(c) No other deductions as set out in clause 11.2 of the Occupation Right Agreement are required to be made.</p>					
<b>10</b>	<b>Long Term Maintenance Fund</b>	<p>Balance of the long term maintenance fund:  <b>\$201,684.41</b> (as at 1 July 2017).</p>					

<p><b>11</b></p>	<p><b>Details of Units disposed of in the last 12 months – Previously Unoccupied Residential Units</b></p>				
<p>Listed below are details of Residential Units which were disposed of in the 12 months prior to the date of preparation of this Schedule and which had not been previously licensed prior to their disposal.</p>					
<p><b>Apartments</b> (previously unoccupied) The number of Apartments that had been Unoccupied before their disposal</p>					
		<p>23 Apartments</p>			
<p>The time taken to dispose of each of the Unoccupied Apartments (months)</p>					
		<b>Apartment No</b>	<b>Months</b>		
		<i>I-77</i>	1		
		<i>J-111</i>	9		
		<i>J-112</i>	6		
		<i>J-113</i>	8		
		<i>J-114</i>	7		
		<i>J-115</i>	11		
		<i>J-117</i>	15		
		<i>J-118</i>	13		
		<i>J-119</i>	15		
		<i>J-121</i>	12		
		<i>J-123</i>	16		
		<i>K-137</i>	11		
		<i>K-138</i>	9		
		<i>K-142</i>	15		
		<i>K-150</i>	7		
		<i>K-159</i>	16		
		<i>K-160</i>	14		
		<i>K-161</i>	15		
		<i>K-167</i>	9		
		<i>K-168</i>	6		
		<i>K-169</i>	7		
		<i>L-192</i>	19		
		<i>M-211</i>	33		
<p>The average time taken to dispose of an Unoccupied Apartment</p>					
		<p>12 months</p>			
<p>The time taken to dispose of a previously unoccupied Residential Unit is calculated from the date an Occupation Right Agreement in respect of a Residential Unit is available for sale and the date on which the Occupation Right Agreement for the Residential Unit is settled.</p>					
<p><b>12</b></p>	<p><b>Details of the Number of Units Occupied and Unoccupied at the Village</b></p>	<b>Unit Type</b>	<b>Number Occupied</b>	<b>Number Unoccupied</b>	
		Townhouse	54	0	
		Apartment	157	35	

	<p><b>Note:</b> One Apartment is being used as Nurse's accommodation and one as an Office, so there are a total of 142 occupied, but of these 141 are occupied under Occupation Right Agreement as stated above.</p>				
<p><b>13</b></p>	<p><b>Details of Residential Units disposed of in the last 12 months. Previously Occupied Residential Units – Apartments &amp; Townhouses</b></p> <p>Listed below are details of Residential Units which were disposed of in the twelve months prior to the date of preparation of this Schedule and which were occupied prior to their disposal:</p> <table data-bbox="395 629 845 745"> <tr> <td style="padding-left: 40px;"><b>Apartments</b></td> <td>N/A</td> </tr> <tr> <td style="padding-left: 40px;"><b>Townhouses</b></td> <td>N/A</td> </tr> </table> <p>The time taken to dispose of occupied Residential Units is calculated from the later of the termination date or the date the Residential Unit became vacant and ready for occupation by a new resident, to the date on which a new Occupation Right Agreement for that Residential Unit was settled.</p>	<b>Apartments</b>	N/A	<b>Townhouses</b>	N/A
<b>Apartments</b>	N/A				
<b>Townhouses</b>	N/A				