



FREQUENTLY ASKED QUESTIONS

IS THE VILLAGE REGISTERED AS A RETIREMENT VILLAGE UNDER THE RETIREMENT VILLAGES ACT 2003?

Yes, Methven Central is registered as a retirement village with the Register of Retirement Villages as required under the Retirement Villages Act 2003.

WHAT IS THE CODE OF PRACTICE?

The Retirement Villages Act 2003 requires a village to observe the Code of Practice which sets out minimum standards for operating a retirement village. A copy of the Code of Practice will be provided to you when you complete an Application for an Occupation Right Agreement.

UNDER WHAT ARRANGEMENT ARE THE APARTMENTS AND FUTURE CARE SUITES AVAILABLE?

All apartments and care suites (when completed) are available under a Licence to Occupy, sometimes called an Occupation Right Agreement (“ORA”). The ORA gives you the right to occupy your apartment or care suite at Methven Central. This type of agreement is common to almost all retirement villages throughout New Zealand and is governed by the Retirement Villages Act 2003.

The ORA is an agreement between the resident and the village setting out the terms of your village living. Under the ORA you do not gain a title, but you gain the right to occupy your apartment or care suite and to access the various village facilities for your lifetime.

Your Solicitor must explain your rights and obligations created by the ORA and you can only validly sign the ORA when witnessed by your Solicitor.

WHO AND WHAT IS A STATUTORY SUPERVISOR?

A Statutory Supervisor will be appointed (who is independent from the village manager) as part of the village registration. The Statutory Supervisor provides a safeguard for the residents of the village. The role of the Statutory Supervisor includes (among other matters) monitoring the financial position of the village, annual reporting to the village residents at an annual general village meeting, ensuring that the terms of the residents' ORA are met, and the oversight of all deposits made by residents until such time as the ORA is settled or a refund is required due to a

cancellation. At Methven Central, our Statutory Supervisor is Anchorage Trustees Services Limited.

IS THERE A WEEKLY FEE AND WILL MY WEEKLY BASE FEE CHANGE?

Residents are required to pay a weekly fee which is a contribution toward the general costs of operating the Village. The weekly fee is the resident's contribution towards the operating expenses of the Village such as rates, building insurance, exterior maintenance, management, operation of the community facilities.

For the entire time you occupy an apartment or care suite your weekly village fee for that specific villa, apartment or care suite, will increase with effect from 1 April in each year during the term of your Occupation Right Agreement while you occupy that apartment or care suite. Such increase will be by the same percentage as the percentage change in the NZ Super Rate which takes effect from 1 April in that same year.

MAY WE COME AND GO AS WE PLEASE AND LEAVE OUR APARTMENT, OR CARE SUITE UNATTENDED IF WE ARE AWAY ON HOLIDAY?

Village life brings with it security and freedom if you wish to travel. You can go away knowing that your home and garden will be watched and cared for.

WHAT IS THE DEFERRED MANAGEMENT FEE?

The Deferred Management Fee is a resident's contribution to the overall village including (without limitation) the ongoing management and operation of the village and its community facilities, administration costs, sale and refurbishment costs and costs of compliance with any statute, regulation or other lawful obligations in respect to the village.

The Deferred Management Fee accrues to the village during a resident's occupation of a villa, apartment or care suite and is deducted from the entry payment upon termination of a resident's ORA.

At Methven Central, a resident's Deferred Management Fee will be a maximum of 24% of the Entry Payment for the apartment or care suite and is calculated as follows:

If the Termination Date (or later Vacation Date) occurs:

- a. during the period from the Commencement Date until the day before the first anniversary of the Commencement Date, the Deferred Management Fee will be an amount equal to 8% of the Entry Payment;
- b. during the period from the first anniversary of the Commencement Date until the day before the second anniversary of the Commencement Date, the Deferred Management Fee will be an amount equal to 16% of the Entry Payment; or
- c. at any time from the second anniversary of the Commencement Date, the Deferred Management Fee will be an amount equal to 24% of the Entry Payment.

Once the Deferred Management Fee is fully accumulated, it will not be charged again.

All fees received by Methven Care Trust remain in the community and fund the operations and development of Methven Central.

ARE THERE OTHER COSTS I SHOULD KNOW ABOUT?

For your peace of mind, it is important to have certainty regarding your living costs.

If the village provides care services or additional services to you (which are not included in the weekly village fee), then you will be charge for these services. The fee for the provisions of these services will be provided to you on application and may change over time depending on your choice of services to be provided to you by the village.

Following termination of your ORA, the village accepts total responsibility for undertaking the refurbishment, marketing and on-sale of your villa, apartment or care suite, except in circumstances where there is damage to the villa, apartment or care suite caused by you and such damage is not attributable to fair wear and tear. The refurbishment, marketing and on-sale costs are covered by the Deferred Management Fee.

Also, it is important to know that following termination of the ORA and the on-sale of the villa, the village will pay the resident the exit payment, this being the entry payment less the Deferred Management Fee, plus any outstanding weekly village fee, additional services fee and care services fee. The exit payment will not decrease further if the apartment, or care suite is sold for a lower price than what you paid when you entered the village.

IF I LIVE IN AN APARTMENT, DO I GET PRIORITY ACCESS TO THE METHVEN CENTRAL CARE HOME?

Yes, and if you need to transfer to a Care Suite from an apartment, we'll allow you to use your apartment equity to fund your Care Suite purchase. You can move into your Care Suite whilst you're waiting for your apartment to resell.