



THE GROVE
O R E W A

FREQUENTLY ASKED QUESTIONS

For many people, the decision to consider buying their next home in a retirement village raises a number of questions. To make this decision easier to understand, we have summarised some of the more common questions and answers below.

If there's anything you don't understand, please don't hesitate to contact Jo Robertson, our Village Manager. She will be more than happy to help.

Q. What is a Licence to Occupy?

- A.** It is important for anyone intending to purchase a villa or apartment at The Grove to fully understand the nature of the ownership of their unit or apartment. This is covered in much more legal detail in the Disclosure Statement, but to summarise:
- When you buy a villa or apartment at The Grove you enter into a contract for a Licence to Occupy.
 - This gives you the right to live in your villa or apartment and enjoy the use of all village facilities.
 - The title to the land and building remains with The Grove.
 - The Licence to Occupy does not carry any entitlement to capital gain when you move out and the villa or apartment is sold again, but you also have no risk of capital loss.

The Licence to Occupy is the most common form of occupation rights agreement in retirement villages in New Zealand. All villages are governed by the Retirement Villages Act 2003 and its regulations. The Act requires the appointment of a Statutory Supervisor whose role is to have an overview of the financial performance and management of the village. The Grove has appointed 'Covenant Trustee Services Limited' as the Statutory Supervisor for this village. The Act also requires you to consult your solicitor with regard to the Licence to Occupy documentation and explain it if you have any queries. Most solicitors are familiar with this type of contract as it is typical in the retirement village industry.

Q. What appliances are provided in my villa or apartment?

- A.** All villas and apartments are provided with ovens, hobs, range hoods, dishwashers and waste disposal units. In addition, apartments are provided with a washing machine and a clothes dryer.
- You will need to bring your own fridge, microwave or any other appliances you may need.

Q. What payments do I need to make if I move into The Grove?

- A.** There are four types of payments that you will make to The Grove:
- **The Purchase price:** This is the amount you pay for your villa or apartment, as agreed with the Village Manager.
 - **The Car Park Payment:** This is the amount you pay if you wish to have the use of a basement car park, currently \$25,000. There is no separate car park payment for villas.
 - **The Weekly Fee:** This fee is charged for each villa or apartment and covers your share of all the village costs, expenses and other outgoings. It is currently \$160 per villa or apartment. This is covered in more detail later.
 - **The Service Fees:** These are the optional services that you can choose to pay for if you want extra care or additional services. These are also detailed later.

The only other costs you will have will be your normal living expenses e.g. food, electricity, phone and contents insurance. Many of our residents find their electricity costs are much lower than in their previous homes – principally because their homes are new and built with double glazing and the most up-to-date insulation.

Q. What payments do I make when I leave The Grove?

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

1. The Village Contribution (also known elsewhere as the Deferred Management Fee, or DMF):

This finances the provision of the common facilities and the maintenance costs not covered by the weekly fee. It also covers redecoration and refurbishment costs of your villa or apartment (unless significant damage has been made to the interior of the villa or apartment, including chattels, that is not attributable to normal wear and tear). It also covers reselling costs when you vacate your villa or apartment.

It is a percentage of your original purchase price, calculated on a monthly basis at 6.25% per year for 4 years, to a maximum of 25%. If you have a basement car park and have made a car park payment, the same village contribution will apply to the car park payment.

In practical terms the village contribution works like this:

Example:

Purchase price of Licence to Occupy:	\$600,000
Village Contribution of 6.25% p.a. per year for 4 years	\$150,000

At Period End	Village Contribution	Accumulated Contribution	Total Repayable to Resident
Year 1	6.25% of purchase price	\$37,500	\$562,500
Year 2	12.5% of purchase price	\$75,000	\$525,000
Year 3	18.75% of purchase price	\$112,500	\$487,500
Year 4	25% of purchase price	\$150,000	\$450,000

2. Any outstanding amounts owed to The Grove from your service packages or weekly fees. The weekly fee is charged for six months after you leave The Grove or until your villa or apartment is resold and settlement has been received, whichever comes first.

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3. An administration fee of 1.5% of your original purchase price.

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

A. The weekly fee is \$160 per week (or \$695.24 per month on average). This covers:

- External building maintenance
- Insurance of the buildings and infrastructure of the village
- Property rates
- Exterior window cleaning
- Gardening and landscaping
- Cleaning of common amenities
- Management and staff
- 24 hour emergency call response system
- Organised trips, activities and outings (some may incur a small surcharge)
- Security systems
- GST where incurred

This amount is paid monthly on the first day of the month, in advance. The weekly fee does not include the following:

- Insurance on your furniture, clothes, appliances and personal belongings
- Power and gas charges to your villa or apartment
- Telephone charges
- Any additional services that you may require
- Other costs of running your home e.g. cleaning, light bulbs etc.

Q. Can the weekly fee change?

A. No, the weekly fee is fixed.

Q. What care services are available at The Grove?

A. As your needs change, you may wish to have some services provided to you in your villa or apartment. You may simply want to take life a little easier, or you may need some assistance with daily tasks. Full details are available in our Care Services flyer, but as an indication, we offer the following levels of support:

Take it easy

- Includes some basic day-to-day services such as assistance with transport, shopping and housekeeping.

Helping hand

- The same as the 'Take it easy' service, but with the addition of additional support in the areas of personal care, meals and access to a registered nurse.

Supported care

- For greater support across day-to-day living and health/medical management.

Q. Are meals available at The Grove?

A. Absolutely. Daily meals are available as part of our Care Services packages.

Q. Who looks after the interests of residents?

A. Under the terms of the Licence to Occupy contract and the Retirement Village Act, a Statutory Supervisor is appointed who represents the interests of the residents. In our case this is Covenant Trustee Services Limited.

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

Lastly, The Grove is a Retirement Village which complies with the Code of Practice as part of compliance with the Retirement Villages Act, which is designed to protect the rights of residents. We also subscribe to the Code of Residents' Rights.

Q. Is this a good location?

A. One of the biggest benefits of living at The Grove is that it is located close to Orewa Beach and not far from Orewa Village. Residents are fortunate to be able to enjoy the close proximity of many beautiful locations, Wenderholm, Puhoi, Mahurangi, Warkworth, Matakana and surrounds.

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

A. No, the Occupation Licence is not transferable, nor can it be used as security for a mortgage.

Q. Can a Family Trust purchase an Occupation Licence?

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

Q. Is The Grove safe and secure?

A. Your personal and general security is very important to us. We will have security fencing and controlled entrance gates, and there is an emergency call service which is monitored 24 hours a day.

Q. Where can I hang my washing?

A. All villas are provided with their own washing lines in a service courtyard. Residents in apartments may dry

clothes on racks, so long as these are not visible from outside. Apartments will be provided with dryers.

Q. Is car parking available?

A. Some villas are provided with a single car garage or a parking area. Visitor parking is available on the street as required. There are no additional charges for parking for villas.

Parking for the apartments is provided in a permanent secure, covered basement, which provides internal access to the apartment buildings. There is an additional charge for this, which is \$25,000.

If you purchase a car park in the apartment building and then, at some stage in the future, decide that you no longer need a car park, you may surrender the car park and you will be refunded your car park payment less the accrued Village Contribution associated with the car park payment.

Q. Will my independence and privacy be respected?

A. Your independence is encouraged. Assistance is available if you need it on a user pays basis. You can choose from a range of different service packages if you wish to get any additional help (as mentioned earlier).

You will live in a community of like-minded people of similar age but with many different personal situations and personalities. A range of activities is available to everyone within The Grove, which you can be involved in if you wish. If, however, you simply wish to choose the quiet privacy of your own home, that's fine too - the choice is yours.

Q. Can my family and friends stay?

A. Of course - this is your home. Your family, grandchildren and friends are very welcome to stay with you for short periods of time, but may not move in on a permanent basis.

You may entertain your family and friends in your villa or apartment or your guests are more than welcome to use the village facilities, provided you are with them. The use of the spa pool by family members is restricted to certain hours of use.

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

A. If you are purchasing a villa, your domestic pets, within reason, are very welcome to join us. The only limitation to this is the possibility that your pet could become a nuisance to others living at The Grove and as a precaution, we will need to "meet" your pet beforehand! Approval is at the discretion of the Village Manager. In the event that, in the Manager's view, your pet is a nuisance to other residents, however, we will require him/her to be taken from the village.

If you are purchasing an apartment, it is of course more difficult to keep a pet. If you wish to bring a pet with you, this will need to be assessed by the village manager prior to a decision being made. Once in the village, pets may not be replaced without the approval of the Village Manager.

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

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

Q. Who is responsible for insurance?

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

Q. Who is responsible for maintenance and repairs?

A. Under the terms of your occupation right agreement with The Grove, you are responsible for the repair and maintenance of certain items within your villa or apartment. When you make a request for repairs or maintenance we will discuss who will be responsible for the costs. Consumable items such as light bulbs and batteries are your responsibility, as is cleaning.

Q. What if I want to decorate my home – for example, change the wall or floor coverings?

A. This can be done at your own expense, in consultation with and at the discretion of the Village Manager. Approval must be obtained before any work is done and there may be a cost to reinstating the villa or apartment to the original state in future.

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

A. If you have an accident and need immediate attention, simply press any one of the strategically placed emergency buttons in your villa or apartment and the response will be immediate.

If you need ongoing support, we offer care services catering to a range of different levels – whether you need a little assistance or a lot. If your needs become such that you need to relocate – either on a temporary or permanent basis – the Village Manager will work

with your family to ensure this transition is as easy as possible.

Q. How do I go about purchasing a villa or apartment at The Grove?

A. You will need to spend some time with Jo Robertson, our Village Manager, to ensure you understand The Grove and the villa or apartment plans, as well as the financial arrangements.

After you've selected the villa or apartment of your choice, you will be required to complete an Application for an Occupation Licence.

The relevant documentation will be prepared for you to sign and once signed, sent to your solicitor. A deposit of \$5000 is required at the time you sign your application. You can either pay this by cheque or directly to the bank account of the statutory supervisor, Covenant Trustee Services Limited. For your peace of mind, should you for any reason decide not to go ahead with your purchase, your deposit will be refunded in full.

A medical report is required for all residents moving into The Grove and this is part of the acceptance process. Once we have your signed application, deposit and your medicals from your GP and you have been accepted to move into The Grove, documents will be prepared and sent to your Solicitor for discussion and signing.

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

A. If you love the idea of moving to The Grove and all it has to offer, we will do everything we can to help you move.

Our Village team has assisted many of our residents to sell their homes by guiding them through the process, providing guidance and support in terms of marketing plans, assistance on what to bring to the village, choosing movers, figuring out what to do with things that are now surplus to requirements and much more. We are here to help you – both before you move in, and when you're here.

We won't, however, become directly involved in the sale of your home or act as real estate agents.

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