

GARLINGTON

your estate in the country

CARE CENTRE

HOW IT WORKS

1 Introduction

Garlington is an exclusive, secure, country estate situated in Hilton, KwaZulu-Natal (see www.garlington.co.za for more information).

Garlington's layout and architecture have been developed with great care to create a beautiful environment and to recover something of the lost art of vibrant community living. The estate includes tennis courts, wellness facilities, a gym, an indoor pool, driving range, a physiotherapist, a chiropractor, a coffee shop, spa and hair salon.

The Garlington Care Centre will be situated within Garlington and is

designed to provide accommodation and ambience unlike that found in any other scheme. Our intention is to make the Care Centre a living part of Garlington, integrated with its physical environment and community. The Care Centre will be situated on a portion of Erf 284 Garlington (referred to as "**the property**").

And for those owning property at Garlington, a Life Right in the Care Centre will mean that they will never have to leave their homes for what is often a stark and lifeless retirement village, simply to gain access to frail care facilities.



2 The purpose of this document

This document sets out our aims in developing the Care Centre and summarises how a Life Right in a suite at the Care Centre will work.

This is not a legal document and is not binding on the developer or the Management Company. Please refer to the Life Rights Agreement for the legal basis on which you can purchase a Life Right.

3 Introducing the parties

3.1 The developer

The developer is the Garlington Care Centre Trust, which will be responsible for developing the Care Centre and communal buildings required to support the Care Centre.

3.2 The Garlington Management Company

The Garlington Management Company (referred to as "**the Management Company**"), a private company or close corporation to be registered, will perform all the management functions required to operate the Care Centre. All costs relating to these services will be borne by the Management Company, which will charge a monthly Care Centre levy to those persons occupying the Centre (see paragraph 7 below).

To defray expenses the Management Company will be entitled to lease suites or bedrooms to non-Life Right holders on a short term basis. Life Right holders and their nominated occupants will, however, have preference to suites in the Care Centre.



4 The development of the Care Centre

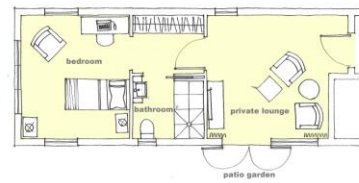
The Care Centre will be built in phases. It is intended that the first phase will comprise one house consisting of seven suites and one en-suite bedroom, but the exact ratio of suites to bedrooms is in the discretion of the developer. The second and third phases will be similar.

The maximum number of suites and bedrooms that may be built on the property is a total of thirty. The split between suites and bedrooms will be determined by the developer.



garlington care centre floor plan suite 3 - scale 1:50

sally adams architect uki 2014



garlington care centre floor plan suite 1 - scale 1:50

sally adams architect uki 2014

5 Care Centre services

The Care Centre will offer the following services to Life Right holders:

- Primary or basic nursing care (the Management Company will not be able to offer specialized or intensive care or extreme geriatric care);
- Accommodation in a private suite;
- Daily meals and refreshments;
- Laundry;
- Cleaning of rooms;
- House care services to Garlington home owners at their Garlington properties; and
- Maintenance of gardens and buildings at the Care Centre.

6 What if there are no suites available when I need one?

In the event that the Care Centre has no accommodation available when required by a Life Right holder, the Management Company will provide home-based care until such time as a suite is available. This service will be offered to Life Right property owners who own property at Garlington or live within a radius of 20km of Garlington, and at the same levy payable by occupants of the Care Centre.

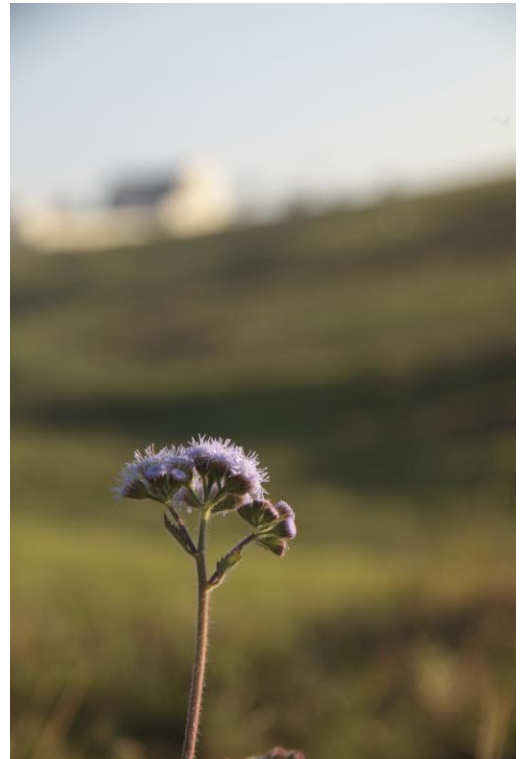
7 The levy

A monthly levy will be charged to cover the operating and management costs of the Care Centre. The amount of the levy will be calculated after the preparation of an annual budget, which will determine the costs of managing, maintaining and administration of the Care Centre.

Levies are only payable for the period during which the holder of a Life Right or his or her nominated occupant is **actually in occupation** of the suite or is the recipient of services provided by the Management Company.

There will be a two-tiered levy system:

- a levy for Life Right holders or their nominated occupants; and
- a levy for non-Life Right holders, which will carry a premium.



The professional fees of doctors and specialists, hospital fees, medicines, equipment charges or the costs associated with specialized or intensive private nursing care will not be included in the levy.

8 What does a Life Right give me?

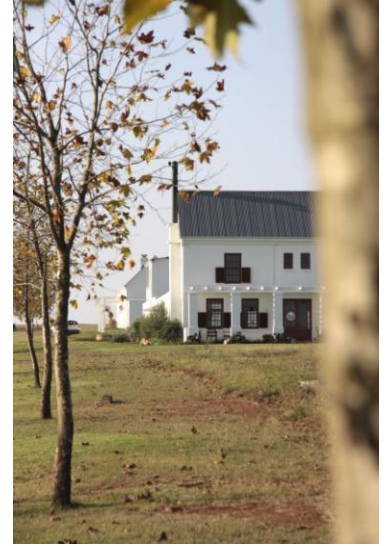
Life Right holders buy a life right to a suite in the Care Centre. This gives a Life Right holder the right to nominate a **nominated occupant** (see paragraph 10 for more about nominating occupants). Nominated occupants, and their spouses or partners, will have the right to occupy a suite from the time that their doctor deems it necessary that they receive care until the Life Right terminates (see paragraph 11). If the nominated occupant lives at Garlington, he or she may elect to receive house-base care at their house should it be at Garlington, rather than move to the Care Centre.

9 Paying for a Life Right

The purchase price for a Life Right will be paid in two or more instalments in accordance with the Life Right Agreement.

All payments will be made into an attorney's trust account and will only be released to the developer when –

- the architect has certified that the phase to which the purchaser's Life Right relates has been completed; and
- the Management Company has certified that that the Care Centre is operational.



The purchase price must be paid in full before a nominated occupant may take occupation of a suite. The developer is, however, prepared to loan up to 50% of the purchase price to purchasers, on application and in the discretion of the developer.

10 Nomination of occupants

Life Right holders will have the right to nominate a **nominated occupant** at two stages:

10.1 Upfront nomination

On purchasing the Life Right the purchaser will propose a nominated occupant (the person who will be entitled to occupy a suite at the Care Centre). This person may be –

- the purchaser him or herself (and his or her spouse or partner); or
- a dependant or relation who is primarily dependant on the Life Right holder (and his or her spouse or partner).

10.2 Nomination on termination

A Life Right holder will also be entitled, at any time prior to the termination of a Life Right, to propose the nominated occupant's successor to the Life Right. Succession will take place on the death of the nominated occupant and his or her spouse or partner (if any). The successor may be –

- the Life Right holder him or herself (and his or her spouse or partner), if he or she was not the initial nominated occupant; or

- a dependant or relation who is primarily dependent on the Life Right holder (and his or her spouse or partner); or
- if the Life Right Holder owns a property at Garlington, the successor in title to that property (and his or her spouse or partner).

The Life Right holder's proposals in this regard will be subject to approval by the Garlington Care Centre Trust.

A refurbishment levy (see paragraph 12 for more information) will be payable on each succession. The levy is payable before transfer of the Life Right is entered in the Register of Life Right Holders.

11 Termination of a Life Right

A Life Right will terminate when -

- the agreement is terminated at the option of the nominated occupant, by agreement between the parties; or
- the nominated occupant and their spouse or partner (if any) has died.

12 Sale of Life Rights

Life Right Holders will not be entitled to dispose of their Life Rights, other than by making a nomination in terms of paragraph 10).

On termination of a Life Right, the Management Company will determine the market value of the right. The Life Right holder's estate will then be paid the assessed market value of the Life Right –

- less 10% where the nominated occupant lived in the Care Centre for less than 12 months;
- less 20% where the nominated occupant lived in the Care Centre for more than 12 months but less than 24 months; and
- less 30% where the nominated occupant lived in the Care Centre for more than 24 months,

(referred to as "**the refurbishment levy**").



The monies retained by the Management Company will be paid into the refurbishment fund, which will be managed by the Management Company on behalf of the Garlington Care Centre Trust, and which will be used only to refurbish, renovate and upgrade the Centre from time to time.

The Management Company will register the transfer of the Life Right to the Life Right holder's nominated occupant or, failing which, will sell the Life Right to any third party on its waiting list.

13 **Legal terms and conditions**

Life Rights are a form of lease, and not a form of property ownership. Accordingly, the holder or nominated occupant has no right to the title in the suite or the land, but rather a right of use of a suite.

Although the Life Rights are not registered in the Deeds Office, the title deeds to the property will have a condition imposed to reflect that the development is subject to life rights, and that the Life Right holders shall have preferential rights.

14 **The next step**

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