

Circular 015

11 February 2022

Dear **Evergreen Broadacres Resident**,

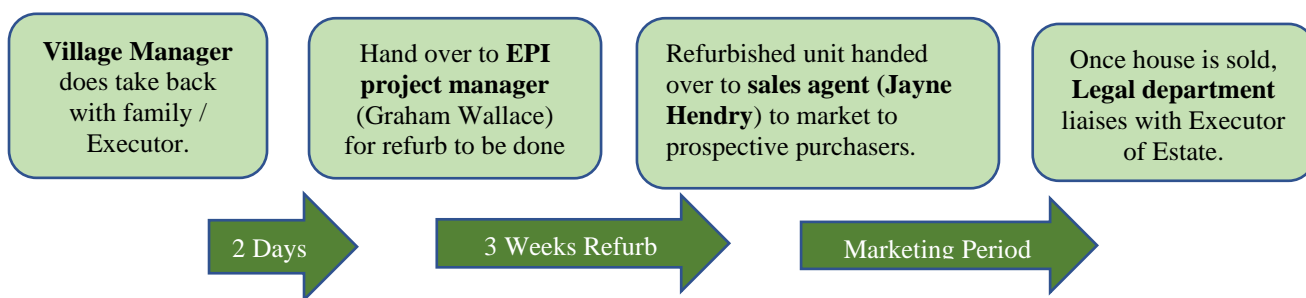
Recently Evergreen Management has fielded numerous questions pertaining to some practicalities around the Life Right Agreement and the interpretation thereof.

We have decided to put together some correspondence highlighting the high-level concerns or queries brought to our attention of late. Below, please find some frequently asked questions and answers that could assist in providing clarity on these matters.

1. TERMINATION AND REFURBISHMENT

1.1. How is the termination of a life right in the event of the death of a life right holder dealt with by Management?

- Once the unit has been emptied by either family or the Executor of the Estate, a take back form is completed and the unit is handed back to the Village Manager.
- The unit is then handed over to the Evergreen's project manager, Graham Wallace for refurbishment who will ensure that it is refurbished to return the unit to a saleable condition. The refurbishment process takes approximately three weeks after the unit has been vacated and cleared. The time frame depends on the amount of work that needs to be completed.
- Once the refurbishment of the unit is completed the unit is then marketed for re-sale. Jayne Hendry is the sales agent; she facilitates the viewing and the sales process to prospective purchasers.
- Once sold, the legal team will liaise with Executor or Estate for payment of the Refund to be effected.



1.2. How is the elective termination dealt with by Evergreen?

- Resident is required to give three calendar months' notice of termination as per LRA.
- A prescribed Termination Notice need to be delivered to Village Manager.
- The Village Manager will inform ELV Managing Director as well as the Head of Legal and Sales Director.
- Once the resident/s have vacated the unit, the same process as described in item 1.1 above is followed.

1.3. How is the selling price at which a unit is marketed determined?

- The list price is established through a process of a market valuation.
- The sales team embark on a process of investigating the surrounding property market to determine what the values are for comparative properties in the area.
- These list prices are updated bi-annually.
- The vacant units that are available for re-sale are published on a price list for prospective purchasers.

1.4. How is the final payout to the Life Right Holder (“LRH”) calculated and when is it paid?

- Details of how the payout to the LRH is calculated is stipulated in each life right agreement (“LRA”) as agreed at the time of the purchase.
- Notably there are various different agreements that stipulate very specifically how this amount will be calculated.
- All LRA’s will have 5% sales commission deducted and refurbishment costs.
- Some LRA’s cap these costs and some don’t, please refer to your specific LRA
- The LRH will be paid once the life right is sold to a new purchaser and payment has been made to the attorneys’ trust account.

1.5. How long does the liability for levies last after surrender of a LR?

- Generally, the LRH will be liable for rates and levies until such time the unit is sold.
- Some of the earlier versions of the LRA’s specified a 3 months cap on this.
- Most LRA’s however do not cap the months.
- Please refer to your individual LRA.

1.6. How is the cost of refurbishment of a unit determined?

- This includes all costs associated to returning the unit to a saleable condition. Generally, this includes but is not limited to, painting out of the inside of the house, restoring of flooring and of any other damages inside the unit. As a standard, all carpets are first steam cleaned to determine whether or not they need replacement or if cleaning will suffice. Thus, the cost of returning the unit to a similar condition that it was in when it was purchased by the Life Right Holder.
- Any variation done to the unit will be inspected to determine its condition. Should the condition still be good and it would enhance the overall appearance of a unit, it will be left. For example, an awning that was installed that is still in good condition or an air-conditioner that is still in good working order. Should the condition not be good, the enhancement will be removed. I.e., Torn awnings will be taken down and broken and or rusted air-conditioner will be discarded. The Estate Executor will be contacted and informed about the decision and should they want to collect these items they are welcome to. Should they decide to not collect these items they are discarded of. Variations done such as built-in bookshelves or counters will be removed to return the unit back to original standard.
- “Fair wear and tear” will be determined by Evergreen’s project manager that has experience in this area. It is in the best interest of the life right holder that the unit is in excellent condition to ensure that it is desirable for potential purchasers in order to speed up the sales process. The sooner the unit is

sold, the sooner the funds will be received and the sooner it can be disbursed to the outgoing life right holder.

1.7. What is the process of consultation on the removal or otherwise of enhancements to the unit?

- Executor of estate is contacted by Village Manager and informed when there is removal of enhancements and items are handed over to them.
- Should the Executor advise that these items are not wanted, same will be discarded.

1.8. Is a prospective buyer given the opportunity to see the property prior to the refurbishments and, if so, are their wishes to retain the enhancements taken into account?

- No, as this slows down the resale process that ultimately delays the outgoing life right holders refund being disbursed.
- Refurbishment is often completed prior to the first prospective purchaser comes for a viewing.

2. EVERGREEN HEALTH

2.1. What are residents receiving in exchange for the monthly payment of Evergreen Health, particularly in light of provisions in some LRAs that state that some of the services now being rendered on a fee for service basis, would be provided free?

- For clarity, there are no LRH's who are entitled to receive free services from Evergreen Health in terms of their LRA.
- The Village pays Evergreen Health a monthly availability fee to ensure that the services is available to all residents at all times. This is an availability fee only. Thus, should you make use of the services, you will be billed for the services which you choose to make use of.
- The availability fee charged by Evergreen Health is of a similar business model as the availability fee charged by Reef Caterers. The catering consumed is also billed to residents.
- The Healthcare fee will be reviewed annually when the budget is compiled.

3. BISTRO

3.1. Why is there no catering available on weekends except for the odd Sunday lunch?

- Because there is insufficient demand and support from residents to justify it.
- In order to have the Bistro open on weekends, the Bistro needs to generate enough income to offset the cost of having additional staff on site on a Saturday and Sunday.
- The monthly availability fee does not include weekends and should residents want the bistro open over weekends it will increase this cost.
- The catering fee will be reviewed annually when the budget is compiled.

Yours Sincerely,

WILMA SWART

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