Key Points, What You Need to Know

As with the majority of retirement villages, Lisle Villages charge a deferred management fee. The Deferred Management Fee (DMF) is the traditional contract model for buying into a retirement village. A DMF contract is a great choice if you are looking to make the most out of your retirement now by paying part of the costs when you move out and saving money up front.

THE UPFRONT COSTS

The purchase price or "Ingoing Contribution" is the current market value of the residence. No stamp duty is payable under current legislation.

THE ONGOING COSTS

Each residence contributes a proportion of the village operating costs of staffing the village, providing facilities and services, and maintaining the properties and villages. When you compare this fee to what you are paying now on rates, water, home maintenance and gardening you will probably be paying an equal amount. Our current monthly operating fee includes council rates and water rates/consumption.

THE OUTGOING COSTS

This is payable when you leave the village. You will receive the amount of the new resident's Ingoing Contribution less any costs you may be liable for under your Lease such as:

• Deferred Management Fee

This fee pays for your exclusive occupancy of the Residence and for your shared use of the common amenities, common areas, the management of the village and in general to uphold the retirement village lifestyle upon which the village was founded. This is calculated on your length of stay at the village.

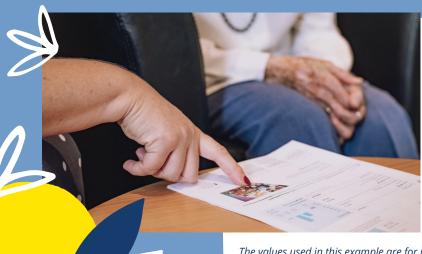
• Capital Improvement Fund Contribution
Covers the cost of maintenance and repairs to,
renovations of and capital replacements in the
common areas, communal amenities and your home.
This contribution is also calculated on your length of
stay at the village.

• Refurbishment Costs

These are costs paid by the outgoing resident to cover such as internal painting and carpet replacement in order to bring the home up to a marketable standard to achieve the best possible selling price.

Marketing Expenses

These are fees associated with re-leasing your home including real estate commission and advertising.



AN EXAMPLE OF OUTGOING COSTS

We have provided an example of all outgoing costs for a home costing \$300,000. We have used the same increase in value figure of 2% as used in the example under the Form 1, Retirement Villages Act 1992.

Total estimated refund entitlement (what you will get back)	\$226,733
Total deductions	-\$138,965
Marketing Expenses (based on 3% of estimated valuation)	\$10,971
Estimated refurbishment costs (based on 5% of estimated valuation)	\$18,285
Sinking Fund Fee (1% per year for 5 years = 5% of the estimated valuation)	\$18,285
Deferred Management Fee (5% per year for 5 years = 25% of the estimated valuation)	\$91,424
Your length of stay	10 years
Estimated valuation (sales price after 10 years at 2% growth per annum)	\$365,698
Ingoing Contribution (price you paid)	\$300,000

The values used in this example are for illustrative purposes only and do not guarantee a specific entitlement to a refund. Additional deductions may apply for amounts such as unpaid monthly operating fees.