

# **ENJOY YOUR RETIREMENT**

## **If You Are Making A Lifestyle Change**

### **Consider The Benefits Of GRANDVIEW VILLA**

The Grandview Villa will be a place where your neighbors will truly become your friends. The biggest attraction of all in Non-Profit Life Lease projects is that sense of community, harmony and fellowship with neighbors. It is like living the “old” way, courteous neighbors, the young and the not-so-young alike, looking out for each other, caring, a warm and friendly smile in the morning, sharing a cup of coffee and conversation, playing cards, celebrating life, making and enjoying new friends, all the while being assured that individual privacy is respected. Unlike a condominium set up, the Board of the Grandview Villa life lease has control over who will stay in the project.

By enjoying the proposed project’s large multi-purpose room, you will certainly not feel “cooped-up in an apartment”. You could well join or even be the one to form an exercise group up there also. For the handy men, do not feel that you have to stop. There is an area on the first level of the building where a workshop could be organized if so desired. Your prized equipment does not have to be parted with. For those who currently enjoy their garden, the Villa’s professionally landscaped grounds will provide plenty opportunity for tenant involvement if so desired. The use of this building and its grounds will evolve in relation to its life lease tenants.

The Villa’s building design and safety features will provide its tenants with the security to take a trip and not have to be concerned about leaving their residence uninhabited. In the event that you or your spouse might become ill or even hospitalized, the other partner would not have to be concerned about maintenance as the project provides for an unparalleled maintenance service. The Board comprising of tenants will set the policies for this Villa. You could be part of this board if you wish. Everyone will have their fair say and everything shall be decided upon in a respectable democratic manner as far as policies go. Tenants will elect directors to serve on the Board.

The chosen location is a quiet area free of through (or undesired) traffic. Woods Drive is not a thoroughfare. The Project will be close to the new shopping mall that is presently being built. Tim Horton’s is within walking distance. The Project is also close to the Trans Canada Hwy without being on it. The parcel of land is located on a high promontory lending grand views in all directions. Your new home will only be 4.2km to the hospital, 2.8km to the Post office and 2.3km to the rec center and senior’s fitness center. The Anacinabe Park and beach is a short 1km, Devils Gap Marina is approximately 4km and it is only about a 3 minute walk to the current bus service.

Because the Grandview Villa project is being built by tenants for tenants on a not-for-profit basis, its construction is entirely dependent on the commitment of its future tenants. Without demonstrating that commitment the Project cannot proceed.

From the amount of interest we have received since we began in May 2003, we are convinced that there are enough people who would like to move into the completed Grandview Villa project. However many folks are in the “wait and see” mode.

Whether your decision thus far is, YES , or NO, or MAYBE, here are some things to consider.

- (1) **Construction Commencement:** Our projected goal to begin construction this spring / 2004 is still a possibility. However at this time we need more people willing to commit to the project by entering into the life lease and commitment agreement.
- (2) **Lifestyle Change:** It is natural for our life-styles to change as we get into retirement living. Priorities change. We want more time for leisure and pleasure. Home ownership can be demanding of our time, energy, as well as our finances. Combined with Camp ownership it can become overwhelming to maintain both places. Non Profit Life Lease apartment living reduces those responsibilities considerably. And don't discount the fact that your Camp may become your PRIMARY RESIDENCE, which may not be taxable.
- (3) **Consider the Responsibilities of Home Ownership:** The value of your Capital investment is determined upon RESALE. Resale is dependant on a well-maintained dwelling and on Market demands. Maintenance costs are never-ending. Consider the total amount you've spent in your home over the past couple of years. How would that calculate annually? Monthly? (See enclosed sheet for comparing your home costs to those in this non-profit life lease). Nothing can truly compare with owning your own home, especially during the raising of family years. It is difficult to change this part of your life. There is however a TIME for everything. If it is time for you to make a "life style" change we encourage you to seriously consider what the Grandview Villa has to offer.
- (4) **Consider ALL that is INCLUDED in the Grandview Villa RENT:**
  - One fully enclosed Parking Stall;
  - Heat, Light, Gas, Sewer, Water;
  - Property Taxes, G. S. T;
  - Maintenance of Building, Grounds, Suite, Appliances & Finishes;
  - Fire-Safety and Security systems;
  - Supplied, Repaired & Replaced Fridge, Stove, Washer & Dryer;
  - Caretaking (grounds and common spaces);
  - Management and Administration Costs;
  - Building and Liability Insurance (tenants responsible for suite contents);
  - Mortgage payments;
  - Capital Replacement, Vacancy, & Contingency reserves;
  
  - Not Included: Telephone & Cable T.V.

Use the attached "Cost Comparison Sheet" for your convenience.

- (5) **What does it mean to COMMIT at this stage?** Committing at this point means that the Tenant is committing to provide the minimum entrance fee amount and to take possession of the suite upon occupancy provided that the

Non Profit Sponsor completes the project as described within the time frames described. The sponsor depends upon sufficient commitment from the tenants at this point to allow the sponsor to complete the work required to secure the construction financing and the long term financing (mortgage).

- (6) **What happens if the project does NOT proceed after I've committed?** If the project fails to proceed to construction in accordance with conditions outlined in the Life Lease and Commitment Agreement, after you have made your commitment, you will receive your letter of credit and deposit back 100%.
- (7) **Why shouldn't I wait until construction begins before I make my commitment?** Two reasons. One, if too many people decide to wait until construction starts before committing, the sponsor may not be able to demonstrate to the lenders that it has sufficient commitment to start construction – result – the project dies. Two, the longer I wait the more likely my chance of getting the suite I desire diminishes. History shows that once non-profit life leases are spoken for, suite “turn-over” is extremely slow. For example in Acorn's experience suite “turn-over” in non-profit life leases is approximately 0.5%. Our sister project Southward Villa has seen only 5 suites turn over in the past 7 years.
- (8) **What happens if I change my mind after I've committed?** This is a situation that happens fairly often either through “buyers remorse” or through a “change in circumstances” due to health and/or death after the commitment has been made. Once a tenant signs the Life Lease and Commitment Agreement they are duly bound to deposit the minimum entrance fee by way of a letter of credit, money order, cash or certified check. Once a commitment has been made the tenant is given seven days as a “cool off” period during which time they can withdraw due to “buyers remorse”. If the project proceeds to construction commencement, after the “cool off” period has expired and before occupancy, the tenant has no legal rights to withdraw from the project (with the exception of death or paneling to a personal care home). After possession any tenant can give notice to vacate and receive their entrance fee back within the conditions of the lease. If a tenant's circumstances change during the construction period and the tenant wishes to withdraw, the sponsor has the option to replace the tenant with a new tenant from the waiting list. This action is not uncommon. This action is at the sole discretion of the sponsor.
- (9) **Can I sell my Life Lease?** You cannot sell your Grandview Villa life lease. However you can assign your lease (with approval of the board). Unlike many other forms of housing, Non Profit Life Lease projects like the Grandview Villa become more and more desirable as they age. Take for instance St. Michael's Villa in Winnipeg. When St. Michael's opened in 1988 the minimum entrance fee for a two-bedroom suite of 1,100 sq.ft. was \$20,000 and the rent was \$681/mth. In 2004 (12 years later) the minimum entrance fee is still \$20,000 and the rent has increased by only \$46/mth to \$727/mth. St. Michael's Villa looks as “brand spanking new” as it did on

opening day (visits can be arranged)! The assignment allows life lease tenants (with Board approval) to pass on the life lease to an eligible family member. The “stability” ensures long-term viability for the project.

The “Manitoba Life Lease Model” (used by the Grandview Villa) is very different from the most common of the five “Ontario Life Lease Models”. In Ontario the most common Life Lease Model requires the Life Lease Tenant to “purchase” the Life Lease. The sponsor borrows only a construction loan and sells the suites (just like a condo) to the life lease tenants. In this way the sponsor of the project has no mortgage. In the most common Ontario life lease model it is the life lease tenant’s responsibility to resell the life lease on the open market when leaving. This can be a good experience and a bad experience.

Furthermore, the Manitoba Life Lease Model offers non-profit sponsors the option of administering a “second security fund” which fund can lower the monthly operating costs of the project (rent) and benefit from the non-taxable income status of the sponsor. This option would not be available if the life lease tenants owned their suites (see information brochure for details on the second security fund option).

Another very important point to consider is this; the majority of people moving out of a life lease project are doing so due to a health situation and/or in the event of a death. At this time the elimination of the need to sell your apartment and associated stress can be a great relief. The flexibility afforded by the Grandview Villa life lease (i.e. give notice) is a great advantage.



Make Friends



Live in a beautiful new home



# Cost Comparison

## GRANDVIEW VILLA

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In order to assist you to make a good comparison between monthly operating costs of a sample NON PROFIT Life Lease Project, and your current monthly operating costs, we have provided the following itemized cost breakdown for your consideration.

COST OF A LIFE LEASE PROJECT	MY CURRENT COST PER MTH:	LIFE LEASE COST PER MTH:
1. Mortgage payment or Rent:	_____	Included
2. Home/Condo owner Equity Cost ( <i>est. 6% of home equity amount</i> ):	_____	Included
3. Property Taxes:	_____	Included
4. Insurance ( <i>not household contents</i> ):	_____	Included
5. Gas:	_____	Included
6. Water & Sewer:	_____	Included
7. Hydro:	_____	Included
8. Building Repairs ( <i>inside &amp; out</i> ):	_____	Included
9. Appliance Repairs:	_____	Included
10. Grounds upkeep:	_____	Included
11. Fire Safety Systems:	_____	Included
12. Major Replacement & Repairs:	_____	Included
13. Administration & Management:	_____	Included
14. Amenity Space:	_____	Included
<b>■ Monthly Total:</b>	_____	_____

Note: Regarding Point 2) above, estimate the current value of the equity in your home e.g. \$100,000.

Estimate an interest rate (for example 6%) if that money was in an investment.

In this example, \$100,000 @ 6% would earn \$6,000/year or \$500/mth.

In this case, having \$100,000 in equity in homeownership is a "cost" to you of \$500/mth in income you would otherwise earn. Home/condo owners when making a comparison of monthly costs should consider this cost.