

TOUCHMARK RESIDENCY DEPOSIT PLAN INFORMATION

Are the services the same with a traditional rental plan and deposit plan rental?

Generally speaking, yes, the level of service is the same with both plans. Each month residents pay a monthly service fee that includes rent on the home plus food, utilities, basic cable, meals, access to common areas, and community services. These plans may vary slightly depending on your local market.

How does the deposit plan reduce monthly costs?

Touchmark provides a 6%, tax-free rate of return on the value of all residency deposits collected. The 6% return is provided in the form of a deposit plan credit. Here is an example of how it works on a home with a monthly service fee of \$5,000.

Residency deposit amount	\$400,000
Tax-free rate of return	x 6%
Annual deposit plan credit	\$24,000
	÷ 12
Monthly deposit plan credit	\$2,000

The monthly deposit plan credit is reflected on a resident's statement each month as a discount off of the monthly service fee as shown in the following example, which assumes a monthly service fee of \$5,000:

Monthly service fee	\$5,000
Deposit plan credit	(\$2,000)
Total amount due	\$3,000

The deposit plan return is no different than the interest that a bank pays to a customer for money deposited in a savings account. Unlike a bank, though, Touchmark guarantees the return and rate contractually. It will never vary as long as the resident occupies the home.

Is a six-percent return good?

A 6% return is excellent in today's market. Many comparable low-risk investments pay a return that ranges from 3% for seven-year treasury bonds to 2% for certificates of deposit. In addition, the returns earned on most investments are taxed as ordinary income, whereas Touchmark's is not, making the return paid by Touchmark even more attractive.

Will my monthly service fee rate change?

In most years, yes. On average, residents can expect a 5-6% rate increase which is applied to the monthly service fee amount. To plan for these rate changes, we encourage all residents to consult with their personal accounting and legal advisors.

What is Touchmark's track record with residency deposits?

Touchmark has been offering residency deposit plans for more than 25 years with great success. The concept allows residents who want to put their home equity to work to lower the monthly cost to live in a Touchmark community. For more details about the plan, please contact a Touchmark retirement counselor.