



CERC/CEHL
AGREEMENT
(CCA)

TABLE OF CONTENTS

<u>CLAUSE</u>	<u>PAGE</u>
AGREEMENT	2
RECITALS	3
1 Definitions	4-5
2 Premises	6
3 Term	6
4A Tenant Rent – Rent Payable by the Tenants to the Co-operative	6
4B Company Rent – Rent Payable by the Co-operative to the Company	7
5 Rent Review	7
6 Service of Notices	7
7 Dispute Resolution	8
8 Obligations of the Co-operative	8-10
9 Obligations of the Company	10-11
10 Arrears Management	11
11 Rights of Entry	12
12 Notice by the Co-operative of a Breach by the Company	12
13 Notice by the Company of a Breach by the Co-operative	12-13
14 Non Payment of Company Rent by the Co-operative	13
15 Termination of this Agreement by the Co-operative	13
16 Termination of this Agreement by the Company	14
17 Cancellation of this Agreement	14
18 Periodic Review	14
19 Indemnities	15
20 Security of Tenure	15
21 Overholding of the Premises	15
22 Variation of the First Schedule of this Agreement by Mutual Consent	15
EXECUTION OF AGREEMENT	16

Attachments

FIRST SCHEDULE

SECOND SCHEDULE

THIRD SCHEDULE

AGREEMENT

This Agreement is made on the _____ day of _____ 20____

BETWEEN

COMMON EQUITY HOUSING LTD

Suite 17, 79-83 High St, Kew

(hereafter referred to as "The Company")

as owner, lessor, CERC Program Manager for the Common Equity Rental Housing Co-operative Program (CERC program) and service provider to Co-operatives

AND

**COMMON EQUITY RENTAL HOUSING
CO-OPERATIVE LTD**

(hereinafter referred to as "The Co-operative")

as shareholder of the Company, lessee and service recipient

RECITALS

Whereas the intention of the parties in making this Agreement is to define the mutual obligations, expectations, rights and responsibilities between the Co-operative and the Company in accordance to the International principles of Co-operation and the CERC Program Guidelines to honour and practice these principles, and to clarify:

- a) the contractual Agreement between the Company and its member Shareholder Co-operative with respect to the long-term leasing of premises and the minimum standards of service provision to the Co-operative by the Company;*
- b) that security of tenure is of paramount importance to both the Company and the Co-operative members and underlies the long-term nature of this Agreement;*
- c) that the Company and the Co-operative work together to further the interests of the Co-operative and the CERC Program;*
- d) that this Agreement presumes that:*
 - i) the Co-operative is meeting its obligations under the Co-operatives Act 1996 or any subsequent Act in a reasonable and timely manner; and*
 - ii) this Agreement presumes that the Company is meeting its obligations under the Corporations Act 2001 or any other subsequent Act in a reasonable and timely manner;*
- e) that the Company as the CERC Program Manager, requires the Co-operative to provide specific information so as to meet its contractual and legal obligations;*
- f) that in the interests of the CERC Program as a whole, the Company should have a right to investigate serious allegations of mismanagement by the Co-operative;*
- g) that the Company provide a minimum defined level of service delivery to its Shareholder Co-operative in an efficient and effective manner;*
- h) that best efforts will be made between the parties to this Agreement to resolve all disputes and avoid litigation;*
- i) that the Company and the Co-operative share responsibility and will consult in regard to the maintenance and asset management of the premises under this Agreement.*

IT IS AGREED:

1. DEFINITIONS

“Asset Inspection” is the process where the Company inspects each premises listed in the First Schedule of this Agreement within every 3 year period; provides a report setting out a 3 year projection of maintenance works, cost estimations and the responsible party for these works and their costs.

The “Company” means Common Equity Housing Ltd.

The “Co-operative” means Common Equity Rental Housing Co-operative Ltd. (CERC).

The “CERC Program” means Common Equity Rental Housing Co-operative Program.

“Shareholder” means each Co-operative in the CERC program given each owns a share in the Company - Common Equity Housing Ltd.

The “CERC and CEHL Program Guidelines” are a published set of policies and rules that have been either:

1. approved by the Shareholder CERCs of the Company, or
2. are required by the Director of Housing.

“Hand back” of premises is the process when a Co-operative hands a vacant premises back to the Company and it is removed from the First Schedule of this Agreement.

“Company Rent” is the rent payable by the Co-operative to the Company under this Agreement as listed in the First Schedule of this Agreement.

“Maximum Rent” is the uppermost rent that can be charged for a particular premises as listed in the First Schedule of this Agreement.

“Tenant” means tenant of the Co-operative.

The “Tenancy Agreement” is the contract between the Co-operative and the Tenant which sets out the obligations, rights and responsibilities of the Co-operative and the Tenant.

“Tenant Rent” is the rent paid by the Tenant to the Co-operative.

“Third Schedule Works” are those items specified in the Third Schedule of this Agreement.

“Additional Amenities” are and may include any of these items:

- Dishwasher
- Air Conditioner
- Hot tub / spa
- Swimming Pool

but do not include:

- Tastics
- Ceiling Fans
- Security Lighting

International Principles of Co-operation means:

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Co-operation among Co-operatives
7. Concern for Community

2. PREMISES

The Company lets to the Co-operative the premises as listed by address in the First Schedule to this Agreement (together with all fixtures, fittings and chattels in working order attaching to and belonging to the premises).

3. TERM

The term of this Agreement shall be for the period specified in the Second Schedule commencing and ending on the commencement date and termination date specified in the Second Schedule.

The Company acknowledges that the Co-operative will be entering into Tenancy Agreements with the Tenants of the Co-operative that:

- a) comply with the *Residential Tenancies Act* and;
- b) are in a form agreed to by the Company; and
- c) are for a term no greater than 5 years, with any options for renewal that total no longer than this Agreement less one day, including the original term of the tenancy agreement.

4A. TENANT RENT - RENT PAYABLE BY THE TENANTS TO THE CO-OPERATIVE

- a) The Maximum rent is a calculated levy to cover both the Co-operative's and the Company's operating costs, apportioned to each of the premises leased by the Company to the Co-operative.

The Co-operative's Operating Costs include:

- Council Rates
- Water Rates
- Cyclical Maintenance
- Ongoing Maintenance
- CERC Administration Levy
- Body Corporate Fees
- Vacancy & Bad Debts

The Company's Operating Costs include:

- Loan Repayment
- 3rd Schedule Works
- Company Administration Levy
- Property Insurance

- b) The Company and the Co-operative acknowledge to each other that dependent on the household income, a Tenant may be eligible for a reduced rent, called the Tenant Rent, in lieu of the Maximum Rent.

4B. COMPANY RENT - RENT PAYABLE BY THE CO-OPERATIVE TO THE COMPANY

- a) The Company Rent payable by the Co-operative at the commencement of this Agreement is set out in the First Schedule for each of the premises.
- b) The rent payable by the Co-operative to the Company is a calculated proportion of the Maximum Rent (between 58 – 63%) apportioned to each of the premises leased by the Company to the Co-operative to cover the Company's operating costs. The Co-operative retains the balance of the Maximum rent (between 37 – 42%).
- c) The Company and the Co-operative acknowledge to each other that any change to the system of determining Tenant, Company or Maximum Rent shall be in consultation with Shareholder Co-operatives and include a process of consultation with Co-operatives, in accordance with Clause 9 a), and where necessary the Office of Housing, and that:
 - i) the new Tenant Rent be no more than 25% of household income, and
 - ii) the initial Maximum Rent be at current dollar value until any new rent system is developed and agreed by the parties (Shareholder Co-operatives, the Company and the Office of Housing).

A consultative process is not required for any rent reviews under the current system as outlined in Clause 5.

5. RENT REVIEW

- a) All rents are subject to review to take effect from the first day of November each year, or such later date at the sole discretion of the Company.
- b) The review shall be calculated in accordance with the increase in the C.P.I. Subsequent to the review, the Company at its sole discretion may review the Maximum Rent and determine that a lesser amount shall be payable in lieu thereof. *For the purpose of this Agreement, "C.P.I." means the "Consumer Price Index: All groups Index Number: Weighted average of eight capital cities" published by the Australian Bureau of Statistics in respect of the 12 months to the 30th June immediately prior to the review date.*

In the event there is a change in the basis of assessment of the Consumer Price Index or its calculation has been suspended or discontinued, then the rent shall be that determined by mutual agreement between the parties and in default of agreement in accordance with Clause 7 of this Agreement.

- c) The Company must give 120 days written notice of any rent increase.

6. SERVICE OF NOTICES

Any notice required or authorised by this Agreement shall be sufficiently served on either the Company or the Co-operative respectively if addressed to the Company or the Co-operative and left at or sent to its registered office for the time being or the last known mailing address of either the Company or the Co-operative, as the case may be. Where a notice is posted by prepaid post to the Co-operative it shall be deemed to have been received by the Co-operative 5 working days after the date on which it was so posted.

Either party shall notify the other in writing within 10 working days of any change of address of its registered office or any change of its mailing address.

7. DISPUTE RESOLUTION

The Company and the Co-operative will make every attempt to negotiate a settlement of disputes in relation to this Agreement:

- Stage 1** The Company and the Co-operative will use their best endeavours to reach a solution. If no resolution is reached, then
- Stage 2** the Managing Director of the Company to meet with Directors of the Co-operative to resolve the dispute. If no resolution is reached, then
- Stage 3** the dispute is referred to an independent and agreed mediator, with both parties agreeing to assist the mediator to reach an acceptable solution. In the absence of an agreement as to the mediator to be appointed, a mediator will be appointed by the Law Institute of Victoria. If no resolution is reached then,
- Stage 4** the dispute is referred to an arbitrator, appointed by the Law Institute of Victoria. The decision of the arbitrator is final and binding on both parties. The arbitrator will make an order with respect to costs. A party may only appeal the decision of the arbitrator on a matter of law to a competent court.

The Company shall bear all costs attempting to reach a resolution up to and including Stage 3.

It is acknowledged between the parties that during stages 1 to 3, the parties will try to resolve the dispute between themselves without recourse to legal representation.

8. OBLIGATIONS OF THE CO-OPERATIVE

The Co-operative shall:-

a) Use of Premises

- i) Use the premises solely for the purpose of providing residential accommodation to the members of the Co-operative and, with the approval of the Company, to any other persons;
- ii) provide all Tenants who are to occupy the premises with the Tenancy Agreement in a standard form and a premises Condition Report in a standard form or in some other form acceptable to the Company. The Co-operative will also provide all other necessary documentation under the *Residential Tenancies Act* to the Tenants;
- iii) not use the premises or permit them to be used in any manner that is dangerous, noisy, illegal or cause a nuisance;
- iv) not assign, sublet or part with possession of the premises or any part thereof to any person other than a member of the Co-operative without the approval of the Company.

b) Payments

- i) Pay the Company Rent;
- ii) pay all municipal, water, body corporate fees, sewerage and drainage rates or levies in respect of all the premises listed in the First Schedule for the term of this Agreement and any period of overholding.

c) Maintenance

- i) Conduct not less frequently than once each year an inspection of the premises;
- ii) maintain the premises in good order and condition and in a fit state for habitation subject to the Company's obligations pursuant to clauses 9e) and 9g) of this Agreement. The Co-operative shall notify the Company in writing as quickly as practicable and in any event within 14 days of becoming aware of such circumstances specifying any items the Company is required to repair pursuant to Clauses 9e) and 9g) of this Agreement;
- iii) not make any renovation, alteration or addition to the premises, demolish any part of the premises, install any fixture or erect any new buildings on the premises without the previous written consent of the Company whose consent will be conditional on the Co-operative obtaining all relevant permits at the Co-operative's cost and expense and ensuring that the work is completed according to all applicable building standards and in conformity with all regulations;
- iv) make good at the Co-operative's cost and expense any structural damage occasioned to the premises as a result of the Co-operative's failure to carry out its obligations pursuant to this Agreement or pursuant to the Tenancy Agreement.
- v) repair and make good at the Co-operative's cost and expense any damage to the premises resulting from neglect or any deliberate or careless act by the Co-operative, or by the Tenant or by any person who is on the premises with the consent of the Co-operative or with the consent of the Tenant;
- vi) notify the Company immediately of any structural or malicious damage to the premises or any damage likely to render the premises unfit or unsafe for habitation as soon as the Co-operative becomes aware of such damage. Such notice shall be in writing or confirmed in writing as soon as possible thereafter.

d) Reports

- i) Provide within 28 days of being requested by the Company to do so, information required by the Office of Housing, other government or statutory authorities or financiers in order for the Company to be able to meet its legal and contractual obligations;
- ii) provide within 28 days of being requested by the Company to do so, summary of the information in relation to the occupancy and the profile of Tenants by completing a form prescribed by the Company for each household occupying the premises;
- iii) advise the Company within 14 days if the premises are vacant for a period of at least 45 days (or any other period notified) to enable the Company to meet its insurance coverage obligations;
- iv) provide a copy of the annual audited financial statement to the Company within 28 days of conducting the Co-operative's Annual General Meeting. The report is to detail all income including Tenant rents collected from premises, rebates and other income and expenditure including but not limited to the following categories: -
 - maintenance
 - payments to the Company
 - rates and charges
 - administration costs
 - bad debts
 - insurance – including Director's Liability Insurance.

e) General

- i) In respect of the premises, charge the Tenant the Tenant Rent as specified by the Company. Provided that in respect of each review of the Tenant Rent if the Co-operative disputes the amount of the Tenant Rent, (or any component thereof) and desires to charge the Tenant a Tenant Rent not being equal to the Tenant Rent specified by the Company, the Co-operative must first obtain the prior written approval of the Company and the onus of proving that the Co-operative should not be obliged to charge the Tenant the Tenant Rent determined by the Company shall rest on the Co-operative;
- ii) return the premises to the Company in the condition they were at the commencement of this Agreement, fair wear and tear excepted;
- iii) promptly exercise its rights and duties as a landlord under the Tenancy Agreement;
- iv) observe the requirements of the CERC and CEHL Program Guidelines as amended from time to time by agreement between the Co-operatives and the Company or required by the regulations of the Director of Housing.

9. OBLIGATIONS OF THE COMPANY

The Company shall:-

- a) commit to consultation with its Shareholder CERCs as an essential part of its decision making process particularly when there is a change of fundamental importance. Such changes include but are not restricted to:
 - i) any new system of determining the Company, Tenant and Maximum rents;
 - ii) changes to the CERC and CEHL Program Guidelines;
 - iii) Program funding options; and
 - iv) changes affecting Co-operative, Company or Program viability;
- b) ensure the transparency of decision-making and reporting of operations by providing to each CERC, as Shareholder, the following:
 - i) access to monthly Board Minutes and monthly Financial Statements;
 - ii) a quarterly Board Report of major changes and topical issues;
 - iii) the Company's Annual Report to Shareholders;
- c) ensure that the premises are in a reasonably clean and tenantable condition on handover to the Co-operative under this Agreement;
- d) not interfere with the right of the Co-operative's Tenants to quiet enjoyment of the premises;
- e) maintain the premises in good order and condition and in a fit state for habitation (fair wear and tear excepted) in relation to the items specified in the Third Schedule attached hereto save and except where the maintenance is required by reason of the Co-operative failing to comply with its obligations under Clauses 8 c) iv), v), vi) of this Agreement;
- f) pay for insuring the premises as listed in the First Schedule, including the insurance component of any applicable Body Corporate Fees;

- g) repair and make good any damage to the premises resulting from the neglect or any deliberate or careless act by the Company, or any person on the premises with the consent of the Company other than the Tenant;
- h) complete an asset inspection every three years and then provide:
 - i.) a report to the Co-operative within 2 months of completing the asset inspection which report is to include any identified Third Schedule maintenance work and indicative timeframes for when the work will be completed; and
 - ii.) a replacement First Schedule documenting any additions or removal of additional amenity items for any premises listed in the First Schedule.
- i) complete the Third Schedule Works items identified in the report as near as practicable to the indicative timeframes set out in the report;
- j) ensure reasonable funds are available to meet Third Schedule maintenance and obligations;
- k) make staff from the Company available upon request to attend at least once each year either a Directors meeting or a General meeting of the Co-operative;
- l) provide to the Co-operative timely assistance, advice, resource material and/or relevant training following queries from the Co-operative relating to but not limited to the following matters:
 - maintenance and upkeep of the premises,
 - matters related to tenancy management and the Residential *Tenancies Act*,
 - financial systems and record keeping, and
 - rights and responsibilities as defined under the *Co-operatives Act*.
- k) make rebate payments to the Co-operative within the earlier of -
 - i) 60 working days of receiving a rebate claim from the Co-operative under this Agreement, or
 - ii) 5 working days from the receipt of rent rebate funds from the Office of Housing, and for this purpose the Company shall use its best efforts to expedite the payment of rent rebate funds from the Office of Housing;
- l) make other payments due to the Co-operative within 14 days of receiving appropriate invoice or statement from the Co-operative.

10. ARREARS MANAGEMENT

- a) When a Tenant falls more than 21 days in arrears of Tenant Rent owing pursuant to his/her Tenancy Agreement, the Co-operative must notify the Company of such in writing within 14 days.
- b) Within 7 days of receiving the notice the Company will discuss with the Co-operative and then provide in writing to the Co-operative a proposed strategy to recover outstanding arrears.
- c) If the recovery process is unsuccessful and a Tenant is in arrears of more than 60 days the Company may issue a written notice to the Co-operative requiring it to terminate the Tenancy Agreement in respect of the relevant premises.
- d) The Co-operative shall provide the Company with a half-yearly Tenant Rent Arrears report as at the end of March and September no later than 30th April and 31st October respectively and at any other time when the Company has reasonable grounds to believe Tenant rent arrears are not being managed satisfactorily.

11. RIGHTS OF ENTRY

- a) The Co-operative shall, within 21 days after receiving written notification from the Company to that effect, permit the Company and/or its authorised agents to enter and view the premises. In addition the Co-operative shall also permit, without written notice, the Company and or its authorised agents to enter the premises at a reasonable time or times in order to enable the Company to carry out the Company's obligation under 9e) and 9g) of this Agreement.
- b) If the Company receives a written complaint alleging improper practices of a serious nature within the Co-operative in relation to the *Co-operatives Act* or the CERC Program Guidelines from a current member of the Co-operative, a statutory officer, registered auditor or legal authority, the Company shall call for a meeting of the Directors of the Co-operative upon giving the Co-operative 14 days notice to the Directors of the Co-operative to that effect and the Co-operative agrees to allow representatives of the Company to attend the meeting.

12. NOTICE BY THE CO-OPERATIVE OF A BREACH BY THE COMPANY

- a) The Co-operative may serve written notice on the Company if it considers that the Company is in breach of any terms of this Agreement.
- b) The notice must specify the breach and how to remedy the breach or make compensation.
- c) If after 14 days from receiving the notice, the Company does not dispute what is contained in the notice and does not remedy the breach, the Managing Director of the Company must meet with the Co-operative to discuss the breach and the possible remedies.
- d) If the matter remains unresolved 7 days after this meeting, the Co-operative may make a formal submission to the Board of the Company and the Board of the Company must provide a written response to the Co-operative within 30 days of receiving the submission from the Co-operative. In addition the Directors and/or Members of the Co-operative may communicate directly with the members of the Board of the Company.
- e) If following a written response from the Board of the Company, the Co-operative is not satisfied that an appropriate remedy is in place then it may invoke the dispute procedures commencing at Stage 3 of Clause 7 of this Agreement.

13. NOTICE BY THE COMPANY OF A BREACH BY THE CO-OPERATIVE

- a) Except where the Co-operative is in breach of the Agreement by its failure to pay the Company rent (which is dealt with under clause 14 of this Agreement) the Company may serve written notice on the Co-operative if it considers that the Co-operative is in breach of any terms of this Agreement.
- b) The notice must specify the breach and how to remedy or compensate the Company for any loss it has suffered as a result of the breach.

- c) If after 28 days from receiving the notice, the Co-operative does not remedy the breach to the satisfaction of the Company, the Company may serve a notice on the Directors of the Co-operative requiring them to meet with the Company's Managing Director on a date not earlier than 21 days after the service of the notice to discuss possible remedies of the breach and the Directors of the Co-operative must meet on the date specified in the notice with the Managing Director of the Company for this purpose.
- d) If the Directors of the Co-operative fail to meet with the Managing Director of the Company on the date specified in the notice or if after 14 days from the date of the meeting the Company is not satisfied with the Co-operative's response to the breach set out in the notice, the Company may invoke the dispute procedures commencing at Stage 3 of Clause 7 of this Agreement.

14. NON PAYMENT OF COMPANY RENT BY THE CO-OPERATIVE

- a) If the Company Rent or any part of it shall remain unpaid after 14 days from the due date for payment, the Company may issue a written notice to the Co-operative requiring the Co-operative to make payment in full within 14 days.
- b) If following this notice the Co-operative has not paid the rent or entered into an arrangement with the Company to pay the rent or any part of it remains unpaid after 60 days from the due date for payment then the Company may by written notice to the Co-operative terminate this Agreement and assume the landlord's rights of the Co-operative in relation to the Tenants occupying the premises.

15. TERMINATION OF THIS AGREEMENT BY THE CO-OPERATIVE

- a) The Co-operative may remove a premises from the First Schedule of this Agreement by giving written notice to that effect to the Company effective from the date of the service of the notice other than where the Co-operative is in default under Clause 8c) of this Agreement or where the Tenant is in default under the Tenancy Agreement where circumstances render the premises destroyed totally or to the extent that they are unsafe, or unfit for human habitation.
- b) In all other cases, where the Company has failed to meet its other obligations under Clauses 9 c), d), e) and g) of this Agreement then the Co-operative may give written notice to the Company specifying the default and requiring the Company to remedy the default or where the default is not capable of remedy make compensation in money for the default within 28 days. If at the expiry of 28 days, the Company has not remedied the default (or where the default is not capable of a remedy make compensation in money for the default) then the Co-operative may give the Company notice of its intention to hand back the premises on the date specified in the notice which is to be not less than 28 days from the service of the notice.
- c) If the Company defaults under clause 15b) for the third time, after having previously twice remedied the same default, the Co-operative is not required to give a third 28 days notice to the Company to remedy the default but may give the Company notice of its intention to hand back the premises to the Company on a date which is not less than 28 days from the service of the notice.
- d) The Co-operative may terminate this Agreement by providing 6 months written notice of intention to terminate to the Company, where the Co-operative has voted to no longer continue to operate as a Co-operative. It is the Co-operative's responsibility to serve appropriate notices to vacate on all Tenants and return the premises to the Company with vacant possession, unless other arrangements have been negotiated between the Co-operative and the Company.

16. TERMINATION OF THIS AGREEMENT BY THE COMPANY

- a) The Company may terminate this Agreement in accordance with Clause 14 of this Agreement.
- b) The Company may remove any of the premises listed in the First Schedule from this Agreement by giving written notice to the Co-operative effective from the date of the service of the notice where the premises has been destroyed totally or to the extent that they are unsafe, or where any Statutory Authority deems the premises unfit for human habitation, whereupon this Agreement shall be read and be construed as no longer applying to the premises so removed.
- c) Where the Co-operative has otherwise failed to carry out its obligations set out in Clause 8 of this Agreement, and the Company has followed processes set out in Clause 13 of this Agreement and the matter remains unresolved, then the Company may give the Co-operative notice that it is terminating the lease for any or all of the premises listed in the First Schedule on the date specified in the notice which is not to be less than 28 days from the date of the service of the notice and the First Schedule of this Agreement shall be deemed to have been accordingly amended. The notice shall be deemed to be withdrawn where the Co-operative remedies the default or makes compensation in money for the breach (as the case may be) prior to the expiry of the period specified in the notice for the termination of the lease.
- d) If the Co-operative defaults under Clause 16 (c) of this Agreement for a second time, the Company will notify each member of the Co-operative of the breach and organize a meeting with all members with a view to rectifying the breach.
- e) If the Co-operative defaults under Clause 16 (c) of this Agreement for the third time, after having previously twice remedied the same default, the Company may give the Co-operative notice of its intention to remove any one or more or all of the premises from the First Schedule of this Agreement on a date which is not less than 28 days after the service of the notice regardless of whether if the Co-operative remedies the default to the satisfaction of the Company and the First Schedule of this Agreement shall be deemed to have been accordingly amended.

17. CANCELLATION OF THIS AGREEMENT

In the event that this Agreement is terminated by either the Company or the Co-operative, the Company shall inform all Tenants within 7 days of such termination. Upon such termination all of the Tenants shall then become the Tenants of the Company in respect of the relevant premises on the same terms so far as applicable as the terms of the Tenancy Agreement and the Co-operative shall if requested by the Company assign its interest in the Tenancy Agreement to the Company.

18. PERIODIC REVIEW

Within every 6 years of operation of this Agreement, the Company and the Co-operative will undertake a formal review process to ensure that the terms, obligations and intent of this Agreement are being satisfactorily performed by the parties.

This review will be conducted in a manner and form agreed by the parties and will undertake to review, but not limited to, the following matters:

- Compliance with this Agreement
- Upkeep of the premises by both the Company and the Co-operative
- Service provisions by the Company
- Tenancy management by the Co-operative
- Financial performance of both parties
- Obligations under the *Co-operatives Act* and all other relevant Acts

and in the absence of either party agreeing to the conduct of the review, either party may initiate a dispute process in accordance with Clause 7 of this Agreement.

19. INDEMNITIES

- i) The Co-operative will and does hereby indemnify the Company against all liability which might otherwise attach to the Company as a result of any injury, damage or loss (personal or proprietary) suffered by any person, where such injury, damage or loss has been caused by or contributed to by any act or omission of the Co-operative or its employees, agents, invitees, Tenants where such injury, loss, or damage occurs on the premises listed in the First Schedule.
- ii) The Company will and does hereby indemnify the Co-operative against all liability which might otherwise attach to the Co-operative as a result of any injury, damage or loss (personal or proprietary) suffered by any person, where such injury, damage or loss has been caused by or contributed to by any act or omission of the Company or its employees, agents, invitees, where such injury, loss, or damage occurs on the premises listed in the First Schedule.

20. SECURITY OF TENURE

The Company and the Co-operative acknowledge to each other that security of tenure is of paramount importance and underlies the long-term nature of this Agreement, and the CERC Program management, asset development or redevelopment must be balanced against maintaining security of tenure for Co-operative members.

21. OVERHOLDING OF THE PREMISES

No over-holding of the premises after the expiry of the term hereby created shall be construed as creating a lease from year to year or any fixed term **AND** notwithstanding that the Co-operative may not yield up the premises upon the expiration of the term or that the Company may not require possession or that the Co-operative may pay and the Company receive rent or other moneys in respect of the Co-operative's use of the premises the occupancy by the Co-operative of the premises after the expiration of the said term may be determined by the Company at any time upon giving to the Co-operative 1 month's notice in writing in accordance with Clause 6 of this Agreement.

22. VARIATION OF THE FIRST SCHEDULE OF THIS AGREEMENT BY MUTUAL CONSENT

The Company may at any time with the consent of the Co-operative vary the First Schedule of this Agreement by adding premises and or by removing premises from the First Schedule of this Agreement and the First Schedule of this Agreement shall be deemed to have been accordingly amended and the parties shall execute any document necessary to give effect to the amendment.

By the execution of this Agreement, the parties herein agree to the terms of this Agreement.

THE COMMON SEAL of COMMON)
EQUITY HOUSING LTD was)
hereunto affixed in accordance with its)
Constitution by authority of a resolution)
of its Board of Directors in the presence of:)

..... Director

..... Director/Authorised Signatory

THE COMMON SEAL of)
COMMON EQUITY RENTAL HOUSING)
CO-OPERATIVE LTD was hereunto)
affixed in accordance with its Rules, in)
the presence of:-)

..... Director

..... Director

SECOND SCHEDULE

Term of this Agreement: **Thirty Years**

Commencement Date:

Termination Date:

Further Terms: **Subject to:**

- a) satisfactory performance, and**
- b) mutual review**

Payment of Rent: Rent payment by the Co-operative to the Company is due each month on the 15th for that current calendar month, with the method of payment being either by direct transfer, cheque or any other method as agreed by the parties.

THIRD SCHEDULE

The following aspects of premises maintenance, improvement and rehabilitation are the responsibility of the Company, subject to the terms of this Agreement.

- complete replacement of stairs, patio and porch
- roof replacement and major repair
- major rewiring
- restumping
- underpinning and associated works
- sewerage replacement
- stormwater replacement
- hot/cold waterpipe replacement
- full recladding
- rising damp rectification
- complete joinery upgrade
- complete bathroom upgrade
- structural flooring replacement above 8 metre square
- window replacement
- major repair of driveways, crossovers, sheds and garages

All other aspects of premises maintenance, improvements and rehabilitation are the responsibility of the Co-operative.