# CRTS: more questions

*Prepared by Nigel Hill, Réjane and Phil, 30th August 2017*

**GENERAL**

*Q1. Are there other Co-ops which have used the CRTS scheme? If so, how did it go for them and did it work as they expected? And also historically, were many used on the horizontal plane such as in rural contexts (as we know they were popular for blocks of flats)?*

A. We have done some extensive research to see if other Co-operatives in Australia have used something similar to a CRTS scheme. There are only one that we have been able to identify and that is Kanjini Co-op in North Queensland. Several intentional communities have in the past used Company Title schemes. CRTS schemes are more common in the USA (see http://www.investopedia.com/articles/pf/08/housingco-op.asp) and in Europe. They are used there for a broad category of communities, such as high-rise buildings in major cities (such as New York), to co-housing type ventures in Denmark. There have been a few high-rise unit buildings in Sydney that were set up as CRTS type schemes (alongside Company Title schemes), but with the advent of the Strata Title legislation in 1969, these schemes did not proliferate. The simple fact about the CRTS scheme is that it is substantially the same in principle as Company Title (which has a long heritage), with the key difference being that, while in a Company, it is one share one vote, in a Co-operative it is one member one vote. This means that a CRTS scheme will preserve democratic control, while conferring the benefits of "Company Title" without the expense and inflexibility of Strata Titling.

*Q2. Is it true that Company Titles have been largely discontinued in favour of more appropriate structures such as strata title and community title?*

Strata Title came into being in about 1961. Prior to that, Company or Co-operative Title was used to enable community living (whether in a highrise or elsewhere). It has become the major way of enabling community living in highrise and in low rise (eg duplexes etc). It is however a "one size fits all" type structure without much flexibility. Banks like it though and are happy to lend on Strata Title because it is a registered title that can be sold easily by a bank in event of a default. Whether it can be said that Strata is a "more appropriate structure" involves a value judgement. Company Title and Co-operative Title still exist and are increasingly popular for low cost housing. Most social housing is provided using Co-operative structures (as opposed to Strata). Moreover, a conversion to Strata is an expensive process and it would not be available to Bundagen as it would clearly constitute a sub-division. Community Title began in about 1989 as an attempt to create a more flexible form of Strata Title. It suffers also from "one size fits all" and is also complex and expensive. It would also have a subdivision problem for Bundagen.

*Q3. Is it true that Members of Company Titles cannot easily obtain mortgages because of the common ability of company directors to block sales of the subject property?*

A. Unquestionably, banks prefer Torrens and Strata Titles because it is far easier for them to sell up if there is a default. Banks do lend however on Company Title but may not lend to the same degree. It ultimately depends on the bank's assessment of how easy it would be to sell up in event of a default. Given the current sale processes in Bundagen, any move to Share Title is unlikely of itself to make borrowing freely available. However, Share Title would certainly be more familiar to a bank than the current uncertain position as to asset ownership. The purpose of the Company/Co-op Share Title scheme is not to allow Member borrowing. It may facilitate it, but ultimately, if it is to happen, Members would have to agree to some process (agreed to by the bank, the borrowing Member and the Co-op), whereby if a Member wants to borrow against his/her home, the bank would be able to more quickly sell it, in the event of a default, than would be the case currently.

*Q4. Can shares have a monetary value?*

A. Shares always have a monetary value. Currently, it is the value the community agrees to through its processes.

**OTHER LEGAL STRUCTURES**

*Q5. Isn't there a better legal structure we could adopt?*

A. This was researched comprehensively in 2015, and nothing better was found or suggested. Of course, if anyone can come up with a better alternative, or have new information about one that was already discussed, please make it known.

*Q6. Wouldn't a Company Limited by Guarantee be better than the CRTS? What are the advantages of the CRTS over a Company Limited by Guarantee?*

A. A Company Limited by Guarantee does not have any shares, so that it would not be possible to create "title shares" with a Company Limited by Guarantee.

*Q7. Could Mr Hill provide to the Members the pros and cons of other possible legal structures he may have researched in the course of arriving at the CRTS as the 'preferred' option?*

A. See the 8-page article published in NL 153 – 'Re-thinking Bundagen's Foundations: Is There a Need for Change in our Legal Structure?' which summarized the research done so far on various legal structures. This article was written with the input of various people, including Nigel Hill.

**WHAT WILL THE CRTS LOOK LIKE?**

*Q8. What will the CRTS look like? Will we have two sets of shares, or all the same shares but different terms & conditions?*

A. There are 2 options: convert existing shares or create new shares. A final view on this has not yet been determined.

*Q9. Will it be a pre-requisite to the CRTS that the RM already have a structure? If so, how are Members who don't have a structure, going to obtain an Owner Builder Permit if they can't get a CRTS? How would a share be issued to a RM who has a site allocated but no structure on it?*

A. No, it would not be a prerequisite that there already be a structure. The rights conferred by the shares would be substantially the same as Members' current rights, including the right to build an approved structure.

*Q10. If there are two Members on one site, do they share one share certificate?*

A. There would be more than one share per site, however, the shares would generally be in joint names (just as the current Licences to Occupy are).

*Q11. How will the CRTS affect the expanded houses and their shared amenities? Will the CRTS do away with the expanded houses? Will there need to be extensive and expensive surveys and mapping of sites?*

A. The CRTS would be over the Residents Members' personal structure(s) ONLY, and there would be non-exclusive rights to areas of responsibility, common areas within the expanded house such as shared amenities, village commons etc. There will not be any need for extensive and expensive surveys/mapping.

*Q12. How will CRTS affect the fact that some Members have self-contained houses, yet on paper they are part of an expanded house? What are our legal requirements concerning expanded houses?*

A. All RMs' structures are and will be part of an expanded house, as was discussed and agreed at the SGM 13rd & 14th October 2012. There is no choice about this as we have a maximum of only 59 houses permitted by Council. Council has never been very explicit as to what exactly constitutes an expanded house and what the shared amenities should be. The CRTS won't change any of this.

*Q13. Who will value the structures? Will it be the traditional 'bundle of sticks' valuation by the Co-op or market value by a qualified valuer as required by law? Will the initial valuation change to reflect CPI and/or rising property market values?*

A. It is expected that the valuation process would be the same as currently exists.

**POSSIBLE CONSEQUENCES OF CRTS**

*Q14. Would the CRTS give their shareholders a proprietary interest on the land?*

A. The CRTS would give an 'exclusive right to occupy' to the Member within their structure(s). There would be no proprietary rights to the land, which would remain vested in Bundagen.

*Q15. Wouldn't the CRTS imply private title and inheritance?*

A. One of the main differences between the CRTS and the current Licence to Occupy is that the LTO is implied but the CRTS would be explicit. The CRTS would give an exclusive right to occupy the structure(s) attached to the CRTS, but otherwise all our current By-laws and agreements would be the same. While the shares would confer a form of title, it would be subject to the existing By-laws and agreements, meaning sales and inheritance would be dealt with as they currently are.

*Q16. The CRTS scheme may lead to a watering down of some of the fundamental values behind the original (and still) continuing vision of Bundagen. Could it be a Trojan horse for notions of freehold ownership and inherited rights further down the track?*

A. The fundamental values of Bundagen would remain unchanged with the CRTS. There is no intention of freehold ownership and inherited rights with the CRTS. Moreover, freehold title would require a subdivision and that is not presently and is unlikely ever to be an option legally.

*Q17. How will CRTS affect the insurance within an expanded house? What are our legal requirements concerning insurance?*

A. Insurance will be the same as it is now, ie it is the responsibility of the individual. Currently, some RMs have insurance cover on their own structures only, others share the insurance with other RMs in their expanded house, yet other RMs don't have any insurance at all. We are still searching for an insurance cover that would cover the whole of Bundagen, but this hasn't resulted in anything concrete yet.

*Q18. The solicitor said that the insurable interest rests with the resident Member. But will insurance companies accept this? Would it be good to actually ask them?*

A. It is intended to expressly provide in the CRTS scheme documents that all insurable risk with Members' houses lies with them and they will be responsible for insurance. Insurance companies regularly provide insurance for public liability in respect of buildings even where the insurance is taken out by a tenant. It is hard to imagine why they would not provide insurance where they have title pursuant to the shares.

*Q19. How will the CRTS affect the number of shares available for the future?*

A. There is no maximum number of shares under our rules or under the Co-operatives National Law. At the moment, we have 171 shares issued (RMs and NRMs - including deceased estates which have not been finalised). As indicated, no final decision has been made on whether, the scheme will be done by way of converting existing shares or issuing new shares. If the latter, it will be done at a nominal cost to Members.

Get an opinion fro insurers about CRTS, see if it will affect the insurance?
Owner-builder scheme? Check with Fair Trading

**IMPLICATIONS FOR NRMS**

*Q20. Two categories of shares introduce a fundamental discrimination which would be the thin end of the wedge, leading to further systematic encroachment on, and disenfranchisement of, one group within the community while another group entrenches perceived advantages. It goes against the grain of Bundagen's philosophy since it smacks of the Orwellian vision that "all animals are equal but some are more equal than others".*

A. All that the scheme would be doing is replicating the current rights of Residents and Non-Residents. Currently, Non-Residents do not have the same rights as Residents and no-one considers this "*Orwellian*" or "*against the grain of Bundagen's philosophy*". It was very clearly and unanimously expressed at the forum of 28/6/17 that there is a strong desire to keep the NRMs. There was an amazing support and gratitude expressed towards the NRMs. With the CRTS in place, nothing would be changed for the NRMs. The main advantage would be that the land and its attached conservation values would be better protected, as the liability of the Co-op would be reduced.

*Q21. What are the implications for the NRMs?*
A. NRMs would still have their right to vote and visit the land. If a NRM wants to become RM, they would have to go through exactly the same process as currently exists in our By-laws. However, if they were accepted as a RMs, they would be issued new shares with the CRTS component. There is no discrimination inherent in the CRTS, only a clearer delineation of RMs responsibilities.

**LIABILITY**

*Q22. In BF 88 it says: "the Co-op and all its Members **could** be liable for accidents and injuries caused by just one Member's negligence, with potential for massive payouts." Under what circumstances could this happen? If these circumstances are identifiable, wouldn't it simply suggest appropriate insurance coverage by the Co-op? Wouldn't that accord with our existing communal Membership values? And how have other existing and long-standing Co-ops with a similar structure handled these alleged possibilities?*
A. Finding an insurance policy that would cover the whole community and all of its activities, structures and areas has been something we have tried (and still try) to find over the years, but with no success so far. The Co-op has a good public liability policy, but it doesn't cover inside Members' homes and their areas of responsibility. We understand that any solicitor acting for someone injured in a non-compliant building (and we have already had some near misses) would sue the Member AND the Co-op, especially given the Co-op would be seen as the more cashed up target, and the Co-op's present insurance may not cover it. With the CRTS, because we would be carefully and expressly setting out who is responsible for what and because we are essentially saying that, in exchange for having the right to exclusive possession, a Member must accept responsibility for what happens in his/her house, liability should largely fall on the Member. This is because where 2 or more people are sued for the same damage, the Courts will have to determine who should be primarily responsible and one of the things they will look at will definitely be Bundagen's constituent documents (of which the CRTS would be a key part).
Some other long-standing Co-ops such as Goolawah do not have the same problem because all of the structures are Council approved. Others, such as Tuntable, have the same problem as we do and they have chosen to call their structures 'chattels'. Nigel is of the view that this strategy of 'chattels' raises more uncertainty and may not hold up under Australian common law.

*Q23. Nigel Hill has not even guaranteed that under a CRTS scheme where a Member is being fined for non-compliance, the Co-op would not be held responsible. He indicates that it may still bear liability in some unknown way.*
A. It is not the role of any professional advisor to "guarantee" anything. Their role is to give advice. Nigel has advised on a risk management strategy to reduce the risk to the entire community of a wayward Member behaving badly. No advisor is going to guarantee that the risk would be eliminated. Nigel is of the firm view that the CRTS would help a long way to protect the Co-op against fines.

*Q24. Can you please explain how "all the Co-op's Members" could be liable "for accidents and injuries caused by just one Member's negligence"? Is this to say that all Members could jointly (or separately) be liable for any claim on Co-op land? Is this to say that all Members could currently be liable for negligent acts or omissions made by the Co-op? How so? Please clarify.*
A. When we say all the Co-op Members could be liable, we really mean the Members through the Co-operative. If a wayward Member were to cause someone catastrophic injury to, say, a gifted musician or sportsman (with a claim for loss of income for life) and the Co-op were sued and as a consequence we had to sell the land to pay the damages, all Members would obviously suffer.

*Q25. Flyer No. 88 states: "Resident Members would continue to be liable for repairs and maintenance to the structures(s) on their shares, safety insurance etc." If, as the Co-op claims, Members currently have no property rights in their structures or sites, why are they are currently liable for repairs, maintenance, safety, insurance etc. for the structures they occupy on Co-op land any more than for a house they might rent in Bellingen for example?*

A. A Member's rights and obligations are currently conferred and imposed under our Rules, By-laws and Agreements. If a person enters into an agreement to be responsible for something, if the agreement is legally enforceable, they would be liable for it regardless of whether or not they happen to own the relevant property or not.

*Q26. If, as appears to be intended, the CRTS grant confers no property rights in the site or structure to the Member (to be construed as mere contractual licence to occupy), can you please explain in detail how the entire burden of obligation and liability for the above is then validly shifted from the Co-op onto that Member by a CRTS grant? Can you please provide the legal advice that shows that the CRTS would ensure that Members occupying structures would then be legitimately solely and absolutely responsible and liable for structure maintenance, repairs and insurance etc.?*
A. As per above, a person's rights and obligations arise out of agreements. If the relevant agreements impose obligations on a Member to do something, then there is a legal obligation on them to do it. It does not depend on property rights. At any event the CRTS scheme will unquestionably grant Members exclusive rights to occupy their houses.

*Q27. If the granted right of exclusive occupancy is only for the structures, what about the land underneath them (e.g. raised buildings), the land around structures and between outbuildings? Is the Co-op still responsible for these areas? Are these areas common areas (Co-op liable) or exclusive areas? It is noted that Members leave considerable amounts building materials and other personal property on their sites. If someone hurts themselves on or around these, who is legally responsible? If Members have exclusive rights to their structures only, how are they going to be made legally responsible?*
A. The CRST will as closely as possible mimic the existing arrangements as far as common areas are concerned. To the extent that the current agreements do not adequately identify who should be responsible for something that happens in common areas (or what rights other Members have in relation to them), that will be dealt with in the CRTS documentation, in consultation with the Bundagen CRTS working group (and ultimately Members who will need to approve the final documents)

*Q28. What about areas that Members have fenced off for their own use? As land is not the subject of CRTS exclusive occupancy, is this still Co-op common land and who is liable?*
A. As per above

*Q29. Who would be legally liable for maintaining standards in 'expanded house common areas'?*
A. As per above

*Q30. Are the expanded household Members jointly liable? How do you arrange this? Are they instead areas accessible by all Co-op Members?*
A. As per above

*Q31. The Flyer, page 2 states: The CRTS would be over Residents (sic) Members' structure(s) only."*
*Does this include any sheds, toilets, carports and other outbuildings and fixtures? If not, does this mean that the Co-op will still be responsible for their maintenance, repair and insurance etc.?*
A. As per above

*Q32. How can the CRTS be implemented "without borders and subdivisions"? As above, if there are no borders how can it be determined who is liable when a claim is made for an event in particular place? For example, if it is just outside a Member' structure, is it the Member or the Co-op?*
A. As per above

**POSSIBLE CONSEQUENCES ON COUNCIL, OWNER BUILDER PERMIT (OBP) and FIRST OWNER GRANT (FOG)**
*Q33. Will Council be more likely to pounce on us if we adopt the CRTS?*
A. It is unlikely that Council behaviour will be influenced by the CRTS. Just as they decided that we had to have our grey waters and toilets inspected and approved, they could eventually decide to take another step

towards compliancy. However, if they do issue fines for non-compliant structures, it would be more likely that the individual would have to pay, rather than the Co-op.

*Q34. How will the CRTS help to obtain the Owner Builder Permit when Regulation 19(2) of the Home Building Regulation 2014 (NSW) requires that the applicant at minimum: "(b) has a leasehold interest in the land that is registered under the Real Property Act 1900"? The CRTS proposed are neither a lease nor will registered or registrable on Co-op land titles?*
A. Regulation 19(2) defines what a prescribed interest in land is for the purposes of section 29(3) of the Home Building Act. It does not define the circumstances where an Owner Builder Permit can be issued. In Nigel's view, the CRTS scheme can be drafted in such a way to facilitate the issue of Owner Builder Permits.

*Q35. Isn't it the same with the First Home Owner's Grant? Would the CRTS comply with the definition of company as defined in section 5(2)(i) of the First Home Owner's Grant (New Homes) Act 2000 (NSW)?*
A. In Nigel's view the CRTS would fall within the definition in section 5(2)(i) of the *First Home Owner's Grant (New Homes) Act 2000 (NSW)*

**ABOUT THE RESIDENTIAL TENANCY ACT (RTA)**
*Q36. Why don't we ask first for an exemption from the Residential Tenancy Act? What are our chances to get such an exemption*? *Wouldn't an exemption from the RTA be enough for our needs? We now know RMs have a Licence to Occupy, maybe there is no need for the CRTS process but rather some other, lesser, actions within the current framework?*
A. Asking for an exemption from the RTA is not a simple affair and will require mounting a case to give it the best chance to be successful, and this is estimated to cost around $15,000. Although there would be a good chance that an exemption would be approved, there is no guarantee.
Having an exemption from the RTA wouldn't give protection to the Co-op against negligent action (or inaction) of its Members. It would be only one step in the right direction.
If we adopt the CRTS, we would be exempted from the RTA and there would be the other advantages of reducing liability for the Co-op and protecting the land.

*Q37. What precisely does it mean that being under the RTA would be "not necessarily in accordance at all with our values"? What values are being referred to and how are they impacted by this alleged possibility of being under the RTA?*
A. Under the RTA, the landlord has the power to terminate a residential tenancy agreement in a range of statutorily prescribed circumstances. This is certainly not consistent with our values. Further, the landlord has a lot of obligations. It would be difficult for the Co-op to take responsibility to make all structures compliant, to be responsible for the maintenance, insurance, etc. It is within Bundagen's values and By-laws that the individual is responsible for their structure and area of responsibility. The RTA reads "rights of *tenants* and obligations of *landlords".* This could create leases and relationships which currently don't exist on our Community. It may see the Co-op as *landlord* and give the Members (as *tenants*) rights against the Co-op, and/or it may see RMs as *landlords* and give much greater rights to Visitors (as *tenants*) to hold out against the Co-op long after they have worn out their welcome. These new unwanted regulations may erode the Members' rights to make collective decisions for the benefit of all the Members and give over to non-Member '*tenants'* with new so-called rights to object to a range of the Co-op's decisions. And what about the resulting lack of social harmony.

*Q38. There is an exemption under the Act (section 8(1)(i) for Company Title schemes. What is being proposed is not a Company Title scheme. While Co-operatives and big C companies are both companies, they are incorporated under different legislation. Can you please provide hard evidence (e.g. legislative provision and case law or advice from NSW Fair Trading) that the Co-op would indeed be exempt under the Residential Tenancies Act under the proposed CTRS?*
A. Nigel is of the view that the CRTS would fall within the Company Title definition, since Co-operatives are a form of Company notwithstanding that they are incorporated under different legislation. It is noted in this regard that a Co-operative is considered a Company for tax purposes notwithstanding their different incorporations. It is noted further that there are a number of Co-operative title schemes in Australia which

are not treated as residential tenancy arrangements. The High Court in Alcan (NT) Alumina Pty Ltd v Commissioner of Territory Revenue (NT) [2009] HCA 41; 239 CLR 27 at [47] said "the task of statutory construction must begin with a consideration of the text itself. ... The meaning of the text may require consideration of the context, which includes the general purpose and policy of a provision, in particular the mischief it is seeking to remedy". This was cited by the NSW Court of Appeal in HUDSON v ARAP 1 (NSW) PTY LTD [2015] NSWCA 126 in considering section 8 of the RTA. In Nigel's view, a Court would be most unlikely to interpretation the legislation to exclude the CRTS from the Company Title definition given their substantive similarity. Nigel is also of the view that even in the highly unlikely event that the CRTS scheme did not fall within the Company Title exemption, it will be so close in nature to a Company Title scheme, that it is most unlikely that an order under s 11 or an exemption under the regulations would not be forthcoming.

*Q39. Can you please show how the legal relationship between the CRTS Member and the person they are letting their structure (or part of it) to would not then be subject to the Residential Tenancies Act?*
A. As per above

*Q40. Shouldn't RMs get property rights in their sites and structures, as, if it were recognised that Resident Members had property rights in their sites and structures, the Residential Tenancies Act wouldn't apply to them anyway?*
A. The only way RMs could get property rights in sites would be if there was a subdivision of the property. Although there are one or two communities that have implemented "fixture ownership" schemes (ie chattels) whereby RMs are conferred rights to fixtures, there is a lot of legal uncertainty as to whether a person can legally own a fixture on another person's property.

**LOTS OF UNCERTAINTIES**
*Q41. The CRTS is based on a lot of uncertainty, rather than on certainty. There are a lot of 'ifs' and 'mays' in BF 88. Why go for uncertainly? Will the CRTS really give us any protection?*
A. The problem is that there is so much uncertainty with our existing structure. The CRTS is designed to bring more certainty to our arrangements, using a structure that has a long heritage. The point was made from the beginning of the research on legal structures that there is no 100% cast iron structure. The best choice would be, of course, that every single structure be completely compliant and Council approved, and fully insured. However, we know this is a long way from being a reality. Nigel made the point at the last forum that the CRTS would give us a good level of protection in the eyes of the law.

*Q42. There are still too many substantive uncertainties attached to Nigel Hill's latest version of a CRTS idea, which even he acknowledges. In addition, the latest version could be clumsy as well as uncertain, given an acknowledged need for tweaking, further tweaking and additions etc.*
*All this uncertainty would go against the very rationale for more certainty and security.*
A. If Members want absolute certainty they could convert to Strata or Community Title. However, these are very costly and would go against our community philosophies. The principal benefit of the CRTS scheme is that it can be "tweaked" and it is not a "one size fits all" scheme. It can be adapted to how we want it. Nigel indicated that a number of issues will need to be sorted out in consultation with Members (eg what happens with extended home assets). If Members would prefer to be told what to do with them, then that is a matter for themselves. As a general position, the Co-operative believes that consulting with Members about such matter is the best approach. If Members do not like the "uncertainty" that this gives rise too, then this seems a little off because it is the "uncertainty" that we deal with everyday living in a community such as Bundagen. After consultation about the "nitty gritty issues" the whole scheme will need to be approved by Members at any event, so to the extent that Members may be concerned about the uncertainty entailed by having to consult Members on how we deal with particular issues is of concern, it will be put to Members for a final vote at which time those "uncertainties" will be resolved.

Q43. *Do we have enough information and details on the CRTS to vote on it?*
A. The final vote to adopt or not the CRTS will be done at a GM (probably a Special GM). We are not at that stage yet.

Nigel (and a team on Bundagen) now needs the green light to go ahead and work out the details of what the CRTS would look like and what their terms & conditions would be, in order to prepare a proposal for a GM. There is not much point in getting into that detail (and spending more money) unless and until the community expresses a positive view about the scheme; this would best be done through an 'approval in principle' at a GM.

**EXPENSE**

*Q44. Is it worth the expense?*

A. We need to consider that at the moment if a costly incident were to happen in a non-compliant and non-insured structure, the shareholder and the Co-op would be sued, and, being the cashed up party, the Co-op could be found near 100% liable. Meanwhile, a Member with little or no money could just walk away. With the CRTS the Co-op would have a good chance to fend off any liability. In the worst case if some liability was found it would be significantly less. The degree of liability between Co-op and shareholder would be decided by a judge and suing party would not be able to hold the Co-op fully responsible. After the Court decision, the suing party could not 'go after the money' and turn on the Co-op.

The expense? So far the Co-op has spent around $3,500 the CRTS scheme. To finalize the process will be around another $11,500. It is up to the Membership to decide if it is worth the expense.

*Q45. How much would a second legal opinion costs? Who would it be from?*

A. The Co-operative could engage a Barrister to review the scheme documents. Barristers (and most professionals) would give an estimate at the relevant time of engagement. The cost is likely to be around $5-10,000 depending on the seniority of the barrister and how wide or narrow his/her brief is.

**COMMENTS**

- *To claim (Flyer No.88, page 2) that the CRTS "will be modelled on what is already in our By-laws and/or current practice" makes no sense. There is no coherence or legal compliance under the By-laws and/or current practice. That is why change is needed.*
  Response: The intention is to use the current By-laws and Agreements as the building blocks on the basis that they are the foundation of the current rights and obligations of Members. The CRTS would build on these building blocks, filling in the gaps, addressing uncertainties and aiming to knit it all in together as a cohesive whole, in consultation with Members.

- *The Flyer, page 2, states: "The CRTS is an entirely flexible structure that can be crafted to give similar freedom and flexibility to what currently exists." What is 'free' about a proposed legal structure with a primary objective to withhold all Members' property rights in their sites and structures while continuing to attempt to dump all the legal obligation and liability for them onto them? What is 'free' and 'flexible' about the current incomprehensible and contradictory legal jumble of Co-op rules, meeting agreements and By-laws that do not allow sited Members to obtain even the basic permits, benefits and safeguards from government and other entities that people building homes for themselves and living in them are usually able to obtain? What is 'free' and 'flexible' about the current 'structure' which cannot adequately recognise and achieve anything like an appropriate legitimate apportionment of negligence liability and enables neither the Co-op nor sited Members to comply with minimum insurance requirements for protection?*
  Response; the scheme will expressly confer exclusive rights of occupation on RMs. It will not withhold property rights, it will confer them.

- *To enable Co-op Members to make a fully informed decision on the CRTS, the best way to achieve this is to obtain an independent barrister's advice. An independent barrister would be one whom is also not personally known to the Co-op solicitor, Nigel Hill.*
  Response: If Members are of the view that a second opinion is needed, then it is important that it be done at the right time. At this stage, no CRTS scheme documents have been prepared. It would make more sense and save considerable expense if a second opinion were sought once the scheme documents have been finalised prior to Members voting on it.