



STAY IN TOUCH WITH WHAT'S HAPPENING ON BUNDAGEN!

Community Online Notice Board – contact bundagenonline@gmail.com. Contributions to be sent by noon Sunday for the weekly Monday email.

The Bundy Flyer by email – send an email to bundagensecretary@gmail.com to be added to the list or to send a contribution.

Bundagen website – get a password from bundagenwebsite@gmail.com.au and browse through bundagen.com.au. Lots of info in the members' section!

Forum/Special CM on Sunday 3rd September, Mainhouse 10am Cooperative Residential Title Shares (CRTS): *Limiting Liability, Protecting the Land.*

As agreed to at CM 22nd August, another forum will take place next Sunday, 3rd September, to discuss further the CRTS as suggested by our solicitor Nigel Hill.

This is a follow up on the previous forum held on 9th July, where Nigel was present to answer questions from a group of 40 members present. A summary of the discussion was put out in the Bundy Flyer 88 (copy available from bundagensecretary@gmail.com).

Many questions and comments have been sent to the legal team. Some had already been replied to previously, but many were new territory and they have been sent to Nigel Hill for consideration. These questions and answers will be emailed later this week to all members whose emails we have (please let us know your email if you want to be sure to get a copy - bundagensecretary@gmail.com) and will be available at the forum.

Questions and comments are mainly on these subjects:

- Other legal structures
- What will the CRTS look like?
- Possible consequences of the CRTS
- Implications for NRMs
- Liability
- Possible consequences on Council, Owner Builder Permit and First Owner Grant
- The Residential Tenancy Act (RTA)
- Lots of uncertainties
- Expenses
- Comments

Are we rushing this through?

One of the comments that is heard is that this issue is being “rushed through”.

- The issue of looking at strengthening our legal structure was actually started after the arbitration in 2014, with an overhaul of our Co-op rules and By-laws and a professional risk-assessment audit.
- Before the visioning of 28-29th March 2015, an 8-page article was published (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 we could adopt.
- A report on the forum/world café was also published in NL 154 with an article p18.
- This was followed by a GM proposal to explore the CRTS which was the model suggested by Nigel Hill, and it was agreed at the AGM 25/7/15 to allocate \$15,000 for this research.

- Research was then done by the solicitor and correspondence between the legal team and the solicitor eventually brought a framework. An article was published on the CRTS in NL 162 where Nigel said it would be simpler to have only one category of shares; however, this was misunderstood as a condition (which was not the case).
- A forum was held on 28/5/17 to look at the suggestion of ending the non-residential shares. The answer was a resounding and unanimous 'NO'. It was made very clear how much we all valued the NRMS and that we DID want to keep them. This was clearly reported in NL 163.
- Nigel Hill then started working on the CRTS with two categories of shares. Nigel came to the Bundagen forum on 9/7/17 to directly answer questions that members had about this scheme.

Although some people have said this issue is being rushed, there has **in fact** been a lot researched and reported about the CRTS scheme so far. This coming forum gives members another opportunity to come and ask their questions, express their concerns, their objections or their opinions.

Will the CRTS really give us protection? Is it worth the expense?

The point was made from the very beginning of this research on legal structures that there is no 100% safe structure. The best choice would be, of course, that every single structure becomes completely compliant and council approved, and fully insured. However, we know this is a long way from being a reality. With this in consideration, the CRTS so far have been the most suitable structure suggested to date. Nigel made the point clear at the last forum that he believed the CRTS would give us a good level of protection. So is it worth the expense? It will be up to the membership to decide.

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

This was researched comprehensively in 2015, and nothing better was found or suggested at that time. Of course, if anyone wants to suggest another structure which has not been looked at yet, or has new arguments about ones that have already discussed, please make it known.

Do we have enough information on the CRTS to vote on it?

The final vote to adopt the CRTS or not will be done at a GM (probably a Special GM). We are **not** at that stage yet.

However, Nigel (and a team on Bundagen) now needs a green light to go ahead and work out the details of what the CRTS would look like, in order to prepare a proposal. There is little point in getting into detail (and spending more money) **unless and until the community expresses a positive view about the scheme**. This is why this forum is also a Special CM, so decisions to move forward can be taken.

Special CM 3/9/17 AGENDA

1) That a date for another forum be set to continue exploring the issue of CRTS (Phil)

2) That a second legal opinion be obtained. That a budget of up to \$5,000 from Legal Issues be agreed to for this. (Phil)

Rationale: Nigel has made it clear that preparing a CRTS document will cost up to \$15,000. A second opinion would be on top of that.

3) That this meeting present a proposal at the next (or another) GM to accept *in principle* the CRTS scheme, pending on all details being worked out and presented to another GM.

Rationale: if we think we are now at the point of moving forward, an in-principle agreement has to be reached first, to allow the second step of developing the terms and conditions of the CRTS, all of which will be presented to a future GM. (Phil)