

**SCHEDULE 10 – DEED OF COVENANT**

**URBAN COHOUSING OTEPOTI LIMITED**

**Vendor**

**Purchaser**

**DEED OF COVENANT**

**POLSON McMILLAN LAWYERS**

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DEED dated the

day of

201

## **PARTIES**

1. **URBAN COHOUSING OTEPOTI LIMITED** (“Vendor”)
2. [ ]  
 (“Purchaser”) being a member of the High Street Cohousing Project

## **BACKGROUND**

- A. By an Agreement dated \_\_\_\_\_ (“High Street Cohousing Agreement”) between the Vendor and the members of the High Street Cohousing Project, the parties set out their agreements, terms and obligations in regard to the structure, the decision making process and the development of a cohousing community in Dunedin. The principles by which the members will operate is set out in the First Schedule “High Street Cohousing Kaupapa”.
- B. By an Agreement for Sale and Purchase dated \_\_\_\_\_ (“the Agreement”) made between the Vendor and the Purchaser the Vendor agreed to sell and the Purchaser agreed to purchase the unit in the Project described in the Agreement (“the Unit”).
- C. Pursuant to clause 19.1 of the Agreement the Purchaser is obliged to enter into a cohousing agreement in the same form as the High Street Cohousing Agreement and a Deed of Covenant ensuring the purchaser and any subsequent purchaser of the Unit complies with the High Street Cohousing Kaupapa, including its Group Decision Making Process and requirement to contribute to the maintenance and further creation of common facilities.
- D. The High Street Cohousing Kaupapa is set out in the Schedule attached hereto.
- E. The High Street Cohousing Group Decision Making Process is set out in the Schedule attached hereto.

## **OPERATIVE TERMS**

### **1. COVENANTS**

- 1.1 The purchaser hereby acknowledges and confirms their acceptance of the High Street Cohousing Kaupapa and the High Street Cohousing Group Decision Making Process and their willingness to respect and comply with them.
- 1.2 The purchaser hereby acknowledges that upon the sale of their unit they shall be required to contribute 5% of any gross capital gain to the Commons Development Fund as set out in the High Street Cohousing Kaupapa.
- 1.3 The Purchaser shall also punctually pay all contributions as determined by the High Street Cohousing Body Corporate Rules.
- 1.4 The initial Purchaser hereby covenants they shall not sell, transfer or otherwise dispose of the Purchaser's interest in the Unit prior to registration of a Land Covenant, whereby such purchaser, transferee or dispossesee covenants with the Vendor on the terms and conditions set out in this Deed.
- 1.5 The Vendor shall, either itself prior to settlement of the sale of the property, or require the initial Purchaser to immediately following settlement and prior to registration of a transfer to the Purchaser, register a Land Covenant on the title for the Unit as follows:

*“the Covenantor for itself and its successors in title to the [legal description of Unit] hereby covenants, acknowledges and agrees with Urban Cohousing Otepoti Limited and its successors in title as to a positive Covenant for the benefit of registered proprietors and users from time to time of the dominant land, that the Covenantor shall not transfer dispose of or otherwise assign its interest in the Unit without first procuring any such transferee, dispossesee or assignee to enter into a Deed of Covenant, whereby such transferee, dispossesee or assignee agrees to be bound by the terms and conditions of this Deed”*

**EXECUTED**

**SIGNED by URBAN COHOUSING  
OTEPOTI LIMITED**  
In the presence of:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Witness signature

\_\_\_\_\_  
Witness full name

\_\_\_\_\_  
Witness occupation

\_\_\_\_\_  
Witness address

**SIGNED by**  
In the presence of:

\_\_\_\_\_

\_\_\_\_\_  
Witness signature

\_\_\_\_\_  
Witness full name

\_\_\_\_\_  
Witness occupation

\_\_\_\_\_  
Witness address

# SCHEDULE

## HIGH STREET COHOUSING KAUPAPA

1. Purchasers of units in the High Street Cohousing development shall agree to cooperate with other residents and owners to manage the development in accordance with the following principles.
  - (i) Resident Management – Residents and owners shall manage the development themselves, making decisions of common concern at community meetings using the Group Decision Making Process as set out in the Second Schedule hereto.
  - (ii) Non-Hierarchical Structure using consensus as set out in the group decision making process – Responsibility for decisions shall be shared by adult residents and owners.
  - (iii) Common Facilities – Common areas are an integral part of the development intended for daily use to supplement private living areas.
  - (iv) Design for Community – The physical design of the development is intended to encourage interaction and build a strong sense of community.
  - (v) At least one household member living in each residence shall be required to participate in regular community meetings. Unit owners will make the participation in regular community meetings a requirement of tenancy or residency. The frequency of community meetings and minimum requirements for participation are set at community meetings from time to time and notified to residences and owners.
  - (vi) Unit owners are required to meet their obligations under the Body Corporate Rules paying Body Corporate fees which may include a Commons Development Fund for additional communal facilities for the benefit of all members.
  - (vii) Unit owners shall upon resale of their units be required to contribute 5% of any gross capital gain resulting therefrom to the Commons Development Fund.

# SCHEDULE

## (GROUP DECISION MAKING PROCESS)

### Communication Guidelines

I will use "I" statements, and speak for myself, not others

I will speak succinctly (short and to the point)

I will take responsibility for owning and naming my own feelings

I will respect others' rights to speak without interruption

I undertake to respect other's privacy by not discussing outside the group other people's personal issues, which may arise within the group process.

I undertake to keep relationships within the group clear by dealing with any problematic issues directly with the persons concerned.

I recognise that we work best together when we remember to have fun!

### Coloured Card Agreement Process

We use a particular consensus-building procedure to reach agreement, which has been adopted by many cohousing groups, as follows:

Each person should have a set of coloured cards: green, blue, orange, yellow, red and black.

### The Process for Discussion.

The cards can be helpful in preliminary discussions particularly if the group is large. Before being called on to speak on an issue, participants must first put up a coloured card according to the following guidelines:

Black: I have interpersonal difficulty and can't proceed.

Red: I have a process observation, i.e. we are off topic or over time.

Yellow: I have a question or need clarification

Orange: I wish to acknowledge someone or something, often a thank you.

Green: I can provide clarification or information

Blue: I have a comment or opinion

The facilitator calls first on anyone holding a black card. The group then decides what happens next. The red cards are then dealt with. The red "stop the process" card can be raised at any time. It is used to point out a breach in the way we have agreed to proceed. People raising yellow cards to indicate questions receive the next attention. After a question has been asked, people holding green cards are called on to provide clarification. After all questions have been answered, the facilitator calls on participants holding blue cards to speak.

### **The Process to Reach Agreement is Through Consensus.**

When deciding an issue, each person raises one of the cards:

Green: I agree with the proposal

Blue: I am neutral about the proposal, or for it with some slight reservation

Yellow: I have a question concerning the proposal which must be answered before I can make a decision

Orange: I have some serious reservation about the proposal, but am not willing to block consensus

Red: I am entirely against the proposal and will block consensus

If all cards raised are not green, those people with reservations should voice their concerns, if they have not already done so. The process requires everyone to participate in decision-making. Dominant personalities will find it harder to push their ideas through at the expense of the less vocal, and softly spoken members must take responsibility for voicing their concerns.