

TERM SHEET - SERVICES AGREEMENT: OPEN TERM

#	Key Term	Clause	Explanation
Overview and Specified Key Terms Section			
1.	<u>Agreement</u>	Agreement	The parties agree to be bound by the terms (set out in the Key Terms section and the Schedules) of the Services Agreement.
2.	<u>Key Terms Section</u>	Key Terms	<p>This section of the Services Agreement sets out the key commercial terms and conditions on which MSD agrees to fund and to procure from the Provider, and the Provider agrees to make available, public housing properties for Eligible Tenants on an open term basis, meaning that MSD pays the Provider for Tenancies in respect of Properties made available for the duration of that Tenancy (subject to any early termination or Abandonment).</p> <p>These will be populated by the parties at the time the Services Agreement is entered into, and some are explained in further detail below:</p>
	<p><u>Structure of Documents</u></p> <ul style="list-style-type: none"> The Services Agreement will take precedence over the Relationship Agreement The Services Agreement and the Relationship Agreement are each subject to the terms of any Financier Direct Deed 		<p>The Services Agreement is supplementary to the Relationship Agreement between MSD and the Provider.</p> <p>The terms of the Relationship Agreement form part of the Services Agreement.</p> <p>The Relationship Agreement contains further generic detail on some topics dealt with here.</p>
	<p><u>Parties</u></p> <ul style="list-style-type: none"> The Ministry of Social Development (<i>MSD</i>) Provider 		The parties to the Services Agreement will be the same as the parties to the associated Relationship Agreement.
	Term		From the date all Conditions Precedent have been satisfied (or waived) until either party terminates the Services Agreement (either on 90 Business Days' notice or in accordance with the Relationship Agreement).
	Conditions Precedent		The Services Agreement is conditional on the Provider being registered as a Class 1: Social Landlord under the HRTM Act.
	Insurances required		<p>The Provider is to take out and keep current the following insurance policies:</p> <ul style="list-style-type: none"> Public Liability; Material loss/damage (for full replacement value); and any others required by MSD.

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Schedule 1: The Services			
This Schedule describes the services to be provided by the Provider and the related requirements for those services.			
3.	Services and Additional Services	1 and 5	<p>The Provider is to be registered as a Class 1: Social Landlord under the HRTM Act while providing the specified Services, which include the following:</p> <ul style="list-style-type: none"> • letting properties to Eligible Tenants; • maintaining each Tenant's property; • ensuring all Properties are optimally utilised so that the bedroom count is appropriate, and the Property is otherwise appropriate, for the Tenant's needs; • giving priority to Eligible Tenants which MSD has indicated as a high priority; • only charging the Tenant the lower of IRR and Market Rent; • not requesting any additional charges from a Tenant, other than the IRR, a bond and the actual cost of utilities; • immediately notifying MSD of any Tenancy terminating; • seeking MSD's approval before transferring a tenant; • notifying a Tenant of any change to his or her IRR in accordance with the Residential Tenancies Act; • permitting any monitoring required by MSD; • observing the Operational Manual and all directions given by MSD, and comply with all relevant laws; and • providing any Additional Services.
4.	Referrals of Eligible Tenants	3	MSD does not guarantee that it will make any referrals of Eligible Tenants to the Provider.
Schedule 2: Payment of IRRS			
This Schedule describes how and under what circumstances MSD will pay the Provider.			
5.	IRRS Eligibility	1	<p>MSD will only pay the IRRS for a Tenant that it has referred to the Provider, or otherwise approved, for the duration of the Tenant's tenancy.</p> <p>If a Tenant becomes an Ineligible Tenant, MSD must notify the Provider within five Business Days of determination. The Provider must then notify the Tenant of their ineligibility within five Business Days.</p> <p>MSD may recover from the Provider any payment of IRRS made in respect of an Ineligible Tenant or a Tenant who has abandoned their property.</p>
6.	Payments	2	All payments made under the Services Agreement are to be made in accordance with the Relationship Agreement and Operational Manual.

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Schedule 3: Performance Measures			
This Schedule sets out the Performance Measures that will apply during the Term.			
7.	Performance Measures		Specified Performance Measures will apply from the Commencement Date. MSD may also amend the Performances Measures set out in this Schedule 3 by giving notice to the Provider.
Schedule 4: Interpretation			
This Schedule defines terms used throughout the Services Agreement, incorporates the definitions from the Relationship Agreement and sets out some interpretation rules.			