

DATED

202\_\_

**REDROW HOMES LIMITED**

- and -

[  **] MANAGEMENT COMPANY LIMITED**

- and -

[ ]

**MANAGEMENT AGREEMENT**

relating to

the land off [ ]  
[ ]



Redrow Homes Ltd  
Redrow House  
St David's Park  
Flintshire  
CH5 3RX

Ref: [ ]

v[ ] [ ]

**THIS AGREEMENT** is made the \_\_\_\_\_ day of \_\_\_\_\_ 202\_\_

BETWEEN:

- (1) **REDROW HOMES LIMITED** (Company Registration Number 1990710) whose registered office is at Redrow House, St David's Park Flintshire CH5 3RX ("the **Developer**"); and
- (2) [ \_\_\_\_\_ ] **MANAGEMENT COMPANY LIMITED** (Company Number [ \_\_\_\_\_ ]) whose registered office is at \_\_\_\_\_ ("the **Management Company**")
- (3) [ \_\_\_\_\_ ] (Company Number [ \_\_\_\_\_ ]) whose registered office is situate at whose registered office is at [ \_\_\_\_\_ ] ("the **Manager**")

**WHEREAS:**

- (1) The Developer is registered at the Land Registry as Proprietor with Title Absolute of the freehold of the Estate under Title Number [ \_\_\_\_\_ ]
- (2) The Developer is developing the Estate and thereon the Dwellings and intends to dispose of the Dwellings on a Freehold and/or Leasehold basis by way of the Deeds
- (3) The Manager has agreed to carry out the management functions for and on behalf of the Developer and the Management Company hereinafter referred to but more particularly set forth in the Deeds and the Management Scheme

**NOW IT IS HEREBY AGREED** and **THIS DEED WITNESSES** between the Parties as follows:

**1. Definitions**

In this Agreement (including the preamble and recitals) the following definitions shall apply:

"Applicable Consents" means all permissions consents approvals certificates permits licences statutory agreements

and authorisations required by Law needed to carry out the Services in accordance with this Agreement

“Budget” means the estimate of the expenditure needed in the next commencing Management Year for which the Service Charge is to be calculated

“Business Day” a day other than a Saturday, Sunday or a bank holiday in England and Wales

“the Deed” means the deeds substantially in the form of the draft Leases which are annexed hereto as Appendix 1 and the expression “Deeds” shall be construed accordingly

“Defect Liability Period” means the period in which notification may be given to the Developer requiring it to rectify any defects pursuant to paragraph 3 of Schedule 1 hereto and which period

(i) in relation to a Dwelling shall be 2 years from the date of completion by the Developer of the Deed for such Dwelling;

(ii) in relation to any communal area shall be 2 years from the date of completion by the Developer of the Deed for the last Dwelling benefiting from a formal legal right to use such communal area

(iii) in relation to any other part of the Estate (not covered by sub-clauses (i) and (ii) of this definition (above)) shall be 2 years from the date of completion by the Developer of the Deed for the last Dwelling on the Estate

“the Dwellings” means the [ ] no dwellings constructed or to be constructed on the Estate subject to a Lease and “Dwelling” shall be construed accordingly



and their successors in title or their assignees for the time being (as appropriate)

“the Management Scheme”	means the management scheme or schemes for the Estate prepared by the Manager and agreed in writing by the Developer and the Management Company from time to time
“the Management Year”	means the period coinciding with the Service Charge year end as set out in the Deeds
“the Management Fee”	means the fee for the Services performed by the Manager under this Agreement and payable by the Management Company in accordance with clause 5 hereof
“Manager’s Personnel”	means the Manager’s agents and its or their respective partners directors officers employees and workmen acting in their capacity as such
“NHBC”	means the National House Building Council
“Parties”	means the Developer the Management Company and the Manager and “Party” shall be construed accordingly
“Reserve Fund”	means a fund held in trust in accordance with any Law for the time being now or in the future in force and invested in an interest bearing account to meet major items of capital expenditure in respect of the Estate
“Services”	means the services obligations covenants and conditions on the part of the Management Company contained or referred to in the Deeds and which services chiefly include (but are not limited to) estate management and maintenance of common parts of the Estate and collection and certification of costs including (if not specifically referred to in the Deeds) to carry out any works services surveys

assessments reports or inspections required by or associated with any Law whether now or in the future in force

"Service Charge" means the service charges payable by the Dwelling Owner of the Dwellings pursuant to the Deeds

"Service Charge Client Account" means a trust account opened by the Manager but in the name of the Management Company by which all unexpended sums of Service Charges received from the Dwelling Owner of the Dwellings shall be held in trust for such Dwelling Owner and insofar as such funds if any were contributed by the Developer in trust for the Developer until expended on the management functions and obligations more particularly referred to in the Deeds

"Transfer" means as so defined and referred to in the definition of Deed a copy of which is annexed hereto as Appendix 1

"Transferee" means the transferee or transferees of a Dwelling subject to a Transfer and their successors in title or their assignees for the time being (as appropriate)

## **2. Interpretation**

The provisions of this Agreement shall unless the context otherwise requires be construed as follows:

- 2.1 References to statutes bye-laws regulations orders and delegated legislation shall include any statutory modification or re-enactment thereof
- 2.2 Headings to clauses and to schedules of this Agreement do not affect the interpretation or construction of this Agreement
- 2.3 References to clauses are to clauses in this Agreement
- 2.4 Obligations and liabilities of a Party comprising more than one person are obligations and liabilities of such persons jointly and severally

- 2.5 Words importing one gender include all other genders
- 2.6 The singular includes the plural and vice versa
- 2.7 All Schedules to this Agreement are deemed to form part of this Agreement
- 2.8 All references to an Annexure mean the Annexure so marked and forming part of this Agreement and signed by or on behalf of the Parties to this Agreement by way of identification

### **3. Duration**

- 3.1 The duration of this Agreement shall be the period from and including the date hereof until the 30<sup>th</sup> June/ 31<sup>st</sup> December [ ] whereupon the appointment shall determine without further formality or notice

### **4. Appointment of Manager**

- 4.1 The Management Company hereby appoints the Manager as managing agent of the Estate
- 4.2 Pending the transfer of the Developer's freehold to a third party the Developer hereby authorises and appoints the Manager to act for it in its name and on its behalf:-
- 4.2.1 to collect the ground rents for the Estate; and
- 4.2.2 to serve any notices upon the Dwelling Owner which may become necessary for rectification of breaches of Dwelling Owner obligations under the Deeds;
- 4.2.3 to commence and conduct court proceedings in its name for this purpose only and the Developer hereby agrees that it will indemnify the Manager in respect of all costs and expenses arising directly or indirectly from the Manager's action provided that the Developer shall be given the opportunity of:-
- (a) approving any pleadings to be issued and served in its name and
- (b) being kept fully informed of each step in any action at court

### **5. Manager's Remuneration**

#### **5.1 FEES**

- 5.1.1 The annual Management Fee on commencement of this Agreement shall be £[ ] excluding VAT payable subject to the provisions of clause 5.1.2.

- 5.1.2 The Manager shall be entitled to charge a fair and reasonable proportion of the annual Management Fee based upon and subject to the provision of the Services as detailed in this Agreement such Management Fee to be reduced on a fair and equitable basis in the event that in any one year the full Services have not been provided as a result of matters outside of the direct control of the Manager or where the Manager's responsibilities have yet commenced pursuant to clause 8 of this Agreement.
- 5.1.3 Not less than 60 Business Days before the commencement of each subsequent Management Year after the date of this Agreement the Management Company shall consult with the Manager to renew and agree (such agreement not to be unreasonably withheld or delayed and both parties showing good faith towards each other and acting reasonably) the annual Management Fee (which shall be not less than the Management Fee for the preceeding year) in respect of the Estate for the next Management Year having regard to the relevant Management Fee for the then current Management Year. Any dispute arising hereunder shall be settled in accordance with the provisions of clause 13.
- 5.1.4 The parties will use reasonable endeavors to agree (such agreement not to be unreasonably withheld or delayed) or determine the Management Fee in sufficient time to enable it to be included in the Budget for the Management Year in question but in the event that that parties cannot reach agreement of the level of the Management Fee, may be referred on the application of either party to be resolved in accordance with clause 13 and until such agreement or determination the previous years Management Fee shall be included in the Budget and any difference applied once the Management Fee is agreed or determined.
- 5.1.5 The Manager shall invoice the Management Company in respect of the Management Fee on the basis of four equal quarterly installments to be paid in advance
- 5.1.6 In the event of the Management Fee or any part of thereof remaining unpaid the Management Company shall be liable for the balance.

## 5.2 **COST AND EXPENSES**

- 5.2.1 From time to time the Manager may invoice the Management Company in respect of costs and expenses incurred by the Manager in performing its



duties under this Agreement (as well as any other fees not being the annual Management Fee) provided that the same are reasonable have been properly incurred and have first been agreed in writing by the Developer or the Management Company (such agreement not to be unreasonably withheld or delayed)

### **5.3 INTEREST**

5.3.1 The Manager reserves the right to charge interest at an annual rate of 4% above Barclays Bank Plc base rate from time to time shall accrue (both before and after any judgment) on all overdue fees, expenses payable by the Management Company to the Manager under this Agreement and shall be calculated on a daily basis from the date they become payable until full and final payment.

### **5.4 PAYMENT**

5.4.1 The Manager shall be entitled to deduct the total amount payable by the Management Company under Clauses 5.1, 5.2 and 5.3 above from monies held in the Service Charge Client Account

## **6. Developers Obligations**

6.1 The Developer undertakes and covenants with the Manager as set out in Schedule 1 hereto

## **7. Manager's Obligations**

7.1 The Manager undertakes and covenants with the Management Company and as a separate covenant with the Developer and agrees and declares as set out in Part I of Schedule 2 hereto

7.2 The Manager further undertakes and covenants with the Developer and further agrees and declares as set out in Part II of Schedule 2 hereto

## **8. Commencement of Manager's Responsibility**

8.1 The Manager shall assume responsibility for the maintenance and management functions referred to in the Deeds for the whole or any part of the Estate on such date or dates as may be first agreed in writing between the Parties conditional on the Developer having first rectified to a reasonable standard all defects identified by the Manager and agreed by the Developer (save that in the event of any dispute then the terms of Clause 13 shall prevail) pursuant to an inspection or inspections which shall

have been carried out by representatives of the Parties when called upon to do so by the Developer

## **9. Manager's Default**

- 9.1 If the Manager shall at any time make default in the performance of any of the covenants and obligations on its part herein contained in respect of its liabilities then subject to the Manager being given 28 days in which to remedy the default the Developer and/or the Management Company (without prejudice to any other right or remedy of the Developer against the Manager) may at its entire discretion perform the said covenants and obligations and the expense thereby incurred by it shall be repaid to the Developer and/or the Management Company by the Manager on demand provided the Management Company or the Developer is unable to recover that expense from the Dwelling Owner.

## **10. Insurance Arrangements (General)**

- 10.1 (Without prejudice to the obligations and agreements on the part of the Manager contained in Part I of the Second Schedule hereto) the Parties hereby agree and declare as follows:

10.1.1 The Parties to this Agreement shall not take or fail to take any reasonable action or (in so far as it is reasonably within its power) permit or allow others to take or fail to take any action (including failure to disclose any fact) as a result of which any of the insurances (maintained pursuant to paragraph 2 of Part I of Schedule 2 hereto) may be rendered void voidable unenforceable or suspended or impaired in whole or in part or which may otherwise render any sum paid out under any relevant policy repayable in whole or in part

## **11. Determination**

- 11.1 The Developer and/or the Management Company may determine this Agreement by service of written notice on the Manager if the Manager is in breach of its obligations under this Agreement which breach if capable of remedy has not been remedied within a period reasonable in all the circumstances to enable the breach to be remedied

- 11.2 Any Party may at its absolute discretion terminate this Agreement at any time by service of 3 months notice in writing upon the other parties if

11.2.1 the Manager the Management Company or (as appropriate) the Developer has a receiver administrative receiver or provisional liquidator appointed over the whole or any part of its assets or

11.2.2 a resolution is passed or order is made for the winding up or dissolution of the Manager the Management Company or (as appropriate) the Developer (otherwise than for a bona fide amalgamation or reconstruction of a solvent company)

11.3 Any determination aforesaid shall be without prejudice to the rights of any party in respect of any antecedent breach of the provisions contained in this Agreement

**12. No Assignment**

12.1 This Agreement is personal to the Manager and shall not be capable of assignment to any third party

**13. Arbitration**

13.1 Should any dispute or difference arise between the Parties (including without limitation the test of reasonableness) touching and concerning this Agreement and in the absence of any provisions contained herein to the contrary and in the absence of agreement then any Party may forthwith serve on the other notice in writing of such dispute or difference and such dispute or difference shall be referred to the arbitration and final decision of a person to be appointed on the request of either party by the President for the time being of the Royal Institution of Chartered Surveyors and the awards of such arbitrator shall be final and binding on the Parties

**14. Notices**

14.1 Any notice required to be given in this Agreement shall be served by first class mail addressed to the registered office of the Party for which it is intended and shall be deemed to have been served twenty four hours after posting (provided that is a Business Day and if not, service is deemed on the next Business Day) such notice and in proving service it shall be sufficient to show that the envelope containing the notice was duly addressed stamped and posted and any notice or document shall also be sufficiently served if sent by telegraphic facsimile transmission or via the Document Exchange to the party to be served and if sent by facsimile transmission service shall be deemed to be made on the day of the transmission if transmitted before 4.00 pm on a Business Day but otherwise on the next following Business Day and if sent via the Document Exchange on the next day following when the addressee's Document Exchange branch is open for collections

14.2 In the case of service by facsimile transmission in proving such service it shall be sufficient to prove that the sender of the facsimile transmission has his copy and can

show that it was duly transmitted and in the case of service via the Document Exchange that the envelope containing such notice or document was properly addressed as to the addressee's name Document Exchange Number and Branch and deposited in the sender's onward box for transmission to the addressee

14.3 E-mail is not a valid mode of service.

## **15. General**

15.1 This Agreement constitutes the entire agreement between the parties hereto relating to the subject matter of this Agreement and supersedes all previous agreements between them

15.2 No variation of this Agreement shall be valid unless it is in writing and signed by or on behalf of each of the parties hereto

15.3 The failure to exercise or delay in exercising a right or remedy under this Agreement shall not constitute a waiver of the right or remedy or a waiver of any other rights or remedies and no single or partial exercise of any right or remedy under this Agreement shall prevent any further exercise of the right or remedy or the exercise of any other right or remedy

15.4 Nothing in this Agreement shall be construed as creating a partnership between the parties hereto or as constituting any party as the agent of the other party save as expressly set out in this Agreement for any purpose whatsoever and none of the parties hereto shall have the authority or power to bind another party or to contract in the name of or create a liability against another party in any way or for any purpose

15.5 The Manager shall not be relieved or excused of any responsibility liability or obligation under this Agreement by the appointment of any Manager's Personnel. The Manager shall be responsible for the selection pricing performance acts defaults omissions breaches and negligence of all Manager's Personnel. All references in this Agreement to any act default omission breach or negligence of the Manager shall be construed accordingly to include any such act default omission breach or negligence of the Manager's Personnel

15.6 Nothing in this Agreement shall absolve the Developer from any liability it may have at common law or otherwise in respect of the construction of any part of the Estate and in particular notwithstanding the generality of the foregoing from its liability in accordance with any agreement with the NHBC or any similar scheme or agreement

to which it may be a party or any warranty given by the Developer relating to the Dwellings

**16. VAT**

- 16.1 All sums payable by the Management Company under this Agreement are exclusive of VAT (if applicable) which shall be payable by the Management Company in addition.
- 16.2 Each party agrees with the other to pay VAT (if required by law) on any supplies which one party may make to the other under or in connection with the provision of this Agreement upon production of a valid VAT invoice

**17. Contract (Rights of Third Parties) Act 1999**

- 17.1 The parties hereto declare that they do not intend any term hereof to be enforceable by any third party within the meaning of the Contracts (Rights of Third Parties) Act 1999

**18. DATA PROTECTION**

- 18.1 The Manager confirms its registration under the Data Protection Act 1998 and its compliance therewith, and with any re-enactment or amendment to the General Data Protection Regulations (the "GDPR").
- 18.2 The Manager confirms it will only hold and retain information for the purpose of fulfilling this Agreement.
- 18.3 The Manager confirms that suitable procedures are in place to safeguard such information from improper use or disclosure.
- 18.4 The Manager will serve a Privacy Notice (as defined in the GDPR) on each resident at the Estate, after the Commencement Date, and any subsequent incoming resident on each subsequent purchase of a residential dwelling.
- 18.5 the Manager will not part or disclose any Personal Data (as defined in the GDPR) to any third party unless it is in connection with the Manager's fulfilment of this Agreement or for legitimate business interests or other lawful purpose.

**IN WITNESS** whereof the parties hereto have executed this document as a deed the day and year first before written





## **SCHEDULE 1**

### **DEVELOPER'S OBLIGATIONS**

The Developer hereby undertakes and covenants with the Manager and as a separate covenant with the Management Company and agrees and declares as follows:

#### **1. Construction of the Estate**

- 1.1 To construct the Estate in accordance with previously supplied specifications pursuant to which the Management Scheme has been produced AND to notify the Manager of any intention to materially amend the said specifications so that any consequential Management Scheme variation may be agreed TOGETHER WITH any necessary variation to the Deeds and any previously completed Deeds
- 1.2 To provide copies of all planning permissions and building regulation approvals and relevant plans and of any revisions or amendment thereof and any documents relevant to the provision of the Services that would be referred to by an LLC1 or CON 29 search to the Manager within twenty-eight days of receipt by the Developer

#### **2. Defects Liability**

- 2.1 Within a reasonable time remedy or cause to be remedied any defects in the Dwellings or communal areas (or any other part of the Estate) to the standard required by the NHBC (where appropriate) notified to the Developer during the Defect Liability Period PROVIDED ALWAYS THAT it can be reasonably demonstrated that such defect was caused by bad workmanship or failure on the part of the Developer to perform its obligations under paragraph 1 of this Schedule and the Developer shall indemnify the Manager and Management Company against any loss expense cost or claim arising within the said two year period as a result of any such defects
- 2.2 During the Defect Liability Period to deal so far as the Developer is reasonably able and so far as it is reasonably practicable to do so with all enquiries complaints reports and correspondence relating to the Developer's obligations with regard to the construction of the Estate

#### **3. Disposal of Dwellings**

- 3.1 To dispose of the Dwellings using only the Deed in connection therewith and subject to such reasonable amendments and/or modifications as the Developer may allow or require and which do not materially affect the structure or management covenants of the Deed



- 3.2 To notify the Manager in writing at least seven days before the date upon which the first plot on the Estate (as more particularly defined in the Deed) is due to be completed so that the Manager can effect third party Insurance cover on behalf of the Management Company, where appropriate
- 3.3 To complete and dispatch or cause to be completed and dispatched notification of each and every disposal of a Dwelling to the Manager
- 3.4 To give notice to the purchaser of all such Dwellings directing future payments of Service Charges to be made to the Manager acting on behalf of the Management Company and if notwithstanding any such notice as aforesaid any said purchaser shall pay any Service Charge aforesaid to the Developer then the Developer shall forthwith pay over all such monies to the Manager as agent for the Management Company within 28 days of receipt
- 3.5 To retain the counterpart or duplicate of each Deed and to forward a certified copy of the same to the Manager for its retention as soon as reasonably practicable

#### **4. Collection of Service Charge on Disposal**

- 4.1 Upon legal completion of each of the Deeds to collect the proportion of Service Charges then due from the purchasers named in the Deeds (the receipt of which the Management Company shall be entitled to from the date of such Deeds subject to the deduction therefrom of any amounts reasonably and properly due to the Developer) and pay such Services Charges to the Manager as agent for the Management Company within twenty eight days of receipt by the Developer or its solicitor or as soon as is reasonable and practicably possible thereafter in the event that the Services herein referred to have not yet commenced.
- 4.2 To ensure that proper records or books of account of monies collected are maintained and are available to the Manager for inspection

#### **5. Payment of Service Charge pending Disposal**

- 5.1 To pay to the Manager as agent for the Management Company within twenty eight days of being demanded by the Manager on behalf of the Management Company any reasonable and proper proportion of the Service Charge which is due to the Management Company in respect of management expenses in accordance with the provisions of the Deeds in respect of any Dwelling which remains unsold during the

period between the date when the Management Company assumes the management responsibilities for any part of the Estate in which such Dwelling is situated and the date when the sale and purchase of such Dwelling is completed

**6. Deed Execution**

- 6.1 To ensure that all Deeds and counterparts relating thereto are correctly executed and completed and to take all necessary action to correct or rectify any defects in the completion or execution (as aforesaid) of the same and to indemnify the Manager and the Management Company against and to reimburse any reasonable costs expenses or losses properly incurred by the Manager and the Management Company as the result of any failure to do so or in connection with the rectification of any such defect

**7. Not to assume Manager's obligations**

- 7.1 Not to carry out the obligations of the Management Company referred to in the Deed as provided for therein after the date (except in the case of emergency) when the Manager assumes the management responsibilities for that part of the estate unless the Developer shall have served notice upon the Manager and the Management Company specifying the breach and requiring remedy within a reasonable time period (having regard to the nature of the breach) and the Manager or the Management Company shall have failed within such reasonable period to either:
  - 7.2 effect remedy or
  - 7.3 serve a counter-notice contesting the alleged breach or stating the reasons why the obligation cannot be performed due to causes beyond the Manager's or the Management Company's control

PROVIDED ALWAYS THAT the Manager or the Management Company will be under no obligation to reimburse the Developer for expenses incurred in the remedy of breaches referred to in this paragraph 14 unless a notice is validly served and a reasonable time period has expired without the Manager or the Management Company having served a counter-notice or undertaking the work PROVIDED FURTHER THAT this sub-clause shall not apply to any expenses or costs incurred by the Developer as a result of undertaking such works in an emergency which expenses and costs shall be paid by the Manager or the Management Company to the Developer within twenty eight days of receiving a demand therefore PROVIDED FURTHER THAT the provisions of this clause shall not operate so as to prevent the Developer taking any action when the failure of the Developer to take such action

would immediately put the Developer in breach of its obligations under the terms of any of the Deeds

**8. Consents**

- 8.1 Not (during the existence of this Agreement) to grant any consents relating to any matter or thing for which consent is required in accordance with the terms of the Deed without the prior written approval of the Management Company such approval not to be unreasonably withheld or delayed

**9. Statutory Provisions**

- 9.1 (In connection with the development of the Estate but not further or otherwise) to comply at its own expense with the requirements and directions of any competent authority and with the provisions of all statutes planning permissions regulations orders and bylaws made thereunder and hereby indemnifies the Manager and the Management Company against any loss expense cost or claim arising as a result of a breach by the Developer thereof or any failure by the Developer to comply with its obligations under this Agreement

**10. Developer's subsequent interest in Dwellings**

- 10.1 In the event of the Developer at any time re-acquiring either during the currency of this Agreement or afterwards an interest in any of the Dwellings either by way of part exchange or otherwise the Developer shall assume responsibility for complying with all of the provisions on the part of the Dwelling Owner contained in the Deed including those relating to the payment of all monies due to the Management Company until such time as the Developer shall dispose of such interest

## **SCHEDULE 2**

### **MANAGER'S OBLIGATIONS**

#### **Part I**

The Manager covenants with the Management Company and as a separate covenant with the Developer and agrees and declares as follows:

**1. Services**

1.1 To observe and perform the Services in accordance with the principles of Good Industry Practice and in such manner as not to willfully detract from the image and reputation of the Developer and/or the Management Company

**2. Insurance**

2.1 To effect building insurance cover (where appropriate) against a comprehensive set of risks for the Estate to cover the cost of full reinstatement together with material and third party liability risks and in accordance with the Deeds for which it has received the notification referred to in paragraph 6 of Schedule 1 hereto or any other notification received from the Developer or the Management Company relating to any other part of the Estate provided the cost of such insurance is recoverable under the terms of the Deeds.

3. Unless in conflict with the requirements of the Deeds, all insurances referred to in paragraph 2 of Part I of this Schedule shall:

3.1 contain a provision that

(a) the Developer and the Management Company are co-insured (save where the Developer has already disposed of its freehold reversionary interest in any part of the Estate)

(b) no claim of any of the insured under policy shall be defeated prejudiced or otherwise affected by any act or omission on the part of any other insured and shall insure the interest of each insured regardless of any act or omission on the part of any other insured

(c) each policy operates in the same manner as if there were a separate policy with and covering each insured

- 3.2 contain a provision to the effect that the insurers have agreed to waive all rights of subrogation against the Developer and the Management Company and their relevant directors officers and employees
- 3.3 be placed with insurers who are acceptable to the Developer and the Management Company (such acceptance in each case not to be unreasonably withheld or delayed)
4. To supply the Management Company and the Developer on request with copies of every policy of insurance required under paragraph 2 of Part I of this Schedule as soon as it is available together with evidence of payment of the premiums. If the Manager defaults in insuring or continuing to maintain the insurances aforesaid the Management Company and/or the Developer may insure against any risk in respect of which such default has occurred and recover any premiums reasonably and properly incurred from the Manager as a debt provided the Management Company or the Developer is unable to recover that expense from the Dwelling Owner.
5. The supply to the Management Company of any draft insurance policy or certificate of insurance or other evidence of compliance with this clause shall not imply acceptance by the Management Company or the Developer that the extent of insurance cover is sufficient or that its terms are satisfactory
6. Neither failure to comply nor full compliance with the insurance provisions of this Agreement shall relieve the Manager of its liabilities and obligations under this Agreement
7. Save to the extent where the Developer's or the Management Company's interest in the Estate is not materially affected the Manager shall notify the Management Company the Developer and the relevant insurer of any circumstances which may give rise to a claim under the insurances aforesaid within ten (10) business days of becoming aware of the same (or earlier if so requested by the terms of the relevant insurance policy). If any insurer disputes any such claim the Manager shall provide the Management Company and the Developer with full details of any disputed claim and the parties shall liaise with one another to ensure that the relevant claim is preserved or pursued
8. All insurance proceeds received by the Manager under the insurances aforesaid shall be paid towards satisfaction of the claim demand proceeding or liability in respect of which such proceeds were paid
9. If the proceeds of any insurance claim in respect of losses which the insurances

aforesaid should (or had the Manager properly procured or maintained such insurance for and on behalf of the Developer and the Management Company would) have covered are insufficient to cover the settlement of such claims the Manager will make good any deficiency forthwith save to the extent that such deficiency is caused by the act default or omission of the Management Company or the Developer

## **10. Service Charge Review and liaison with Dwelling Owner**

### **10.1 Budget Review**

10.1.1 60 Business Days or less or not less than such period as is specified in the Deeds before the commencement of any Management Year beginning after the date of this Agreement the Manager will draw up a proposed Budget for the Estate with estimates of all charges including Service Charges and the annual Management Fee to be levied on the Dwelling Owner in respect of the Estate by the Management Company

10.1.2 The Manager will liaise with the Management Company regarding the preparation of the proposed Budget for the Estate and will make available to the Management Company and each director of the Management Company a written copy of the same.

### **10.2 Liaison with the Dwelling Owner**

10.2.1 The Management Company hereby authorises the Manager to give the Dwelling Owner an opportunity to comment on the proposed Budget prior to final determination

## **11. Service Charge Calculation**

11.1 The Management Company shall provide the Manager with their comments and instructions on the proposed Budget as soon as practicable after receipt (and in any event use reasonable endeavours to do so within 10 Business Days of receipt) so as to give the Manager reasonable time in which to finalise its annual review of the Service Charges in advance of the commencement of the forthcoming Management Year

11.2 The final decision relating to Service Charge actually adopted in relation to the Estate shall be made by the Management Company who shall act reasonably in this regard.

11.3 The Management Company shall use reasonable endeavours to notify such decision

to the Manager by no later than 20 Business Days before the commencement of the relevant Management Year. The Service Charges so notified shall be the Service Charges for the purposes of this Agreement, in respect of the Estate.

## **12. Accounts**

12.1 The Manager will liaise as necessary with the Management Company regarding the Management Company's choice of accountants and/or auditors (as appropriate) to act for and on behalf of the Management Company with regard to the Estate's finances with a view to agreeing the appointment thereof (such agreement not to be unreasonably withheld or delayed).

12.2 The accountants and/or auditors shall be instructed by the Manager to prepare accounts and certificates for the Management Year in accordance with the requirements of the Deeds and will also prepare statutory accounts.

## **13. Service Charge Collection**

13.1 The Manager will ensure Service Charge demands where required are sent to each Dwelling Owner of a Dwelling prior to the commencement of each Management Year and at such other times as prescribed by the Deeds and will ensure such demands comply with all statutory requirements and Law for the time being now or in the future in force

13.2 The Manager shall use reasonable endeavours to collect all arrears of Service Charge and other amounts owing to the Management Company by the Dwelling Owner (without however being obliged itself to pay any such amounts or any costs of collection)

13.3 The Manager will where necessary and subject to the Management Company's prior written consent (such consent not to be unreasonably withheld or delayed) instruct solicitors or debt collection agents acceptable to the Management Company to institute legal proceedings in the name of the Management Company provided that the Management Company shall have first being given the opportunity of:-

13.3.1 approving any pleadings to be issued and served in its name and

13.3.2 being kept fully informed of each step in any action at court

**14. Service Charge Client Account**

14.1 In the event of this Agreement being terminated by the Developer and/or the Management Company pursuant to the provisions of Clause 11 the Service Charge Client Account shall immediately become due and payable to the Developer or the Management Company (as appropriate) to be held on trust by the Developer or the Management Company for the Dwelling Owner of the Dwellings and (if appropriate) to be expended in management functions as set out in and in accordance with the Deeds only for the benefit of such Dwelling Owner provided always that in the event of this Agreement being terminated pursuant to this clause the parties hereto will use reasonable endeavours so as to ensure that the balance of the Service Charge Client Account is formally transferred to the Developer or the Management Company as aforesaid within 28 days of the termination so as to allow the parties hereto sufficient time to reconcile the Service Charge Client Account and account for any outstanding matters

**15. Debtors**

15.1 The Manager will provide in writing a schedule of debtors for any amounts owing under any Deed (including but not limited to unpaid Service Charges) to the Management Company on a quarterly basis or at such other times following a written request from the Management Company whereupon the schedule shall be provided by the Manager within a reasonable time of the receipt of such request

**16. Reserve Fund**

16.1 The Manager will ensure in consultation with the Management Company that subject to and to the extent permitted by the terms of the Deeds the Budget for each Management Year in respect of the Estate will contain a provision for the future capital expenditure in the form of a Reserve Fund

16.2 If a Reserve Fund does not exist for the Estate at the date of commencement of the Manager's appointment under this Agreement the Manager will take such steps as may be reasonable and appropriate in liaison with the Dwelling Owner and the Management Company to create such fund.

**17. Enquires and Complaints**

17.1 The Manager undertakes to reply to or acknowledges receipt of all queries from the Dwelling Owner and the Management Company within two Business Days of receipt



and to provide in the acknowledgement the timescale of response to the query.

- 17.2 The Manager will implement and operate a complaints and grievance procedure for Dwelling Owner throughout the term of this Agreement the details of such procedure will be made available upon request.

**18. Repairs**

- 18.1 The Manager as the Management Company's agent will use reasonable endeavours to arrange those repairs for which the Management Company is specified as being responsible in the relevant Deeds subject to funding.

**19. Health and Safety:**

- 19.1 In the event of advice or a notice from the Health and Safety Executive ("HSE") or one of its inspectors being given or made known to the Manager the Manager will inform the Developer and the Management Company in writing and will require that the Developer and/or Management Company (as appropriate) authorises the matter to be resolved without delay.
- 19.2 The Developer and the Management Company agrees that its directors and officers Insurers shall immediately be informed of the occurrence
- 19.3 The Manager will use reasonable endeavours to reach agreement with the HSE as to securing the subject matter of the advice or notice for temporary safety until a permanent solution is achieved and will effect same
- 19.4 The Management Company agrees that all Dwelling Owner are alerted to the matter by the Manager by notices signs or other appropriate media where in the opinion of the Manager there is a risk to the Dwelling Owner or their visitors.
- 19.5 The Manager will use reasonable endeavours to agree a suitable time scale with HSE for the permanent work to be executed bearing in mind the then current state of the funding of the Management Company
- 19.6 The Manager is not responsible for decisions as to time or standards made by the HSE.
- 19.7 The Manager is responsible for ensuring availability of sufficient funding for all such actions as are required to satisfy the advice or notice and for procuring the same by way of inclusion of the same within the Budget .

19.8 The Management Company hereby confirms that it or its directors or its committee members shall undertake to arrange loans if necessary (and available) for the Management Company to enable it to fund the works in the event that there is insufficient funding at the time in the Service Charge Client Account.

**20. Registration of Dwelling Owner's Interests**

20.1 The Manager shall receive notices of transfers assignments and charges on behalf of the Management Company

**21. Company Secretary and Registered Office**

21.1 If so requested by the Management Company the Manager or its appointed nominee shall undertake the office of Company Secretary of the Management Company and shall undertake all the duties of a Company Secretary and ensure the duties are observed and performed diligently in accordance with the Law and with the requisite skill and care and prudence of a professionally qualified company secretary.

21.2 The Manager shall ensure that the registered office of the Management Company recorded at Companies House shall be the address of the Manager detailed in this Agreement

**22. Employees of the Manager**

22.1 The Manager shall in accordance with Good Industry Practice recruit such on-site staff for the Management Company as shall be reasonably necessary and proper to operate and control the supervision and management of the Estate and will account as necessary on behalf of the Management Company for any National Insurance PAYE or other statutory or legal deductions and will arrange any necessary insurance for all such staff including any agreed level of fidelity insurance as may be necessary for any such staff AND ALSO the Developer nor its agents nominees or employees will issue orders or directions to any such staff or interfere in any way with their employment

22.2 The Manager undertakes to ensure that no liability shall attach to either the Developer or the Management Company in relation to the recruitment or employment of staff by the Manager

**23. Indemnity**

23.1 The Manager shall indemnify and keep the Developer and the Management Company indemnified at all times from and against all reasonable damage losses liabilities

claims actions costs expenses (including the cost of legal or professional services) proceedings demands and charges howsoever arising in consequence of:

- 23.2 Any claim for or in respect of the death and/or personal injury of any person arising by reason of any act omission neglect or breach of the Manager or the Manager's Personnel and
- 23.3 Any loss or damage to property or assets of the Developer the Management Company or any third party arising by reason of any act omission neglect or breach of the Manager's obligations herein contained by the Manager or any of the Manager's Personnel and
- 23.4 Any liability or loss incurred by the Developer and/or (as appropriate) the Management Company as a consequence (whether direct or indirect) of a breach of the Manager's obligation contained in paragraph 21 of Part 1 of this Schedule 2

## **Part II**

The Manager hereby further covenants and undertakes with the Developer and further agrees and declares as follows:

### **Ground Rent Collection Agency**

- 1.** (Insofar as it may be applicable) as from the next date for payment of ground rent following the completion of the sale and purchase of each leasehold Dwelling until the disposal of the Developer's freehold or (as appropriate) leasehold reversionary interest in the Estate elsewhere to collect from the purchaser of each Dwelling the ground rent then due under the provisions of the Deeds
- 2.** To account to the Developer in the amount of such ground rent received less a collection charge of five per cent (5%) plus VAT of the sum so received on a half yearly basis on the due date next succeeding the date for payment of such ground rent under the provisions of the Deeds PROVIDED ALWAYS THAT the Developer may at any time during the said period rescind the said appointment of the Manager as its Agent upon giving One (1) month's notice in writing to the Manager

**ANNEXURE 1**

**THE DEED – The Lease**

**ANNEXURE 2**  
**THE ESTATE LAYOUT**