

Section 2: Residents Management Company for Ashton Vale (former Pollards Nursery)

A Resident Management Company will be created at Companies house and is provided with Memorandum and Articles of Association, setting out how the Company will be run and administered, which is regulated by Company Law. (as identified within draft management document)

Each purchaser on the development will become a member of the company through their legal documents (whether these are Freehold Transfers or Leases); with each purchaser having a voting right in issues affecting the company. The legal documents also provide the owners with obligations to maintain the managed areas and items and sets out the mechanism to finance the maintenance and management the development through a service charge.

The Company is be run by Directors, who appoint a managing agent to manage and maintain the development on behalf of the members; Initially, the Redrow Homes will be appointed as Director, but once the development is completed, an Extraordinary General Meeting will be called with the Developer resigning as Director and residents taking up Directorships by being voted in by the members.

The owners therefore have control of the management of the development and will vote on issues on an annual basis, including whether to renew the contract of the appointed managing agent.

Each member pays a service charge which finances the maintenance of the development and the Directors as the client will agree the estimate of service charges paid by the owners each year in advance and they will also approve the audited year end accounts, which determines the actual expenditure over the previous financial year and any resulting balancing charge/credit.

DATED

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REDROW HOMES ([*region*]) LIMITED

- and -

[*Estate Management Company*]

- and -

[*Managing Agent*]

MANAGEMENT AGREEMENT

relating to the development at [*address of Estate*]



Redrow Group Services Ltd

Redrow House

St David's Park

Flintshire

CH5 3RX

	out the Services in accordance with this Agreement
"Building"	means any building forming part of the Estate
"the Deed"	means the deed(s) substantially in the form of the lease [and/or transfer (as appropriate)] annexed hereto 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 dwellings constructed or to be constructed on the Estate and "Dwelling" shall be construed accordingly
"the Estate"	means the estate known for development purposes as [] delineated on the plan annexed hereto and thereon edged red
"Good Industry Practice"	means using standards practices methods and

parts of the Estate and collection and certification of costs

"Service Charge" means the service charges payable by the lessees and/or (as the case may be) freehold owners of the Dwellings pursuant to the Deeds

"Service Charge Client Account" means a trust account by which all unexpended sums of Service Charges received from the lessees or freehold owners (as the case may be) of the Dwellings shall be held in trust for such lessees 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

"[NHBC / Zurich]" means the [National House Building Council / the Zurich Insurance Company] *[delete as appropriate]*

"Parties" means the Developer the Management Company and the Manager and "Party" shall be construed accordingly

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

4.2.2 to serve any notices upon lessees which may become necessary for rectification of breaches of lessees 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. Developers Obligations

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

6. Managing Agent's Obligations

6.1 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 1 of Schedule 2 hereto

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

7. Commencement of Manager's Responsibility

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 12 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

remedied

10.2 Any Party may at its absolute discretion terminate this Agreement at any time by service of one week's notice in writing upon the other parties if

10.2.1 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

10.2.2 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)

10.3 Any Party may at its absolute discretion terminate this Agreement at any time after *[expiry of initial contract duration]* years from the date hereof on giving *[three]* months' prior written notice to the other parties

10.4 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

11. No Assignment

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

12. Arbitration

Should any dispute or difference arise between the Parties touching and concerning this Agreement and in the absence of any provisions contained herein to the contrary then any Party shall 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

13. Notices

13.1 Any notice required to be given in this Agreement shall be served by first class mail addressed to the last known address or registered office of the Party for which it is

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

- 14.6 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 / Zurich] *[delete as appropriate]* or any similar scheme or agreement to which it may be a party or any warranty given by the Developer relating to the Dwellings

15. Contract (Rights of Third Parties) Act 1999

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

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

THE COMMON SEAL of
REDROW HOMES ([region]) LIMITED
was hereunto affixed in the presence of:

Director

Director/Secretary

THE COMMON SEAL of
[Estate management company]
was hereunto affixed in the presence of:

Director

Director/Secretary

SCHEDULE 1

DEVELOPER'S OBLIGATIONS

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

Construction of the Estate

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
2. To provide copies of all Planning Permissions and Building Regulation Approvals and relevant plans and of any revisions or amendment thereof to the Manager within twenty-eight days of receipt by the Developer

Defects Liability

3. 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 / Zurich] *[delete as appropriate]* (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 against any loss expense cost or claim arising within the said two year period as a result of any such defects
4. 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

Disposal of Dwellings

5. 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

and purchase of such Dwelling is completed

Deed Execution

13. 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 against and to reimburse any reasonable costs expenses or losses properly incurred by the Manager as the result of any failure to do so or in connection with the rectification of any such defect

Not to assume Manager's obligations

14. Not to carry out the obligations of the Manager referred to in the Deed as provided for therein (except in the case of emergency) unless the Developer shall have served notice upon the Manager specifying the breach and requiring remedy within a reasonable time period (having regard to the nature of the breach) and the Manager shall have failed within such reasonable period to either:

- 14.1 effect remedy or

- 14.2 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 control

PROVIDED ALWAYS THAT the Manager 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 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 to the Developer within twenty eight days of receiving a demand therefor 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

Consents

15. Not to (during the period of this Agreement) grant any consents relating to any matter

SCHEDULE 2

MANAGER'S OBLIGATIONS

Part I

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

Services

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

Insurance

2. To effect building insurance cover against a comprehensive set of risks for the Estate to cover the cost of full reinstatement together with material and third party liability risks 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
3. 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
 - (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

aforesaid should (or had the Manager properly procured or maintained such insurance 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

Service Charge Client Account

10. In the event of this Agreement being terminated by the Developer and/or the Management Company pursuant to the provisions of Clause 10 the Management Charge Trust Account shall immediately become due and payable to the Developer or the Management Company to be held on trust by the Developer or the Management Company for the lessees of the Dwellings and (if appropriate) to be expended in management functions as set out in and in accordance with the Deed only for the benefit of such lessees

Developer's Expenditure

11. The Manager will reimburse the Developer from the Service Charge Account within twenty eight days of receiving written evidence thereof of any reasonable and proper expenditure incurred by the Developer in carrying out any of the management functions as specified in the Deed and the Management Scheme or any part thereof PROVIDED THAT if the Service Charge Account has insufficient funds available the Manager shall so reimburse as soon as reasonably practicable
12. The total cost incurred will be divided between and attributed to the Dwellings or in the case of common parts the appropriate number of Dwellings comprised in the relevant part of the Estate or (as the case may be) any block (as defined in the Deeds) of leasehold plots in the same ratios as set out in the Management Scheme and the Developer will be entitled to reimbursement of the cost relating to each Dwelling from the date of completion of the sale and purchase of any such Dwelling in respect of the period to which the cost relates so that costs attributable to vacant Dwellings will be borne by the Developer PROVIDED ALWAYS THAT the maximum for each item of expenditure to be attributable to the entire Estate shall be the appropriate annual sum referred to in the Management Scheme (or any increased sum applicable as a result of any revision by the Manager of the annual sum specified in the Management Scheme) so that the maximum recoverable by the Developer will be in the relevant proportion of that maximum in respect of the period to which the costs relate

obligations under law;

- 16.6 Co-ordinating the preparation and distribution of the Management Company's annual report and accounts;
- 16.7 Monitoring compliance with the Management Company's memorandum and articles of Association and other legal requirements (including but not limited to the Companies Acts and Part V of the Criminal Justice Act 1993);
- 16.8 Administering the Management Company's registered office (including but not limited to receiving co-ordinating and distributing official communications received at the registered office and ensuring the provision of facilities for the inspection of company registers by members and permitted third parties)

Indemnity

- 17. The Manager shall indemnify and keep the Developer and the Management Company indemnified at all times from and against all damage losses liabilities claims actions costs expenses (including the cost of legal or professional services) proceedings demands and charges howsoever arising in consequence of:
 - 17.1 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
 - 17.2 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
 - 17.3 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 14 of Part I of this Schedule 2

ANNEXURE

THE DEED

ANNEXURE