MANAGEMENT ARRANGEMENTS

Land North of Nightingale Way Sutton Bridge

The Developer intends to incorporate a Management Company prior to the sale/occupation of the individual plots.

A Management Company will be incorporated in the name of [ ] to maintain:

- Shared Private Estate roads (non-adopted areas)
- Open Public Space / common landscaped areas
- Public liability insurance for all areas owned by them
- Any other areas not included within the extent of a plot or adopted by the local authority

in return for the payment by each plot owner on the development of an annual estate charge.

- Each plot owner will be a member of the Management Company and will be eligible to stand as a director.
- Where a plot is purchased in joint names the joint owners shall together constitute one member of the Management Company and only one joint owner would be eligible to stand as director of the Management Company. The owner details will be placed on the register of members for the Company. No voting rights will attach to the membership until all of the units on the development have been completed and sold and the subscriber to the memorandum of association has been resigned.
- The Management Company is to be limited by guarantee and the liability for each member of the Company is limited to £25 only. Each member of the Company guarantees to contribute £25 towards the Company's debts in the event of the Company going into liquidation whilst they are a member or within 1 year of them ceasing to be a member.
- When the development is built and is fully occupied then the control of the Management Company will be handed over to the residents of the development. Until this time the Developer will retain ownership and will conduct all the duties and responsibilities of the Management Company and will be responsible for maintenance of all the items listed above.

- The Developer will propose to the residents that the Management Company appoints professional managing agents to run this on their behalf

- As part of the conveyancing process the plot transfer will impose positive covenants to pay the annual rent charge, retain membership of the Management Company and directorship if requested and a responsibility to ensure that a new owner takes on these responsibilities on resale

- The plot transfer will also set out the Management Company's responsibilities and obligations in respect of maintenance, insurance and collect of the estate charge and their enforcement powers against any defaulting plot owners

- a restriction will be placed on the title of each plot preventing the sale of the plot unless the new owner enters into a direct deed of covenant with the Management Company taking on the responsibilities to pay the estate charge and releasing the existing owner from that responsibility. The new owner will have to become a member of the Management Company contemporaneously with acquiring the property.

- The Management Company will not consent to the sale of the property and issue a certificate for registration purposes in relation to the restriction if any unpaid amounts for estate charge are due. This will ensure that estate charges can be collected at the point of sale.

- Legal ownership of all areas of the site which form part of the maintenance responsibilities set out above will be transferred to the Management Company after completion of the last plot sale on the development.

- The estate rent charge will be collected in advance on completion of each plot sale for the first year together with the £25 contribution listed above.

- Each plot owner will be asked to sign the appropriate forms for Companies House indicating their ability to take on directorship responsibilities and the company will choose a selection of the plot owners to become the directors of the company. The Developer will assist the plot owners in running the Management Company and the maintenance of the areas listed above until such time as the plot owners are able to proceed independently or have appointed a suitable managing agent.