

12449



**FIRST-TIER TRIBUNAL
PROPERTY CHAMBER (RESIDENTIAL
PROPERTY)**

Case Reference : LON/00AX/LAM/2017/0021

Property : Aranmor, Kingston Hill, Kingston-upon-Thames, Surrey KT2 7LY

Applicants : Jonathan Hugh Trenchard Clark
Rasna Gaev Clark

Representative : Russell Cooke solicitors

Respondents : CHP (Aranmor House Management) Ltd
Ghislain Henri Elise Rademakers
Grainne Nicholson

Type of Application : Appointment of Manager

Tribunal : Judge Nicol
Mr T Sennett

Venue and Date of Hearing : 10 Alfred Place, London WC1E 7LR
30th October 2017

Date of Decision : 30th October 2017

DECISION

- (1) The Tribunal has decided to appoint Mr Robert Heald FRICS as the manager of the subject property on the terms of the order proposed on behalf of the Applicants and attached to this decision. The terms include a period of appointment of three years and an annual fee of £2,800 plus VAT.
- (2) Pursuant to rule 13 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the Respondents are liable to pay costs incurred by the Applicants limited to 20% of counsel's brief fee for the hearing and 50% of the preparation of the hearing bundle.

- (3) If the parties are unable to agree the sum of money required for the Respondents to discharge their liability under paragraph (2) above, the Applicants shall compile a schedule of relevant costs and file and serve it, with any supporting evidence, by 4pm on **15th November 2017**.
- (4) If the Applicants file and serve the aforementioned schedule of costs, the Respondents shall by 4pm on **29th November 2017** file with the Tribunal and serve on the Applicants any reply, setting out what costs should not be awarded and why. The Tribunal will thereafter issue a final decision on the remaining costs issues.
- (5) The Tribunal has refused the Applicants' application for an order under section 20C of the Landlord and Tenant Act 1985.

The Tribunal's reasons

1. The subject property is a substantial house converted into four flats, two of which are now owned by the Applicants, one by the Second Respondent and one by the Third Respondent. The First Respondent is the freeholder, owned in equal shares by the lessees of the four flats.
2. Despite the leases mandating the appointment of a professional manager, the property has been managed for many years by the lessees themselves. However, the relationship between the lessees broke down during a period when the First Applicant acted as company secretary with primary responsibility for managing the property. Attempts were made to look for a professional manager whose appointment they could all agree but they failed and so the Applicants have applied to the Tribunal for a manager to be appointed under section 24 of the Landlord and Tenant Act 1987 (relevant legislation is set out in an appendix to this decision).
3. The Tribunal heard the application on 30th October 2017. The Applicants were represented by Mr Kester Lees of counsel. The Second and Third Respondents represented themselves, assisted by the Third Respondent's husband, Mr David Brown. The First Respondent was not separately represented.
4. The Second and Third Respondents had set out their objections to the application in a witness statement from each of them. The Tribunal clarified that the points they had made in those statements may be summarised as follows:
 - (a) There has been a breakdown of trust and confidence between the parties but it has been the fault of the First Applicant due to the opaque manner in which he had handled the First Respondent's finances.
 - (b) The application has not been brought in good faith and its purpose is to force the Respondents out of the property.

- (c) The independence of the Applicants' proposed manager, Mr Robert Heald FRICS, principal of local agents Wallakers, should be questioned because the First Applicant purported to conduct some of his work in relation to the property in the name of his own architects' firm.
 - (d) The terms of the proposed management order were onerous and, in any event, if a manager were to be appointed, they should not be linked to the Applicants, the fees should be no more than £1,000 and the appointment should be limited to one year rather than three years.
 - (e) The Second and Third Respondents were ready, willing and able to manage the property themselves.
5. However, at the hearing the Respondents conceded both the application and, specifically, appointing Mr Heald as the manager. It was not in dispute that the property needs to be managed, not least to address outstanding maintenance, with the roof requiring particular attention. The Third Respondent and her husband, with whom the Second Respondent expressly agreed, said they were reassured by a number of things they had heard at the hearing, including the Tribunal's reiteration that any manager would be the Tribunal's appointee, answerable to the Tribunal, not to the parties. Mr Heald also gave evidence to the Tribunal and they said they were reassured by the content of that evidence.
6. Since the manager would be the Tribunal's appointee, the Tribunal heard from and questioned Mr Heald themselves. He and his firm are clearly sufficiently experienced and resourced to manage the subject property. Mr Heald said he himself would be the dedicated property manager and would therefore visit the subject property on a regular basis himself. He has been appointed by the Tribunal twice before, one appointment still being current. He admitted that he and his firm were recently fined by the RICS for a misallocation of funds but he said procedures had been put in place to address the problem – there was no question of dishonesty and the firm remain as managers for the developments concerned.
7. The Second and Third Respondents having queried the term of appointment and his fees, Mr Heald explained that he would prefer a three-year appointment because he thought it would take longer than one year to take control of the management of the subject property and then implement a programme of maintenance. He explained his fees were higher than the £2,000 plus VAT he would normally charge for a property of this nature due to the past and future potential for dispute. Having heard from Mr Heald, the Respondents did not pursue their objections on these points.
8. The Tribunal queried a couple of aspects of the management order. Clause 4 under the heading, "Maintenance", mandated the manager to

set up a parking scheme. The Applicants believe there are too few spaces (7 between four flats) and that landscaping may be required to fit in another one. The Second and Third Respondents feel that 8, or possibly even 9, cars can be fitted in. They do not object to each flat being specifically allocated two spaces each but are concerned that unnecessary landscaping could damage the pleasing aspect of their front garden.

9. The Tribunal is satisfied that the parking allocation is a management issue for the manager to address but also that the wording of clause 4 proposed by the Applicants answers the Second and Third Respondent's concerns by making it a condition of any landscaping work that it be "necessary" in the manager's opinion in order to provide for the eight parking spaces.
10. The draft order proposed that the manager take over the company secretarial duties. The Second and Third Respondents were in favour of this and the draft clause was taken from another Tribunal's order. In the circumstances, the Tribunal were content to leave it in.
11. In all the circumstances, the Tribunal is satisfied that:
 - (a) It is just and convenient that an order should be made appointing a manager for the subject property.
 - (b) Mr Heald is a satisfactory nominee for the position of manager.
 - (c) Mr Heald should be appointed on the terms proposed by the Applicants in their draft management order.
12. Mr Lees on behalf of the Applicants applied for an order for costs under rule 13(1) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013. He sought an order in principle with the quantum to be determined at another time. He alleged that the Second and Third Respondents had acted unreasonably in making their objections as set out in paragraph 4 above and then dropping them for the first time at the hearing. In particular, he said that the Applicants had been obliged to prepare for a full day's hearing when it actually only lasted half a day after the concessions had been made.
13. The Second and Third Respondents did not object to the costs application being dealt with substantively today. They asserted that they had behaved reasonably in the light of the long history of mistrust and the reassurance they obtained only at the hearing.
14. The parties had been unable to agree on the appointment of a professional managing agent. The Tribunal could only appoint a manager on application by a party and on hearing the nominated manager for themselves. Therefore, the costs of the application and a

hearing were always inevitable and did not arise due to anything done by the Respondents during the proceedings.

15. However, the Tribunal is satisfied that the Second and Third Respondents could and should have made their concessions earlier. Their objection to Mr Heald, based on the First Applicant's alleged defaults, was always unreasonably wide and based on unsound reasoning involving an unproved lack of trustworthiness in the First Applicant. Mr Heald wrote a letter dated 4th October 2017 confirming his independence – if the Second and Third Respondents had further doubts, they could have spoken to him about them. Further, the Tribunal's reassurance about their appointed manager's independence should not have been news to the Second and Third Respondents – the Applicants' solicitors mentioned it in a letter dated 8th December 2016 and the Third Respondent was represented at the time by Memery Crystal who replied on her behalf.

16. The Upper Tribunal considered rule 13(1) in *Willow Court Management Co (1985) Ltd v Alexander* [2016] UKUT 0290 (LC). They quoted with approval the following definition from *Ridehalgh v Horsefield* [1994] Ch 205 given by Sir Thomas Bingham MR at 232E-G:

"Unreasonable" ... means what it has been understood to mean in this context for at least half a century. The expression aptly describes conduct which is vexatious, designed to harass the other side rather than advance the resolution of the case, and it makes no difference that the conduct is the product of excessive zeal and not improper motive. But conduct cannot be described as unreasonable simply because it leads in the event to an unsuccessful result or because other more cautious legal representatives would have acted differently. The acid test is whether the conduct permits of a reasonable explanation. If so, the course adopted may be regarded as optimistic and as reflecting on a practitioner's judgment, but it is not unreasonable.

17. The Upper Tribunal in *Willow Court* went on to say:

24. ... An assessment of whether behaviour is unreasonable requires a value judgment on which views might differ but the standard of behaviour expected of parties in tribunal proceedings ought not to be set at an unrealistic level. We see no reason to depart from the guidance given in *Ridehalgh* at 232E, despite the slightly different context. "Unreasonable" conduct includes conduct which is vexatious, and designed to harass the other side rather than advance the resolution of the case. It is not enough that the conduct leads in the event to an unsuccessful outcome. The test may be expressed in different ways. Would a reasonable person in the position of the party have conducted themselves in the manner complained of? Or Sir Thomas Bingham's "acid test": is there a reasonable explanation

for the conduct complained of?

26. We ... consider that tribunals ought not to be over-zealous in detecting unreasonable conduct after the event and should not lose sight of their own powers and responsibilities in the preparatory stages of proceedings. As the three appeals illustrate, these cases are often fraught and emotional; typically those who find themselves before the FTT are inexperienced in formal dispute resolution; professional assistance is often available only at disproportionate expense. It is the responsibility of tribunals to ensure that proceedings are dealt with fairly and justly, which requires that they be dealt with in ways proportionate to the importance of the case (which will critically include the sums involved) and the resources of the parties.

18. The Tribunal has taken into account that this definition of unreasonableness imposes a high hurdle for the Applicants to get over. Nevertheless, the Tribunal is satisfied that the behaviour of the Second and Third Respondents as described above is accurately described as unreasonable.
19. However, the consequences were limited to a lengthening of the hearing and, therefore, the preparation for it. The Tribunal estimates that Mr Lees could ascribe 20% of his preparation work, including his skeleton argument, to issues which he would not have had to address if the Second and Third Respondents had made their concessions earlier. For example, he would still have had to satisfy the Tribunal as to Mr Heald's suitability even if the Second and Third Respondents had withdrawn their objections to him.
20. The Applicants' solicitor had to include a large number of papers in the hearing bundle which only went to issues which the Second and Third Respondents conceded at the hearing. The Tribunal estimates that he is entitled to recover 50% of the cost of preparing the bundle, including photocopying costs. However, his attendance at the hearing was unnecessary and so none of that cost is recoverable.
21. The Applicants also asked for an order under section 20C of the Landlord and Tenant Act 1985 that the First Respondent's costs of the proceedings should not be added to the service charge. Since the First Respondent has not been separately represented, it is difficult to see that it could have incurred any costs. If any activities of the remaining parties has somehow incurred a liability for the First Respondent, it seems only right that the First Respondent should be allowed to recover that through the service charge to the extent permitted by the lease. If any party has wrongly incurred such liability for the First Respondent, that may be the subject of a separate dispute. Therefore, the section 20C application is rejected.

Name: NK Nicol

Date: 30th October 2017

Appendix of relevant legislation

Landlord and Tenant Act 1985 (as amended)

Section 22

- (1) Before an application for an order under section 24 is made in respect of any premises to which this Part applies by a tenant of a flat contained in those premises, a notice under this section must (subject to subsection (3)) be served by the tenant on—
 - (i) the landlord, and
 - (ii) any person (other than the landlord) by whom obligations relating to the management of the premises or any part of them are owed to the tenant under his tenancy.
- (2) A notice under this section must—
 - (a) specify the tenant's name, the address of his flat and an address in England and Wales (which may be the address of his flat) at which any person on whom the notice is served may serve notices, including notices in proceedings, on him in connection with this Part;
 - (b) state that the tenant intends to make an application for an order under section 24 to be made by the appropriate tribunal in respect of such premises to which this Part applies as are specified in the notice, but (if paragraph (d) is applicable) that he will not do so if the requirement specified in pursuance of that paragraph is complied with;
 - (c) specify the grounds on which the tribunal would be asked to make such an order and the matters that would be relied on by the tenant for the purpose of establishing those grounds;
 - (d) where those matters are capable of being remedied by any person on whom the notice is served, require him, within such reasonable period as is specified in the notice, to take such steps for the purpose of remedying them as are so specified; and
 - (e) contain such information (if any) as the Secretary of State may by regulations prescribe.
- (3) The appropriate tribunal may (whether on the hearing of an application for an order under section 24 or not) by order dispense with the requirement to serve a notice under this section on a person in a case where it is satisfied that it would not be reasonably practicable to serve such a notice on the person, but the tribunal may, when doing so, direct that such other notices are served, or such other steps are taken, as it thinks fit.
- (4) In a case where—
 - (a) a notice under this section has been served on the landlord, and
 - (b) his interest in the premises specified in pursuance of subsection (2)(b) is subject to a mortgage, the landlord shall, as soon as is reasonably practicable after receiving the notice, serve on the mortgagee a copy of the notice.

Section 24

- (1) The appropriate tribunal may, on an application for an order under this section, by order (whether interlocutory or final) appoint a manager to carry out in relation to any premises to which this Part applies--
 - (a) such functions in connection with the management of the premises, or
 - (b) such functions of a receiver, or both, as the tribunal thinks fit.

- (2) The appropriate tribunal may only make an order under this section in the following circumstances, namely--
 - (a) where the tribunal is satisfied--
 - (i) that any relevant person either is in breach of any obligation owed by him to the tenant under his tenancy and relating to the management of the premises in question or any part of them or (in the case of an obligation dependent on notice) would be in breach of any such obligation but for the fact that it has not been reasonably practicable for the tenant to give him the appropriate notice, and
 - (ii) ...
 - (iii) that it is just and convenient to make the order in all the circumstances of the case;
 - (ab) where the tribunal is satisfied--
 - (i) that unreasonable service charges have been made, or are proposed or likely to be made, and
 - (ii) that it is just and convenient to make the order in all the circumstances of the case;
 - (aba) where the tribunal is satisfied--
 - (i) that unreasonable variable administration charges have been made, or are proposed or likely to be made, and
 - (ii) that it is just and convenient to make the order in all the circumstances of the case;
 - (abb) where the tribunal is satisfied--
 - (i) that there has been a failure to comply with a duty imposed by or by virtue of section 42 or 42A of this Act, and
 - (ii) that it is just and convenient to make the order in all the circumstances of the case;
 - (ac) where the tribunal is satisfied--
 - (i) that any relevant person has failed to comply with any relevant provision of a code of practice approved by the Secretary of State under section 87 of the Leasehold Reform, Housing and Urban Development Act 1993 (codes of management practice), and
 - (ii) that it is just and convenient to make the order in all the circumstances of the case;

or

 - (b) where the tribunal is satisfied that other circumstances exist which make it just and convenient for the order to be made.

- (2ZA) In this section "relevant person" means a person—
- (a) on whom a notice has been served under section 22, or
 - (b) in the case of whom the requirement to serve a notice under that section has been dispensed with by an order under subsection (3) of that section.

- (2A) For the purposes of subsection (2)(ab) a service charge shall be taken to be unreasonable—
- (a) if the amount is unreasonable having regard to the items for which it is payable,
 - (b) if the items for which it is payable are of an unnecessarily high standard, or
 - (c) if the items for which it is payable are of an insufficient standard with the result that additional service charges are or may be incurred.

In that provision and this subsection "service charge" means a service charge within the meaning of section 18(1) of the Landlord and Tenant Act 1985, other than one excluded from that section by section 27 of that Act (rent of dwelling registered and not entered as variable).

- (2B) In subsection (2)(aba) "variable administration charge" has the meaning given by paragraph 1 of Schedule 11 to the Commonhold and Leasehold Reform Act 2002.
- (3) The premises in respect of which an order is made under this section may, if the tribunal thinks fit, be either more or less extensive than the premises specified in the application on which the order is made.
- (4) An order under this section may make provision with respect to—
- (a) such matters relating to the exercise by the manager of his functions under the order, and
 - (b) such incidental or ancillary matters,
- as the tribunal thinks fit; and, on any subsequent application made for the purpose by the manager, the tribunal may give him directions with respect to any such matters.
- (5) Without prejudice to the generality of subsection (4), an order under this section may provide—
- (a) for rights and liabilities arising under contracts to which the manager is not a party to become rights and liabilities of the manager;
 - (b) for the manager to be entitled to prosecute claims in respect of causes of action (whether contractual or tortious) accruing before or after the date of his appointment;
 - (c) for remuneration to be paid to the manager by any relevant person, or by the tenants of the premises in respect of which the order is made or by all or any of those persons;
 - (d) for the manager's functions to be exercisable by him (subject to subsection (9)) either during a specified period or without limit of time.
- (6) Any such order may be granted subject to such conditions as the tribunal thinks fit, and in particular its operation may be suspended on terms fixed by the tribunal.

- (7) In a case where an application for an order under this section was preceded by the service of a notice under section 22, the tribunal may, if it thinks fit, make such an order notwithstanding—
 - (a) that any period specified in the notice in pursuance of subsection (2)(d) of that section was not a reasonable period, or
 - (b) that the notice failed in any other respect to comply with any requirement contained in subsection (2) of that section or in any regulations applying to the notice under section 54(3).
- (8) The Land Charges Act 1972 and the Land Registration Act 2002 shall apply in relation to an order made under this section as they apply in relation to an order appointing a receiver or sequestrator of land.
- (9) The appropriate tribunal may, on the application of any person interested, vary or discharge (whether conditionally or unconditionally) an order made under this section; and if the order has been protected by an entry registered under the Land Charges Act 1972 or the Land Registration Act 2002, the tribunal may by order direct that the entry shall be cancelled.
- (9A) The tribunal shall not vary or discharge an order under subsection (9) on the application of any relevant person unless it is satisfied—
 - (a) that the variation or discharge of the order will not result in a recurrence of the circumstances which led to the order being made, and
 - (b) that it is just and convenient in all the circumstances of the case to vary or discharge the order.
- (10) An order made under this section shall not be discharged by the appropriate tribunal by reason only that, by virtue of section 21(3), the premises in respect of which the order was made have ceased to be premises to which this Part applies.
- (11) References in this Part to the management of any premises include references to the repair, maintenance, improvement or insurance of those premises.

IN THE FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

CASE REF LON/00AX/LAM/2017/0021

PROPERTY: ARANMOR, KINGSTON HILL, KINGSTON-UPON-THAMES, KT2 7LY

BETWEEN

JONATHAN HUGH TRENCHARD CLARK AND RASHNA GAEV CLARK

Applicants

and

C.H.P. (ARANMOR HOUSE MANAGEMENT) LIMITED

Respondent

MANAGEMENT ORDER

1. In accordance with section 24(1) Landlord and Tenant Act 1987, Robert Heald FRICS of Wallakers (the "Manager") is hereby appointed as manager of the property at Aranmor, Kingston Hill, Kingston-Upon-Thames, KT2 7LY (the "Property").
2. This order shall continue for a period of 3 years from 30 October 2017 to be extendable by a further 2 years following approval by the Tribunal. If the parties wish to apply for any extension of the order, they are encouraged to do so at least three months before the order expires.
3. The Manager shall manage the Property in accordance with:
 - a. The Directions and Schedule of Functions and Services attached to this order;
 - b. The obligations of the landlord in the leases under which the flats at the Property are demised by the Respondent and in particular with regard to repair, decoration, provision of services and insurance of the Property; and
 - c. The duties of a manager set out in the Service Charge Residential Management Code (the "Code") or such other replacement code published by the Royal Institution of Chartered Surveyors and approved by the Secretary of State pursuant to section 87 Leasehold Reform, Housing and Urban Development Act 1993.
4. The Manager shall register this order against the Respondent's registered title as a restriction under the Land Registration Act 2002, or any successor Act.

DIRECTIONS

1. From the date of appointment and throughout the appointment the Manager shall ensure that he has appropriate professional indemnity cover in the sum of £1,000,000 and shall provide copies of the current cover note upon a request being made by any lessee of the Property, the Respondent (or Respondent's successors in title) or the Tribunal.

2. No later than four weeks after the date of this order the parties to this application shall provide all necessary information to and arrange with the Manager an orderly transfer of responsibilities. No later than this date, the Applicants and the Respondent shall transfer to the Manager all the accounts, books, records and funds (including, without limitation, any service charge reserve fund).
3. The rights and liabilities of the Respondent arising under any contracts of insurance, and/or any contract for the provision of any services to the Property shall on the date of this order become rights and liabilities of the Manager.
4. The Manager shall account forthwith to the Respondent for the payment of ground rent received by him and shall apply the remaining amounts received by him (other than those representing his fees) in the performance of the Respondent's covenants contained in the said leases and/or the discharge of his functions under this Order.
5. The Manager shall be entitled to remuneration (which for the avoidance of doubt shall be recoverable as part of the service charges of leases of the Property) in accordance with the Schedule of Functions and Services below.
6. By no later than 12 months from the date of this order, the Manager shall prepare and submit a brief written report for the Tribunal on the progress of the management of the property up to that date and shall do so every 12 months thereafter for the duration of this order including any extension period as ordered by the Tribunal. The Manager shall also send a copy of any report submitted to the Tribunal to the lessees no later than 14 days after the report has been submitted.
7. Within 28 days of the conclusion of the management order, the Manager shall prepare and submit a brief written report for the Tribunal, on the progress and outcome of the management of the property up to that date, to include final closing accounts. The Manager shall also serve copies of the report and accounts on the lessor and lessees, who may raise queries on them within 14 days. The Manager shall answer such queries within a further 14 days. Thereafter, the Manager shall reimburse any unexpended monies to the paying parties or, if it be the case, to any new tribunal-appointed manager, or, in the case of dispute, as decided by the Tribunal upon application by any interested party.
8. The Manager shall be entitled to apply to the Tribunal for further directions.

SCHEDULE OF FUNCTIONS AND SERVICES

Insurance

1. Maintain appropriate building insurance for the Property.
2. Ensure that the Manager's interest is noted on the insurance policy.

Service charge

1. Prepare an annual service charge budget, administer the service charge and prepare and distribute appropriate service charge accounts to the lessees.
2. Set, demand and collect service charges (including contributions to a sinking fund), insurance premiums and any payment due from the lessees, other than ground rent. Each lessee shall be liable to pay the following percentage

of the total sum due by way of service charge: Flat 1 (32%); Flat 2 (25%); Flat 3 (22%); Flat 4 (21%) ("the Lessees' Proportions") except for the following:

- 2.1. Costs of maintenance of the front garden and the common parts to Flats 2, 3, and 4 (including electricity charges and commissioning health and safety reports) shall be divided equally between Flats 2, 3, and 4.
- 2.2. Bank charges and external landscaping works (including unblocking of drains, new fencing and so on) shall be divided equally between Flats 1, 2, 3 and 4.
- 2.3. Separate provision is made for the payment of management fees as hereinafter set out.
3. Take action to recover unpaid rents and service charges and any other monies due to the Respondent and/or the Manager, instructing legal representatives if considered reasonably necessary.
4. Place, supervise and administer contracts and check demands for payment of goods, services and equipment supplied for the benefit of the Property with the service charge budget.
5. The service charge and sinking fund contributions will be payable by each lessee quarterly in advance on the usual quarter days and special collections for major works projects, where not covered by the sinking fund, will be payable within 14 days of being demanded.
6. After the end of any service charge year, any other expenditure on services not anticipated by the budget shall be payable by the lessees in accordance with the Lessee's Proportions within 14 days of being demanded. Any excess of contributions over actual expenditure shall accrue for the benefit of the sinking fund.
7. The Respondent and/or the lessees as the case may be (for example the lessee of Flat 2 who currently holds the Respondent's financial paperwork from 2006-2010 and the Applicant who currently holds the paperwork from 2010 onwards) shall hand over all uncommitted funds and prior sets of accounts and invoices to the Manager within 30 days of this order, together with all other files relating to the property including health & safety documentation.

Accounts

1. Prepare and submit to the lessor and lessees an annual statement of account detailing all monies received and expended. The accounts shall be certified by an external auditor, if reasonably required by the Manager.
2. Maintain efficient records and books of account which are open for inspection by the lessor and lessees. Upon request by the lessor, Tribunal or a lessee, produce for inspection receipts or other evidence of expenditure.
3. Maintain on trust an interest bearing account at such bank or building society as the Manager shall from time to time decide, into which ground

rent, service charge contributions and all other monies arising under the leases shall be paid.

4. All monies collected will be accounted for in accordance with the principles set out in the Code.

Maintenance

1. Deal with routine repair and maintenance issues and instruct contractors to attend and rectify problems. Deal with all building maintenance relating to the services and structure of the Property as well as the garden, parking area and grounds.
2. Give consideration to the Specification of Works prepared by Samuels and arrange to be carried out to the Property the works recommended therein or such other works as in the Manager's reasonable opinion are required in the interests of good estate management and taking such further advice from Samuels or another firm of surveyors as may be reasonably necessary. If the Samuels report is considered by the Manager to be a fair summary of the works required, to recover the costs of commissioning the report from the lessees in accordance with the Lessees' Proportions.
3. Set up a planned maintenance programme to allow for the periodic re-decoration and repair of the exterior and interior common parts of the Property.
4. Set up a parking scheme, allocating two spaces to each Flat. The manager shall invite and have regard to any written observations from the lessees before allocating spaces and shall keep the allocations under review as circumstances change from time to time. If necessary to create the eight spaces necessary to achieve the above, the Manager shall rearrange the landscaping as he sees fit.
5. Comply with all health and safety, statutory and regulatory obligations that might fall upon a landlord, manager or person with control of a residential block of flats from time to time.

Company secretarial

1. Act as the company secretary for the Respondent company, including all Companies House filings, paying fees, arranging and attending AGMs and all other related tasks.
2. The costs of the company secretarial work shall be recoverable from the lessees as part of the service charge in the Lessees' Proportions.

Fees

1. The Manager shall be entitled to a basic fee of £2,800 plus VAT per annum to be paid by the lessees in equal proportions.
2. In respect of major works carried out to the Property (where it is necessary to prepare a specification of works, obtain competitive tenders, serve relevant notices on lessees and supervise the works) the Manager shall be entitled to charge 10% of the total cost (subject to a minimum fee of £500