

Management Agreement

Christian Reid Block Management Limited

and

\_\_\_\_\_ Management Company Ltd

at

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**BETWEEN:**

- (1) **CHRISTIAN REID BLOCK MANAGEMENT LIMITED** (No. 11532240) whose registered office is situated at 145 High Street, Cranleigh, United Kingdom, GU6 8BB (the Managing Agent)
- (2) **MANAGEMENT COMPANY** (No. ) whose registered office is situated at , (the Management Company) in relation to service at (the Property)

**RECITALS**

- (A) The Management Company has responsibility under leases granted or to be granted of the Property to provide certain services.
- (B) The Management Company have instructed the Managing Agent to act as the Managing Agent of the Property and the Managing Agent has agreed to do so on the terms of this agreement

**1. MANAGEMENT**

The Management Company appoint the Managing Agent to be their agent for the management of the Property during the Management Period and the Managing Agent accepts such appointment and acknowledges that it has a fiduciary duty to the Management Company and Property Owners in respect of its obligations under this agreement

The Management Period shall begin on the date of this agreement until terminated at the expiry of not less than three months' notice in writing given by the Management Company to the Managing Agent or by six month's notice given by the Managing Agent to the Management Company at any time

**2. MANAGING AGENT'S RESPONSIBILITIES TO THE MANAGEMENT COMPANY**

As referenced in Schedule 1. The Managing Agent covenants with the Management Company that the Managing Agent shall comply with the following:

The Managing Agent shall on behalf of the Management Company:

- (i) manage the Property in a proper and business-like manner on and carry out its duties under this agreement with all due care and attention and to the reasonable satisfaction of the Management Company.
- (ii) carry out its duties and obligations under this agreement with all reasonable care, skill and diligence, comply with all relevant professional standards and not bring the Management Company into disrepute.
- (iii) to protect and promote the Management Company interests regarding the Property and comply at all times with any Conduct Code (save where doing so would cause the Managing Agent to commit a breach of its obligations under this agreement).
- (iv) as and when requested or directed by Management Company, perform additional services or activities, subject to the fee schedule set out in section 14 below.

3. **REVIEW AND REPORTING**

The Managing Agent shall as soon as reasonably practicable following the date hereof undertake a comprehensive review of the Property documents and relevant supporting documentation and provide a report detailing any material issues in connection with the management of the Property by the Managing Agent under this agreement.

The Managing Agent shall ensure that safely kept records of all receipts, expenses, rent service charges, insurance payments and voids are maintained. Notwithstanding the termination of this agreement the Managing Agent shall retain and make available on request such records for a period of 7 years from the date of termination and shall on termination pass to the Management Company a full and complete set of such records.

4. **COLLECTION OF MONIES**

The Managing Agent shall:

1. issue invoices and thereafter use all reasonable endeavours to collect monies on behalf of the Management Company, report on any arrears and implement recovery procedures, including where appropriate instructions to a debt collection firm and/or a firm of solicitors to collect such arrears.
2. deposit funds received in a dedicated Client Account and provide independent Client Money Protection for all deposited funds.
3. subject to provision of adequate funds, make payment from the service charges monies collected, all rates taxes utility bills and the cost of all other outgoings for which the Management Company are responsible.

5. **SERVICE CHARGES**

The Managing Agent shall calculate for each financial year of the Management Period the service charge applicable to the whole of the Property and the apportionment attributable to each of the Private Properties, prepare budgets for future service charges in advance of each financial year and establish any long-term fund for major future liabilities as instructed by the Management Company.

6. **CONTRACTS**

Enter into contracts in the best interests of the Management Company for the maintenance and the supply of goods and services.

7. **SITE VISIT AND COMMUNICATION**

The Managing Agent shall visit the Property and publish an inspection report not less than once every quarter, commenting on day to day management, the general condition of the Property and to review any routine repair works on the Property. The Managing Agent shall also keep Property Owners informed of matters relevant to the management of the Property, attend meetings the Management Company once in every six months and provide appropriate secure storage facilities for all files and documents relating to the management of the Property and to allow persons authorised by the Management Company access to the same on reasonable notice and to keep proper written and computer records of relevant management information for at least 12 years.

8. **COMPLIANCE**

The Managing Agent shall ensure that it complies on behalf of the Management Company with the Property Documents the Conduct Code and all Laws and to notify the Management Company in writing sufficiently far in advance if any statutory notices could or should be served and serve such notices as directed by the Management Company.

9. **HEALTH AND SAFETY**

The Managing Agent shall inform the Management Company on the safe use of the Property for use by the general public, residents and employees alike, utilising all reasonable endeavours, periodic inspections and reporting to define the actions required.

When procuring construction works to be carried out to the Property, the Managing Agent shall comply with all current health, safety and environmental legislation including, but not limited to, the Construction (Design and Management) Regulations 2007 (the "CDM Regulations") Where the Managing Agent directly appoints any contractor or consultant to undertake construction works, the Managing Agent shall fulfil in relation to such construction works all the obligations of an "Employer" as set out in or reasonably to be inferred from the CDM Regulations and the Approved Code of Practice.

10. **MANAGING AGENT'S INSURANCE**

The Managing Agent shall indemnify Management Company from and against any and all costs claims losses damages liabilities (civil or criminal) and expenses (including legal fees) incurred by the Management Company which result from any act or omission of the Managing Agent or its employees. The Managing Agent shall maintain with insurers of repute professional indemnity insurance with a limit of not less than (£1,000,000), public indemnity (£5,000,000) and employee indemnity (£10,000,000) for any one occurrence or series of occurrences arising out of a single event, maintained for not less than six years following the end of the Management Period.

11. **PROPERTY INSURANCE**

The Managing Agent shall ensure that the Property is insured on comprehensive and competitive terms having regard to the Property Documents the nature of the Property and the availability of insurance (and the terms of the insurance so available). The Managing Agent shall take all necessary steps to ensure that the freeholder (and where appropriate the Management Company) comply with the terms and conditions of the building insurance policy relating to the Property and shall prepare administer and submit insurance claims where necessary as a result of incidents covered by the building insurance policy and shall proceed with all claims diligently and expeditiously.

12. **RESERVE MONIES FUND**

The Managing Agent shall deposit all Reserve Fund Monies in a separate interest bearing Client Account (separate from other service charge monies) and the Managing Agent hereby acknowledges and agrees that such monies shall be held on trust for the relevant Property Owners and that all interest accruing on such monies shall accrue to the relevant Client.

13. **COLLECTION OF INSURANCE RENT**

The Managing Agent shall invoice at least 20 working days prior to the relevant due date and thereafter use reasonable endeavours to collect on behalf of the Management Company all Insurance Rent due for payment as well as report to the Management Company on any arrears and to implement recovery procedures for collection of the arrears in compliance with all statutory provisions and give instructions to a firm of debt collectors and/or solicitors to collect such arrears (subject to Management Company approval).

14. **FEES**

In payment for their services as set out in Schedule 1 and this agreement, the Managing Agent is entitled to receive an annual management fee in respect of such services the sum of the aggregate of £ (exclusive of VAT at the applicable rate) to be divided between each unit according to their relevant service charge proportion, and to be adjusted in accordance with subsequent service charge budgets for each financial year.

In respect of any major or specific, non recurring works required or directed by the Management Company, the Managing Agent shall be entitled to a supplementary fee, scaled relative to the value of the works carried out (excluding VAT) and as follows: £0 - £3,000 (£250 fee); £3,001 - £6,000 (£500 fee); £6001 - £10,000 (£750 fee); £10,001 - £15,000 (£1,000 fee); £15,000< (fee by agreement).

(Please note that VAT is not currently applicable for our services but may be charged in the future.)

15. **TERMINATION**

In respect of a breach of this agreement by the Managing Agent the Management Company may serve on the Managing Agent written notice specifying the breach or breaches and requiring them to be remedied within 20 working days. If the Managing Agent fails within this period to remedy such breach or breaches, then the Management Company may terminate the Agreement with immediate effect upon serving written notice.

16. **AUTHORISATION**

The Management Company authorises the Managing Agent to expend any sums received for the relevant purpose for the benefit of the Property in accordance with the Property Documents and this agreement and to act reasonably and properly to expend any other reasonable sums necessarily incurred by the Managing Agent to ensure compliance with any statutory provision affecting the Property.

17. **EXCLUSIONS**

The Managing Agent is not without first obtaining approval in writing from the Management Company authorised to make or agree any adjustments or compromise with any Property Owner in respect of any Monies, Insurance Rent, Reserve Fund Monies or Ground Rents owing or in respect of any outgoings payable.

The services to be provided by the Managing Agent under this agreement shall (upon agreement of a suitable fee between the parties each acting reasonably) include any of the following at the request of the Management Company:

- The supervision of major building works and the preparation of any specification
- The service of notices in accordance with the Landlord and Tenant Act 1954 or the Landlord and Tenant Act 1985
- Any work arising as a result of the proposed sale of the Property in its entirety
- Instructing solicitors or attending at court for the recovery of arrears of rent or service charge or for any other purpose
- The preparation of insurance valuations or schedules of dilapidation

18. **GENERAL**

Each party represents and warrants to the other that it is entitled to enter into and perform this agreement. All notices to be given under this agreement shall be in writing and shall be duly given if delivered by hand or sent by recorded delivery post to the other party at its address specified above. This agreement shall be governed by and construed in accordance with the laws of England and the parties hereby irrevocably submit to the exclusive jurisdiction of the English courts in respect of any matter or dispute arising in connection with it.

19. **CONFIDENTIALITY**

The Managing Agent shall not disclose any information relating to this agreement or the management of the Property to any third party unless required to do so by a court of competent jurisdiction or by a governmental or regulatory authority or where subject to a valid and existing legal right duty or requirement to do so.

20. **DATA PROTECTION ACT 1998 / GDPR**

The parties undertake to comply with the provisions of the Data Protection Act 1998 and any related legislation in so far as the same relates to the provisions and obligations of this agreement. In particular the Managing Agent undertakes to act only on the Management Company's instructions in relation to the processing of any personal data provided to the Managing Agent by the Management Company or on its or their behalf.

21. **ANTI-CORRUPTION**

The Managing Agent warrants and undertakes to the Management Company that it will not engage in any activity which may constitute an offence under The Bribery Act 2010.

22. **ANTI-SLAVERY**

The Managing Agent warrants and undertakes to the Management Company that it will not engage in any activity which may constitute a breach of the Modern Slavery Act 2015.

23. **COMPLIANCE, COMPLAINTS AND PROTECTION**

The Managing Agent will maintain membership of an appropriate redress scheme (such as The Property Ombudsman) for Leasehold Management and adhere to its rules and code of practice.

The Managing Agent will also provide Client Money Protection covering all client's monies and financial transactions.

**IN WITNESS** whereof this agreement has been executed and delivered on the date first above written

Signed on behalf of **CHRISTIAN REID BLOCK** )  
**MANAGEMENT LIMITED** acting as a director: )

Director

Signed on behalf of **MANAGEMENT COMPANY** )  
**LIMITED** acting by a director and/or secretary: )

Director/Secretary

## **SCHEDULE 1 - Scope of Appointment**

### **GENERAL**

- Writing to adjacent property owners where trespass nuisance or other problems are occurring from neighbouring premises
- Arranging additional items (signs lights etc. as directed by the Management Company)
- Writing to local Estate Agents in respect of unauthorized 'Sale' or 'Letting' boards
- Liaising with new service providers when requested to do so
- Arrangement of risk assessments to communal areas under Health and Safety legislation
- Dealing promptly and appropriately with any anti-social behaviour occurring at the Property
- Assistance in connection with any proceedings or potential proceedings at the First Tier Tribunal Property Chamber (save where the First Tier Tribunal Property Chamber has concluded that the Managing Agent was not in breach of any of its obligations under this agreement in which case the Owner/Management Company shall reimburse such costs to the Managing Agent)

### **MEETINGS**

- Attend on a six-month frequency basis with the Management Company and if required meeting every annum with all residents. Publish meeting notes and agreed actions
- Circulate notes of any other meetings with the Management Company and residents as appropriate

### **FINANCIAL**

- Assessing the level of annual service charge budgets, provide detail and financial information to support the assessment and obtain approval from the Management Company for the same
- Issuing the maintenance charge notifications and respond to residents' queries on service charges
- Administering bank accounts, Client Accounts and Reserve Fund Monies accounts
- Maintain financial records including payments received and payment of invoices
- Pursuing unpaid service charges including instruction of debt collectors and/or solicitors in as directed by the Management Company. Provide background records, correspondence and responses to queries raised during debt collection process
- Liaising with residents on their liability for payment
- Provide statements to the Management Company on service charge payments and recoveries
- Obtain quotations for alternative services as directed by the Management Company, the Laws or the Conduct Code

### **CONTRACTORS**

- Appoint regular maintenance contractors e.g. gardeners, cleaners, window cleaners and conduct periodic reviews of rates, including retendering if appropriate
- Appoint repair/maintenance contractors based on an agreed specification of works
- Obtaining quotations for major items of repair and redecoration
- Appoint major item/works contractors based on an agreed specification of works
- Checking contractors have Public Liability Insurance and all such other forms of insurance appropriate to their appointment

### **CORRESPONDENCE**

- General correspondence with maintenance contractors, the management company and residents
- Obtain advice on Company Law requirements, Contract Law Housing Acts and Landlord and Tenant Acts
- Obtain advice on Directors on the extent of their authority

### **INSURANCE**

- Periodic valuation of rebuilding costs for the Property to be arranged for the sums insured (estate and buildings insurance)
- Implement, progress and finalise insurance claims for the communal fabric, including liaison with insurance companies and assessors
- Providing copy documentation to residents solicitors etc
- Liaising with the police where applicable
- Pursue claims with adjoining premises where damage has been caused to the Property

- Supervise repairs under the Property insurance
- Administer insurance for the Management Company directors

#### **BREACHES OF THE PROPERTY DOCUMENTS**

- Liaising with the Management Company as well as tenants and occupiers where the terms of the documents are not being adhered to by the Property Owners, their visitors, occupiers or tenants
- Advising residents involved in respect of any breach of the Property Documents
- Assistance with enforcement of the terms of the Property Documents
- Instruct and liaise with solicitors where continual breach occurs

#### **PROPERTY INSPECTIONS**

- Periodic inspections, including site meetings with residents and contractors where needed

#### **PROPERTY SALES**

- Respond to solicitors' queries, provision of information on maintenance charges and arrears
- Providing copies of annual audited accounts and insurance documentation
- Answering solicitors queries on the contents of the accounts
- Providing advice where deeds of variation are occasionally sought
- Where a sale takes place without arrears being cleared liaising with the new purchaser in pursuing payment 'technically' payable by the new owner

#### **MANAGED SERVICES (performed and invoiced by others)**

- Accountancy services
- Companies House filing