



Powered
by



MANAGEMENT AGREEMENT

Property and Estate Management Agreement

TERMS OF APPOINTMENT

BETWEEN:

- (1) The resident management company, residents association, right to manage company, or landlord named in Section 1D of this agreement (the 'Client');
- (2) Cube Block Management UK Limited, of

62 Wilbury Way, Hitchin, SG4 0TP, trading as Cube Property Management (the 'Block Manager');
and
- (3) HML PM Limited of 9-11 The Quadrant, Richmond, Surrey, TW9 1BP (Company Registration Number 04231933) trading as B-hive Property Solutions ('B-hive')

Each a party and together the parties.

In this agreement, the Block Manager and B-hive shall together be referred to as the 'Service Providers'.

WHEREAS

- (a) The Client is responsible for the Property and for providing any services required.
- (b) The Service Providers have agreed to be appointed to manage the Property.
- (c) The Block Manager will carry out most of the day to day management responsibilities of the Property and will be the point of contact for the Client. B-hive will carry out certain administrative and technical functions regarding client accounting and the management of the Property, as detailed below.
- (d) The Block Manager has the rights to operate under the B-hive Property Solutions brand in accordance with the terms and conditions of this Agreement under a separate arrangement between the Service Providers.

1. DEFINITIONS

- 1.1 The 'Property' is the estate, scheme, or development named in Section 1 B.
- 1.2 The 'Management Fee' is the fee set out in Section 1 G.
- 1.3 The 'Services' means the services set out in Clause 8.
- 1.4 'Additional Charges' are the charges listed for additional services shown on B-hive's Schedule of Charges referred to in Clause 9.2.
- 1.5 The 'Term' is the period of the Block Manager's management as stated in Section 1 F. The agreement will roll over on an annual basis if notice to terminate is not received.
- 1.6 'ARMA' means the Association of Residential Managing Agents whose website is www.arma.org.uk.
- 1.7 'RICS' means the Royal Institution of Chartered Surveyors whose website is www.rics.org.
- 1.8 'Data Controller' means the Client. The Data Controller will comply with and operate in accordance with General Data Protection Regulation (GDPR) and shall determine for what purpose personal information will be held.
- 1.9 'Data Processor' means the Service Providers. The Service Providers will comply with and operate in accordance with GDPR and will obtain, record and hold personal information and process it on behalf of the Data Controller.

2. APPOINTMENT

- 2.1 The Client appoints the Service Providers to manage the Property for the Term, delivering services respectively as set out below.
- 2.2 If the Block Manager is unable for any reason to continue to provide the Services to the Client

under this agreement, all of the Block Manager's rights and responsibilities under this agreement shall be transferred to B-hive without the need for further agreement between the parties.

3. SERVICES TO BE PROVIDED BY SERVICE PROVIDERS

- 3.1 The Service Providers will perform with reasonable care, skill and diligence the Services with the frequency as agreed and specified in Clause 8 for the Management Fee as set out in Section 1 G.
- 3.2 The Service Providers will provide additional services for the Client for Additional Charges as set out in the Schedule of Charges.

4. COMPLIANCE WITH THE PROVISION OF SERVICES REGULATIONS 2009 (AS AMENDED)

The Block Manager and B-hive Service Providers will each provide to the Client the following information:

- a) details of their legal status;
- b) their office address, email address and telephone numbers for communication;
- c) VAT registration number;
- d) if applicable, their ARMA membership and details of where that membership can be checked;
- e) a copy of their complaints handling procedure;
- f) details of the ombudsman scheme that they have joined;
- g) details of the professional indemnity policy that they hold.

5. CONDUCT OF THE SERVICE PROVIDERS

5.1 The Service Providers will:

- a) assist the Client to comply with the Client's obligations under the terms of the lease or transfer of the Property;
- b) comply with relevant landlord and tenant legislation relating to the management of the Property;
- c) hold professional indemnity insurance including fidelity cover and maintain it during the Term. On request, the Service Providers must give the Client verification of insurance;
- d) comply with the rules of the Financial Conduct Authority when carrying out any regulated insurance activities;
- e) operate a complaints handling procedure with an independent redress mechanism;
- f) comply with and operate in accordance with the General Data Protection Regulation (GDPR). The Service Providers each act as Data Processors which means they obtain, record and hold personal information and process it on behalf of the Data Controller. The Service Providers each are responsible for notifying the Information Commissioner's Office (ICO) of the data they hold or are likely to hold and the general purposes for which this data will be used. The Service Providers will issue a communication preference form to each property owner which will identify the information the Service Providers require to enable them to perform their duties in accordance with this agreement. The Service Providers confirm that suitable procedures are in place to safeguard such information from improper use or disclosure. A copy of the Service Providers' data protection policies can be found on their respective websites.

5.2 The Block Manager will:

- a) comply with health and safety, fire safety, employment and all other relevant laws and regulations relating to the management of the Property;
- b) comply with the requirements of ARMA and the RICS Service Charge Residential Management Code, as appropriate.

6. CONDUCT OF THE CLIENT

- 6.1 The Client will use all reasonable endeavours to ensure the handover of the available documents to the Block Manager and B-hive.
- 6.2 The Client will not issue any instructions to the Block Manager or B-hive that require either to breach the lease or transfer of the Property, legislation, the recognised Codes of Practice or any regulations relating to the management of the Property.
- 6.3 The Client will act in a manner that ensures there is no unlawful discrimination.
- 6.4 The Client should hold Directors' and Officers' liability insurance for the Term.

7. DISCLOSURES/COMMISSIONS AND ASSOCIATED COMPANIES

- 7.1 B-hive has disclosed to the Client all arrangements with its associated companies that may apply to the provision of the services and/or management of the Property. These associated companies are listed in the Glossary.
- 7.2 The Block Manager will not award any contracts for services or works of any kind to those associated companies without the specific consent of the Client.
- 7.3 The Block Manager has disclosed to the Client any relationship, other managements or interest of any kind it has with the freeholder/landlord of the Property if the Client is not the freeholder/landlord.

8. 'THE SERVICES' TO BE PROVIDED BY THE BLOCK MANAGER, B-HIVE AND THE SERVICE PROVIDERS

- 8.1 The Service Providers shall manage the Property on behalf of the Client, dividing the responsibilities for doing so in accordance with clauses 8.2 and 8.3, below.
- 8.2 B-hive shall:
 - a) open and operate client bank accounts on behalf of the Client so that all Client monies collected under trust are held in designated client accounts, in line with Section 42 of the Landlord and Tenant Act 1987, with Barclays Bank Plc (or such other bank as may be determined from time to time by B-hive Service Providers). Detailed records of all financial and other transactions are available for inspection by appointment at the offices of the Service Providers. For the avoidance of doubt, the Service Providers will not create an overdrawn balance in the Client account and any and all bank charges will be chargeable to the Client account;
 - b) prepare and send out applications for service charge payments (demands);
 - c) collect service/maintenance charges, contingency and future expenditure fund contributions, and any other payments due from leaseholders/freeholders of the Property, and hold such sums in accordance with the RICS Service Charge Residential Management Code and the ARMA Code of Conduct. Additional fees will be charged through the leaseholder/freeholder account for issue of reminders and debt collection processes;
 - d) attend to routine enquiries from the Client or the Client's accountant relating to accounting matters;
 - e) arrange for the preparation of the annual service charge accounts as well as managing their subsequent distribution and
 - f) process payments relating to the Property within expenditure limits and funds available or as reasonable expediency shall dictate, subject to authorisation from the Block Manager or Client where appropriate.
 - g) arrange third party liability and other insurances in respect of the Property as may be required under the terms of any lease, transfer or tenancy of any flats, maisonettes or houses;
- 8.3 The Block Manager shall:
 - a) inspect without use of equipment, at the frequency specified in this agreement, such as

- the common parts of the Property as can be inspected safely and without undue difficulty to ascertain for the purpose of day-to-day management only the general condition of those common parts, and to take photographs of the common parts where it may benefit the Block Manager in its management of the Property;
- b) within the limits of the budgets and financial constraints set out in Clause 10, maintain and keep the Property in good repair, renewing and replacing any plant or equipment where necessary to keep the Property in good working order. This includes administering contracts for minor works and services such as cleaning, gardening, window cleaning and overseeing such works;
 - c) inform the Client where necessary to facilitate the Client's compliance with their obligations in any lease, tenancy agreement or transfer granted in respect of the Property or any plot and/or parking space;
 - d) inform the Client on all relevant legislative and regulatory issues including qualifying long-term agreements;
 - e) provide reasonable management information to the leasees/freeholders;
 - f) inform the Client on routine health and safety matters (but not undertake specialist checks and tests which will be organised in consultation with the Client) and ensure appropriate risk assessments are in place;
 - g) to the extent that the Block Manager is able to do so from sums collected and retained, request that B-hive discharge the following costs pertaining to the obligation to the management of the Property:
 - i. Council Tax, general water sewage and other rate charge assessments, outgoings and charges for supply of utility services to the Property;
 - ii. maintaining the Property in accordance with the other provisions of this agreement;
 - iii. any sums reasonably necessary to be expended in respect of the Property in an emergency in accordance with the principles of good property management;
 - h) prepare and submit to the Client within a reasonable timeframe an annual estimate of future expenditure which shall form the basis of the operations for the management of the Property by the Block Manager;
 - i) notify the Client on any occasion where the Block Manager is unable to discharge any liability of the Client or to pay any sums pursuant to this agreement or is unable to instruct contractors in respect of works on account due to insufficient sums collected and retained by them;
 - j) administer routine contracts (to include day-to-day repairs and maintenance) and check demands for payment of goods, services, plant and equipment supplied for the benefit of the Property where the cost falls within the expenditure limits specified in this agreement;
 - k) to deal with all expenditure not covered by routine contracts up to the expenditure limit as detailed in this agreement;
 - l) inform the Client when notices should be served;
 - m) maintain records of events and a register containing details of each lease, transfer or tenancy of all flats, maisonettes or houses in the estate or equivalent computer records and keep files of leases and other documents relating to the Property that have been supplied to the Block Manager (after 1 year, if necessary, archive as per the Schedule of Charges);
 - n) attend to routine enquiries from the Client or any tenant or tenants association;
 - o) provide solicitors and others with information relating to the Property in connection with enquiries on sales and to either appoint solicitors to receive, or receive on the Client's behalf, notice of assignment or charge (for which reasonable fees would be chargeable to those applying for the information) in respect of any of the leases or transfers of any plots on behalf of the Client;
 - p) produce for inspection at the offices of the Service Providers, on written demand by the Client and leaseholders/freeholders as appropriate, receipts or other evidence of

- expenditure, and provide VAT invoices (if any) in the form prescribed; and
- q) in circumstances where site staff are employed by the Client, engage for and on behalf of the Client (recruitment costs to be borne by the Client employment contract to be between staff member and Client), staff, whether part-time or full-time, residential or not, and pay their remuneration, in accordance with agreed terms (withholding of PAYE Tax and National Insurance contributions) and, where appropriate, dismissal payment or redundancy pay from Client funds Fees for payroll will be charged separately for this task.
- 8.4 For the avoidance of doubt the services not covered by this agreement, and for which the Additional Charges will be due, are shown in Clause 9.2. These services will be provided by B-hive and details of the Additional Charges are shown on B-hive's Schedule of Charges, which is available on request.

9. SERVICE LEVELS

- 9.1 The Block Manager and B-hive agree to use reasonable endeavours to maintain the following service levels in respect of the services each provides:
- a) attendance on site: as per Section 1 J;
 - b) attendance at client meetings: as per Section 1 L;
 - c) response to telephone messages: within 1 working day;
 - d) response to emails and letters: within 3 working days;
 - e) annual budget: to be available for the Client to review at least 4 weeks before service charge demands are due to be issued;
 - f) issue demands at least 14 days before due date (provided budget authorised by Client in time);
 - g) payments to contractors: within 30 days of receipt of invoice (provided Service Providers are in funds to settle all invoices);
 - h) service charge arrears (and if applicable, ground rent and insurance premium arrears) : to be pursued in accordance with stated arrears procedure of first reminder after 14 days after service charge due, final reminder after 21 days after service charge due, and instruction to solicitors or debt collectors after 28 days after service charge due;
 - i) information prepared for Client meetings: to be circulated at least 2 days prior to meeting except where meeting is held outside of contracted meetings shown in Section 1 K. Minutes of contracted meetings to be circulated within 1 week of such meeting.
- 9.2 The following are not part of the services, and are subject to additional charges as per B-hive's Schedule of Charges:
- a) carrying out an inspection of the Property (other than the common parts thereof), or a building survey or a valuation of the Property for insurance purposes or for preparing any schedule of dilapidations or inventory;
 - b) offering vacant property to let, advising the Client on the terms of any lease or transfer or negotiating the terms of any new or varied lease or transfer;
 - c) initiating, conducting, preparing evidence for and attending hearings for and otherwise dealing with any rent review, party wall proceedings, application for a grant or for consent, insurance claim, arbitration or litigation;
 - d) dealing with local government matters including Council Tax valuations, planning permission, building regulation consent and grant applications;
 - e) preparing specifications and tenders, carrying out administration of the consultation process, and supervising and measuring works for non-routine matters and where expenditure is in excess of the limits contained in the Landlord & Tenant Act 1985 (as amended);
 - f) advising on safety or health; carrying out Health and Safety Risk Assessments;
 - g) any advertising and recruitment of staff on behalf of the Client;
 - h) supplying extra copies of statements of account and copies of any other documents;

- i) dealing with or advising upon applications for assignment of tenancies or leases, sub-lettings, alterations and changes of use;
- j) management services outside our usual office working hours (other than planned meetings with Client);
- k) courier costs, special deliveries, postage and other disbursements;
- l) all Company matters, normally covered by a separate company secretarial agreement;
- m) the collation and preparation of the reports in relation to the drafting of annual accounts, service charge accounts, company accounts or any formal financial statements.

10. AUTHORISATIONS OF THE BLOCK MANAGER BY THE CLIENT

10.1 The Client authorises the Block Manager, B-hive and the Service Providers as appropriate for the duration of the agreement and for the proper performance of the Service Provider' obligations as follows:

- a) from monies received by B-hive Service Providers for the Client:
 - i. at any time to pay or reimburse itself for any expenses or other disbursements recoverable from the client;
 - ii. to deduct during any payment period its remuneration for that period, other than any charge already collected in advance by agreement;
 - iii. after termination of the agreement, to deduct its outstanding remuneration and/or expenses due;

10.2 The Client authorises the Block Manager for the duration of the agreement and for the proper performance of the Service Providers' obligations as follows:

- a) to appoint contractors to carry out work at the Property who will be approved under the B-hive Property Solutions' Contractor Accreditation Scheme;
- b) to expend any specific sums for the benefit of the Property that are within the approved budget, the expenditure limits specified in this agreement and available to expend and also, in cases of emergency, to take such reasonable measures as the Block Manager reasonably considers as being the most beneficial to the Client;
- c) within approved expenditure limits to expend any other sums considered reasonably necessary by the Block Manager to ensure compliance with any statutory provision affecting the Property or affecting the Client or the Block Manager with regard to the Property;
- d) whenever the Block Manager or B-hive expends any sums under Clause 10, to reimburse itself from any service charge or contingency/future expenditure fund kept for that purpose or from any monies of the Client held by B-hive.

10.3 The Client authorises B-hive for the duration of the agreement and for the proper performance of the Service Providers' obligations as follows:

- a) to receive insurance claim payments and issue a separate mandate where necessary;
- b) to operate and hold all service charge monies in a separate "Client account" for both service charges and, where requested, reserve funds;
- c) to ensure that any attributable interest is credited to the designated account(s) on a quarterly basis using the interest rate applicable to a Barclays Clients' Premium Account;
- d) unless specifically instructed otherwise, to issue first and final reminder letters to all property owners who default on their service charge or ground rent payment obligations and, instruct the Block Manager's preferred debt collection company or solicitors to recover the outstanding service charge or ground rent payments for which a separate fee shall be due;
- e) the Block Manager will notify the Client as soon as possible of any lack of funds to pay for the Services. The Client shall put the Block Manager in funds to pay for the Services required if there is a deficit for any reason and the Block Manager may cease to provide the Services if no funds are available.

11. COMMUNICATIONS BETWEEN THE CLIENT AND THE BLOCK MANAGER

- 11.1 All instructions from the Client to the Block Manager shall be made by a director or secretary of the Client or person of equivalent executive authority and be given in writing or, if given verbally, shall be confirmed in writing within 7 days. In the absence of instructions in relation to any particular matter, the Block Manager shall act in such a manner to be considered to be beneficial to the Client.
- 11.2 The Client shall promptly upon request by the Block Manager or B-hive provide to the Block Manager or B-hive respectively any decision or information that the Block Manager reasonably considers necessary for the proper performance of the Service to be performed by the Block Manager or B-hive.
- 11.3 The Block Manager shall promptly upon request by the Client allow the Client to inspect at the Block Manager's office a copy of any accounts and documents in the possession of the Block Manager relating to the Property.
- 11.4 It shall be sufficient service of any written notice or other written communication to send such by post to the address specified in the agreement or the last known address of the person for whom the communication is intended.
- 11.5 Any communication in writing sent by post will be deemed to have been served on the third working day after posting.
- 11.6 It shall be sufficient service of any written notice or other written communication to send such by email, fax or courier and such notice shall conclusively be deemed to have been given or served at the time of dispatch, in case of service in the United Kingdom, or on the following business day in the case of international service. If any such notice or communication shall be served or deemed served in the specified formats after 5pm on any day then for the purpose of this agreement it shall be deemed served on the following working day.
- 11.7 The Client will keep the Block Manager informed of any notices, sales of leaseholds or freeholds, possible formations of resident associations, any intentions to exercise the right to manage, enfranchisement and any other matter relating to the management of the Property of which the Client becomes aware.

12. UNDERTAKINGS BY THE CLIENT

The Client undertakes and covenants with the Block Manager and B-hive that it will:

- 12.1 provide directly or through the previous agent all information reasonably necessary to initiate and undertake the management service and any additional work necessitated by the absence of such information is chargeable as per the published Schedule of Charges or as otherwise agreed between the parties from time to time in writing;
- 12.2 ensure adequate funding to allow the Block Manager to maintain and keep the Property in good repair, renewing and replacing any plant as necessary to keep the Property and the plant and equipment in good working order;
- 12.3 upon written notice by the Block Manager, the Block Manager requires the Client immediately to advance or reimburse sums in respect of Clause 10.2 and 10.3 and to do so on the terms agreed;
- 12.4 pay interest on overdue remuneration expenses and other disbursements at the percentage rate specified in the agreement above the base rate in force from time to time of Barclays Bank plc;
- 12.5 comply with requests for information and instructions;
- 12.6 assist the Block Manager with the preparation of service charge budgets and ensure they are authorised within a reasonable time-scale and by the first of the month when the new charges are due for issue. In the absence of such authorisation, the Block Manager shall be permitted to act in such manner as it considers reasonable.

13. BASES OF REMUNERATION

- 13.1 The basis or bases of the Block Manager's remuneration as recorded In the agreement shall apply.
- 13.2 In the event that the Block Manager is instructed to provide additional services not forming part of the agreement (as listed in Clause 9.2) then the Block Manager shall be remunerated at the hourly rates specified in the Schedule of Charges.
- 13.3 The Client shall reimburse the Block Manager for any out-of-pocket expenses reasonably and properly incurred in the performance of this agreement immediately on request.
- 13.4 The Schedule of Charges referred to in this agreement is produced annually on the 1st April.
- 13.5 Base management fees are charged quarterly in advance and the Block Manager's terms of payment are strictly 14 days net.
- 13.6 For the avoidance of doubt, unless otherwise agreed in writing, this remuneration does not cover the Services set out in Clause 9.2.
- 13.7 Any fixed fee specified in the agreement for Clause 13.1 shall be adjusted annually on an upwards only basis to such sum as agreed between the parties and in default of agreement, by the percentage increase of Retail Price Index over the preceding 12-month period.

14. TERMINATION

- 14.1 Any party may terminate this agreement on and after the last day of the 9th month of the Term by serving on the others not less than 3 months' notice in writing.
- 14.2 This agreement may be terminated at any time by the mutual consent of the parties in writing.
- 14.3 The Client may end this agreement at any time in writing if the Block Manager or B-hive become insolvent or makes other arrangements with its creditors.
- 14.4 The Block Manager or B-hive may end this agreement at any time in writing if the Client acts in a way that prevents the Service Providers from performing their Services under this agreement.
- 14.5 Where the agreement is terminated by the Client without the Service Providers being in material breach of any of the Terms of Appointment therein, the Service Providers shall be entitled to the fees due for the whole of the Term.
- 14.6 On termination of the agreement, and subject to the payment of the Service Providers' fees and any outstanding costs incurred by the Service Providers on behalf of the Client, the documents, vouchers and statements of expenditure will be available for collection. The Service Providers will make available to the Client the documents requested if they are in its possession. These documents will be available for collection 2 months after termination. The audit file will be available from B-hive 1 month after completion of audit or certification of accounts. Any documents left in the possession of the Service Providers will incur a storage charge.
- 14.7 For the avoidance of doubt, fees for company secretarial services, as per Section 2, where applicable, are billed in advance for the whole year on 1st April. Due to the nature of the company secretarial role, B-hive are unable to refund any fee should our appointment be terminated before the end of the year for which the fees have been billed.

15. LIABILITY OF THE BLOCK MANAGER, B-HIVE AND THE SERVICE PROVIDERS

- 15.1 Unless caused directly by the Block Manager, B-hive or the Service Providers' negligence in the reasonable and professional provision of the Services, the Block Manager, B-hive or the Service Providers (respectively) are not liable either in contract or in tort for any loss, injury, damage, legal or other expenses sustained as a result of:
- a) the Block Manager, B-hive or the Service Providers having reasonably relied upon the Client to provide accurately all relevant information;
 - b) any defect or failure to identify any defect in the Property or plant, machinery, equipment, or materials used for the Property whether or not such defect be latent or apparent on examination;
 - c) any inaccurate forecast by the Block Manager, B-hive or the Service Providers of future income or expenditure unless done so negligently;
 - d) the act, omission or insolvency of any person other than the Block Manager, B-hive or the Service

Providers respectively.

- 15.2 The Client shall indemnify the Block Manager, B-hive or the Service Providers as the case may be in respect of any claims made by a third party for any loss, injury, damage, legal or other expenses incurred as a result of circumstances listed in Clause 15.1 above.
- 15.3 The Block Manager, B-hive or the Service Providers shall not be liable to indemnify the Client in respect of any claims made by a third party for any loss, injury, damage, legal or other expenses referred to in Clause 15.1 above.
- 15.4 Clauses 15.1 to 15.3 above shall not be valid insofar as prohibited by statute.
- 15.5 In no circumstances shall the Block Manager, B-hive or the Service Providers be liable for any consequential loss or damage save where that loss or damage arises from the negligence of the Service Providers.
- 15.6 The Block Manager, B-hive or the Service Providers' total liability in contract (tort including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the agreement shall be subject to a maximum of £5m.

16. **WAIVER**

No indulgence shown by either the Client or the Block Manager, B-hive or the Service Providers shall prevent the other subsequently insisting upon its rights and remedies under the agreement.

17. **MISCELLANEOUS**

In the event that any of the provisions of this agreement are declared by any judicial or other competent authority to be void, voidable or illegal or otherwise unenforceable, or indication of the same is received by either of the parties from any relevant or competent authority, the parties shall amend that provision in such a reasonable manner as achieves the intention of both parties without illegality or, at the discretion of the Client, it may be severed from this agreement or the remaining provisions of this agreement shall remain in force and effect unless the Client decides that the effect of such a declaration is to defeat the original intention of the parties in which event the Client shall be entitled to terminate this agreement with 30 days' notice to the Service Providers in which case the relevant provisions of Clause 14 shall apply.

18. **DISPUTE RESOLUTION**

If any dispute arises over the interpretation or compliance with the specific clauses in this agreement, the parties will attempt to settle it by negotiation. Each of the parties is to be represented by a person who is a director, or of equivalent executive authority, with authority to settle the dispute.

If the parties have not settled the dispute by negotiation within 56 days from when the dispute began (or sooner if the parties agree), the Client can refer the dispute to the relevant ombudsman scheme.

19. **LEGAL JURISDICTION**

- 19.1 This agreement shall be governed by the laws of England and Wales.
- 19.2 Each party agrees to abide by the jurisdiction of the courts of England and Wales over any claim arising from this agreement.

Appendix 1

THE TAKEOVER AND HANDOVER PROCESS

Listed below are all the documents that should be made available to the Service Providers at the commencement of the management. The Service Providers may be unable to commence management if key documents are not supplied.

Please tick boxes:

THE PROPERTY

- Copy of the Land Certificate
- Plans and drawings of site and buildings
- Details of utilities and location of main stop-cocks etc.
- Details of any major works and long-term agreements ongoing and copies of S.20 notices and responses given
- Details of any major works and long-term agreements planned and copies of any related S.20 notices and responses given
- Details of plant, machinery and relevant documentation
- Copies of statutory inspection reports
- Arrangement for out of hours emergencies

INSURANCE

- Contact details of current broker/insurers
- Original copy of schedule and policy for the Property
- Details of most recent valuation of the Property
- Property Summary of claims history over the past 3 years
- Files on open insurance claims and agreement on who will handle such claims
- Details of third party and employer's liability (including current and all previous certificates for employer's liability where employer is not changing)
- Originals of mechanical engineering insurance and the last 3 years' inspection reports

CONTRACTS AND CONTRACTORS

- Details of all current contracts
- Details of regular contractors used, the scope of their duties and payment terms
- Details of any current warranties

THE RESIDENTS

- Originals or copies of all leases/transfers, and any deeds of variation, other licences, etc.
- Copy of any current house rules
- Details of any ongoing assignments
- Names and contact details of all lessees/freeholders, including those who do not reside at the building
- Property Details of any sub-let flats and their occupants
- Schedule of ground rents payable
- Schedule of service charge apportionments per unit

LEGAL

Details of any current disputes whether involving lessees/ freeholders, contractors or other parties
Details of any current or impending litigation whether for or against the Client
Details of solicitors employed

ACCOUNTING INFORMATION

Certified service charge accounts for at least the last 3 years, and preferably 6 years or longer, where possible
Copy of the current service charge budget
Bank statements relating to lessee/freeholder and Client monies for the Property
A reconciled copy of the cash book
Service charge balances and statements
Paid contractors and supplier's invoices for the current period and previous years (Note the receipts and invoices to support service charges belong to the landlord, so, if the managing agent changes, all years held should be handed over. Tribunals can review charges made many years ago if a challenge is made by lessees)
Outstanding contractors and supplier invoices
Reconciled trial balance and supporting schedules made up to the date of the handover
A cheque for the balance of funds in hand
Method of payment used by each lessee/freeholder
Agreed payment plans for arrears, if any
Copy correspondence about any outstanding arrears
Ground rent/Insurance balances and statements (if applicable)

STAFF

Copies of any contracts of employment as well as relevant job descriptions
A full record of each person's employment history
Details of any disciplinary actions taken or other special circumstances recorded
PAYE records for the current period and the previous years if appropriate

MISCELLANEOUS

Details of any guarantees
A full set of labelled keys, any spares, access codes and programming procedures
Copies of unanswered correspondence and other relevant enquiries

HEALTH AND SAFETY

Copy of any risk assessments carried out
Copy of any accident records
Copy of any asbestos register
CDM file, if appropriate

COMPANY INFORMATION

Where a Resident Management Company or Right to Manage Company is the client - and subject to arrangements over the Company Secretarial role.

Copy of Memorandum & Articles of Association

The company books including minutes, stock transfer forms, Certificate of Incorporation, seal etc.

Copies of previous annual returns

The (audited) accounts for the last 6 years, where possible

All financial records and supporting documentation for the last 6 years, where possible

Details of accountants/auditors used

Details of any Directors' and Officers' liability insurance in place

The Service Providers undertake, on ceasing to manage the Property, to handover all of the documents handed to them at the commencement of the management and, in addition, all documents in the categories listed above obtained by them during the course of the Service Providers' appointment.

Section 1

THE AGREEMENT DETAIL AND SERVICE LEVEL

A: Date of this agreement [DD/MM/YYYY]:		
B: 'The Property' subject of this agreement is known as (Property name and address):		
Number of units and tenure:		
C: Commencement date of management duties:		
D: 'The Client':		
E: Accounting Period: (from lease/transfer)		
F: 'The Term': (From and to dates)		
G: 'The Management Fee' is fixed at (payable quarterly in advance):	Annual fee for The Property = £	plus VAT (which equates to £ plus VAT per unit per year)
H: Expenditure Limits:	£	per item of expenditure
I: The Setting-up Fee:	£	plus VAT and is payable as soon as this agreement is signed
J: Site inspections:	per year	
K: Site visits (in addition to site inspections):	per year	
L: Meetings:	per year	
M: Financial reports:	Yes or No	Frequency:
N: Emergency Out of Hours Service:	Yes or No	Cost £ annual subscription plus VAT per unit

O: Additional Costs:

The Block Manager has provided, and agreed with the Client, the Schedule of Charges.

Reference:

SIGNED by

for and on behalf of CUBE BLOCK MANAGEMENT UK LIMITED

.....

SIGNED by

for and on behalf of HML PM LIMITED

(TRADING AS "B-HIVE PROPERTY SOLUTIONS").....

SIGNED by

.....

Signing as:

director, duly authorised to do so

partner, duly authorised to do so

the Client in person

Section 2

COMPANY SECRETARIAL & LEGAL ADMINISTRATION

Ancillary agreement to appoint B-hive Company Secretarial Services Limited as the Company Secretary to deal with aspects of the company's administration.

Company:	
Company Number:	
Appointment Date:	

Term to be contemporaneous with management appointment and all termination clauses apply.

Duties as Company Secretary

Included in the annual company secretarial fee:

1. Maintain the statutory registers. These are:
 - The register of members;
 - The registers of directors and secretaries;
 - The register of directors' interests;
 - The register of charges;
 - PSC Register ("People with Significant Control").
2. Locate the registered office at B-hive Company Secretarial Services' business premises;*
3. Maintain the records in paper form, and within bespoke data management systems for all current records. Cost of archive storage of paper records subject to charges as per the Schedule of Charges;
4. Ensure that the statutory forms are filed promptly, or inform the reasons for the delay and encourage resolution of that delay;
5. Establish and arrange general meetings, liaising with directors and providing members and auditors with notice of such meetings;
6. Send to the registrar copies of resolutions and agreements;
7. Hold minutes of director meetings and general meetings and supply a copy of the accounts and minutes of every general meeting to every member of the company where required;
8. Ensure that people entitled to do so can inspect the company records;
9. Custody and use of the company seal;
10. Manage the IT associated support for PC Share Register and the internet link to Companies House, and operate a live credit account for form processing;
11. File the Confirmation Statement;
12. Administration of director changes.

Additional fee incurred for the duties below:

- 13. Issue share/membership certificates.
- 14. Dealing with the Company Requirements for Freehold Share Purchases.

Annual Company Secretarial Fee:	£ Plus VAT per annum charged in advance on the 1st April (increasing as per published Schedule of Charges)
---------------------------------	---

SIGNED by

for and on behalf of B-hive Company Secretarial Services Limited.....

SIGNED by

.....

Signing as:

director, duly authorised to do so

partner, duly authorised to do so

the Client in person

* A plaque/digital display will be displayed with the company details as required

Section 3

GROUND RENT/INSURANCE PREMIUM COLLECTION

Ancillary agreement to appoint the Service Providers to manage the Ground Rent collection process and/or Insurance Premium collection process for the Property. The term shall be contemporaneous with the management appointment and all termination clauses apply.

1. 'SERVICES' TO BE PROVIDED BY THE SERVICE PROVIDERS

To collect Ground Rent and Insurance Premium (where the premium is not collected through the service/maintenance charge), with reasonable skill, care and diligence to:

- 1.1 Prepare and issue the prescribed Ground Rent demands in accordance with the Commonhold & Leasehold Reform Act 2002, Section 166 – Notice to Long Leaseholders of Rent due;
- 1.2 Prepare and send out applications for Insurance Premium payments (demands);
- 1.3 Use its best endeavours to collect current instalments of Ground Rent and Insurance Premium due from leaseholders/tenants of the Property, and hold such sums in accordance with the RICS Rent Only Management Code and ARMA regulations and statute;
- 1.4 At the frequency detailed in this agreement for each accounting period, send to the Client a written statement for that period of:
 - a) Monies due to the Client, showing how much the Block Manager has received;
 - b) Remuneration due to the Block Manager (any fixed element of fee being apportioned as appropriate if this agreement takes effect or is terminated during a payment period) and any VAT due;
 - c) Expenses and other disbursements made on behalf of the Client and whether any VAT is included;
 - d) Any sum due to the Block Manager or deducted in calculating (a) above for bank charges relating to the administration of a ground rent/insurance account(s).

For the avoidance of doubt, rent reviews and the required serving of notices in statute do not form part of the services provided under this agreement.

2. AUTHORISATIONS OF THE SERVICE PROVIDERS BY THE CLIENT

The Client authorises the Service Providers for the duration of the agreement and for the proper performance of the Service Providers' obligations as follows:

- 2.1 To issue first and final reminder letters to all leaseholders/tenants who default in their payment obligations;
- 2.2 To instruct solicitors/debt collection services, any associated fees to be a client expense. Provided that no legal action will be taken if the rent arrears amount to less than £350 and have been outstanding for less than 3 years.
- 2.3 To operate and hold all received monies in a separate "Client account" for both Ground Rent and, where applicable, Insurance Premium.

3. FEES AND EXPENSES

- 3.1 The Rent Management Fee set out below is deducted from receipts obtained or in the event of termination without notice on the amounts demanded and due.
- 3.2 This shall be subject to increase on an annual basis as agreed between the parties or in default of agreement, by the same percentage increase (if any) of the Retail Price Index over the preceding 12 month period.

3.3 Additional fees will be charged through the leaseholder/freeholder account for issue of reminders and debt collection processes.

‘Rent Management Fee’:	% of the rent demanded and collected, plus VAT
	% of the insurance demanded and collected, plus VAT
Report frequency:	Quarterly Bi-annually Annually
Fund management:	Retain funds Send funds to Client Frequency: Pay Freeholder via invoice Frequency:

SIGNED by

for and on behalf of CUBE BLOCK MANAGEMENT UK LIMITED

.....

SIGNED by

for and on behalf of HML PM LIMITED

(TRADING AS “B-HIVE PROPERTY SOLUTIONS”).....

SIGNED by

.....

Signing as:

director, duly authorised to do so

partner, duly authorised to do so

the Client in person

Section 4

VOID UNIT AGREEMENT

Ancillary agreement to confirm the way in which the Developer wishes to fund the service charge contributions due from unsold units.

The Block Manager is only able to manage the communal areas, services and facilities by using service charge monies. Where new build developments are concerned, the Block Manager will only be in possession of full funds when the sales of all units have completed. The Block Manager needs to understand how the Developer wishes to deal with the service charges due from those properties where the sales have not yet completed, also known as voids or empty property costs.

There are two ways in which the Block Manager can take on the management of the development and each has a different option as far as the payment of empty property costs is concerned.

Option 1

The Block Manager can start managing the development in accordance with the legal documentation and service charge budget as soon as a handover inspection has been carried out and any snagging issues have been resolved. In order to do this, the Block Manager will require payment of the service charges due from the unsold units and will need to agree a phasing strategy with the Developer. It is important to note that all service charge payments will be reconciled at the end of the financial year and any over or under payments will be adjusted accordingly.

Tick here to select this option

Option 2

Should the Developer not wish to pay the service charges due from the unsold units, the Block Manager will start managing the development when all units have been sold, a handover inspection has been carried out and any snagging issues have been resolved. The Developer will be responsible for managing the development until this time and will be required to hand over full financial records and the balance of service charge funds to the Block Manager when the development is handed over for management.

Tick here to select this option

I confirm that I am authorised to sign on behalf of the Developer mentioned below and wish to proceed as indicated above.

SIGNED by

for and on behalf of

.....

Glossary

A Fees:

Fees for any extra service which are not clear in the Schedule of Charges should be agreed in writing at the time of agreeing the Terms of Appointment. The Block Manager shall also be reimbursed by the Client for any agreed out-of-pocket expenses incurred.

B Renewal of Fees:

Annually from the date of the new financial year nearest to the date on which management commences.

C Meetings:

The management fees will include the Block Manager's attendance at meetings with the property owners at a location to be approved by the Block Manager. Any further meetings will be charged at the rates specified in the Schedule of Charges.

D Additional Hours:

Hourly rates for additional work carried out by the Block Manager are as per the Schedule of Charges. Additional work would include, for example, court attendance relating to unpaid service charges, in which case the additional management fees would be sought from the defaulting lessee/freeholder.

E Specified Rate Above Bank Base Rate:

4% above Barclays Bank's base rate.

F Car Travel:

Allowance per mile for car travel will only be charged for mileage carried out in connection with additional work.

G Filing of Documents:

The current year's documentation will be retained within the office of the Block Manager and held in either electronic or paper form and will be archived once the service charge accounts have been finalised. The archive costs are detailed in the Schedule of Charges Archiving may be controlled directly by the Client by arrangement.

H Period of Time for Sending Written Statement of Account:

Within 6 months of the end of the financial year.

Associated Companies

B-hive Company Secretarial Services
Shaw & Company Chartered Surveyors
Alexander Bonhill Insurance Services
Faraday Property Services
Bolt Burdon Solicitors

Notes