

YALDHAM - 'SHARED INFRASTRUCTURE' MANAGEMENT COMPANY

General Principles & Responsibilities

- A management company will be set up to own the access driveway and associated services, fixtures and fittings on the land hatched red on the attached plan. All other land in the Yaldham estate will be privately owned,
- The management company will be owned by the 11 homeowners whose properties are accessed by the access driveway and are shown blue on the attached plan (excluding Trift),
- The 11 homeowners will each have a right of way over the access driveway to gain access to their individual properties,
- The management company will collect an annual service charge from each of the 11 homeowners and prepare annual management accounts for the company,
- It is anticipated that the annual service charge will be in the region of £1,400 per year per property thereby raising around £15,400 per year into the service charge account,
- It is anticipated that the annual running costs of the management company will be in the region of £3-£4,000 per year leaving an annual surplus in excess of £11,000 as a sinking fund. This sinking fund equates to £1,000 per house per year which should create an overall fund in excess of £110,000 in 10 years time,
- The sinking fund is to be used for the repair or replacement of capital items such as the access road, the communal drainage system and any other services, fixtures and fittings (it is anticipated that any boundary walls or fences will be privately owned by the individual homeowners and will not be the responsibility of the management company),
- The management company will be responsible for organising the regular routine maintenance of the access driveway including the mowing of grass verges, weed killing of the access road and the clearing of fallen leaves, etc. It is anticipated that regular maintenance visits will take place every other week for 9 months of the year being a total of about 20 visits per year,
- The management company will be responsible for organising the routine inspection, maintenance and repair of the surface of the access road, the communal drainage system (the communal drainage system will only serve the 11 properties as The Manor and Trift will have independent systems) and any other services, fixtures and fittings,
- The management company will be responsible for dealing with utility companies as necessary and for arranging any insurances required,

Structure of the Management Company

- The management company will be set up by the development company before any of the 11 relevant properties are sold or occupied,
- The articles of association of the management company will stipulate the purpose and responsibilities of the company and will limit the ability and the amount by which the articles can be changed,
- The company will be set up with 22 shares and will initially be owned and controlled by the development company,
- When each of the properties are sold 1 share will be transferred to the new homeowner. When the last property is sold the remaining 11 shares will be transferred 1 to each of the 11 homeowners who will then own the company outright between them and with each of

them having an equal number of shares. Shares can only be held by homeowners and must always be transferred to a new owner on the sale of a property,

- When the last shares are transferred at least 2 of the homeowners will be required to become directors of the management company and will replace the original directors who will resign at which point the ownership, control and responsibility of the management company will have passed completely from the developer to the 11 homeowners.