

UNDERSTANDING YOUR DEVELOPMENT

A guide to how your home and the land around it is managed



WHO WILL MANAGE MY HOME AND THE LAND AROUND IT?

The shared facilities and the building containing any apartments on your development will be managed by a **Residents Management Company (RMC)** – this is a not for profit company that is set up for two purposes:

- 1) To manage any **shared facilities** within your development, including any public open space areas that will not be handed over to the local authority.
- 2) To manage any **buildings** containing apartments within your development, including maintenance, repairs and the external and internal common areas of the building.

The RMC will be set up by BDW Trading Limited. During the course of the development the management of the shared facilities and any buildings containing apartments will be transferred to the RMC. A Managing Agent will be appointed to help the RMC fulfil its management obligations to the Residents. A short time after completion of the development, control of the RMC will be transferred from BDW Trading Limited to the Residents on your development.

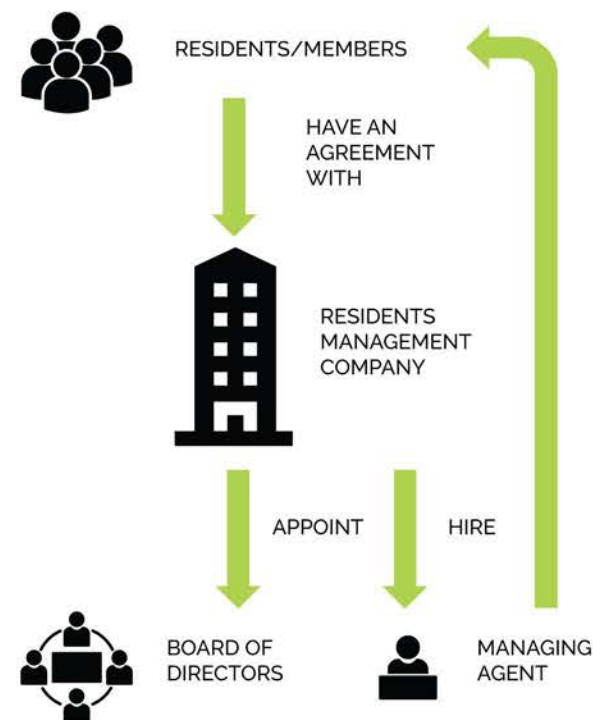
WHO ARE THE PARTIES IN THE RMC AND WHAT DO THEY DO?

Residents – the purchasers of a freehold or leasehold property on your development.

Members – all Residents will become Members of the RMC upon completion of their purchase. BDW Trading Limited will also be a Member of the RMC during the course of the development.

Directors – the Members who agree to run the RMC. BDW Trading Limited employees will initially be appointed as the Directors.

Shadow Board – a group of Members of the RMC who have volunteered to work alongside the BDW Trading Limited's Directors during the course of the development. These Members will work closely with the BDW team and the Managing Agent to understand how the RMC works. Once BDW has completed works on your development it is intended that the members of the Shadow Board will become the Directors of the RMC and carry on the day to day running of the RMC. At this point BDW Trading Limited's employees will resign as Directors. A Member who has not been on the Shadow Board can still volunteer to become a Director of the RMC.



Managing Agent – a third party appointed by the RMC to manage the shared facilities and buildings on your development. The Managing Agent is employed by the RMC under a Management Agreement which sets out the Managing Agent's obligations. The Managing Agent can be changed if it does not comply with the obligations, or perform to the set criteria, contained in the Management Agreement.

WHAT IS THE ROLE OF THE MANAGING AGENT?

For most developments there will be a requirement to maintain and carry out repairs to the shared facilities and any buildings containing apartments on your development. The Managing Agent's role is to assist the RMC to ensure that your development is correctly managed whilst it is under construction and afterwards. The Managing Agent will work with the RMC to ensure that maintenance and repairs are completed at an appropriate time.

WHAT ARE THE SERVICE CHARGES AND WHEN ARE THEY PAYABLE?

Under the plot transfer or plot lease all Residents will pay to the RMC a Service Charge for the management and maintenance of the relevant shared facilities and buildings. This is to cover the Managing Agent's professional fees and the cost of the work carried out by the Managing Agent, in providing the Estate Services, the Building Services and (if your apartment is subject to these) the District Heating. (Please speak to your Sales Adviser if you require any further details).

The **Estate Services** that are typically provided by the Managing Agent for the shared facilities are:

- The maintenance of public open space
- The maintenance of private roads
- The maintenance of private drainage
- Any other estate wide management or maintenance costs



The **Building Services** that are typically provided by the Managing Agent for any buildings containing apartments are:

- The management and maintenance of the building
- The management and maintenance of external areas belonging to the building such as car parking areas and landscaping
- Insurance of the building
- Cleaning and repair of the internal communal areas of the building
- Any other building management costs
- Health and Safety matters, including fire safety

The Managing Agent must justify the charges directly to the Residents, and the Residents have the ability to challenge any charges that are excessive or unjustifiable.

The Service Charge is payable every six months in advance. On completion of the purchase of your new home you will pay a proportion of the Service Charge payment (including VAT where applicable) to cover the period from completion until the next six monthly payment date.

The Service Charge is collected by the Managing Agent on behalf of the RMC and the monies are held in a separate bank account that is solely for the use on your development and cannot be used for any other purpose.

The Service Charge may include an allowance towards future maintenance costs. This is referred to as a Sinking Fund.

In addition to these charges you will have to pay other costs when you sell your property on (this is known as an Event Fee (£75 plus VAT)), and if you own an apartment you will have to pay costs when you seek consent to make alterations to your apartment (these are known as Consent Fees (£100 plus VAT)).

PASSING THE CONTROL TO RESIDENTS

Following the completion of all plots on your development BDW Trading Limited will transfer ownership of the shared facilities and any building containing apartments within your development to the RMC.

Once the ownership of the shared facilities and any building containing apartments has been transferred to the RMC, a formal handover of the RMC to the Residents will take place. Items covered include (but not limited to) handing over electronic copies of any Health and Safety manuals, operating instructions, risk assessments, remediation certificates and the Management Agreement.

The members of the Shadow Board will be invited to become Directors of the RMC. Any other Residents can also volunteer to be a Director. Every company must have at least one Director and an RMC is no different. Therefore, if none of the Residents wish to become a Director, BDW Trading Limited are able to appoint a professional director on the Residents' behalf at an additional cost that will be added to the Service Charge.

BDW Trading Limited will then cease to be a Member of the RMC and BDW Trading Limited's employees will resign as Directors of the RMC.

You and the other residents on your development will then take responsibility for the future management of the shared facilities and buildings, with the assistance of the Managing Agent.

Having taken responsibility for the RMC, the Residents have the ability to vary the scope of the Estate and Building services as they consider appropriate provided that the RMC continues to comply with all statutory regulations.

HOW DOES THE RMC AFFECT ME IF I OWN A HOUSE?

Transferee – the purchaser of, or future purchaser of, a freehold property (usually a house).

The transfer of your house will contain a covenant that requires you, as the Transferee, to pay a Service Charge to the RMC each year. The amount you will pay will be a proportion of the Managing Agent's professional fees and costs incurred by the Managing Agent in carrying out the Estate Services (and if applicable the District Heating).

In return for the payment of the Service Charge, the RMC and Managing Agent will run and manage the shared facilities on the development.

You will become a Member of the RMC on completion of your house purchase. This means you will be able to vote at RMC meetings on matters relating to the Estate Services once the RMC has been handed over to the Residents. Prior to handover BDW Trading Limited will invite you to become a Director of the RMC if you wish.

HOW DOES THE RMC AFFECT ME IF I OWN AN APARTMENT?

Tenant – the purchaser of, or future purchaser of, a leasehold property (usually an apartment).

Landlord – this is the owner (freeholder) of the building within which your apartment is located.

The lease of your apartment will contain a covenant that requires you, as the Tenant, to pay a Service Charge to the RMC each year. The amount you will pay will be a proportion of the Managing Agent's professional fees and the costs incurred by the Managing Agent in carrying out the Estate Services AND Building Services (and if applicable the District Heating). As an apartment owner you will also need to pay a proportionate amount of the Building Service costs applicable to the building within which your apartment is located. The Building Service costs will be divided up between all apartment owners in the building. As an apartment owner you will not be required to maintain or insure the building unlike with a house, but you will still be required to insure the contents of your apartment.

In return for the payment of the Service Charge, the RMC and Managing Agent will run and manage the shared facilities and the building on the development.

You will become a Member of the RMC on completion of your apartment lease. This means you will be able to vote at RMC meetings, on matters relating to the Estate and to the building in which your apartment is located, once the RMC has been handed over to the Residents. Prior to handover BDW Trading Limited will invite you to become a Director of the RMC if you wish.

WHAT HAPPENS WHEN I SELL MY PROPERTY?

If you sell your home in the future, the new Transferee or Tenant will become a Member of the RMC and can volunteer themselves to become a Director of the RMC, if they wish. You will cease to be a Member and (if previously appointed) a Director of the RMC when you complete the sale of your home.

You will need to pay an event fee of £75 (plus VAT) when you sell your property which covers the administrative costs of the RMC and Managing Agent in liaising with your solicitors.