

**ORDER APPOINTING A RECEIVER & MANAGER
as amended on 30th May 2003**

1. Mr Robert Wells FNAEA, of Robert Wells Property Agents, 2 Duke Street, Norwich, Norfolk NR3 3AJ (the Manager) is hereby appointed in place of Mr K.J. Woodrow FRICS, of Woodrows, 18 Church Street, Cromer, Norfolk NR27 9ES as Receiver & Manager of the land and premises at and known as Trafalgar Court, Cromer Road, Mundesley, Norfolk NR11 8DB, with effect from 30th May 2003, to exercise in that capacity all rights of the lessor and to carry out in that capacity all the responsibilities of the lessor under and in respect of the leases of the various flats (both completed and uncompleted) at Trafalgar Court including, without prejudice to the generality of the above, the right to receive as receiver and manage all rents and other monies payable to the lessor under those leases, and otherwise.
2. In particular the Manager shall :
 - i. Account to the freeholder for the time being for the payment of the ground rents he receives, and
 - ii. Act in accordance with the duties of a Manager as set out in the Service Charges Residential Management Code ("the Code") published by the Royal Institution of Chartered Surveyors and approved by the Secretary of State pursuant to section 87 of the Leasehold Reform, Housing & Urban Development Act 1993.
3. Subject to paragraph 8 below, the Manager is so appointed for a period of 3 years (the management period) and thereafter his appointment is to be subject to review by the Leasehold Valuation Tribunal, subject nevertheless to the right of the Manager, except when a contract is in existence for the carrying out of major works, to relinquish the appointment upon him giving to the parties and to the Tribunal three months' notice in writing with reasons, and the Manager may be required to appear before the Tribunal to explain those reasons.

4. All current rights and liabilities of the lessor under contracts entered into by the lessor in respect of its management of Trafalgar Court shall become rights and liabilities of the Manager if and to the extent that the Manager deems necessary for his proper management of Trafalgar Court.
5. The Manager shall be entitled to prosecute in the name of the lessor (subject to his indemnifying the lessor in respect of any adverse order for costs made) causes of action, whether contractual or tortious, accruing to the lessor in respect of any flat (completed or uncompleted) within Trafalgar Court whether before or after the date of appointment of the Manager.
6. London Land Securities Limited and the former Manager, Mr Woodrow, shall forthwith deliver to the Manager all such books, papers, records and correspondence as are necessary in the opinion of the Manager for the proper management of Trafalgar Court.
7. The Manager shall otherwise be appointed upon the terms of the attached Schedule.
8. The parties and the Manager shall have permission to apply to the Tribunal for further directions.

Dated 30th May 2003

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Graham K Sinclair, Chairman
for the Leasehold Valuation Tribunal

[NOTE : All amendments made to the original 2001 Order and Schedule are underlined]

SCHEDULE

Objectives and General Duty

1. During the management period the Manager will manage Trafalgar Court in a proper and businesslike manner. The Manager shall be responsible generally for the maintenance of the flats at Trafalgar Court, including the common parts and service areas, and for the provision of services and upkeep of the amenities thereof. In so doing the Manager shall have particular regard to : –
 - a. The principal objective, namely to improve the quality of the unbuilt and short-let (or unlet) flats for their sale on long leases as soon as possible
 - b. The need to vary the provisions of the existing leases (e.g. by the deletion of references to the Management Company, amendment of the service charge budget percentages, and the provisions of clause 7(4), so that all new and existing leases are of similar wording and effect)
 - c. The need to agree a redevelopment programme with the freeholder or to apply to the Tribunal for additional powers
 - d. The need to comply with the existing Statutory Notices served by North Norfolk District Council.

Specific Responsibilities

2. Without prejudice to the generality of the above, it shall be the duty of the Manager during the Management Period to do the following : –
 - a. To deal in a reasonable fashion with all items of repair and maintenance for which the lessor is responsible. In particular the Manager is instructed by the Tribunal to obtain Tenders generally in accordance with Mr. Dale's specification with the aim of completing these works within a year.
 - b. Simultaneously, to attempt to agree with the freeholder a programme of works whereby its development of the west wing and works of improvement to its existing unlet flats and the works of repair organised by the Manager may cause minimum disruption.
 - c. To purchase all such items as may be necessary to effect such repair and maintenance.

- d. Notwithstanding the responsibility in clauses a., b. & c. above, the Manager will **not** be required to make purchases or place orders thereunder if this would result in the service account for Trafalgar Court (the "Service Charge Account" as defined below) going into deficit.
- e. To enter into contracts for the maintenance and supply of goods and services.
- f. To estimate in advance the anticipated cost of services for each year including the building up of reserve funds and the cost of each item of expenditure which is other than annual in nature. Such items will include (but will not be limited to) external or internal decoration and replacement of plant and equipment. The total cost of the services to be provided to Trafalgar Court (including reserves) will then be apportioned by the Manager among the lessees (in such proportions as are stipulated by their leases) and collected from them by way of an interim service charge.
- g. Simultaneously to item f. above (and subject to there being an appropriately worded variation of clause 7(4) of each lease either by agreement with the lessor or by an order of the court) the Manager will need to seek to recover the balance shown from the freeholder for the freeholder's and uncompleted flats.
- h. As soon as is reasonably practicable after the actual figures for each year have been ascertained, and subject to any variation as stated in item g. above, the Manager will prepare a similar apportionment between the lessees and freeholder and collect any outstanding balance. In the event of a credit balance, this will be carried forward into the next accounting period.
- i. To take any legal action that the Manager shall see fit in order to make good any service charge arrears.
- j. To arrange and vary from time to time and keep in force the insurance of all buildings and the contents of the common parts of Trafalgar Court against such risks and in such sum as the Manager sees fit. The Manager will also effect and keep in force insurance against public liability. The Manager will agree the terms of such insurance and will pursue claims arising therefrom expeditiously. The Manager shall endeavour to make payment directly to the insurance company or broker concerned and shall, if practicable, obtain a receipt from such company or broker confirming that such insurance is paid up to date. The Manager shall

declare to all interested parties any commission that he may receive upon, and in respect of, the placing of any insurance.

- k. To maintain efficient records and books of account which will be open to inspection together with relevant vouchers by appointment at all reasonable times by all interested parties, and to maintain on trust an interest-bearing client account into which Service Charge monies will be paid when they fall due the ('Service Charge Account'), together with such other accounts as the Manager may think necessary and appropriate.
- l. To deal with all inquiries, reports, complaints, and other correspondence with the lessor, individual lessees, solicitors, accountants and other professional persons in connection with matters arising from the day-to-day management of Trafalgar Court. The Manager shall, however, be entitled to a fee additional to the remuneration set out below for the provision, whenever so required, of a 'solicitor's pack'. Such fee will be chargeable to the person requiring such 'pack'.
- m. To perform such duties as are consistent with the best principles of estate management and as are necessary in order to procure and maintain all services at the most reasonable cost, including the procurement of a minimum of three quotes for all major services supplied, such quotes to be available for inspection by all or any interested parties.
- n. To pay and discharge out of the monies collected (subject to the availability of adequate funds in the Service Charge Account) all rates, taxes, insurance premiums, rents, wages, water, gas and electricity bills, costs of cleaning materials and other outgoings (including payment of the Management Fee) for which the Manager is responsible pursuant to his appointment. The Manager will take all reasonable steps to ensure that no liabilities accrue which cannot be financed from the Service Charge Account.

Power to Contract

- 3. Subject to the foregoing obligations, during the management period the Manager is empowered to enter into contracts for supplies and services, (including with solicitors, accountants, building surveyors and other professional persons), and where necessary to terminate the same. The Manager is further empowered to purchase individual items

of a non-recurring nature.

Authority to negotiate adjustments to service charge payments

4. The Manager is empowered, to make and agree adjustments and other compromises with lessees at Trafalgar Court in respect of the rents or other monies owing (inclusive of Service Charges and Interim Charges), and also in respect of any outgoings payable.

Remuneration

5. As remuneration for the above services, and in accordance with the Leasehold Valuation Tribunal's powers under section 24(5)(c) of the Landlord and Tenant Act 1987, the Manager shall be entitled to the following remuneration payable out of the service charge account : –

- a. *Basic Management Fee*

£100 per annum, plus VAT and disbursements, for each of the completed and uncompleted flats within Trafalgar Court. The fee will increase in line with the Retail Price Index annually during the management period. Payable half-yearly in arrears.

- b. *Major Maintenance and Improvement Contracts in excess of £2,500 net of VAT*
6% plus VAT of the contract price, to include preparation of the specification, obtaining tenders, service of Section 20 Notices and contract administration. Payable upon completion of the contract.

- c. *Additional Duties - not relating to item b. above*

To include, but not as an exhaustive list :

- i. correspondence and discussions with local and statutory authorities,
- ii. dealing with service charge arrears,
- iii. non-routine correspondence with freeholder or leaseholders, and
- iv. preparing replacement-cost assessments for insurance purposes

£45 per hour, plus VAT. Payable half-yearly in arrears.

Responsibility for short lets at rack rents

6. The Manager shall additionally be responsible for the management of the flats currently let on short term tenancies by the freeholder (and, with their consent, those sub-let by

the leaseholders), to include arranging new lettings, the right to terminate tenancies, rent collection and maintenance. The Manager shall be empowered to enter into contracts for supplies and services, including with solicitors. The Manager shall submit to the freeholder a quarterly account of sums collected and retained or expended by him.

7. The Manager's additional remuneration, payable out of the rents of each particular flat, shall be as follows:
 - a. 6% of the annual rent, plus VAT and Disbursements, for arranging new short term lettings, including the obtaining of references.
 - b. 6% of the rent collected, plus VAT, for the general management and rent collection.
 - c. £45 per hour, plus VAT, for dealing with rent arrears and other breaches of contract.
8. Whilst the Manager shall use his best endeavours to let any vacant flats to suitable applicants he shall not be held responsible for any void periods or for the failure of any tenants to pay the reserved rent; neither shall he be obliged to seek tenants for the property if so prevented by any statute or by-law, or by any local authority.