

SCHEDULE 1

DEVELOPMENT MANAGEMENT SCHEME

PART 2

THE OWNERS' ASSOCIATION

RULE 2 –

ESTABLISHMENT, STATUS ETC.

Establishment

2.1 The association is established on the day on which this scheme takes effect.

Status

2.2 The association is a body corporate to be known as [*specify the name of the owners' association*].

Members of the association

2.3 The members are the persons who, for the time being, are the owners of the units to which this scheme applies and has taken effect; and where two or more persons own a unit both (or all) of them are members.

Address of association

2.4 The address of the association is that of–

- (a) the development; and
- (b) the manager,

or either of them.

RULE 3 –

FUNCTION, POWERS AND ENFORCEMENT

Function of association

3.1 The function of the association is to manage the development for the benefit of the members.

Powers of the association

3.2 The association has, subject to rule 3.3, power to do anything necessary for or in connection with the carrying out of the function mentioned in rule 3.1 and in particular may–

- (a) own, or acquire ownership of, any part of the development;
- (b) carry out maintenance, improvements or alterations to, or demolition of, the scheme property;
- (c) enter into a contract of insurance in respect of the development or any part of it (and for that purpose the association is deemed to have an insurable interest);
- (d) purchase, or otherwise acquire or obtain the use of, moveable property;

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- (e) require owners of units to contribute by way of service charge to association funds;
- (f) open and maintain an account with any bank or building society;
- (g) invest any money held by the association;
- (h) borrow money; or
- (i) engage employees or appoint agents.

Prohibited activities

3.3 The association shall not have power to—

- (a) acquire land outwith the development;
- (b) carry on any trade whether or not for profit; or
- (c) make regulations other than in accordance with rule 3.6.

Scheme to be binding

3.4 This scheme is binding on the association, the manager and the members as are any regulations which have taken effect; and a rule, or any such regulation, in the form of an obligation to refrain from doing something is binding on—

- (a) a tenant of property affected by the rule or regulation; or
- (b) any other person having the use of such property.

Enforcement of scheme

3.5 The association may enforce—

- (a) the provisions of this scheme and any regulations which have taken effect; and
- (b) any obligation owed by any person to the association.

Regulations

3.6 The association may, at a general meeting—

- (a) make regulations as to the use of recreational facilities which are part of the scheme property; and
- (b) revoke or amend regulations made under paragraph (a),

but any such regulation, revocation or amendment takes effect only after a copy of it has been delivered or sent to each member.

RULE 4 –

THE MANAGER

Association to have manager

4.1 The association is to have a manager who, subject to any other provision of this scheme, is a person (whether or not a member) appointed by the association at a general meeting.

Power to remove manager

4.2 The association may at a general meeting remove the manager from office before the expiry of that person's term of office.

Validity of actings of manager

4.3 Any actings of the manager are valid notwithstanding any defect in that person's appointment.

Manager to be agent

4.4 The manager is an agent of the association.

Exercise of powers

4.5 Subject to this scheme, any power conferred on the association under or by virtue of this scheme is exercisable by—

- (a) the manager; or
- (b) the association at a general meeting.

Duties owed to association and members

4.6 Any duty imposed on the manager under or by virtue of this scheme is owed to the association and to the members.

Manager to comply with directions

4.7 The manager must, in so far as it is reasonably practicable to do so, comply with any direction given by the association at a general meeting as respects the exercise by the manager of—

- (a) powers conferred; or
- (b) duties imposed,

on the association or on the manager.

Information about management

4.8 Any member may require the manager to allow that member to inspect a copy of any document, other than any correspondence with another member, which relates to the management of the development; and if the document is in the manager's possession or it is reasonably practicable for the manager to obtain a copy of it the manager must comply with the requirement.

Notice to manager on sale etc. of unit

4.9 Any member who sells or otherwise disposes of a unit must, before the date on which the person to whom the unit is to be sold (or otherwise transferred) will be entitled to take entry, send a notice to the manager stating, to the extent to which the information is known by that member—

- (a) the entry date and the name and address of that person;
- (b) the name and address of the solicitor or other agent acting for that person in the acquisition of the unit; and
- (c) an address at which the member may be contacted after that date.

RULE 5 –

EXECUTION OF DOCUMENTS

Execution of documents by association

5. A document is signed by the association if signed on behalf of the association by—

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- (a) the manager; or
 - (b) a person nominated for the purpose by the association at a general meeting,
- provided that the manager or person acts within actual or ostensible authority to bind the association.

RULE 6 – WINDING UP

Commencement of winding up

6.1 The manager must commence the winding up of the association on the day on which this scheme ceases to apply as respects the development.

Distribution of funds

6.2 The manager must, as soon as practicable after the commencement of the winding up, use any association funds to pay any debts of the association; and thereafter must distribute in accordance with this scheme any remaining funds among those who were, on the date when the winding up commenced, owners of units.

Final accounts

6.3 The manager must–

- (a) prepare the final accounts of the association showing how the winding up was conducted and the funds were disposed of; and
- (b) not later than six months after the commencement of the winding up, send a copy of those accounts to the owner of every unit.

Automatic dissolution of association

6.4 Subject to rule 6.5, the association is dissolved at the end of the period of six months beginning with the commencement of the winding up.

Delayed dissolution

6.5 At any time before the end of the period of six months mentioned in rule 6.4, the members may determine that the association is to continue for such period as they may specify; and if they so determine it is dissolved at the end of the period so specified.