

Clifden Glen Site Management Agreement

(available only to shareholders in the company)

ORIGINAL AGREEMENT AND AMENDMENTS (SHOWN AT SCHEDULE 8) MADE BETWEEN SHAREHOLDERS IN CLIFDEN GLEN MANAGEMENT (2005) PLC WHO ARE ALSO PROPERTY OWNERS AT CLIFDEN GLEN WITH CLIFDEN GLEN MANAGEMENT (2005) PLC FOR THE, PROVISION, MANAGEMENT AND MAINTENANCE OF SERVICES AND ESTATE IN CLIFDEN GLEN.

THIS AGREEMENT is made the day of in the year between Clifden Glen Management (2005) Plc of Market House, Churchtown, Mallow, Co. Cork (hereinafter called “the Management Company” or “the Company” which expression shall include their successors in title and assigns) and the Owner or designated owner of the property known as number Clifden Glen (hereinafter defined as the “Owner” which expression shall include their successors in title and assigns).

WHEREAS:

1. The Owner is the legal and beneficial Owner of the Property or is the designated owner of the property which is held in a partnership hereinafter defined and more particularly described in Schedule 2 and is a fully paid up shareholder in the Company
2. The Company is the legal and beneficial Owner of the Estate, hereinafter defined.
3. The Company is obliged under the Deed of Transfer under which the property was first transferred to the Owner or the Owners predecessor in title to provide certain services and the Company agrees to provide the Basic Services (hereinafter defined) to the Owner pursuant to the terms in the said Deed of Transfer.
4. In addition to the Basic Services the Company has offered the Owner and the Owner has agreed to accept the provision of the Enhanced Services subject to the terms and the conditions hereinafter set out.
5. The Basic Services are available to all property owners by way of the aforementioned original Deed of Transfer subject to the terms and conditions therein contained. The Enhanced Services are only available to Owners as defined herein subject to the terms and conditions herein contained.

NOW THE PARTIES HERETO HAVE AGREED as follows:

1. Definitions

The Company is the registered Owner (or entitled to be the registered Owner) of the property, more particularly described in Schedule I and hereinafter called “the Estate”.

The Owner is the registered Owner, or entitled to be registered Owner of the property, more particularly described in Schedule 2 (hereinafter called “the Property”).

“the Deed “ means the deed of transfer referred to in clause 1.3 under which the interest in the Property was originally granted to the Owner or the Owner’s predecessor in title.

“the Basic Services” are the specific easements, rights, privileges and services granted to the Owners or their predecessors in title for the benefit of the property pursuant to a certain deed of transfer hereinafter defined and more particularly set out in Schedule 3.

“the Enhanced Services” mean the enhanced services and privileges more particularly described and set out in Schedule 4 hereto and intended to be provided by the Company to the Owner subject to the provisions hereinafter set out.

“the Basic Service Cost” means all costs and expenses incurred by the Company or their agent, of whatsoever kind and nature incurred in carrying out their obligations under and giving effect to the provisions of Schedule 3 of whatsoever kind and nature.

“the Enhanced Service Cost” means all costs and expenses incurred by the Company or their agent, of whatsoever kind and nature incurred in carrying out their obligations under and giving effect to the provisions of Schedule 4 of whatsoever kind and nature.

“the Basic Service Charge” is the proportion of the Basic Service Cost payable by the Owner to the Company more particularly set out in Schedule 5.

“the Enhanced Service Charge” is the proportion of the Enhanced Service Cost payable by the Owner to the Company more particularly set out in Schedule 6.

2. Interpretation

The masculine includes the feminine and neuter genders.

The singular includes the plural and where two or more persons together constitute the Owner all

covenants and agreements on the part of the Owner shall be deemed to be joint and several covenants and agreements of any persons

Any covenant by the Owner which restrain the Owner from doing any act or thing shall be read and construed as a covenant by the Owner not to do, omit or suffer any such act or thing to be done .

References herein to any law include where appropriate reference to any statutory modification thereof whether by way of amendment, addition, deletion or repeal and re-enactment with or without amendment.

3. Obligations

3.1 In consideration of the payment of the Basic Service Charge and the Enhanced Service Charge and the obligations on both parties herein contained the Company shall provide the Basic Services and the Enhanced Services for the benefit of the Owner and the Property on a not-for-profit basis.

3.2 The provision of the Basic Services and Enhanced Services is conditional upon the Owner paying the Basic Service Charge and the Enhanced Service Charge to the Company twice annually in advance on or before the 1st day of March and the first day of September (the "Payment Dates") on account of the Service Charge for the calendar year.

3.3 If the Basic Service Cost and Enhanced Service Cost for that calendar year exceed the Basic Service Charge and/or the Enhanced Service Charge paid by the Owner in and on account of that calendar year any excess cost shall be paid by the Owner to the Company on demand;

3.4 If the Basic Service Cost and Enhanced Service Cost for that calendar year are less than the Basic Service Charge and/or the Enhanced Service Charge paid by the Owner in and on account of that calendar year then any overpayment shall be held by the Company to offset against the Basic Service Charge and/ or Enhanced Service Charge for the next calendar year.

3.5 Any omission by the Company to include in any year a sum expended or a liability incurred in that particular year shall not preclude the Company from including such sum or the amount of such liability in any subsequent year, as the Company shall reasonably determine.

3.6 In performing its obligations contained in Schedule 3 and Schedule 4, the Company shall be entitled at its discretion, to employ agents, contractors and such other persons as it may think fit and to delegate its duties and powers to them and their fees and expenses (including VAT) shall form part of the Expenditure.

3.7 The Owner shall comply with and observe all reasonable regulations made by the Company to govern the use of the Estate and to protect its character or amenity and any costs and expenses incurred by the Company in preparing and supplying copies of such regulations or in doing works or in providing services to the Owner for the improvement of the Estate shall be deemed to have been properly incurred by the Company in pursuance of its obligations under Schedule 4 hereto notwithstanding the absence of any specific covenant or obligation by the Company to incur them;

3.8 For the avoidance of doubt it is hereby confirmed that the Basic Service Charge will be charged pro rata to all property owners at Clifden Glen and not just shareholders in Clifden Glen Management (2005) Plc as set out in Schedule 5.

3.9 It is hereby confirmed that the Enhanced Services are only available to shareholders in Clifden Glen Management (2005) Plc and will be charged accordingly.

3.10 Schedule 4 of this agreement may be varied from time to time by a majority vote at the AGM of the Company or at any EGM of the Company properly convened provided that the resolution seeking to amend Schedule 4 has been circulated with the notice of the meeting in accordance with the procedures set out in the Memorandum and Articles of Association of the Company.

3.11 Where the terms of this agreement contradict the terms in the Shareholders Agreement entered into by all shareholders under the terms of the November 2004 placement memorandum it is hereby agreed that this agreement shall prevail and the Shareholders' Agreement should be duly amended to reflect this.

3.12 The Owner may terminate this Agreement by serving not less than three months prior written notice on the Company, such notice to expire on a Payment Day, notwithstanding the service of such a termination notice it is hereby confirmed that the terms of the original Deed of Transfer will continue to apply.

3.13 Should the Owner be in breach of any of the Covenants herein contained the Company may serve notice on the Owner specifying the breach in question and requiring the Owner to fully remedy the said breach with seven days? If the Owner has not remedied the said breach within the 7 day period to the satisfaction of the Company then the Company may immediately and unilaterally terminate this agreement by notice in writing served on the Owner but without prejudice to any rights which have accrued to the Company arising out of any antecedent breach of the terms hereof.

IN WITNESS whereof this agreement has been duly executed on the day and year first herein written.

Property Owner/s

.....
.....

Property Number/s

Signature/s

.....
.....

Witness

.....

Signed and sealed by the company in the presence of

..... Director

..... Director

Witness

.....



SCHEDULE 1

The Estate.

ALL THAT AND THOSE the lands and hereditaments with the buildings erected or to be erected thereon and known or intended to be known as Clifden Glen and situate in the Townland of Couravoughill and Barony of Ballynahinch, Clifden, County Galway and comprised in Folios 43777F, 56428F and 56429F County Galway.

SCHEDULE 2

The Property.

ALL THAT the Property known or intended to be known as property number situate in Clifden Glen.

SCHEDULE 3

Basic Services.

1. Pay all existing and future rates, taxes, assessments and outgoings now or hereafter imposed or payable in respect of the Estate insofar as such rates, taxes, assessments or outgoings may be attributable to buildings constructed on the Estate.

2. Forthwith insure and keep insured against loss or damage by fire and such risks as it from time to time think expedient the Estate and the Service Buildings in the full replacements value thereof in some Insurance Office of repute and in case the Service Buildings or any part thereof shall be destroyed or damaged by fire then and as often as same shall happen all monies as shall be received shall be laid out with all convenient speed in rebuilding, repairing or otherwise reinstating the Service Buildings.

3. Forthwith insure and keep insured the Estate and the Company and the Owners from time to time of any Property constructed on the Estate against public liability claims or third party risks in respect of the Estate.

4. To repair and maintain the road and footpaths in the Estate and maintain, repair and cleanse, keep clear and ventilate the drains, sewers and pipes therein and keep the said roads and footpaths adequately lighted and to repair and maintain the public lighting system therein until and unless the said roads and paths are taken over by Galway County Council.

5. Employ and engage such servants and contractors, secretaries and accountants, auditors and other professional persons as it considers necessary or desirable for the performance of its

obligations under the Companies Act 1963 or any amendment thereof and pay their wages, commissions, fees and charges.

6. Provide a waste disposal collection service from the Estate or procure that such a service is provided.

7. So far as it is considered practicable equalise the amount from year to year of its costs and expenses incurred in carrying out its obligations under this Schedule by charging against such costs and expenses in each financial year and carrying to a reserve fund or funds all surplus monies and in subsequent financial years expending such sums as it considers reasonable by way of provision for depreciation or future expense, liabilities or payment whether certain or contingent or whether obligatory or discretionary.

8. If in so far as many monies received by the Company from the Owner during any financial year by way of contribution to the Service Charge are not actually expended by the Company during the financial year in pursuance of this Schedule or otherwise dealt with so as to be allowable expenses in calculating the Company income for tax purposes for that year the Company shall hold these monies upon trust to expend them in subsequent years in pursuance of this Schedule and subject thereto upon trust for the Owner and the Owners of other Property in equal shares in respect of each Unit.

9. Keep proper books of account of all costs and expenses incurred by the Company in carrying out its obligation under this Schedule.

The Owner hereby confirms all covenants entered into by it in the aforementioned Deed of Transfer in particular the covenant not to do any act or thing which shall become a nuisance or annoyance to the company, its successors and assigns.

PROVIDED always that the obligations of the Company contained in or arising under this Schedule are subject to and conditional upon the Owner contributing his share of the expenses of the Company.

SCHEDULE 4

Enhanced Services at additional cost to the cost of the Basic Services.

1. Attend to the external repair and maintenance of the property to include all external painting and decorating.

2. Internal inspection and maintenance of the property during winter months, to include adequately heating and airing property not being occupied.

3. Providing a safe key holding service.

4. Making available, organising and overseeing housekeeping services.
5. Providing a telephone contact point and letting service.
6. Providing the site services required to support marketing agents who may be letting properties (for example, Self Catering Ireland) for shareholders with such additional costs to be applied to those owners who let their properties.
7. Provision of a members' club house and reception with access reserved exclusively for Owners as defined herein and their guest.
8. Manage the Estate in such a way that will maximise the value of the Estate for the benefit of the Owners and of Owner's property.
9. Provide reasonable viewing services for Owners who are selling their Property.
10. Provide a global fire insurance policy to cover all shareholders property.
11. Provision of a sinking fund for future expenditure.

It is hereby confirmed as follows:

- A. The Owners may request and agree by majority voting at an Annual General Meeting or an Extraordinary General Meeting of the Company that services should be deleted or further services included in the above list as provided for in clause 3.10 hereof.
- B. In calculating the Enhanced Service charge payable by each Owner a deduction will be applied in respect of and to take into account any sums received by the Company for the use of its services infrastructure or assets by any third parties such as (but not limited to) the eight new properties constructed independently at the entrance to Clifden Glen.
- C. In addition the Company will upon request by the Owner inspect the internal repair and maintenance of the Property and advise the Owner of the costs of remedying any faults or defects and PROVIDED THAT the Owner discharges all of costs associated with the said repair the Company will facilitate the Owner by organising and overseeing the completion of the work to a reasonably satisfactory standard.

SCHEDULE 5

Basic Service Charge Calculation.

1. There are 127 residential properties at Clifden Glen, 83 are detached lodges and 44 are semi-detached cottages. Lodges are approximately double the size of cottages.

2. For the purpose of apportioning costs cottages are allocated one unit of cost and lodges are allocated two units. There are, therefore 210 basic cost units to be allocated.

3. All basic costs are estimated based on the previous year's experience and an overall figure determined. This overall figure is divided by 210 and the resulting figure is the "Basic Cost Unit"

SCHEDULE 6

Enhanced Service Charge Calculation.

1. There are "X" shareholder lodges and "Y" shareholder cottages. For the purpose of apportioning costs cottages are allocated one unit of enhanced cost and lodges are allocated two units of enhanced costs. There are, therefore "2X+Y" enhanced cost units to be allocated.

2. All enhanced costs are estimated based on last year's experience and an overall figure determined. This overall figure is divided by "2X+Y" and the resulting figure is the "Enhanced Cost Unit".

SCHEDULE 7

Preparing and Auditing the Overall Charges to be applied.

1. The amount of the Basic and Enhanced Service Costs for the previous year shall be ascertained and certified annually by the Auditors of the Company on such other day as the Company in its absolute discretion shall determine as being the date upon which the Basic and Enhanced Service Costs shall be ascertained;

2. In ascertaining and certifying the Basic and Enhanced Service Costs the Auditors shall act as experts and not Arbitrators and their certificate (hereinafter called "the Certificate") shall be conclusive evidence that the Service Costs were actually incurred;

3. A copy of the Certificate for each year shall be supplied by the Company to the Owner on written request;

4. As soon as practicable after the issue of the Certificate the Company shall furnish to the Owner an account of the Basic and Enhanced Service Costs for the year to which the Certificate relates and the Basic and Enhanced Service Costs for which the Owner shall be liable.

5. Notwithstanding any other provision of this Clause the Service Charge payable by the lodge owner for the year ending 31st December, 2005 shall be €1,800.00 plus VAT (and 50% of this amount payable by cottage owners) which sum shall be on or before the 30th of September 2005;

In the event of late payment the Owner shall be liable for interest at the rate of ten per cent (10%) per annum over the single A rate of interest charged by the Bank of Ireland ruling on the date upon which such sum becomes payable or if there shall be no such rate then fifteen per cent (15%) per annum on any sum which by any provision of this Schedule or any other provision of these presents is made payable by the Owner to the Company on demand or at a specified date such interest to run from the date of demand or the specified date (as the case may be) until the date of actual payment of the said sum and such interest at the rate aforesaid shall be paid both before and after any judgement is obtained.

SCHEDULE 8

Amendments to Site Management Agreement.

First Amendment

(This amendment was passed at AGM on 25th March 2006)

Penalty for late payment of management fees

Management fees that remain unpaid after their year end will incur a late payment administration penalty of €100 with a further penalty of €25 per month thereafter while the amount owed remains outstanding.