



# Commonhold and Leasehold Reform Act 2002

## 2002 CHAPTER 15

### PART 1

#### COMMONHOLD

##### *Commonhold association*

#### 34 Constitution

- [<sup>F1</sup>(1) A commonhold association is a private company limited by guarantee—
- (a) the articles of which state that an object of the company is to exercise the functions of a commonhold association in relation to specified commonhold land, and
  - (b) the statement of guarantee of which specifies £1 as the amount of the contribution required from each member in the event of the company being wound up.]
- (2) Schedule 3 (which makes provision about the constitution of a commonhold association) shall have effect.

#### Textual Amendments

- F1** S. 34(1) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), [Sch. 1 para. 194\(7\)](#) (with art. 10)

#### 35 Duty to manage

- (1) The directors of a commonhold association shall exercise their powers so as to permit or facilitate so far as possible—
- (a) the exercise by each unit-holder of his rights, and

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*Changes to legislation: There are currently no known outstanding effects for the Commonhold and Leasehold Reform Act 2002, Cross Heading: Commonhold association. (See end of Document for details)*

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- (b) the enjoyment by each unit-holder of the freehold estate in his unit.
- (2) The directors of a commonhold association shall, in particular, use any right, power or procedure conferred or created by virtue of section 37 for the purpose of preventing, remedying or curtailing a failure on the part of a unit-holder to comply with a requirement or duty imposed on him by virtue of the commonhold community statement or a provision of this Part.
- (3) But in respect of a particular failure on the part of a unit-holder (the “defaulter”) the directors of a commonhold association—
  - (a) need not take action if they reasonably think that inaction is in the best interests of establishing or maintaining harmonious relationships between all the unit-holders, and that it will not cause any unit-holder (other than the defaulter) significant loss or significant disadvantage, and
  - (b) shall have regard to the desirability of using arbitration, mediation or conciliation procedures (including referral under a scheme approved under section 42) instead of legal proceedings wherever possible.
- (4) A reference in this section to a unit-holder includes a reference to a tenant of a unit.

### 36 Voting

- (1) This section applies in relation to any provision of this Part (a “voting provision”) which refers to the passing of a resolution by a commonhold association.
- (2) A voting provision is satisfied only if every member is given an opportunity to vote in accordance with any relevant provision of the [<sup>F2</sup>articles of association] or the commonhold community statement.
- (3) A vote is cast for the purposes of a voting provision whether it is cast in person or in accordance with a provision which—
  - (a) provides for voting by post, by proxy or in some other manner, and
  - (b) is contained in the [<sup>F2</sup>articles of association] or the commonhold community statement.
- (4) A resolution is passed unanimously if every member who casts a vote votes in favour.

#### Textual Amendments

**F2** Words in s. 36(2)(3)(b) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), **Sch. 1 para. 194(8)** (with art. 10)

**Changes to legislation:**

There are currently no known outstanding effects for the Commonhold and Leasehold Reform Act 2002, Cross Heading: Commonhold association.