

Particulars

A. The Client

B. The Agent

Remus Management Limited
Fisher House
84 Fisherton Street
Salisbury
Wiltshire
SP2 7QY

C. The Property

D. Date of Commencement

This Agreement is made the 2017 between;

(1) The Client specified in Paragraph A of the Particulars (The Client)

And

(2) The Agent specified in Paragraph B of the Particulars (The Agent)

Whereby the Parties have agreed that the Client hereby appoints the Agent to carry out (on behalf of the Client) the Client's obligations to manage, administer, clean, repair and maintain the Property specified in Paragraph C of the Particulars from the Commencement Date specified in Paragraph D of the Particulars on the following Terms of Appointment set out hereunder (which shall include the Schedules following the Terms of Appointment and which form part of the Terms of Appointment);

Terms of Appointment

1. Definitions

In this Agreement the following expressions have where the context so admits or requires the following meanings;

- 1.1 "Accounting Period" shall mean the period referred to in the Leases/Transfers for the preparation of the Service Charge Accounts, or if no period is referred to in the leases/transfers, a period of 12 months commencing on 1st January of each year or such other period of 12 months as the Parties may agree.
- 1.2 "Agent" shall mean the Agent specified in paragraph B of the Particulars and shall include any subsidiary or other company that is considered to be a group company or an associated company for the purposes of UK corporation tax.
- 1.3 "Additional Services" shall mean any services provided by the Agent in accordance with Clause 3 of this Agreement which are not Services which are included in Clause 2 of this Agreement.
- 1.4 "Client" shall mean the Client specified in paragraph A of the Particulars
- 1.5 "Client Bank Account" shall mean a separately identifiable client account or a separate bank account maintained by the Agent for the receipt of Rent and Service Charge and the payment of Service Charge Expenditure.
- 1.6 "Date of Commencement" shall be the date specified in paragraph D of the Particulars
- 1.7 "Lease(s)/Transfer(s)" shall mean any leases/transfers granted to the Client over any part of the Property, copies of which shall be provided by the Client to the Agent, and shall include both residential and commercial leases.
- 1.8 "Lessees/Transferees" shall mean all persons who have a Lease/taken a Transfer from the Client over any part of the Property and shall include all persons (including the owners of freehold properties) who are required to contribute to the Service Charge Expenditure whether they have a lease or not and for the purpose of this definition shall include individuals, tenants in common, companies, partnerships and any other legal entities that are able to hold property.
- 1.9

“Property” shall mean the Estate or land and buildings set out in paragraph C of the Particulars and shall include all appurtenant parts of the Property that the Client is required to manage, administer, clean, repair and maintain under the provisions of the Leases or otherwise but shall not include any parts of the Property that have been demised to Lessees/transferred to transferees which the Lessees/Transferees are obliged to maintain or which are not within the control of the Client.

1.10 “Remuneration” shall mean all such sums as are payable to the Agent as set out in Clause 9 hereof.

1.11 “Services” shall mean the services to be provided by the Agent as set out in Clause 2 hereof.

1.12 “Service Charge” shall mean all sums payable by the Lessees/Transferees to the Client in reimbursement of their share of Service Charge Expenditure

1.13 “Service Charge Accounts” shall mean a set of accounts that are prepared for each Accounting Period showing the total of the Service Charge Expenditure and amounts demanded from Lessees/Transferees in the Accounting Period together with any sums due from Lessees/Transferees at the end of the Accounting Period, and shall be presented in such form as may be laid down by statute.

1.14 “Service Charge Expenditure” shall mean the total expenditure reasonably and properly incurred by or on behalf of the Client in any Accounting Period in carrying out the obligations of the Client to manage, administer, clean, repair and maintain the Property to the extent that is required under the Leases/Transfer, and shall include where required any provision for contingency or reserve for future anticipated expenditure.

1.15 “Service Charge Moneys” shall mean such moneys that are standing to the credit of the Client Bank Account at any time.

2. The Services to be provided by the Agent

The Agent will use reasonable skill care and due diligence to,

2.1 Prepare an annual budget for future Service Charge Expenditure and distribute same to Lessees following approval by the client together with any demands for payment of their proportionate share as set out in the Leases/Transfers.

2.2 to collect in all current instalments and any arrears of rent (where applicable), service charge and any other sums due from the Lessees/Transferees of the Property, and any such sums collected will be held in the Client Bank Account until disbursement.

2.3 inspect at the frequency set out in the Fourth Schedule such common parts of the Property as can be inspected safely without equipment and without undue difficulty to ascertain the general condition of those common parts and to consider the quality of any work performed by any contractors employed to carry out works at the Property.

2.4 instruct contractors to carry out such works at the Property that the Agent may consider necessary to ensure that the Property is adequately maintained in accordance with the provisions of the leases/transfers, and to administer any such contracts and to check demands for payment for goods and services and any plant and equipment supplied for the benefit of the Property.

2.5 provide assistance to the Client (where applicable) to enable the Client to arrange insurance in his own name in respect of the Property in accordance with the provisions of the Fifth Schedule, such insurance to be limited to the main structures of any buildings upon the Property and the common parts thereof and shall not include any insurance in respect of any parts of the Property that have been demised under the Leases or transferred by the transfers.

2.6 keep records (subject to the provision of information by the client) of the names and addresses of all

Lessees/Transferees including billing addresses (if appropriate) and maintain individual accounting records in respect of all sums demanded and received from Lessees/Transferees in respect of the Rent and Service Charge, including any balance outstanding at any particular time..

- 2.7 keep files of all Leases/transfers and other documents relating to the Property that have been supplied by the Client and keep files of all correspondence with Lessees/Transferees, contractors and others, and make such files available to the Client upon request.
- 2.8 Attend to routine enquiries from the Client, Lessees/Transferees and any Residents Association (whether recognised or not).
- 2.9 Provide such information as may be requested by any accountant who is carrying out an inspection of the Service Charge Account.
- 2.10 provide a copy of the Property Insurance Policy (where insurance is undertaken in accordance with 2.6 above) and a statement of the Lessee's/Transferees account free of charge to solicitors and others in connection with any potential sale of a Lease/Transfer within the Property/Estate and to provide any further information that may be requested in relation to sales that is within the knowledge of the Agent (for which fees may be charged to those applying for the further information)
- 2.11 Produce for inspection, upon written request by the Client, receipts and other evidence of expenditure or provide copies of same upon payment of reasonable copying charges which at the date of this Agreement are 20p per copy.
- 2.12 at the end of each Accounting Period information produce accounting to the Client that shows a written statement of;
 - i. Moneys demanded and received in respect of the Service Charge and any interest that may have accrued on such moneys received.
 - ii. Service Charge Expenditure and other expenses and disbursements made on behalf of the Client and whether any VAT is included
 - iii. Any sum due to the Agent or deducted in calculating i. and ii. above in relation to the provision of the Services and the Additional Services.
 - iv. such moneys held in the Service Charge Bank Account at the end of the Accounting Period identifying whether they be in respect of an excess of billing over current expenditure or are a reserve for future anticipated expenditure
 - v. The total of all sums due from Lessees/Transferees at the end of the Accounting Period.
- 2.13 Organise for the statement referred to in 2.13 to form the basis for the preparation of the Service Charge Accounts and arrange for these to be inspected by an independent firm of certified or chartered accountants and provide to the Client a copy of such Service Charge Accounts and any report that may be issued by such accountants.
- 2.14 arrange for the Service Charge Accounts to be supplied to all Lessees/Transferees together with an invoice for any sums that might be due from any of them upon finalisation of such accounts

3. Additional Services to be provided by the Agent

- 3.1 The Agent may provide any other Additional services which may be requested by the Client

4. Provision of Information by the Client

- 4.1 The Client will provide either directly or through a previous Agent all information necessary to initiate the Services to be provided under this Agreement including (but not limited to) copies of relevant Leases/Transferees, copies of current insurance policies, details of any arrears of Rent and Service Charge, and service charge accounting up to the Date of Commencement of this Appointment.
- 4.2 The Client will promptly upon request by the Agent provide any information or decision that the Agent may consider necessary for the performance of the Services and any Additional Services to be undertaken by the Agent

5. Authorisations by the Client

The Client authorises the Agent as follows;

- 5.1 To expend any sums necessary for the performance of the Services and the Additional Services set out in Clauses 2 and 3 hereof, subject to obtaining the Clients prior approval for amounts exceeding £500 (exc VAT) in respect of non - budgeted items of expenditure.
- 5.2 to expend any other sums necessary to ensure compliance with any statutory provisions affecting the Property, or otherwise affecting the Client or the Agent in respect of the Property
- 5.3 in cases of emergency which includes incidents which may subsequently be subject to an insurance claim, to take such measures and to expend such moneys as the Agent shall consider reasonable in the circumstances.
- 5.4 to employ architects, structural and environmental engineers, solicitors, surveyors, planning consultants and any other independent advisers that the Agent considers necessary for the proper management and administration of the Property and the provision of the Services and the Additional Services..
- 5.5 to make any payments in relation to expenditure under Clauses 5.1, 5.2, 5.3 and 5.4 above from Service Charge Moneys or from any moneys of the Client held by the Agent.
- 5.6 from Service Charge Moneys held or from any moneys of the Client held by the Agent;
 - i. to pay during any payment period its Remuneration for that period
 - ii. to pay or reimburse itself for any expenses or disbursements recoverable either as Service Charge Expenditure or from the Client.
 - iii. upon termination of this Agreement, to deduct any outstanding Remuneration or expenses due.

6. Communication between Client and Agent

- 6.1 All instructions by the Client relating to the Services and the Additional Services to be performed under this Agreement shall be given to the Agent in writing, or if given orally shall be confirmed in writing within five working days
- 6.2 The Agent will advise the Client in writing of any breaches of the Leases/Transfers relating to the Property as soon as any such breach becomes apparent to the Agent.
- 6.3 Where any litigation is contemplated or commenced in the name of the Client for breach of any of the terms of the Leases/Transfers (including but not limited to non payment of Rent and Service Charge), the Client will keep the Agent advised in writing of the progress of any such litigation.
- 6.4 The Agent shall upon request allow the Client to inspect and copy any accounts, correspondence or other

documentation relating to the Property that may be within the Agent's possession or control.

- 6.5 Any notice in writing or other written document required to be given or served hereunder shall be sufficiently served if sent by first class post to the address specified in the Particulars, or the last known address of the person for whom the communication is intended, and if the same is not returned through the Post Office within 7 days of posting it shall be deemed to have been received or served at the time at which in the ordinary course it would have been delivered.

7. Undertakings by the Client

The Client undertakes;

- 7.1 to forthwith advise in writing all of the Lessees/Transferees at the Property of the appointment of the Agent and to instruct the Lessees/Transferees from the Commencement Date to make all payments of Rent and Service Charge (including any arrears thereof) to the Agent.
- 7.2 where there are insufficient Service Charge Moneys to meet the payment of any amounts due to be expended or reimbursed in respect of Clause 5 hereof, upon written notice by the Agent requiring the Client to advance or reimburse sums in respect of Clause 5, to immediately do so.
- 7.3 to keep the Agent advised of any proposals to alter, change the layout or dispose of the Property or any part thereof.
- 7.4 within 14 days from the date of termination of this Agreement pay to the Agent any Remuneration and expenses and disbursements still due to the Agent at the date of termination (including any VAT thereon) together with any termination fee that may be due to the Agent additional to the specified Remuneration, without any deduction or set off whatsoever in respect of any claim by the Client against the Agent.
- 7.5 to pay interest to the Agent on any overdue sums arising from this Agreement at the rate of 4% above the base rate in force from time to time of Barclays Bank PLC.

8. Interest

- 8.1 Where any sums held for the Property in the Property's Client Bank Account exceed £2,000 the Agent will use its best endeavours to place any such sums in excess of £2,000 on deposit and will credit the Property's Client Bank Account with the gross amount of any interest due. Interest due will be based on the average balance of the Property's Client Bank Account exceeding £2,000 at the rate it would receive on a standard business deposit account held with NatWest Bank. Interest will not be credited where the total interest earned is less than the compliance cost of completing a Trust Tax Return.
- 8.2 Where any interest is received gross, the Agent will deduct such withholding tax as is applicable at the time and pay same to HM Revenue and Customs or such other taxation authority that may be entitled to receive same.
- 8.3 where there is a requirement to complete a tax return in respect of any such interest or other income arising to the Client and/or the Client Bank account, the Agent shall instruct a certified or chartered accountant to prepare and complete such a return.

9. Remuneration of the Agent

- 9.1 The Agent shall be remunerated for the Services described in Clause 2 hereof in accordance with the provisions of the Second Schedule hereto.
- 9.2 The Agent shall be remunerated for the Additional Services described in Clause 3 hereof at the hourly rate

set out in the Third Schedule hereto.

- 9.3 The Agent shall be reimbursed immediately for any expenses or disbursements that do not form part of the costs included within the remuneration referred to in 9.1 and 9.2
- 9.4 Any fixed fees and hourly rates specified in the second and Third Schedules hereto shall be adjusted annually in accordance with changes to our standard fee schedule, unless the Parties agree in writing that other alternative rates of Remuneration shall apply.

10. Assignment

- 10.1 This Agreement may not be assigned in whole or in part except with the express written consent of the other Party thereto.

11. Termination

- 11.1 This Agreement shall continue on a rolling 360th day term and shall continue indefinitely unless notice is given in accordance with clause 11.2 until terminated by either party on or before the 360th day of the agreement or subsequently with 6 months notice
- 11.2 Either Party may terminate this Agreement at any time by serving upon the other six months notice in writing
- 11.3 If 6 months notice in writing is not served or the agent for any reason, the agent reserves the right to charge a fee equivalent to 6 months management fees.
- 11.4 Notwithstanding the provisions of 11.2 above, if either Party is in breach of any of the terms of this Agreement;
- i. the other may serve on the Party in breach written notice specifying the breach(s) and requiring it or them to be remedied within 45 days; and
 - ii. if the Party in breach fails to remedy the breach(s) within 45 days of receipt of written notice to remedy such breach(s); then
 - iii. the Party who served the notice may terminate this Agreement immediately upon service of written notice to that effect upon the other Party.
- 11.5 If either Party enters into bankruptcy or liquidation or has a receiving order made against it/him or it makes any arrangement with its/his creditors or any judgement against it/him remains unsatisfied for more than 14 days or if being a limited company enters into a scheme of administration or liquidation whether compulsory or voluntary (other than a voluntary liquidation for the purpose of amalgamation or reconstruction) or has a receiver appointed over any of its assets, the other Party may terminate this agreement immediately upon serving written notice to that effect.

12. Liability of Agent

- 12.1 unless arising from the negligence of the Agent in the provision of the Services and the Additional Services (Clauses 2 and 3 hereof) the Agent shall not be liable either in contract or tort for any loss, injury damage or legal or other expenses arising as a result of;
- (i) the Agent having relied upon information provided by the Client

- (ii) the Agent having undertaken actions at the request of the Client
 - (iii) any inaccurate forecast by the Agent of future income and expenditure
 - (iv) any defect or failure to identify any defect in the Property or any fixture or conducting media within the Property or any plant, machinery, equipment or materials used in the Property or any other thing in or upon the Property or which provides services to the Property, whether or not such defect be latent or apparent upon examination.
 - (v) any act, neglect, default, omission, misfeasance or nonfeasance of any caretaker, porter or other of the Client's staff employed to work at the Property or elsewhere (whether their salary is charged to the Service Charge or not) or any person acting under such caretaker, porter, or staff.
 - (vi) any loss, damage, interference or annoyance suffered by any Lessee or the Client during the carrying out of repairs, decorations, additions, alterations or other works whether structural or otherwise which appear to the Agent to be necessary or desirable for the purposes of undertaking the Services and/or Additional Services, provided the same are carried out with reasonable skill and care.
 - (vii) the act, omission or insolvency of any Lessee/Transferee or any other person other than the Agent.
 - (viii) the failure to carry out the Services and/or Additional Services due to insufficient Service Charge, Moneys to pay for the expenditure or proposed expenditure.
- 12.2 The Client shall indemnify the Agent in respect of all claims made by any other party for any loss, injury, damage or legal or other expenses referred to in 12.1 above.
- 12.3 The Agent shall not be liable to indemnify the Client in respect of any claims made by any other party for any loss, injury, damage or legal or other expenses referred to in Clause 12.1 above.
- 12.4 Clauses 12.1 to 12.3 above shall not be valid in so far as prohibited by statute
- 12.5 The Agent shall not under any circumstances be liable for any consequential loss or damage save where death or injury results from negligence on the part of the Agent and/or his employees.
- 12.6 The Agent's liability for death or injury resulting from his own or that of his employees' agents or sub-contractors negligence shall not be limited.
- 12.7 If as a result of following the Clients instructions, a complaint is registered with 'The Ombudsman', all costs arising will be paid by the client.

13. Waiver

- 13.1 No indulgence shown by either party to this Agreement shall prevent a Party hereto insisting upon his rights and remedies under this Agreement.

14. Arbitration

- 14.1 Any dispute between the Parties arising out of this Agreement and/or the Terms of Appointment shall be referred to a sole arbitrator to be agreed by the Parties, or in default of agreement within 30 days of the dispute being identified, to an arbitrator to be appointed by the President or the Vice-President for the time being of the Royal Institution of Chartered Surveyors.

15. Applicable Law

15.1 This Agreement is to be governed and construed in accordance with the laws of England and Wales.

First Schedule

The following are the Additional Services which may be performed by the Agent in accordance with the provisions of Clause 3 of the Terms of Appointment.

- (a) The preparation of specifications and tenders for and the supervision of works, the cost of which exceeds the expenditure limits contained in the Landlord and Tenant Acts 1985 and 1987 as subsequently amended.
- (b) Organising an insurance valuation of the Property.
- (c) Initiating, conducting, preparing evidence for and attending hearings in relation to any Arbitration Tribunal or litigation or First Tier Tribunal or otherwise relating to the recovery of arrears of Rent and/or Service Charge or in respect of any breach(s) of any of the Leases/Transferees. Where this relates to recovering arrears of Service Charge, where possible this will be charged directly and recovered directly from the lessee. Any costs not recoverable will be recovered from the Service Charge Account.
- (d) Initiating, conducting, preparing evidence for and attending hearings and otherwise dealing with any rent reviews, party wall proceedings, applications for a grant or for consent, insurance claims or any arbitration or litigation.
- (e) Advising the Client on, the terms of any lease and negotiating the terms of any new or varied lease, any application by a Lessee for an extension of the term to his existing lease and any application for collective enfranchisement under the provisions of The Leasehold Reform Housing and Urban Development Act 1993 (as amended).
- (f) Dealing with compliance on behalf of the Client with any notice, regulation, requirement or order of any competent local or other authority or statute in respect of the Property.
- (g) Advertising and recruitment of staff on behalf of the Client, engage staff on behalf of the Client, whether full or part time and whether or not residing at the Property, and to pay their remuneration in accordance with the terms agreed for such employment including withholding of PAYE tax and national insurance contributions and where appropriate any dismissal or redundancy pay.
- (h) The provision of company secretarial services, including acting as company secretary.
- (i) The provision of extra copies of any statements of account or other documents
- (j) Dealing with or advising upon any applications for assignment of tenancies, sub-lettings, alterations and changes of use.
- (k) Dealing with the registration of any notices required to be served on the Client under the terms of the Leases/transferees (for which fees would normally be payable by the person serving the notice.)
- (l) Work necessitated by the absence of any information to be provided by the Client under the terms of Clause 4.1 hereof.
- (m) Work necessitated by the absence of any information to be provided by the Client under the terms of Clause 4.2 hereof.
- (n) arrange for a Health and Safety Inspection of the Property in accordance with best practice by a competent person.

Second Schedule

Basis of Agent's remuneration for the Services described in Clause 2 of the Terms of Appointment.

Annual Block Management Fee of £ per apartment together (where applicable) with an

Total Annual Fixed Management Fee of £ (Excl. VAT) payable quarterly in advance

And

B. The above fees shall be exclusive of VAT

The rates specified in the Second Schedule and in the Third Schedule of this Agreement may be reviewed and adjusted annually when the Service Charge Budget is prepared and the adjusted figures will be the greater of the agreed rate or in proportion to the change in the Retail Price Index from the current figure at the time of the last review to the last published monthly figure before the review date.

The above fees shall include all normal items of general administrative expenditure including travel, postage, printing and stationary, telephone, and fax and photocopying charges.

The above fees will not include any expenses and disbursements which do not form part of the Agent's normal items of general administrative expenditure and which will be billed additionally by the Agent or charged separately to the Service Charge. For the avoidance of doubt there are listed below some of the more common items which do not form part of the Agent's normal administrative expenditure, but the list is not comprehensive and is for illustrative purposes only.

- Any bank charges relating to the maintenance of the Service Charge Bank Account
- Any unusual postage exceeding £1 per item
- The rent of any premises for the purposes of any meeting in connection with the Property
- The cost of recruitment and advertising for any staff in connection with the Property
- Any congestion zone charges where applicable
- The costs of any accountant in connection with the preparation and inspection of the Service Charge Accounts
- The costs of any accountant in relation to the preparation of any tax return relating to the Property.
- The costs of any surveyor in carrying out an annual Health and Safety inspection.
- The fees of any professional who is employed by the Agent to advise in relation to the Property and/or the Leases/Transferees.
- Closedown of records and provision of information on cessation of management for any reason £500.00 or time charges whichever is the greater.

C. Insurance Commission; The Agent is an authorised representative of Ferndale Insurance Services Limited and may receive commission from that firm for the introduction of any insurance business.

E Where applicable, collect ground rents and account to the client (Freeholder). An administrative fee equal to 10% of the total ground rent due plus VAT is chargeable.

Third Schedule

The hourly rates for the provision of the Additional Services as set out in Clause 3 of the Terms of Appointment.

For a Director / Chartered Surveyor £125.00

In house Surveyor £115.00

For a Property Manager/Contracts Services £85.00

For Admin Support £55.00

All hourly rates set out above are exclusive of VAT.

Fourth Schedule

Frequency of Inspections as referred to in Clause 2.3 of the Terms of Appointment

Visits x during every twelve months.

Where Additional visits/meetings are required which are in excess of the agreed number of visits/meetings within this agreement, such meetings will be charged based on time spent.

Fifth Schedule

Insurance to be arranged in the name of the Client in accordance with Clause 2.5 of this Agreement.

Such of the following insured risks which the Client can effect insurance on reasonable terms in the UK insurance market;

- a. fire explosion storm tempest lightning flood burst pipes escape of water or oil impact aircraft and articles dropped there from aerial devices earthquake theft attempted theft falling trees branches and aerals subsidence heave landslip collision accidental damage breakage of glass and sanitary ware and accidental damage to underground services riot civil commotion and malicious damage and other risks as the Agent may think fit.
- b. liability of the Client and/or the Agent arising out of or in connection with any matter affecting the Property including but without prejudice to the generality property owners liability employers liability and public liability.
- c. loss of Rent payable up to 20% of the total sum insured (excludes commercial units)

Note - At the clients request terrorism cover can be added as an insured risk.

END OF SCHEDULES

Signed by or on behalf of the Client

Signed by or on behalf of the Agent

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Name in capitals

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.....

Signing as Director duly authorised to do so

Person authorised by the Board of Directors

The Client

In the presence of;

Signature of Witness

.....

.....

Name of Witness in capitals

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