

## Management Contract

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**THIS AGREEMENT** is made between PARKGATE-ASPEN LIMITED of Wilberforce House, Station Road, London NW4 4QE (hereinafter referred to as “the Agent”) and Brookfield Mansions (Freehold) Limited of 179 First Floor, Shropshire House, Tottenham Court Road, London, England, W1T 7NZ (hereinafter referred to as “the Client”) and sets out their respective obligations in respect of the management of the property known as 25-56 Brookfield Mansions, 5 Highgate West Hill, London, N6 6AT (hereinafter referred to as “the Property”).

### 1. Term

This agreement shall commence on 1<sup>st</sup> July 2022 and expire one year less 1 day thereafter.

### 2. Agent's Fee

In consideration of the obligations undertaken by the Agent hereunder, the Agent shall be paid an annual fee of £16,000 (equating to £500 per flat) plus disbursements, which may be drawn quarterly in advance from the service charge account, plus an initial setting-up fee of £1,300. All fees are subject to the addition of VAT.

### 3. Obligations Assumed by The Agent

The Agent shall be responsible to the Client for the following duties, consistent with the standards set out in the RICS Residential Management Code (Service Charges):-

- (a) Visiting the Property on an agreed frequency and where appropriate liaising with any property staff on matters of immediate concern which may have been reported by residents and/or to take note of other requirements;
- (b) Preparation, in consultation with the Client, of an annual estimate of expenditure relating to service charge costs and calculating the appropriate interim charges for each leasehold unit within the Property;
- (c) Charging and collecting service charges and, where appropriate, reserve fund contributions in accordance with the provisions of leases and pursuing arrears by a procedural protocol up to the point of instructing the Client's solicitors as necessary;
- (d) Keeping service charge and reserve funds securely in trust accounts at Barclays or a similarly-ranked major clearing bank on a basis that is compliant with the Landlord & Tenant legislation and the requirements of the Agent's regulatory body, the Association of Residential Managing Agents (ARMA);
- (e) Issuing instructions and entering into contracts (of no more than 12 months' duration) on the Client's behalf with contractors and service providers to carry out cleaning, repair and maintenance of a periodic or recurring nature as well as the maintenance of plant and equipment or for such other duties as may be directed by the Client or otherwise deemed necessary by the Agent for compliance or in special circumstances and emergencies, without responsibility or liability for such contractors' fault or failure;
- (f) Where applicable on behalf of the Client to order fuel and other consumables such as lamps, refuse sacks, cleaning materials, uniforms and such other materials as may be required for the proper management of the Property;

- (g) Subject to the availability of funds from time to time, payment, on the Client's behalf, of all approved and authorised invoices from contractors and suppliers from the designated Client's service charge account;
- (h) Recruitment (where appropriate) on behalf of the Client and payment of property staff such as porters, cleaners and/or security personnel and procurement of payroll handling for tax and NI deductions and contributions for such staff if employed at the Property;
- (i) Providing the Client's appointed accountants or auditors with all data and documentation necessary for their certification of annual expenditure as required by the lease and statutory obligations;
- (j) Placement (where instructed) of comprehensive insurance cover for the buildings and, where appropriate, lifts and boiler plant and such other elements as shall be specified by the Client;
- (k) Maintaining day-to-day accounting records and dealing with enquiries and correspondence from residents on all management matters;
- (l) Identifying (and responding to reports of) breaches of lease covenants and following a procedural protocol of enforcement in a manner which preserves the Client's right to recover legal costs and does not prejudice the Client in waiving the right to forfeiture;
- (m) Procuring a response facility for receiving emergency calls out-of-hours and at weekends and public holidays;
- (n) To attend quarterly meetings with the Client and its AGM, any additional meetings being subject to a frequency and hourly charge to be agreed.

#### **4. Additional Duties**

The aforementioned agent's fee is a basic management charge and does not include additional duties listed hereunder which shall be subject to a separate charge set out below or otherwise to be agreed:

- (a) Attendance to major works, such as qualify for statutory consultation under Sec 20 of the Landlord & Tenant Act 1987, for which the Agent shall receive a fee of 2½ per cent of the net contract cost to cover the preparatory work, appointment and instruction of surveyors or consultants, agreeing the scope of the specifications to be drawn up and tendered by them, attendance at site meetings and the administration of each round of statutory notices required to be served upon the lessees of the Property and the additional tenant liaison and accounting duties relating to the project;
- (b) Attendances at any Court or Tribunal hearings in connection with actions involving the Client/Property including briefings with solicitors and preparatory work, such to be subject to an agreed hourly rate;
- (c) The revaluation of insurance reinstatement costs from time to time (such to be outsourced to professionally qualified valuers at an agreed scale of fees, without uplift by the Agent);
- (d) Services relating to the sanction of alterations to flats within the Property or in connection with sub-lettings and/or the assignment of leases (such costs being customarily met by the applicant leaseholder);
- (e) Non-recurring issues such as party wall disputes, valuation and rating matters, lease extensions and variations (such to be outsourced to suitable professionals, without uplift by the Agent);
- (f) Providing pre-contract information to prospective purchasers or to their solicitors and estate agents including duplicate accounts and insurance details or policies (such costs being customarily met by applicant buyers);
- (g) Providing a company secretarial service to include maintenance of the share/membership register, minute book and the filing of annual returns to the register of companies and/or the provision of a registered office address, the additional fee to be quoted separately based on needs;
- (h) Where the Client wishes property staff to be employed by the Agent, an HR fee will be required based on 12 percent of the payroll.

## **5. Obligations Assumed by The Client**

The Client shall be responsible to the Agent as follows: -

- (a) On commencement of management duties, to authorise and assist the Agent in obtaining all the necessary tenancy and Property information from previous agents sufficient to enable computerisation of accounts and commencement of duties;
- (b) To keep the Agent in funds for any unexpected shortfall in meeting the authorised expenditure set out above beyond service charges collected and to meet the costs of any essential safety or emergency maintenance works the Agent shall have recommended to be carried out and to indemnify the Agent in respect of any claims which may arise through lack of said funding;
- (c) Subject to compliance by the Agent with its obligations under this Agreement, to indemnify the Agent in respect of any redundancy or other employment-entitlement claims made by staff employed by the Client and salaried by the Agent on the Client's behalf;
- (d) Subject to compliance by the Agent with its obligations under this Agreement, to indemnify the Agent against any liability including all costs and expenses which the Agent may reasonably incur in defending any proceedings which the Agent may incur through the correct performance by the Agent of its obligations under this Agreement or statutory requirements by reason of its being held out as the Client's agent.
- (e) Not to impede the Agent in complying with all statutory requirements concerning the Property, including the recommendations of fire safety and risk assessors and insurers.

## **6. Termination & Disputes**

Either party may terminate this Agreement on three calendar months' written notice, to expire on or before the end of the term set out in Clause 1. If the Agreement is not terminated or renewed by the anniversary date and there shall be no contract in place, the provisions of clauses 2, 3, 4 and 5 shall represent the terms of business agreed between the parties for the interim out-of-contract period.

If either party becomes insolvent or goes into liquidation or has a receiver or manager, administrator or administrative receiver appointed over any of its assets, then the other party may at any time and by notice to the defaulting party and without liability, terminate this Agreement with immediate effect, or with effect from such later date as may be specified in the notice.

Upon termination all fees due to the Agent shall be paid up to the date of termination and all management records and accounting data - consistent with 5 (a) above - shall be handed over to such new agent as the Client shall nominate. The database of names, billing addresses and tenant balances, staff details and payroll, insurance details and service contracts shall be provided to the new agent no later than 4 weeks prior to the handover date, with remaining agreed documentation to be provided on or before the handover date, along with a transfer of the net balance of the service charge funds, to such qualifying statutory trust account as the Client shall direct. The handover of tenant information will be subject to the new agent evincing its GDPR compliance.

In the event of any disagreement between the parties as to the substance of any breach as aforementioned or the meaning or intent of any of the other provisions of this Agreement, the issue shall be determined by an arbitrator agreed between the parties or otherwise nominated by the Association of Residential Managing Agents, whose ruling shall be final and binding on the parties but always subject to the following Legal Jurisdiction.

**7. Legal Jurisdiction**

This Agreement together with any documents or statutes referred to herein shall be governed by the law of England and Wales and each party agrees to abide by the jurisdiction of the courts of England and Wales over any claim arising from this Agreement which shall constitute the entire Agreement between the parties.

**AS WITNESS**, the hands of the parties hereto, this                    day of May 2022

**FOR AND ON BEHALF OF:** Parkgate Aspen Ltd.

Director/Secretary

**FOR AND ON BEHALF OF:** Brookfield Mansions (Freehold) Ltd.

Director/Secretary