

DATED

2015

ABSOLUTE LIVING DEVELOPMENTS (ORCHID POINT) LIMITED (1)

and

***** (2)**

MANAGEMENT AGREEMENT

Relating to Apartment B*
Orchid Point, Empress Street,
Old Trafford, Manchester**



Absolute Living Developments Ltd

Between:

- 1.1. **Absolute Living Developments (Orchid Point) Limited** (Company Registration Number 07574647) whose registered office is at Horton House, 6th Floor, Exchange Flags, Liverpool L2 3PF (“**we**” and “**us**” and “**our**” shall be construed accordingly)

And

- 1.2. *** of *** (“**you**” and “**your**” shall be construed accordingly);

1. **Interpretation**

In this agreement:-

Advanced Payment Period	means the period of 3 years commencing the Effective Date
Assured Rent	means the yearly sum of £***, which Assured Rent shall be payable in Quarterly arrears or such other period as you instruct and such Assured Rent is guaranteed by the Landlord for a period of 2 years from the expiry of the Advanced Payment Period
Building	Orchid Point, Empress Street, Trafford, Manchester
Contract Period	means the period referred to in clause 3.
Effective Date	means the date on which the Seller receives the deferred payment pursuant to the Sale Agreement
Landlord	means Absolute Living Developments (Orchid Point) Limited
Lease	means the lease under which you hold the Property and all documents supplemental to it
Property	means Apartment B*** on the Ground floor of the Building.
Quarter	means a calendar quarter and “ Quarterly ” shall be construed accordingly.
Rent	means the rent and any other sums payable by a Tenant pursuant to a Tenancy Agreement.
Rent Account	means the client account in your name referred to in clause 7.2.
Rent Statement	means the statement referred to in clause 13.1.
Sale Agreement	means the agreement for same dated the same as this agreement under which you agreed to purchase the Property
Services	means the services to be provided by us under this agreement.
Shortfall	has the meaning attributed to it in clause 13.3.
Tenancy Agreement	means an agreement pursuant to which a person is permitted to occupy the Property for a period not exceeding an initial fixed term of 36 months.

Tenant means an occupier of the Property pursuant to a Tenancy Agreement.

- 1.1 Words importing one gender shall be construed as importing any other gender.
- 1.2 Words importing the singular shall be construed as importing the plural and vice versa.
- 1.3 Words importing persons shall be construed as importing a corporate body and/or a partnership and vice versa.
- 1.4 Where any party comprises more than one person the obligations and liabilities of that party under this agreement shall be joint and several obligations and liabilities of those persons.
- 1.5 The clause headings do not form part of this agreement and shall not be taken into account in its construction or interpretation.
- 1.6 References to "today's date" are to the date at the top of this agreement.

2. Appointment

You appoint us as your managing agent to manage the Property upon the terms of this agreement and we accept the appointment.

3. Duration of the agreement

Our appointment is for a period of 10 years from (but excluding) today's date unless you exercise your right to end this agreement before then by giving notice to us in accordance with clause 14.

4. Service Standards

We will provide the Services diligently in accordance with:-

- (a) standards of good estate management in the United Kingdom;
- (b) the conditions of any permission, licence or consent regulating the use of the Property as student accommodation;
- (c) any statute regulating the letting of the Property for residential use.

5. Marketing to prospective tenants

- 5.1 We will market the Property for letting to prospective tenants on your behalf. You accept that our marketing material (whether in written or electronic format) may offer other properties within the Building as for let.
- 5.2 We will provide you with guidance upon the rental value of the Property before letting.
- 5.3 We will offer the Property to let at the rent and upon the terms which you notify to us in writing.
- 5.4 We will use reasonable endeavours to let the Property on your preferred terms. If, however, those terms are unobtainable we will submit to you for approval the best offers obtainable from prospective Tenants in the market.

6. Lettings to tenants

- 6.1 We will receive and process enquiries and applications from prospective Tenants. We will take up references for Tenants and, where appropriate, obtain guarantors.
- 6.2 We will ask you to approve each prospective Tenant and the terms of his or her Tenancy Agreement.

- 6.3 You may, if you wish, delegate the approval of any Tenant and his or her Tenancy Agreement to us and authorise us to sign the Tenancy Agreement on your behalf. You may revoke any authority given pursuant to this clause at any time upon not less than 7 days notice in writing.
- 6.4 You agree that you will not unreasonably withhold your approval of any Tenant. For the purpose of this agreement it will be unreasonable to withhold approval to a prospective Tenant on grounds related to that person's age, disability, gender reassignment, race, religion, sexual orientation, pregnancy or maternity.
- 6.5 Any deposit received from a Tenant will be dealt with in accordance with the terms of an approved statutory tenancy deposit scheme. We will assist you in completing these formalities.

7. Collection of Rent

- 7.1 We will use our reasonable endeavours to collect all Rent due to you under any Tenancy Agreement.
- 7.2 The Property will be managed independently of any other property which we may also manage in the Building. All Rent due to you will be held by us and any sub-agent we appoint in a fiduciary account maintained as a client account in accordance with the Estate Agents Act 1979. You will have a separate ledger account in your name that receipts and payments in to and out of the account will be separately recorded.
- 7.3 We will maintain and administer adequate credit control procedures and notify you if any arrears of Rent justify starting enforcement procedures against the Tenant.
- 7.4 We will not issue proceedings against the Tenant without your written authority. If you authorise us to issue proceedings against the Tenant then you will be responsible for all costs, expenses or liabilities reasonably and properly incurred by us in connection with the proceedings.

8. Repairs

- 8.1 We will notify you beforehand of all works of repair and maintenance required to the Property. We will not instruct contractors to carry out such works without your prior authority unless the contract sum for which your share of contribution is less than £500.00. Upon receipt of your instructions we will instruct contractors to carry out the works to the Property under our supervision.

We will deduct the actual costs and expenses of repairs or any works for the purposes of effecting the maintenance and redecoration of the units or the common facilities from the Rent Account when incurred. For the avoidance of doubt you shall not be responsible for the said costs and expenses during the the guaranteed rental period of 5 years from the Effective Date.

9. Insurance

We will insure such of the fixtures, fittings and furnishings in the Property as are not covered by the Landlord's policy of insurance. We will also insure against public liability risks to fulfil minimal requirements of all relevant regulations and legislations.

10. Notifications

We will notify the local authority's Council Tax Department and any utility or telecom companies supplying services to the Property of any change of occupier and that the occupier is liable to pay any council tax payable in respect of the Property and the cost of any services supplied to the Property. We will also give such notices as may be required to the Landlord under the Lease and to insurers under any policy of insurance.

11. Your Obligations

You will:-

- 11.1 promptly give in writing any instructions and decisions requested by us or if such instructions or decisions are given verbally confirm them in writing within 7 days. We are not required to comply with any instructions not given or confirmed in writing.
- 11.2 indemnify and keep indemnified us from and against any and all loss damage or liability suffered by us and legal fees and costs incurred in accordance with this agreement in the course of providing the Services unless caused by our negligence or by us acting outside the scope of our authority as set out in this agreement.
- 11.3 ratify all acts, deeds and things properly done by us in connection with the provision of the Services.

12. Fees and expenses

- 12.1 In return for our management of the Property you will pay us a reasonable management fee not exceeding 10% of the annual rent due from and paid by the Tenant under the Tenancy Agreement, such fee to be invoiced to you Quarterly in arrears at the end of each Quarter. For the avoidance of doubt this shall only be payable after the expiry of the guaranteed rental period of 5 years from the Effective Date.
- 12.2 You will pay us a sum equal to the amount of any expenses incurred by us on your behalf in the performance of our duties where these are your responsibility under this agreement. Any such expenses will be invoiced to you in Quarterly arrears at the end of each Quarter. For the avoidance of doubt this shall only be payable after the expiry of the guaranteed rental period of 5 years from the Effective Date.
- 12.3 Value added tax, where applicable, will also be due and payable on payments due under this clause at the rates then prevailing in accordance with the Value Added Tax Act 1994.

13. Accounting for Rent

- 13.1 We will provide you with a Quarterly statement showing the Rent collected, our management fees and any expenses paid on your behalf or due from you including any payments due to the Landlord under the Lease. This statement will be delivered to you within 28 days of the end of each Quarter during the Contract Period with the final statement being provided to you within 28 days of the end of this agreement.
- 13.2 Within 14 days of the end of each Quarter we will pay you a sum equal to any credit balance on the Rent Statement.
- 13.3
 - (a) If the balance on the Rent Statement at the end of a Quarter is less than the Assured Rent then we will pay to you any credit balance on the Rent Statement. The difference between the amount we pay to you and the Assured Rent (the "**Shortfall**") will be paid to you by us. The amount of the Shortfall paid to you will be debited against your Rent Statement.
 - (b) If the balance on the Rent Statement at the end of the anniversary of this Agreement is more than the Assured Rent then we will pay to you any credit balance on the Rent Statement. The amounts in excess of Assured Rent paid to you will be treated as advanced payments on the Rent Statement.
 - (c) We will pay to you any positive balance on the Rent Statement at the end of the Contract Period. In the event the Rent Statement shows a negative balance at the end of the Contract Period, we will bear all the deficits.
- 13.4 Subject to clause 12.1 and 12.2 we may pay from monies in the Rent Account:-

- (a) all payments due to Absolute Living Developments (Orchid Point) Limited from you under the Lease and the Sale Contract, in particular,
 - the ground rent;
 - the insurance rent;
 - the service charge;
 - the refund of any Shortfall payments;
- and
- (b) any management fees, expenses and value added tax thereon due to us under this agreement.

13.5 We will pay you interest at a rate four per cent per annum above the published base rate of Royal Bank of Scotland (or any successor thereto) prevailing from time to time compounded Quarterly (and both before and after judgment) on any payment made more than 14 days after the date upon which it falls due from the due date until the date of payment.

14 **Termination and suspension**

- 14.1 You have the right to terminate this agreement at any time by serving not less than 60 days' notice in writing upon us.
- 14.2 Upon termination of this agreement we shall cease to have any further obligation to provide the Services to you.
- 14.3 Termination of this agreement shall be without prejudice to any right or remedy which either you or we may have against each other in respect of any obligation arising prior to the termination date.
- 14.4 If you reject offers to rent the Property from 3 different prospective Tenants, who are able and willing to pay the rent, then either we or you may by notice in writing to the other elect to suspend this agreement for a period of 1 year.
- 14.5 During the period of suspension under clause 14.4 we will not be liable to provide the Services and you will not be liable to pay us the management fee or any payments due under this agreement. Further, we will not be liable to pay the Assured Rent during this period. However, you will remain liable to pay the Landlord any payments due under the Lease.

15 **Contracts (Rights of Third Parties) Act 1999**

For the purposes of the Contracts (Rights of Third Parties) Act 1999 it is agreed that nothing in this agreement shall confer on any third party any right to enforce or any benefit of any term of this agreement.

16 **Jurisdiction**

This agreement shall be governed by and construed in accordance with the law of England and Wales and each party agrees to submit to the exclusive jurisdiction of the courts of England and Wales.

17 **Notices**

- 17.1 Any notice to be given under this agreement shall be in writing and shall be sent by first class mail or air mail, or by fax or email (confirmed by first class mail or air mail), to the address of the relevant party set out at the head of this agreement, or to the relevant fax number set out below, or such other address or fax number as that party may from time to time notify to the other party in accordance with the following.

Our details:

Your details:

- 17.2 Notices sent as above shall be deemed to have been received two working days after the day of posting (in the case of inland first class mail), or seven working days after the date of posting (in the case of air mail), or on the next working day after transmission (in the case of fax messages, but only if a transmission report is generated by the sender's fax machine recording a message from the recipient's fax machine, confirming that the fax was sent to the number indicated above and confirming that all pages were successfully transmitted).
- 17.3 In proving the giving of a notice it shall be sufficient to prove that the notice was left, or that the envelope containing the notice was properly addressed and posted, or that the applicable means of telecommunication was addressed and despatched and despatch of the transmission was confirmed and/or acknowledged as the case may be.

Signed by

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Signed by

for ABSOLUTE LIVING DEVELOPMENTS

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(ORCHID POINT) LIMITED