



AGREEMENT FOR MANAGING AGENTS SERVICES

THIS AGREEMENT dated:

Between:

- (1) **CLIENT** of XXXXX (the 'Client')
- (2) **Blocnet Limited** (Company No: 07058596) of 1st Floor, 19 Borough High Street, London, SE1 9SE (the 'Agents')

NOW IT IS AGREED as follows:

1 Definitions

In this Agreement the following words shall have the following meaning:

'Accounting Period'	TBC through to the TBC and the period from the end of the last such period up to the end of the Contract Period;
'Common Parts'	the areas and amenities of the Property for use in common by tenants and occupiers and not comprised in any Lease of a Flat;
'Contract Period'	1 year from the period starting on TBC 2022 and continuing until ended in accordance with clause 6;
'Fees'	the remuneration payable for the Services under clause 5.5 and set out in Schedule 2 which are exclusive of VAT;
'Flat'	any flat and premises let with any flat whether or not contiguous or on the same floor including any garage or store-room and, where the Property includes any lettable unit (including shops or commercial premises) 'Flat' includes any such unit;
'Lease(s)'	any lease(s) the Client has entered or enters into with respect to the Property prior to the commencement of this Agreement or during the Contract Period;

'Parties'	the Client and the Agents, and 'Party' shall mean either one of them;
'Plant'	the lifts, central heating boilers, air conditioning systems, remotely controlled gates and doors, fire alarm escape and extinguishing systems and appliances, lighting security and communications systems, and any other plant machinery or equipment for the time being installed in the Property for the general benefit of more than one tenant or occupier;
'Property'	the block of flats of which details are set out in Schedule 1 and includes any part or parts of the Property;
'Property Information'	all information concerning the Property, including details of Leases and supplemental documents, tenants and occupiers of the Property, accounts, receipts, insurance policies and particulars, property registers, employment records, and computer records (including disks and software);
'Service Charges'	rents, service charges, insurance premiums, reserve fund contributions and other sums from time to time payable to the Client in respect of the Property, and all arrears and interest due on late payments;
'Services'	the services described in Schedule 3 to be provided by the Agents on behalf of the Client in relation to the Property if so indicated in Schedule 4.

2. Appointment

- 2.1 The Client appoints the Agents to be its agents to perform the Services during the Contract Period and the Agents accept such appointment.
- 2.2 The Agents will perform the Services with reasonable skill and care and in good faith with regards to the Client's interests in the Property in compliance with all applicable legislation, rules and regulations, including the principles of good estate management and any relevant codes of management practice.
- 2.3 The Client authorises the Agents to sign on its behalf any document relating to the management of the Property not required to be executed as a deed for the purposes of performing the Services.
- 2.4 The Agents shall co-operate with any other professional advisers instructed by the Client in relation to the Property whose names have been notified to the Agents by the Client, and supply to them

promptly at the Client's reasonable expense all such Property Information as they shall reasonably request. Fees for this service will be charged on a pro-rata hourly basis as per the fee schedule.

- 2.5 The Agent receives no commissions, referral fees or benefits from third parties in connection with the management of the building.

3 The Services

The Agents agree to perform the Services detailed in Schedule 3 as shall be amended from time to time by agreement between the Client and the Agent.

4 Agents' Obligations

The Agents agree with the Client where legal action is required to recover any sums due, to recover possession of any Flat or of the Property, or to enforce or comply with any rights of or obligations owed to the Client, to notify the Client of the same in writing as soon as practical and to instruct the Client's solicitors (or in cases of urgency if none have been notified to the Agents other solicitors reasonably believed by the Agents to have the appropriate expertise) to act as they may advise.

5 Client's Obligations

The Client agrees with the Agents throughout the Contract Period:

5.1 Initial property information

To provide, or procure that the Client's previous agents (if any) provide, to the Agents all Property Information in their possession (or copies of them) reasonably necessary to set up and run the management procedures, and to establish the records necessary to provide the Services.

5.2 Float for expenses

To permit the Agents at all times to retain a minimum balance of £300 from money received for the Client from the Service Charges to cover future expenses under the Services.

5.3 Replenishment of management account

Within 14 days following receipt of reasonable notice and explanations from the Agents to do so, to pay to or reimburse the Agents for such sums properly paid by them under the Services in excess of the money standing to the credit of the Client in the management account for the Property, and any sum reasonably required to maintain the minimum balance referred to in clause 5.2.

5.4 Instructions

On reasonable request by the Agents to do so, promptly to give instructions and decisions in writing, or if given verbally to confirm them in writing within 7 days; the Agents need not comply with any instruction not given or confirmed in writing.

5.5 Payment of Fees

To pay to the Agents:

- The Fees set out in Schedule 2,
- All travelling and out-of-pocket expenses reasonably and properly incurred by the Agents in performing their obligations under this Agreement provided that the Agents provide the Client with valid receipts for such amounts. This would apply only in exceptional circumstances and is not applicable for such activities as routine site visits
- Any VAT chargeable in addition to the Fees

and to permit the Agents to deduct all such sums from money received from the Service Charges.

5.6 Reimbursement of expenses

To reimburse the Agents for all expenses properly and reasonably incurred in the provision of the Services provided that the Agents provide the Client with valid receipts for such amounts.

5.7 Indemnity

To indemnify and keep indemnified the Agents from and against any and all loss, damage or liability whether criminal or civil suffered by the Agents and legal fees and costs properly incurred in the course of providing the Services unless caused by the Agents' negligence or acting outside the scope their authority as set out in this Agreement or the Agents' wilful misconduct or breach of contract.

5.8 Ratification

To ratify all acts deeds and things properly done by the Agents in connection with the provision of the Services.

6 Termination

- 6.1 Either Party may end this Agreement by serving not less than 3 months' written notice on the other, expiring at the end of an Accounting Period PROVIDED THAT such notice shall not be served within twelve months from the commencement of this Agreement.

6.2 This Agreement will end immediately upon service of written notice to that effect if either Party fails to comply with any of the material terms and conditions of this Agreement and the failure, if capable of remedy, is not remedied within 28 days of receipt of a written notice of the failure from the other Party.

6.3 If either Party:

6.3.1 Being an individual or in the case of a partnership any one or more of the partners, becomes subject to a bankruptcy order or has an interim receiver appointed to his property or

6.3.2 Being a company, enters into liquidation whether compulsory or voluntary--but not if the liquidation is for amalgamation or reconstruction of a solvent company--or enters into administration or has a receiver appointed over all or any part of its assets, or

6.3.3 Enters into or makes a proposal to enter into any voluntary arrangement pursuant to the Insolvency Act 1986 or any other arrangement or composition for the benefit of his creditors,

the other Party may end this Agreement immediately by serving written notice upon the other to that effect.

7 Action on Termination

7.1 Transfer of Property Information and Other Material

On termination of this Agreement the Agents shall:

7.1.1 Cease carrying on the Services;

7.1.2 Return to the Client all Property Information and all other material relating to the Property and the Services provided that a reasonable fee of not more than £400 plus VAT shall be payable to the Agent.

7.1.3 Upon the termination of this Agreement, the Agent shall reasonably cooperate in any handover to agents appointed following termination.

7.2 Accounts

7.2.1 28 days prior to the expiry of the Contract Period or 28 days after the receipt of notice ending this Agreement (as the case may be) the Agents shall supply to the Client an up-to-date account of all transactions with respect to the Property and the Services subsequent to those shown in accounts last submitted and not later than 28 days after such date pay to the Client any sums due under this Agreement;

7.3 The Agents shall transfer the balance standing to the credit of the service charge reserve fund or contingency fund account and the balance of any other funds held by the Agents on behalf of the Client to whom the Client shall direct.

7.4 Existing Rights

The expiry or ending of this Agreement shall be without prejudice to any rights which have already accrued to either of the Parties under this Agreement.

8 Miscellaneous

8.1 Interest

All sums due from either of the Parties to the other which are not paid on the due date of payment in accordance with the provisions of this Agreement (without prejudice to the rights of the Client under this Agreement) shall bear interest from day to day at the annual rate of 4% over the current Barclays Bank plc daily rate.

8.2 Interpretation

In this Agreement unless the context otherwise requires:

- 8.2.1 Words importing any gender include every gender;
- 8.2.2 Words importing the singular number include the plural number and vice versa;
- 8.2.3 Words importing persons include firms, companies and corporations and vice versa;
- 8.2.4 References to numbered clauses and schedules are references to the relevant clause in or schedule to this Agreement;
- 8.2.5 Reference in any schedule to this Agreement to numbered paragraphs relate to the numbered paragraphs of that schedule;
- 8.2.6 Any obligation on any party not to do or omit to do anything is to include an obligation not to allow that thing to be done or omitted to be done;
- 8.2.7 The headings to the clauses, schedules and paragraphs of this Agreement are not to affect the interpretation;
- 8.2.8 Any reference to an enactment includes reference to that enactment as amended or replaced from time to time and to any subordinate legislation or byelaw made under that enactment; and
- 8.2.9 Where the word 'including' is used in this Agreement, it shall be understood as meaning 'including without limitation'.

8.3 Notices

- 8.3.1 Any notice to be given under this Agreement shall be in writing and shall be sent by first class mail or air mail or e-mail (confirmed by first class mail or air mail), to the address of the relevant Party set out at the head of this Agreement, or such other address as that Party may from time to time notify to the other Party in accordance with this clause 8. The relevant contact information for the Parties is as follows:

Client: Email addresses:

Agents: Email address:
info@blocnet.co.uk

8.3.2 Notices sent as above shall be deemed to have been received 3 working days after the day of posting (in the case of inland first class mail), or 7 working days after the date of posting (in the case of air mail), or on the next working day after sending (in the case of e-mail).

8.3.3 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 PROVIDED THAT in relation to email correspondence the email shall be deemed to have been validly served unless a transmission report has been received by the sender stating that the email could not be sent to the recipient's email address.

8.4 Assignment

8.4.1 Subject to clause 8.4.2, neither Party may assign, delegate, sub-contract, mortgage, charge or otherwise transfer any or all of its rights and obligations under this Agreement without the prior written agreement of the other Party.

8.4.2 A Party may, however, assign and transfer all its rights and obligations under this Agreement to any person to which it transfers all of its business, provided that the assignee undertakes in writing to the other Party to be bound by the obligations of the assignor under this Agreement. Jurisdiction and Governing Law

The validity, construction and performance of this Agreement shall be governed by English law and shall be subject to the exclusive jurisdiction of the English courts to which the Parties submit.

8.5 Contracts (Rights of Third Parties) Act 1999

For the purposes of the Contracts (Rights of Third Parties) Act 1999 this Agreement is not intended to, and does not, give any person who is not a party to it any right to enforce any of its provisions.

8.6 Waiver

No failure or delay by either Party in exercising any right, power or privilege under this Agreement shall impair the same or operate as a waiver of the same nor shall any single or partial exercise of any right, power or privilege preclude any further exercise of the same or the exercise of any other right, power or privilege. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

8.7 Dispute

In the event of a dispute between the Parties as to the terms of this Agreement, the Parties agree to submit such a dispute to a sole arbitrator or mediator agreed between the Client & the Agents. If the Parties are unable to agree on who should act as the arbitrator or mediator, either Party may either refer to The Property Ombudsman or ask for a selection to be made by the President or Vice-Presidents for the time being of the Royal Institute of Chartered Surveyors.

SCHEDULE 1
THE PROPERTY

All the leasehold properties situated at **PROPERTY ADDRESS** consisting of **BRIEF DESCRIPTION OF BUILDING AND SERVICES**

Budget Year: **TBC**

SCHEDULE 2

PART 1

THE FEES

1	For Initial Client Setup as set out in Schedule 3 This is payable <u>only</u> in the event of the appointment being terminated by the Client within twelve months from commencement of the Agreement.	Fixed fee of £1,000
2	For Block Management Service as set out in Schedule 3	Fixed fee of TBA per annum to be reviewed after 1 year from the start of the contract and annually Thereafter.
3	For Ground Rent Collection as set out in Schedule 3	15% of rent collected
4	The hourly charges where a time basis applies are: For a director or partner For a Member of the Royal Institution of Chartered Surveyors For a manager or assistant who is not a MRICS For travelling time	£ 150.- £ 125.- £ 75.- £ 50.-
5	For Bank Account Administration as set out in Schedule 3	£ 195.- per annum
6	For Administration of building and other insurances as set out in Schedule 3	10 % of placement fee from insurer or broker or £ 40.- per flat whichever is lesser
7	For Major Works as set out in Schedule 3	4% of contract value
8	Expenses	Recharged at cost
9	Cost of car travel	£0.60 per mile
10	For Company Secretarial Service as set out in Schedule 3	£ 395.- plus out-of-pocket costs per annum
11	For additional services if the Client shall instruct the Agents to carry out any of them and the Agents shall accept such instructions and specific scope of work and fees payable will be agreed in advance	

The rates set out above will apply for the initial twelve month contract period, unless stated otherwise. After that date the rates will be subject to upwards only review at the sole discretion of the Agents.

All rates are subject to VAT at the then prevailing rate.

PART 2
PAYMENT PROCEDURE

- 1 The Fees and expenses shall be paid within 14 days of receipt by the Client of a valid VAT invoice the first of which shall be for the Services from the commencement of the Contract Period. Annual management fees will be charged pro-rata quarterly in advance.
- 2 Subsequent invoices for fees and expenses shall be issued by the Agents at the end of the Accounting Period.
- 3 The final invoice shall be issued by the Agents within 30 days after the end of the Contract Period.
- 4 All payments due under this Agreement from the Client to the Agents shall be made in pounds Sterling to the following bank account: Metro Bank, One Southampton Row, London WC1B 5HA, Account Name: Blocnet Limited- Client Account, Sort Code: 23-05-80, Account: 22016342 or to such bank and bank account as Blocnet may notify from time to time.

SCHEDULE 3

SERVICES AVAILABLE

Clients may use one or more of the services offered by the Agents. Below is a specification of the scope of the services within each service offering.

Initial Client Setup

Included Activities:

The following are activities included in the fee set out in Schedule 2:

- Work with Client to receive all required information in order to take over management of Property
- Prepare and input Property and Client details into Blocnet processing platform
- Establish bank account(s) as required
- Configure Blocnet processing platform to make it capable of processing Client and Property information
- Configure Blocnet Secure Client Portal for access by Client and property owners within Property
- Notify existing managing agents (as appropriate) of bank account details for purposes of them forwarding any remaining Client funds
- Notify property owners of the new Agent's contact details plus a welcome information packet

Excluded Activities:

Any activities not specifically set out above.

Block Management Service

Included Activities:

The following are activities included in the fee set out in Schedule 2:

- Management of lessee records
- Dealing with all reasonable lessee enquiries and communication
- Advising the Client on best practice in relation to general regulations for the good management of the Property
- Management of maintenance contracts for services provided to the Property including periodic re-tendering where required
- Arranging and monitoring general repairs to the common parts
- For any major unbudgeted expenditures liaise and obtain approval from the Client prior to committing to the expenditure should any individual expense be valued at £500 or more (including VAT at the then prevailing rate)
- Should any individual expense be valued at £500 or more (excluding VAT at the then prevailing rate) to obtain alternative quotations for the approval of the Client.

- Drafting, discussion and amendment of annual service charge budget
- Preparation and distribution of service charge demand notices as necessary
- Maintain records of all financial transactions and events
- To manage the service charge account, and any reserve fund or contingency fund account, in accordance with the terms of the Leases, to prepare complete and accurate accounts in accordance with those terms, and reasonable estimates for future expenditure
- Collect instalments of any service charge, contingency and future expenditure fund contributions and any payments due from leaseholders of the property in relation to the service charge and hold such sums until disbursement. This includes sending reminders in respect of any late payments by leaseholders and further reminders being sent and continued non-payment of service charges, raising the issue to the Client to decide next steps to be taken.
- Preparation of interim financial reports to Client in Agents prescribed format
- Preparation of financial records as required for end of year accounts
- Administration of building and other insurances (subject to additional fee as set out in Schedule 2) if required
- Periodic inspections without use of equipment of the accessible areas of common parts of the Property
- Arranging health and safety, fire risk and other such inspections from time to time as required by statute and good practice. These services are typically sub-contracted to specialist companies to be delivered
- When required, Major Works

Included Major Works Activities:

The following are activities included in the Major Works fee set out in Schedule 2:

- Manage consultation process with leaseholders as required under Section 20 of the Landlord & Tenant Act.
- Work with the appointed Surveyor to ensure the specification of works is to clients agreement.

Excluded Major Works Activities:

Any activities not specifically set out above.

Excluded Activities:

Any activities not specifically set out above.

Ground Rent Collection

Included Activities:

The following are activities included in the fee set out in Schedule 2:

- Preparation and distribution of ground rent demands in accordance with the lease
- Collection, administration and reporting to Landlord of ground rent payments

Excluded Activities:

Any activities not specifically set out above.

Bank Account Administration

Included Activities:

The following are activities included in the fee set out in Schedule 2:

- Maintenance of bank account(s) that are dedicated for the Property, the account(s) and funds are held in trust in accordance with statute
- Routine reconciliation (at least quarterly) of all bank accounts associated with the Property
- Adjustments to service charge financial records, as required, based on the reconciliation results

Excluded Activities:

Any activities not specifically set out above.

Company Secretarial Service

Included activities:

The following are activities included in the fee set out in Schedule 2:

- Acting as named company secretary and registered office
- Acting as agent for service of notices related to company
- Keeping of the company's statutory books
- Retention of company meeting minutes
- Issuance of Annual General Meeting notices
- Maintaining the company's share register
- Undertake filings at Companies House including, but not limited to, the Confirmation Statement and change of Directors.

Excluded activities:

Any activities not specifically set out above.

SCHEDULE 4 AGREED SERVICES

Client agrees to engage Agents for the following services as set out in Schedule 3:

Initial Client Setup

Included: **Yes**

Signature: _____ (Client)

Signature: _____ (Agents)

Block Management Service

Included: **Yes**

Signature: _____ (Client)

Signature: _____ (Agents)

Ground Rent Collection and Administration

Included: **No**

Signature: _____ (Client)

Signature: _____ (Agents)

Bank Account Administration

Included: **Yes**

Signature: _____ (Client)

Signature: _____ (Agents)

Company Secretarial Service

Included: **Yes**

Signature: _____ (Client)

Signature: _____ (Agents)

SIGNATURES

SIGNED (on behalf of **THE CLIENT**)

PRINT NAME

DATE

SIGNED (on behalf of BlocNet Limited)

PRINT NAME

DATE