

SCHEDULE II

AGENT'S DUTIES AND OBLIGATIONS

Section 1 - General Management

- a. General advice on the Property, reports on current management matters, attendance at meetings as reasonably required but limited to quarterly Client meetings and one annual leaseholder meeting.
- b. Advice on legislation and policy affecting the Property, such advice being limited to advice within the remit of the Agent's duties and obligations under this Agreement.
- c. Where the Client has a leasehold, contractual or statutory regular and recurring obligation, to arrange for compliance with the obligation on the Client's behalf.
- d. Maintenance and retention of property records of all relevant matters and significant events affecting the Property.
- e. Supervision of the Property, checking compliance with lease covenants, generally reporting on matters requiring instruction or decision, applications to assign, sub-let or alter, liaising with solicitors and any other advisers.
- f. Liaison with leaseholders, any recognised residents association or other relevant stakeholders to foster good landlord and tenant relationships.
- g. Carrying out periodic property inspections. Reporting on state of repair, decoration, use and other relevant matters, following up any matters that may arise and in the case of formal notices instructing the Client's solicitors to serve them and liaising with appropriate advisers thereon.
- h. Dealing with day to day maintenance matters and minor redecoration works of communal areas.
- i. Bringing to the Client's attention any relevant matters concerning property insurance including the need to prepare valuations, renew policies, revise cover or notify any claims or potential claims.
- j. If the Agent is to retain any insurance brokerage commission or other commission share, handling any insurance claims that may arise.
- k. Arranging for provision and regular reviews of all services to comply with landlord's covenants and other obligations, statutory or otherwise, and otherwise using all reasonable endeavours to ensure that all landlord's obligations to tenants or superior landlords are fulfilled.
- l. Arranging the appropriate testing and inspection of mechanical and electrical installations.
- m. When necessary, at the Client's expense and subject to confirmation of instructions by the Client, instructing specialist consultants (mechanical and electrical engineers, structural engineers, architects, building surveyors, etc.). Liaising with such consultants and where necessary, implementing their recommendations. Fees and expenses to be recovered through the service charge if applicable, and if not to be paid by the Client.
- n. Placing appropriate contracts as agent for the Client in accordance with the Client's lease obligations to the tenants. Reviewing these contracts periodically and obtaining competitive tenders, as appropriate.
- o. Employing or arranging the employment of, supervising, disciplinary, discharging and replacing as agent for and on behalf of and in the name of the Client such staff as may be required for the provision of services under the various leases from time to time in force. Where any such employee is

for any reason liable to be dismissed (either due to misconduct, redundancy or otherwise), then the Agent will in consultation with the client and subject to all legal requirements take appropriate steps to bring such employment to an end (not including legal proceedings in relation to employment matters).

- p. Consultation with the Client on management matters, qualifying works of repair and qualifying long term agreements.

Section 2 - Financial Management

- a. Collection of ground rents, service charges and other income relating to the Property.
- b. Management of Client funds held in separate designated interest-bearing accounts and monthly reconciliation of accounts.
- c. Preparation of service charge estimates including sending demands and associated summaries and any required statements.
- d. Preparation of quarterly income and expenditure reports together with budget compliance.
- e. Providing information regarding VAT collected and paid and keeping in proper form all records in respect of VAT, where applicable.
- f. Authorising invoices and payment of all outgoings out of the Client's funds as funds allow all outgoings properly incurred on the Client's behalf in respect of suppliers, insurers, statutory undertakers, contractors, staff and consultants properly engaged for the purpose of providing the day to day Services. The Agent shall reasonably consult with the Client on any non recurring or extraordinary expenditure.
- g. Administering the service charge including calculation and apportionment of sums to be collected from leaseholders.
- h. Arranging as necessary the preparation of information for accountants in the audit/ certification of the service charge account and the preparation of service charge certificates. Crediting surplus or demanding deficit sums as appropriate.