

Sample Sample
company
address one
address 2
city
post code

17/08/2010

Dear Sample Sample

Factotum agree to manage the property at Sample on the following terms and conditions.

Management is intended to facilitate general upkeep of the property within a suitable budget. To ensure the fabric of the property and its condition is monitored on a regular basis, this includes an annual inspection of the whole tenement and other periodic inspections relating to individual parts of the whole. Factotum will seek to address short term and long term maintenance issues with the co operation of the owners with the intention of maintaining the heritable value of the property and to prevent any future deterioration by putting in place proposals to remedy any future maintenance issues and budget for their reparation. Due consideration will be given to any Deed of Condition or title conditions. Factoring includes being on call to attend to emergencies and any day to day maintenance issues that require immediate attention. Further to inspect repair works prior to work commencing and prior to invoices being settled, and to investigate and, where necessary, to pursue any complaints regarding unsatisfactory work.

(1) There will be an initial one-off set up fee of £25.00 per property (plus VAT) this is to set up the database registering everyone's accounts and contact details. It is not transferable to new owners.

(2) There is an annual fee of £50.00 Plus VAT per property. Payable in advance of the year. This is not refundable nor transferable to new owners.

(3) There will be a 10% (plus VAT) surcharge on all accounts handled by Factotum. Where contractors that are employed by Factotum on behalf of the owners charge VAT, Factotum will pass on the gross cost and only charge VAT on the commission charged of 10%. Where contractors employed by Factotum on behalf of the owners do not charge VAT this net charge will be passed on and VAT will only be charged on the 10% commission. For larger contracts, usually greater than £3,000 a lower surcharge / commission rate can be negotiated.

(4) Factotum use a clients account where everyone's payment details are recorded and audited under client accounting rules. A full statement of account will be submitted at the end of each year. A full set of all receipts, quotes where necessitated and account history can be made available at our offices for perusal.

5) Factotum employ an associated maintenance company; Factotum Homes, to carry out the majority of minor works. Factotum have a financial interest in this company. Other works and subcontractors are employed as and when required including any preferred contractors and / or retainers already employed by the owners. Larger works will go out to tender and owners consulted and kept informed. Reasonable steps will be taken to ensure the competence and propriety of any contractors employed on behalf of the owners.

(6) Factotum propose an annual estimate of expenditure that is divided between the owners as agreed this can be paid in advance or monthly. Any significant additional works will be notified to all owners and will only be instructed upon a majority of more than 50% of owners. Factotum can actively pursue unpaid accounts on behalf of all the owners but in the absence of receiving funds that are properly due the other owners will have to settle those amounts outstanding on a joint and several liability. To encourage prompt payments Factotum may add interest on accounts not paid within 30 days or offer reduction in fees for prompt payments. Owners may not withhold payments on the basis of outstanding snagging issues or their own or minority opinions that they are not completely satisfied with the work carried out, nor seek to off-set dues against other separate services independently provided by Factotum.

(7) Factotum can tender for insurance cover and handle insurance claims on behalf of the owners. We are regulated by the FSA, our FSA Regulatory Number is: 315567. Our own public liability cover and professional indemnity cover is, at present, three million pounds.

(8) Wherever possible Factotum will seek to liaise with one or more owners in respect of issues or emergencies that may arise, should emergency work be required, however, the owners agree to Factotum spending up to £250 for a single incident. without recourse to the owners. Where there is an imminent threat to public health or safety that could ultimately be the owners single or several liability then this sum can be exceeded at Factotums discretion. All reasonable means will be employed to ensure legal and statutory regulations are observed. A float fund may be required.

(9) This agreement will commence on the Factotum may terminate the agreement sooner or suspend management if persistent arrears in payments are evident.

(10) It is hereby understood that Factotum act as agent for the owners and will not be held liable for the short comings or liabilities of contractors or their employees / sub contractors appointed by Factotum on behalf of the owners.

Signed:
For Factotum

Witness

Signature of the owner or owners :

of flat Joint and severally with the other owners at Sample

Address:

Witness