

# **SERVICE AGREEMENT & CONTRACT**



LOTUS

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# **Client Agreement**

## **1. Introduction**

This Agreement ("Agreement") is made on [Date], by and between Lotus, a company incorporated under the laws of the United Kingdom, with its principal place of business in Exeter and [Client's Full Name], residing at [Client's Address] ("Client").

Lotus is engaged in providing financial services to senior citizens, offering them the opportunity to receive regular payments in exchange for the transfer of their property upon their death.

The Client, as the owner of the property located at [Property Address] ("Property"), desires to enter into an agreement with Lotus to receive regular payments during their lifetime.

This Agreement sets forth the terms and conditions under which Lotus will provide such payments and the Client will transfer the Property to Lotus upon their death, or in the case of a couple, upon the death of both individuals.

In consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows.

## **2. Definitions**

**2.1 "Agreement"** means this legally binding contract between the Company and the Client.

**2.2 "Client"** means the individual(s) entering into this Agreement with Lotus, including any designated beneficiaries or legal representatives.

**2.3 "Company" or "Lotus"** means Lotus, a company incorporated under the laws of the United Kingdom, with its principal place of business in Exeter.

**2.4 "Property"** means the real estate owned by the Client, located at [Property Address], which is the subject of this Agreement.

**2.5 "Payments"** means the regular payments made by Lotus to the Client as stipulated in this Agreement.

**2.6 "Deed of Transfer"** means the legal document that transfers ownership of the Property from the Client to Lotus upon the Client's death, or in the case of a couple, upon the death of both individuals.

**2.7 "Beneficiaries"** means the individuals designated by the Client to receive any remaining payments or benefits in the event of the Client's death before the Property is transferred to Lotus.

**2.8 "Force Majeure"** means any event or circumstance beyond the reasonable control of either party that prevents one or both parties from fulfilling their obligations under this Agreement, including but not limited to acts of God, war, terrorism, government orders, natural disasters, pandemics, strikes, lockouts, fire, and flood.

**2.9 "Legal Representative"** means the individual(s) authorized to act on behalf of the Client in the event of the Client's death, including but not limited to executing the deed of transfer and providing necessary documentation.

**2.10 "Maintenance and Upkeep"** means the regular care, repair, and improvement of the Property to preserve its condition and value.

**2.11 "Insurance"** means the property insurance coverage maintained by the Client, naming Lotus as an additional insured party, to protect against risks such as fire, theft, natural disasters, and other hazards.

**2.12 "Data Protection Laws"** means all applicable local, state, and federal laws and regulations regarding the protection and privacy of personal data, including but not limited to the General Data Protection Regulation (GDPR) and the Data Protection Act.

**2.13 "Arbitration"** means the process of resolving disputes through binding arbitration in accordance with the rules of [Arbitration Institution], as specified in this Agreement.

**2.14 "Jurisdiction"** means the legal authority under which this Agreement is governed and construed, as specified in the governing law and venue provisions.

**2.15 "Notices"** means all communications required or permitted under this Agreement, including those delivered in person, by registered or certified mail, or electronically.

**2.16 "Confidential Information"** means all non-public information related to the Agreement, the Property, and the parties' financial arrangements, which must be kept confidential by both parties.

### **3. Agreement**

**3.1 Provision of Payments:** Lotus agrees to provide regular payments to the Client as specified in this Agreement. These payments are intended to support the Client's financial needs during the remainder of their lifetime.

**3.2 Transfer of Property:** In exchange for the regular payments, the Client agrees to transfer ownership of the Property to Lotus upon their death, or in the case of a couple, upon the death of both individuals. The transfer of the Property will be executed through a legally binding deed of transfer.

**3.3 Payment Commencement:** Payments from Lotus to the Client will commence on the [specified start date] and will continue a [monthly/quarterly/yearly] basis until the Client's death, or in the case of a couple, until the death of both individuals.

**3.4 Payment Adjustments:** The amount of the regular payments may be subject to adjustment based on agreed-upon terms, such as changes in the value of the Property, inflation, or other economic factors. Any adjustments will be documented and mutually agreed upon in writing by both parties.

**3.5 Right to Reside:** The Client retains the right to reside in the Property for the duration of their lifetime, or in the case of a couple, for the lifetime of both individuals. Lotus will not take possession of the Property until the conditions specified in this Agreement are met.

**3.6 Maintenance and Upkeep:** The Client is responsible for maintaining the Property in good condition, including regular maintenance and necessary repairs. The Client agrees not to take any action that would diminish the value of the Property.

**3.7 Insurance:** The Client agrees to maintain adequate property insurance on the Property, naming Lotus as an additional insured party. This insurance must cover damage, loss, or other risks as specified in the insurance policy.

**3.8 Legal Compliance:** Both parties agree to comply with all applicable laws, regulations, and ordinances in the execution of this Agreement. This includes but is not limited to property transfer laws, tax regulations, and financial reporting requirements.

**3.9 Documentation:** The Client agrees to provide all necessary documentation to facilitate the transfer of the Property upon their death, including but not limited to the deed of transfer, death certificate, and any other required legal documents.

**3.10 Contingencies:** In the event that the Client sells or encumbers the Property without the prior written consent of Lotus, this Agreement will be considered null and void, and Lotus will have the right to cease all payments and seek legal remedies.

**3.11 Beneficiaries:** The Client may designate beneficiaries who will receive any remaining payments or benefits in the event of their death before the Property is transferred to Lotus. Such designations must be made in writing and provided to Lotus.

## **4. Obligations of the Parties**

### **4.1 Client Obligations:**

a) **Transfer of Property:** The Client agrees to transfer the Property to Lotus upon their death, or in the case of a couple, upon the death of both individuals. The Client will execute all necessary documents to facilitate this transfer, including a deed of transfer and any other required legal documents.

b) **Maintenance of Property:** The Client must maintain the Property in good condition. This includes performing regular maintenance, repairs, and any necessary improvements to preserve the value of the Property. The Client must not neglect the Property or allow it to fall into disrepair.

c) **Restrictions on Sale or Encumbrance:** The Client agrees not to sell, mortgage, or otherwise encumber the Property without the prior written consent of Lotus. Any attempt to do so without consent will render this Agreement null and void and may result in legal action.

d) **Insurance:** The Client must maintain adequate insurance on the Property, naming Lotus as an additional insured party. This insurance should cover risks such as fire, theft, natural disasters, and other common hazards. Proof of insurance must be provided to Lotus upon request.

e) **Compliance with Laws:** The Client agrees to comply with all applicable local, state, and federal laws, regulations, and ordinances relating to the Property. This includes paying property taxes, adhering to zoning laws, and obtaining any necessary permits for repairs or improvements.

f) **Notification of Changes:** The Client must promptly notify Lotus of any significant changes to the Property or their personal circumstances that may affect this Agreement. This includes changes in occupancy, significant damage to the Property, or changes in legal status.

g) **Beneficiary Designation:** The Client may designate beneficiaries to receive any remaining payments or benefits in the event of their death before the Property is transferred to Lotus. Such designations must be made in writing and provided to Lotus.

## **4.2 Company Obligations:**

a) **Regular Payments:** Lotus agrees to make regular payments to the Client as specified in this Agreement. Payments will be made in accordance with the schedule and method outlined in Section 5 (Payment Terms).

b) **Financial Records:** Lotus will maintain accurate financial records of all payments made to the Client. These records will be available for review by the Client or their legal representatives upon request.

c) **Support Services:** Lotus will provide support services to assist the Client with any issues related to the receipt of payments or the maintenance of the Property. This includes providing contact information for customer service representatives who can address the Client's concerns.

d) **Insurance Assistance:** Lotus will assist the Client in obtaining and maintaining the necessary insurance coverage for the Property. This includes advising the Client on appropriate coverage levels and providing documentation as needed.

e) **Legal Compliance:** Lotus agrees to comply with all applicable local, state, and federal laws, regulations, and ordinances related to the execution of this Agreement. This includes adherence to financial regulations, property transfer laws, and data protection requirements.

f) **Notification of Changes:** Lotus must promptly notify the Client of any significant changes to its business operations or legal status that may affect this Agreement. This includes changes in corporate structure, financial stability, or regulatory compliance.

g) **Dispute Resolution:** Lotus will participate in good faith in any dispute resolution processes as outlined in Section 9 (Dispute Resolution). This includes cooperating with arbitration proceedings and complying with any resulting decisions.

## **5. Payment Terms**

### **5.1 Amount:**

a) **Regular Payments:** Lotus agrees to pay the Client an amount of [Amount] per [Month/Quarter/Year] as specified in this Agreement. The amount of the regular payments is determined based on the value of the Property, the Client's age, and other relevant factors.

b) **Adjustments:** The payment amount may be subject to periodic adjustments based on mutually agreed terms, such as changes in the value of the Property, inflation rates, or other economic indicators. Any adjustments will be documented in writing and signed by both parties.

c) **Bonus Payments:** In addition to regular payments, Lotus may provide bonus payments for specific events or milestones, such as anniversaries of the agreement or completion of major property improvements. These bonus payments will be specified in a separate schedule attached to this Agreement.

### **5.2 Payment Method:**

- a) **Bank Transfer:** Payments will be made via bank transfer to the account specified by the Client. The Client must provide Lotus with accurate and up-to-date banking information to facilitate these transfers.
- b) **Cryptocurrency:** Alternatively, payments can be made via cryptocurrency, if both parties agree. The Client must provide a valid cryptocurrency wallet address and ensure it is secure and capable of receiving payments.
- c) **Changes to Payment Method:** The Client may request changes to the payment method by providing written notice to Lotus at least 45 days in advance. Lotus will accommodate such requests if feasible and within legal and regulatory constraints.
- d) **Confirmation of Receipt:** Lotus will provide the Client with a confirmation of receipt for each payment made. This confirmation will include the date, amount, and method of payment.

### 5.3 Payment Schedule:

- a) **Regular Schedule:** Payments will be made on the [1st day] of each [Month/Quarter/Year]. If the payment date falls on a weekend or public holiday, the payment will be made on the next business day.
- b) **Initial Payment:** The initial payment will be made on [specified start date], and subsequent payments will follow the regular schedule outlined above.
- c) **Late Payments:** In the event of a late payment, Lotus will notify the Client and provide a revised payment date. If payments are consistently late, the Client may request a review of the payment process and schedule.
- d) **Missed Payments:** If a payment is missed, Lotus will take immediate action to resolve the issue and ensure the Client receives the missed payment as soon as possible. Any missed payments will be added to the next scheduled payment unless otherwise agreed upon in writing.

### 5.4 Payment Documentation:

- a) **Statements:** Lotus will provide the Client with regular statements detailing all payments made, including dates, amounts, and methods of payment. These statements will be provided [monthly/quarterly/yearly].
- b) **Tax Reporting:** Lotus will provide the necessary documentation to the Client for tax reporting purposes. This includes annual summaries of payments made and any required tax forms.

### 5.5 Changes in Payment Terms:

- a) **Review and Adjustment:** Both parties agree to review the payment terms periodically, at least once every [Year], to ensure they remain fair and adequate. Any changes to the payment terms must be agreed upon in writing and signed by both parties.
- b) **Exceptional Circumstances:** In exceptional circumstances, such as significant changes in the Client's financial situation or major economic events, either party may request an immediate review and adjustment of the payment terms. Such requests must be made in writing and provide a detailed explanation of the reasons for the request.

## 6. Transfer of Property

### 6.1 Transfer Process:

- a) **Condition of Transfer:** The transfer of the Property to Lotus will occur upon the death of the Client, or in the case of a couple, upon the death of both individuals. The Client retains the right to reside in the Property until these conditions are met.
- b) **Notification:** Upon the death of the Client, the Client's legal representative or designated beneficiary must notify Lotus within [specified time frame] of the Client's passing. In the case of a couple, notification must be provided upon the death of the surviving partner.
- c) **Deed of Transfer:** The Property will be transferred to Lotus through a deed of transfer, which will be executed by the Client's legal representative or designated beneficiary. The deed of transfer will be prepared by Lotus and must be signed and notarized to ensure its legality and enforceability.
- d) **Transfer Costs:** All costs associated with the transfer of the Property, including legal fees, notary fees, and any applicable taxes, will be borne by Lotus unless otherwise agreed upon in writing.
- e) **Inspection:** Prior to the transfer, Lotus may conduct an inspection of the Property to assess its condition. The Client's legal representative or designated beneficiary must provide access to the Property for this purpose. Any significant issues identified during the inspection must be disclosed and addressed.

### 6.2 Legal Documentation:

- a) **Necessary Documents:** The Client agrees to execute all necessary documents to facilitate the transfer of the Property upon their death. This includes, but is not limited to, the deed of transfer, death certificate, and any other required legal documents.
- b) **Pre-Execution of Documents:** To streamline the transfer process, the Client agrees to pre-execute certain documents, such as a durable power of attorney and an advance directive, which authorize their legal representative or designated beneficiary to act on their behalf in the event of their death.
- c) **Custody of Documents:** The executed documents will be held in escrow by a mutually agreed-upon third party, such as a law firm or escrow company, until the conditions for transfer are met. The third party will release the documents to Lotus upon receiving proof of the Client's death.
- d) **Death Certificate:** The Client's legal representative or designated beneficiary must provide an official death certificate to Lotus as part of the transfer process. This certificate must be issued by the appropriate governmental authority and must be a certified copy.
- e) **Compliance with Laws:** Both parties agree to comply with all applicable local, state, and federal laws, regulations, and ordinances related to the transfer of the Property. This includes obtaining any necessary permits, paying any required taxes, and adhering to any relevant legal procedures.
- f) **Dispute Resolution:** In the event of any disputes arising from the transfer of the Property, both parties agree to resolve the matter through the dispute resolution process outlined in Section 9 (Dispute Resolution).

### 6.3 Transition Period:

- a) **Vacating the Property:** The Client's legal representative or designated beneficiary must vacate the Property within [specified time frame] after the transfer has been completed. Any personal belongings must be removed, and the Property must be left in a clean and orderly condition.
- b) **Transition Assistance:** Lotus will provide reasonable assistance to the Client's legal representative or designated beneficiary during the transition period. This may include helping with the relocation of personal belongings, providing temporary housing arrangements, or offering financial support for moving expenses.
- c) **Final Inspection:** After the Property has been vacated, Lotus will conduct a final inspection to ensure that it has been left in good condition. Any issues identified during this inspection must be addressed by the Client's legal representative or designated beneficiary.

## 7. Security and Data Protection

### 7.1 Data Protection:

- a) **Compliance with Laws:** Lotus will comply with all applicable data protection laws, including but not limited to the General Data Protection Regulation (GDPR), the Data Protection Act, and any other relevant local, state, or federal laws and regulations.
- b) **Data Collection:** The Client consents to the collection, storage, and use of their personal data by Lotus for the purposes of executing this Agreement. This includes data necessary for processing payments, managing the Property, and fulfilling legal obligations.
- c) **Data Usage:** Lotus will use the Client's personal data solely for the purposes specified in this Agreement and will not disclose it to third parties without the Client's prior written consent, except as required by law.
- d) **Data Retention:** Lotus will retain the Client's personal data only for as long as necessary to fulfil the purposes outlined in this Agreement or as required by law. Upon termination of the Agreement, Lotus will securely delete or anonymize the Client's data, unless otherwise required by legal obligations.

### 7.2 Security Measures:

- a) **Encryption:** Lotus will implement robust encryption methods to protect the Client's personal data both in transit and at rest, ensuring that unauthorized parties cannot access the data.
- b) **Access Controls:** Access to the Client's personal data will be restricted to authorized personnel only. Lotus will implement multi-factor authentication and other security measures to prevent unauthorized access.
- c) **Security Audits:** Lotus will conduct regular security audits and vulnerability assessments to identify and address potential security threats. Any identified risks will be promptly mitigated.
- d) **Incident Response:** In the event of a data breach or security incident, Lotus will promptly notify the Client and take all necessary steps to contain and mitigate the impact of the breach. Lotus will also comply with any legal requirements for reporting such incidents.



## 8. Termination

### 8.1 Termination by Client:

- a) **Notice Period:** The Client may terminate this Agreement by providing Lotus with [30 days] written notice. The notice must specify the effective date of termination and be sent to the address listed in Section 12 (Notices).
- b) **Settlement of Payments:** Upon termination by the Client, Lotus will make a final payment covering any outstanding amounts up to the termination date. This payment will be made within [specified time frame] after the effective date of termination.
- c) **Return of Property:** If the Agreement is terminated by the Client before the transfer of the Property, the Client retains ownership of the Property, and all obligations of Lotus to make payments will cease.

### 8.2 Termination by Company:

- a) **Notice Period:** Lotus may terminate this Agreement if the Client breaches any of its obligations, by providing [30 days] written notice. The notice must specify the nature of the breach and the effective date of termination.
- b) **Opportunity to Cure:** The Client will have the opportunity to cure the breach within the [30 days] notice period. If the breach is cured to Lotus's satisfaction, the Agreement will continue in full force and effect.
- c) **Settlement of Payments:** Upon termination by Lotus due to the Client's breach, Lotus will make a final payment covering any outstanding amounts up to the termination date, minus any damages incurred due to the breach. This payment will be made within [specified time frame] after the effective date of termination.

## 9. Dispute Resolution

### 9.1 Arbitration:

- a) **Binding Arbitration:** Any disputes arising out of or in connection with this Agreement will be resolved through binding arbitration in accordance with the rules of [Arbitration Institution]. The arbitration will take place in [Location], and the decision of the arbitrator will be final and binding on both parties.
- b) **Selection of Arbitrator:** The arbitrator will be selected by mutual agreement of the parties. If the parties cannot agree on an arbitrator, [Arbitration Institution] will appoint one.
- c) **Costs:** The costs of arbitration, including the fees of the arbitrator, will be borne equally by the parties unless the arbitrator decides otherwise.

### 9.2 Jurisdiction:

- a) **Governing Law:** This Agreement will be governed by and construed in accordance with the laws of [Country/State], without regard to its conflict of laws principles.

b) **Venue:** Any legal action or proceeding arising under this Agreement will be brought exclusively in the courts located in [Jurisdiction], and the parties hereby consent to the personal jurisdiction and venue of these courts.

## **10. Miscellaneous Provisions**

**10.1 Entire Agreement:** This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements, understandings, and representations, whether oral or written, regarding the subject matter of this Agreement.

**10.2 Amendments:** Any amendments to this Agreement must be in writing and signed by both parties. No modification or waiver of any provision of this Agreement will be effective unless it is in writing and signed by both parties.

**10.3 Severability:** If any provision of this Agreement is found to be unenforceable, the remaining provisions will remain in full force and effect. The unenforceable provision will be modified to the extent necessary to make it enforceable while preserving the intent of the parties.

**10.4 Waiver:** The failure of either party to enforce any provision of this Agreement will not constitute a waiver of that provision or any other provision. A waiver of any provision will only be effective if made in writing and signed by the waiving party.

## **11. Representations and Warranties**

**11.1 Client Representations and Warranties:** The Client represents and warrants that they have the full legal right, power, and authority to enter into this Agreement and to transfer the Property as stipulated. The Client further represents and warrants that the Property is free from any liens, encumbrances, or legal disputes that could affect the transfer.

**11.2 Company Representations and Warranties:** Lotus represents and warrants that it is duly organized, validly existing, and in good standing under the laws of its jurisdiction and has the power and authority to enter and perform its obligations under this Agreement. Lotus further represents and warrants that it has the financial capability to fulfil its payment obligations under this Agreement.

## **12. Notices**

**12.1 Delivery of Notices:** All notices required or permitted under this Agreement will be in writing and will be deemed delivered when delivered in person, or when sent by registered or certified mail, postage prepaid, to the addresses specified in this Agreement or such other addresses as either party may specify in writing.

**12.2 Electronic Notices:** Notices may also be sent electronically to the email addresses specified by the parties. Electronic notices will be deemed delivered upon confirmation of receipt by the receiving party.

## 13. Confidentiality

**13.1 Confidential Information:** Both parties agree to keep all terms and conditions of this Agreement confidential and will not disclose any information to any third party without the prior written consent of the other party, except as required by law. Confidential information includes all non-public information related to the Agreement, the Property, and the parties' financial arrangements.

**13.2 Exceptions:** Confidentiality obligations do not apply to information that (i) is or becomes publicly available through no fault of the receiving party, (ii) is rightfully received from a third party without a duty of confidentiality, (iii) is independently developed by the receiving party, or (iv) is disclosed with the prior written consent of the disclosing party.

**13.3 Legal Disclosure:** If a party is required by law to disclose any confidential information, that party must promptly notify the other party of the legal requirement so that the other party may seek a protective order or other appropriate remedy.

## 14. Force Majeure

**14.1 Force Majeure Events:** Neither party will be liable for any failure or delay in performing its obligations under this Agreement if such failure or delay is caused by circumstances beyond its reasonable control, including but not limited to acts of God, war, terrorism, government orders, natural disasters, pandemics, strikes, lockouts, fire, flood, or any other extraordinary events or circumstances that prevent one or both parties from fulfilling their obligations under this Agreement.

**14.2 Notice and Mitigation:** The party affected by a force majeure event must promptly notify the other party of the occurrence of the event, providing details of the nature, extent, and expected duration of the force majeure event. The affected party must also take all reasonable steps to mitigate the impact of the event and to resume performance of its obligations as soon as reasonably possible.

**14.3 Termination Due to Extended Force Majeure:** If the force majeure event continues for more than [60 days], either party may terminate this Agreement by providing written notice to the other party. Upon such termination, neither party will have any further obligations or liabilities under this Agreement, except for any accrued rights and obligations as of the date of termination.

**14.4 Allocation of Costs:** Each party will bear its own costs and expenses arising from or related to the force majeure event, including any costs incurred in mitigating the impact of the event and in notifying the other party.

**14.5 Force Majeure and Payments:** If a force majeure event affects Lotus's ability to make payments to the Client as stipulated in this Agreement, Lotus will notify the Client and will resume payments as soon as the force majeure event is resolved. Any missed payments during the force majeure event will be made up once the event has concluded.

## 15. Condition of Property Transfer

**15.1 Transfer Condition:** Lotus will not take possession of the Property until the death of the Client or, in the case of a couple, until both individuals have died. The Client retains the right to reside in the Property for the duration of their lifetime, or in the case of a couple, for the lifetime of both individuals.

**15.2 Maintenance and Upkeep:** The Client is responsible for maintaining the Property in good condition. This includes performing regular maintenance, repairs, and any necessary improvements to preserve the value of the Property. The Client must not neglect the Property or allow it to fall into disrepair.

**15.3 Insurance Requirements:** The Client agrees to maintain adequate insurance coverage for the Property, naming Lotus as an additional insured party. This insurance should cover risks such as fire, theft, natural disasters, and other common hazards. Proof of insurance must be provided to Lotus upon request, and the Client must notify Lotus of any changes to the insurance policy.

**15.4 Inspection Rights:** Lotus reserves the right to inspect the Property periodically to ensure it is being maintained in good condition. The Client must provide reasonable access to the Property for this purpose. Any significant issues identified during inspections must be disclosed and addressed promptly by the Client.

**15.5 Prohibited Actions:** The Client agrees not to take any action that would diminish the value of the Property or violate the terms of this Agreement. This includes, but is not limited to, selling, mortgaging, or otherwise encumbering the Property without the prior written consent of Lotus.

**15.6 Legal Documentation:** Upon the death of the Client, or in the case of a couple, upon the death of both individuals, the Property will be transferred to Lotus through a deed of transfer. The Client agrees to execute all necessary documents to facilitate the transfer of the Property, including pre-executing certain documents such as a durable power of attorney and an advance directive, which authorize their legal representative or designated beneficiary to act on their behalf.

**15.7 Transition Assistance:** Lotus will provide reasonable assistance to the Client's legal representative or designated beneficiary during the transition period following the transfer of the Property. This may include helping with the relocation of personal belongings, providing temporary housing arrangements, or offering financial support for moving expenses.

**15.8 Final Inspection:** After the Property has been vacated, Lotus will conduct a final inspection to ensure that it has been left in good condition. Any issues identified during this inspection must be addressed by the Client's legal representative or designated beneficiary before the transfer is considered complete.