

DATED THIS FIRST DAY OF AUGUST 2021

PARIS LIMITED

AND

APRICOT PROPERTY SOLUTIONS LIMITED

P R O P E R T Y M A N A G E M E N T
A G R E E M E N T

PROPERTY MANAGEMENT AGREEMENT

THIS AGREEMENT is made the First day of August Two Thousand and Twenty-One

BETWEEN:

1. **PARIS LIMITED** a limited liability company duly incorporated in Kenya and of postal address P. O. Box 103953-00101, Nairobi, Kenya (hereinafter referred to as “**the Company**” which term shall include its successors and assigns), of the one part;

AND

2. **APRICOT PROPERTY SOLUTIONS LIMITED** a limited liability company duly incorporated in Kenya and of postal address P. O. Box 38228-00623, Nairobi, Kenya (hereinafter referred to as “**the Manager**” which term shall include its successors and assigns), of the second part.

WHEREAS:

- A. The Company is the owner of Commercial Building known as Paris Business Centre, built on Land Reference Number 209/2035/229/15/2 (hereinafter referred to as “**the Property**”);
- B. The Manager is in the business of real estate and managing properties and has specialized and expert knowledge and experience in the operation and management of properties;
- C. The Company has requested the Manager to manage the said Property on behalf of the Company; and
- D. The parties have agreed to enter into this Agreement to outline the Manager’s duties and the fees payable by the Company to the Manager in relation to services rendered by the Manager in accordance with the terms and conditions herein contained.

IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:

1. APPOINTMENT:

- 1.1 The Company hereby appoints the Manager and the Manager hereby accepts such appointment as the Manager of the Property to manage the Property and all activities in connection therewith as are necessary in and usual to similar establishments.

2. TERM:

This Agreement shall be for One (1) year from the Commencement Date of this Agreement, and shall be automatically renewed for increments of One (1) year, unless either party serves the other with Three (3) months written notice of its intent to terminate this Agreement, in accordance with Clause 11 below.

3. THE MANAGER'S DUTIES AND SERVICES RENDERED:

- 3.1 The Manager's duties and the services rendered are outlined in Schedule 1 of this Agreement.
- 3.2 The Manager is fully aware that it does not have the authority to enter into or execute any agreements and/or contracts with any Clients and/or third parties on behalf of the Company.

4. MANAGEMENT FEES AND MISCELLANEOUS COSTS:

- 4.1 In consideration of the services provided by the Manager, the Company will pay to the Manager fee of KShs.125,000/- (Kenya Shillings One Hundred and Twenty Five Thousand) for the month of July 2021 and August 2021 and effective from September 2021 amounting to five per centum (5%) of the gross monthly rental income as per rent invoices issued (hereinafter referred to as "**the Management Fee**"), which amount is subject to Value Added Tax (VAT) at the rate of Sixteen per centum (16%) (or the prevailing rate of VAT applicable at the time of payment, if different to the one stated herein).
- 4.2 The Management Fee will be revisable upon extension of the term of this Agreement.

- 4.3 The Company will be responsible for reimbursing any and all miscellaneous costs incurred by the Manager, in providing their services, including but not limited to administration costs, maintenance, repair, disbursements for photocopying services provided, mailshots, notices and letters in relation to Management of the Property, assessment letters for the Property, transport for the delivery and/or collection of any such documents, and advertising.

5. NO JOINT VENTURE OR PARTNERSHIP:

Nothing in this Agreement shall create a partnership or joint venture between the parties hereto and save as expressly provided in this Agreement neither party shall enter into or have authority to enter into any engagement or make any representation or warranty on behalf of or pledge the credit of or otherwise bind or oblige the other party hereto.

6. THE MANAGER'S REPRESENTATIONS AND WARRANTIES:

- 6.1 The Manager shall perform its services and carry out its duties in a diligent manner and to the best of its ability.
- 6.2 Nothing in this Agreement shall render the Manager as an employee or Partner of the business of the Company.
- 6.3 The Manager is strictly an Independent Contractor and will be paid its Management Fee in accordance with Clause 4 above.

7. RESTRICTIONS:

The Manager agrees that it shall not during the period of this Agreement directly or indirectly:

- 7.1 solicit or seek to solicit any person, firm or company to terminate or alter any contractual relationship between them and the Company;
- 7.2 discourage any person, firm or company from entering into contractual relations with the Company; and/or
- 7.3 make any disparaging remarks about the Company or its business and affairs.

8. CONFIDENTIALITY:

The parties will not disclose or use or cause to be disclosed or used at any time during or subsequent to this Agreement, any secret or confidential information of the parties or any of its clients or customers or any other non public information relating to the business, financial or other affairs of the parties, including but not limited to any of the parties trade secrets, confidential information in general which relates to the business, including, but not limited to intellectual property, financial methods, policies and procedures, marketing methods, incentive schemes, formulae, sources of supply, quotas, business methods, quality control of products, specialised knowledge of training material and training programs, staff welfare, business connections, internal control systems, salaries and wage policies, financing techniques, strategic plans, software and or database information, and other matters which relate to the business of the parties and which is not readily available in the ordinary course of business to a competitor of the parties. In accordance with the same, any and all material, information, agreements, terms and conditions and/or any other intellectual property of the parties shall be duly returned to the other party, upon termination of this Agreement and shall solely remain the intellectual property of the respective party it belongs to.

9. FORCE MAJEURE:

- 9.1 Force Majeure are contingencies caused by neither of the parties and which are unforeseeable at the time of concluding the Agreement, uncontrollable and which render the further performance of the contractual obligations impossible as for instance, acts of God, acts of War, acts of Government, blockades and revolutions fires and explosions and the like.
- 9.2 If either party is affected by Force Majeure it shall forthwith notify the other party of the nature and extent thereof.
- 9.3 Neither party shall be deemed to be in breach of this Agreement, or otherwise be liable to the other, by reason of any delay in performance, or non-performance, of any of its obligations under this agreement to the extent that such delay or non-performance is due to any Force Majeure of which it has notified the other party; and the time for performance of that obligation shall be extended accordingly.

- 9.4 If the Force Majeure in question prevails for a continuous period in excess of six months, the parties shall enter into bona fide discussions with a view to alleviating its effects, or to agreeing upon such alternative arrangements as may be fair and reasonable.

10. INDEMNIFICATION:

The Company agrees to indemnify and hold harmless the Manager, its affiliates and respective officers from any and all claims, demands, losses, causes of action, damage and lawsuits arising out of or relating to the Company under this Agreement and/or in relation to the Property.

11. TERMINATION:

- 11.1 With the exception of all of the below, the parties may issue a written termination notice of Three (3) months to the other party, to terminate this Agreement.
- 11.2 The Manager may by written notice summarily terminate this Agreement with immediate effect if:
- 11.2.1 the Company breaches any term of this agreement which, in the case of a breach capable of remedy, is not remedied by the Company within 21 days of a written notice from the Manager specifying the breach and requiring its remedy;
 - 11.2.2 the Company becomes bankrupt or compounds with its creditors or is convicted of any criminal offence (other than road traffic offences); or
 - 11.2.3 the Company is conducted in any manner which, in the reasonable opinion of the Manager, brings or is likely to bring them into disrepute.
- 11.3 The Company may by written notice summarily terminate this Agreement with immediate effect if:
- 11.3.1 the Manager breaches any term of this agreement which, in the case of a breach capable of remedy, is not remedied by the Manager within 21 days of a written notice from the Company specifying the breach and requiring its remedy;
 - 11.3.2 the Manager becomes bankrupt or compounds with its creditors or is convicted of any criminal offence (other than road traffic offences).
 - 11.3.3 the Manager conducts itself in any manner which, in the reasonable opinion of the Agent, brings or is likely to bring them into disrepute.

11.4 This Agreement will terminate automatically when the parties mutually agree to terminate.

12. NOTICES

12.1 Any notice, demand or other official documentation to be given or made by one party to the other pursuant to this Agreement shall be in writing and shall be delivered to the address provided in the description of the Parties in the header to the Recitals of this Agreement hereto or to such other address as either party may specify by giving not less than Ten (10) days clear prior written notice to the other party.

12.2 Save as otherwise expressly provided herein, any notice, demand or official documentation to be given or made by one party to this Agreement to the other shall be deemed delivered or made:

12.2.1 On the day of delivery, when delivered by hand during normal working hours on a working weekday at the principal office of the receiving party; or

12.2.2 Seven (7) working weekdays after posting by Registered Post **PROVIDED THAT** proof is given that the notice, demand or documentation was properly addressed adequately stamped and put into the post by registered post.

13. CONTINUING OBLIGATION:

Upon the termination of this Agreement pursuant to any of the events described herein, neither party shall have any obligations to the other party under this Agreement save and except that the obligations on confidentiality and indemnity shall survive any termination or expiration of this Agreement.

14. PERSONAL AGREEMENT:

This Agreement is personal between the Manager and the Company, and neither may sell, assign or transfer any duties, rights or interests created under this Agreement without the prior written consent of the other.

15. ENTIRE AGREEMENT:

This Agreement constitutes the entire agreement and understanding of the parties hereof and no party has entered into this Agreement in reliance upon any representation, warranty or undertaking by or on behalf of any other party which is not expressly set out herein.

16. INTENTION TO BE BOUND:

Each of the parties hereby agrees and confirms for the purposes of the Law of Contract Act (Chapter 23, Laws of Kenya) that he/it has executed this Agreement with the intention of binding himself/itself fully to the contents hereof. No person who is not a party to this Agreement shall be made a party to this Agreement or shall have any right to rely on or enforce any term of this Agreement.

17. VARIATION:

This Agreement shall not be varied or cancelled, unless such variation or cancellation as may be proposed in writing by any party hereto in a notice to all the other parties and shall be expressly agreed in writing by each party which agreement shall not be withheld without good reason.

18. WAIVER:

No waiver by the Manager of any breach of any provision of this Agreement by the Company shall be considered as a waiver of any subsequent breach of the same or any other provision.

19. SEVERABILITY:

If any term or provision in this Agreement shall in whole or in part be held to any extent to be illegal or unenforceable under any enactment or rule of law that term or provision or part thereof shall be deemed not to form part of this Agreement and the enforceability of the remainder of this Agreement shall not be effected.

20. DISPUTE RESOLUTION:

Unless otherwise provided in this Agreement, all claims, disputes, differences and/or questions whatsoever arising under this Agreement, between the parties including the interpretation of rights and liabilities of either party, shall first be subjected to good faith negotiations between the parties. In the event that the negotiations fail, the said claims and disputes will be referred to arbitration in accordance with the provisions of the Arbitration Act of Kenya (Act No. 4 of 1995) by a single arbitrator to be appointed by agreement between the parties or, failing agreement within Fourteen (14) days of notification by either party to the other of the existence of a dispute, claim, difference and/or question to be appointed by the Chairman for the time being of the Chartered Institute of Arbitrators, (Kenya Branch, Nairobi) on the application of either party. Any such arbitration shall take place in Nairobi and shall be conducted in English and in accordance with the Rules of Arbitration of the Institute and the decision of such Arbitrator shall be final and binding on the parties hereto.

21. GOVERNING LAW AND JURISDICTION:

The construction, validity and performance of this Agreement shall be governed by and construed in accordance with the laws of Kenya and the parties hereby submit to the jurisdiction of the Courts of Kenya.

22. MISCELLANEOUS:

- 22.1 Words denoting persons include bodies corporate and unincorporated associations of persons.
- 22.2 Words denoting the singular only shall include the plural and vice versa unless the context otherwise requires.
- 22.3 Any reference in this agreement to “writing” or related expressions includes a reference to cable, facsimile transmission, e-mail or comparable means of communication.
- 22.4 Any reference in this agreement to any provision of a statute shall be construed as a reference to that provision as amended, re-enacted or extended at the relevant time.
- 22.5 The headings in this Agreement are for reference purposes only and do not affect its construction and interpretation.

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SCHEDULE 1

MANAGER'S DUTIES AND SERVICES RENDERED

The Manager shall manage the Property with due diligence and is authorised and responsible on behalf of the Company, for acts which are reasonably necessary for property management, including but not limited to the following:

1. Share of Common Expenses:

- a) Issue invoices and statements for rent to all the tenants on a regular basis (monthly / quarterly).
- b) Collect from all tenants their respective rent and deposit them into the company's bank account.
- c) Ensuring the rent is collected from the tenants by the due date and take appropriate action on defaulters.

2. Payments:

- a) Process payments to suppliers for various products and services.
- b) Ensure utility service providers are paid on time e.g. electricity, water, security, garbage, cleaners, pest control, service contracts for generator and lift etc.
- c) Ensure payment of annual bills like land rent, land rates and insurance are done without any delays.
- d) Maintain an independent client bank account for the company if required to manage collections and payments. A full account of all the transactions of this bank account supported by bank statements and payment vouchers will be provided every month.
- e) We will only make payments that are authorized and within our mandate. Prior approvals will be obtained from the landlord for any payments we are not authorized to make.

3. Administration:

- a) Obtain quotations from reputable insurance companies at least 3 months prior to expiry date of the current cover and review to ensure adequate cover is taken for the property.
- b) Handling all documentation (annual contracts) relating to service providers. The Management Company will also enter into maintenance and service contracts for equipment that will require routine maintenance such as elevator service, generator service, borehole service, etc.
- c) Negotiate best prices with suppliers of various services e.g. security, garbage collection, insurance, diesel for the generator etc.
- d) Develop a set of Rules and Regulations applicable to the tenants.
- e) Take appropriate action against tenants that do not comply with the Rules, Regulations and Policies that have been set by the Management Company.
- f) Prepare Minutes of all meetings.
- g) Preparation of Tenancy Agreements and lease in liaison with the Advocates.
- h) Organize meetings regularly with the landlord to ensure that the property is being run in an appropriate manner and to deal with any matters that may become apparent.
- i) Prepare following documents suitable for the property:
 - i. Rules & Regulations.
 - ii. Duties & Instructions for the Guards and Cleaners.
 - iii. Duties & Instructions for the Letting Agents.

4. On-Site Maintenance and Management:

- a) Supervision of security guards.
- b) Supervision of garbage collectors.
- c) Supervision of cleaners.
- d) Supervision of contractors carrying out their duties in the common areas.
- e) Check general cleanliness.
- f) Reading of common area water and electricity meters and functioning of the borehole.
- g) Ensure routine maintenance of power generators is carried out regularly.
- h) Oversee all routine maintenance of the common areas e.g. Stair Cases, Corridors, Common Area Lighting, Water Points in the Common Area, Common Toilets, etc.
- i) Maintain a log of any repairs or maintenance done on the common areas such as – roof areas, roof water tank area, generator maintenance, fire systems, elevator maintenance, security equipment maintenance, etc.

6. 24 hours a day | 7 days a week:

We can be contacted 24/7/365 for any emergency services required. We are knowledgeable in building maintenance and have an outsourced team of experts who can troubleshoot and attend to any emergency issues.

5. Financial Management:

- a) Maintain a separate client bank account for the property if required, for which a full record will be provided on regular basis.
- b) Accounting and generating management accounts and reports on a regular basis. These reports comprise of Trial Balance, Profit & Loss Account, Balance Sheet, General Ledger, Debtor's Ledger, Debtor's List, Creditor's Ledger and Creditor's List.
- c) Payroll management.
- d) Preparation of annual budget and cash flow management.
- e) Liaise with the Company Auditors & Taxation Agents.
- f) Submission of various statutory like NSSF, NHIF, Withholding Tax and PAYE on iTax and generate PRN to make payments.
- g) Liaise with Company Secretary (CPS) for submission of Annual Return and any changes of directors and shareholders.
- h) We will inform the landlord of any discrepancies or disputes relating to bills as soon as they are discovered and well before payments are due.

All receipts collected for the tenants will be directly deposited into the bank accounts stated below:

BANK DETAILS:

Bank Name: DIAMOND TRUST BANK

A/C Number: 0030309017

Bank Branch: OTC BRANCH

Branch Code: 031

Within 30 days of executing this Agreement, the Company shall advise the Manager in writing of all expenses and financial commitments that the Company would like the Manager to pay on the Company's behalf with the collected rental proceeds. Also provide all the documents necessary for the Manager to commence working on the immediate management tasks.

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IN WITNESS WHEREOF the parties have duly executed this Agreement.

SEALED with the Common Seal of the **COMPANY**

DVD INVESTMENTS LIMITED

In the presence of:

Director: _____ (Signature)

Sanjay Velji Shah

Director: _____ (Signature)

Alpesh Velji Shah

SEALED with the Common Seal of the **MANAGER**

APRICOT PROPERTY SOLUTIONS LIMITED

In the presence of:

Director: _____ (Signature)

Anjay R. Shah

Director: _____ (Signature)

Veeral K. Shah