

## PROPERTY MANAGEMENT AGREEMENT

**THIS PROPERTY MANAGEMENT AGREEMENT** is made on **21<sup>st</sup> January 2022**

### PARTIES

**IL RIFUGIO LIMITED**, a limited liability company whose registered office is at Turnpike House, 1208/1210 London Road, Leigh-on-Sea, England SS9 2UA, incorporated in England and Wales with company registration number 10251617 (the "**Company**").

### AND

**PINELLI PROPERTY MANAGEMENT SRLS**, whose registered office is at Via A.Vitolo, 33/bis, Roccadaspide 84069, incorporated in Italy with company registration number 06062190654 (the "**Property Manager**").

### BACKGROUND

- A. The Company wishes to appoint the Property Manager to carry out the Services under the terms and conditions of this Agreement in return for the payment of fees subject to the provisions of this Agreement.
- B. The Services shall be performed by the Property Manager during the Term.

### THE PARTIES AGREE:

#### 1. Definitions and interpretation

##### 1.1. Definitions

In this Agreement unless the context otherwise requires:

**Additional Services** means any and all additional services which the Company may from time to time Instruct the Property Manager to perform, which are not routine, maintenance related, or part of the normal activity and Services provided by the Property Manager at the Property. Further particulars are provided in clause 6.

**Bribery Laws** means the Bribery Act 2010 and any similar or equivalent legislation in any other relevant jurisdiction;

**Control** means in relation to a specified person the possession directly or indirectly whether through the ownership of voting securities by contract or otherwise (including by being the general partner, an officer, or a director of the specified person) of the power both to:

- (a) direct or cause the direction of the management and policies of the specified person; and
- (b) conduct the day-to-day business operations of the specified person,

and a person(s) shall be deemed to direct or cause the direction of the management and policies of the specified person if the consent or approval of such person shall be required with respect to major decisions concerning the specified person;

<b>Event of insolvency</b>	<p>means in relation to a party:</p> <ul style="list-style-type: none"> <li>(a) it being deemed unable to pay its debts as defined in section 123 of the IA 1986;</li> <li>(b) an administration order being made under Part II of the IA 1986;</li> <li>(c) a receiver or manager (including an administrative receiver) being appointed over any property of the Property Manager;</li> <li>(d) an order being made or resolution being passed for its winding-up or an order being made for the winding-up of the Property Manager under Part IV of the IA 1986 or for voluntary winding-up (other than a members' voluntary winding-up which is for the sole purpose of amalgamation and reconstruction while solvent);</li> <li>(e) a provisional liquidator being appointed under section 135 of the IA 1986;</li> <li>(f) a proposal being made for a scheme of arrangement under section 1 of the IA 1986;</li> <li>(g) an administrative receiver being appointed over the whole or any part of the property or assets of the Property Manager or any mortgagee taking possession of such property or assets,</li> </ul> <p>and if a party is resident in a jurisdiction other than England or Wales the various references in this definition shall be deemed to relate to analogous proceedings or events applying in such jurisdiction;</p>
<b>Fractional Owner(s)</b>	means a holder of a share or share(s) in the Company ;
<b>IA 1986</b>	means the Insolvency Act 1986;
<b>Management Account</b>	means an account for the receipt and payment of all monies properly incurred in the management and running of the Property and the performance of the Services/ Additional Services to be set up and maintained by the Property Manager in accordance with clause 6 of Schedule 1;
<b>Management Fee</b>	the fee payable by the Company for administration services. The Management Fee for 2022 is 7,875 euros and is included in the Service Charge.
<b>Occupation</b>	means the occupation by a Fractional Owner or their authorised guests at the Property pursuant to the Rules and Regulation

<b>Property</b>	means the land and buildings known as <b>Il Rifugio, Via Campanina 75, Ogliastro Cilento, Agropoli 84043, SA Italia</b> , and a reference to the Property is to the whole or any party of it as the circumstances may require;
<b>Property Manager</b>	means Pinelli Property Management srls.
<b>Rules and Regulations</b>	means the rules and regulations of the Company relating to the use of the Property by the Fractional Owners from time to time in force;
<b>Service Charge</b>	means the aggregate annual charge for the Services in each Year based on the budgeted cost of providing those Services, payable by the Fractional Owners.
<b>Service Charge Budget</b>	has the meaning given in paragraph 5.2 of Schedule 1
<b>Services</b>	means the services as described in Schedule 1 and Schedule 2 together with such other property Services as would reasonably be expected of a skilled and appropriately experienced property manager, including, inter alia, the annual services of redecoration, internally or externally, or servicing of any plant or equipment as part of the day-to-day management;
<b>Statutory Requirements</b>	means any legislation insofar as they relate to or affect the Services and/or the Property;
<b>Sub-contractor</b>	any sub-contractors carrying out material works at the Property;
<b>Term</b>	means the twelve-month period commencing on the date of this Agreement and ending on the date that this Agreement is determined by the parties or either of them in accordance with its terms;
<b>TUPE</b>	means the Transfer of Undertakings (Protection of Employment) Regulations 2006 as updated and amended from time to time or any equivalent legislation or regulations in any jurisdiction relevant to the provision of the Services;
<b>I.V.A.</b>	means Italian value added tax payable of the or any similar or equivalent tax levied in addition to or by way of replacement for VAT in any jurisdiction relevant to the provision of the Services;
<b>Working Day</b>	means any day on which the clearing banks in the City of London are open during banking hours and <b>Working Days</b> shall have the same corresponding meaning;
<b>Year</b>	means a calendar year from 1 January to 31 December (both dates inclusive); and
<b>Yearly Reporting Date</b>	means 30 November in each calendar year.

## 1.2. interpretation

In this Agreement unless the context otherwise requires:

- (a) the clause headings are inserted for convenience only and shall not affect the construction of this Agreement and all references to clauses, paragraphs or Schedules are (unless otherwise expressly stated to clauses, paragraphs of and Schedules to this Agreement;
- (b) the Schedules to this Agreement are intended to be an integral part of this Agreement;
- (c) an obligation to do any act includes an obligation to procure that it is done;
- (d) an obligation not to do something includes an obligation not to cause or allow that thing to be done;
- (e) the words 'include', 'includes' and 'including' are deemed to be followed by the words 'without limitation';
- (f) a reference to legislation (including subordinate legislation) is to that legislation as extended, amended, modified, consolidates, or re-enacted from time to time and includes any instrument, order, regulation, permission, content, licence, notice, direction, byelaw, statutory guidance or code of practice made or granted under such legislation (including rules, regulations and byelaws of any Competent Authority) and includes EU directives and regulations having effect within the UK;
- (g) indemnify means to indemnify against all actions, claims, demands and proceedings taken or made against the Company and all costs, damages, expenses, liabilities and losses incurred by the Company;
- (h) references to the Property Manager and the Property Manager's covenants and obligations bind any person under the Property Manager's control, including its employees, agents and sub-contractors;
- (i) any reference to the obtaining of an approval, consent or instructions from the Company shall mean an approval, consent or instructions in writing signed by a director of the Company or other representative of the Company from time to time designated by it for the purpose. No enquiry, inspection, approval, sanction, consent or instruction at any time made or given by or on behalf of the Company shall operate to exclude or limit the Property Manager's obligation to exercise the standard of skill and care required by this Agreement;
- U) where under this Agreement an act is required to be done within a specified period of days after or from a specified date the period shall begin immediately after that date and shall exclude any day which is not a Working Day;
- (k) any consent or approval required under the terms of this Agreement is to be effective only if the consent or approval is given in writing;
- (l) where the Property Manager comprises a firm or partnership, the liability of the proprietors of such firm or partnership shall be joint and several; and
- (ml) words in the singular include the plural and in the plural include the singular.

## 2. Appointment

- 2.1. The Property Manager's appointment and therefore this Agreement is effective from the date of this Agreement.
- 2.2. The Property Manager shall perform the Services in addition to the obligations set out in this Agreement in relation to the Property throughout the Term.
- 2.3. The Property Manager shall be permitted to appoint persons other than direct employees of The Property Manager to carry out the Services and/or Additional Services. At the time of this Agreement these persons are Angela Di Giovanni and Max Doory and any such persons the Property Manager deems useful (the "**Designated Persons**").
- 2.4. The Property Manager is and shall be liable for any and all acts and/or omissions of the Designated Persons which may be reasonably considered detrimental to the Property and/or the Company in any

way. Moreover, as agents of The Property Manager, insurance for the Designated Persons shall be provided by The Property Manager.

- 2.5. The Property Manager shall be an independent contractor for the performance of the Services. Neither the Property Manager, the Designated Persons nor its employees shall be deemed to be the servants, agents or employees of the Company.

### **3. Property Manager's General Obligations**

- 3.1. The Property Manager shall provide the Services and comply with the obligations set out in this Agreement regularly and in an efficient and cost-effective manner. If the Property Manager is prevented or delayed in the performance of the whole or any part of the Services because of any negligence, non-performance or other default by its employees, agents and any other third party then the Property Manager shall immediately notify the Company and use its reasonable endeavours to resume and expedite the performance of the Services so as to complete the same with all possible speed, all the while keeping the Company duly informed. Should such event occur and remain ongoing, any unpaid or due Service Charge shall only become payable at a later date when the Services that were agreed have been completed, and the Completion of the Services.
- 3.2. The Property Manager shall devote sufficient resources to the prompt provision of the Services and ensure the proper supervision of any of its employees and agents engaged from time to time in the provision of the Services.
- 3.3. Except as provided in this Agreement the Property Manager shall not implement any variation to the Services or engage any additional resources to carry out the Services without a written instruction from the Company to do so.
- 3.4. The Property Manager shall perform the Services and comply with the obligations set out this Agreement in such a manner and at such times that no act, omission or default of the Property Manager in relation to those obligations shall constitute, cause or contribute to any breach by the Company of any such obligations.
- 3.5. The Property Manager shall:
- 3.5.1. act in a proper and reasonable manner and in the best interests of the Company having regard to principles of good property management;
  - 3.5.2. inform the Company immediately upon becoming aware of any matter of a material nature which affects the Property or affects the Company's liability in respect of the Property;
  - 3.5.3. the Property Manager shall operate a multipurpose bank account in Italy at BCC Aquara, Roccadaspide, but have given assurances that all transactions relating to the management of Il Rifugio will be recorded separately, and such records will be available on request.
  - 3.5.4. set-up operate and maintain a Management Account and keep the Company informed in accordance with the Articles about such accounts;
  - 3.5.5. retain all paper books of account and all supporting invoices, vouchers, receipts and any other documents or correspondence relevant to the Property (including all contract documents, details of all contractors and all other persons employed or engaged at any time in connection with the Property);
  - 3.5.6. notify the Company immediately on becoming aware in the event that a petition for an administration order is presented in respect of the Property Manager or an Event of Insolvency arises in relation to the Property Manager;
  - 3.5.7. ensure that all subcontractors have and maintain an appropriate third-party liability insurance and this to be checked by the Property Manager to ensure validity;
  - 3.5.8. have its own appropriate third-party liability cover covering the Services and all of its employees and will provide to the Company a certificate of insurance/schedule as evidence of its validity;
  - 3.5.9. perform its duties in co-operation with the Company and the Fractional Owners and each of their respective representatives, employees and agents;
  - 3.5.10. in relation to any third-party sub-contractor:

- use reasonable skill and care in their selection;
  - in the appointment document permit termination of the appointment immediately if this Agreement is terminated without liability on the part of the Company; and
  - ensure that the sub-contractors have and maintain appropriate professional indemnity and third-party liability insurance.
- 3.5.11 the Property Manager shall ensure that the property is not used or occupied for any purpose other than for the benefits of the fractional owners or their authorised guests and visitors.
- 3.5.12 the Property Manager shall inform the Treasurer of The Company as soon as is reasonably practicable of any increases in overheads likely to impact the annual budget.
- 3.6. The Property Manager shall be liable for any acts and/or omissions which result in loss and/or damage to the Company and/or Property during the course of undertaking the Services, caused by any acts and/or omissions of itself, its employees as well as third party contractors.

#### **4. Authority of the Property Manager**

- 4.1. In providing the Services and complying with the obligations set out in this Agreement the Property Manager shall except as stated otherwise have the authority to act on behalf of the Company to take such actions as are expressly authorised by this Agreement and to incur expenditure in providing the Services and complying with the obligations set out this Agreement but not further or otherwise.

The Property Manager is authorised in carrying out the Services to incur expenditure as follows in the name of the Company:

- 4.1.1.1 in each Year following prior written approval by the Company of the Service Charge Budget all expenditure in line with that Service Charge Budget; and
- 4.1.2 all such reasonable and necessary costs and expenses in providing the Additional Services (if any) not included in the Service Charge Budget for the Year in question
- 4.1.3 Where any contracts, deeds or liabilities authorised by this Agreement are to be entered into in connection with the Property then except where provided otherwise under this Agreement such contracts or liabilities shall be entered into in the name of the Company and not in the name of the Property Manager unless previously approved by the Company.
- 4.1.4 In the event that the Company raises any concerns with regard to expenditure of any kind, until this is resolved the Property Manager shall seek the approval of the Company before incurring any further costs at the Company's expense.
- 4.1.5 In carrying out the Services and complying with the obligations set out this Agreement the Property Manager shall not do the following without the Company's prior written approval:
- authorise any material alteration to the Property (including the use of the Property)
  - authorise anything which would or is likely to materially increase expenditure at the Property
  - anything to reduce the open market value of the Property;
  - directly or indirectly compromise compound or abandon any action, right or remedy in connection with the Property to which the Company is entitled;
  - purport to create any charges or other security of the Property and/or assets of the Company and any documents relating to the Property (including modification, compromise, discharge, release or redemption of such charges or other security);
  - provide any guarantee or indemnity on the part of the Company;
  - enter into any contract pursuant to this Agreement for a period exceeding 12 months;
  - enter into any contract, agreement or transaction or other arrangement on the part of the Company except in the normal course of business and then only on an arm's length commercial basis;
  - purport to grant a power of attorney on the part of the Company
  - conduct or settle any material insurance claim relating to the Property and/or Property;
  - commence or settle any material claim or litigation proceedings (including arbitration, mediation and expert determination) relating to the Property.

In the event that the Company's approval is required to permit any of the matters set out in clause 4.1.5. the Property Manager shall provide a written reason why such matter should be permitted and drafts of any proposed documents to which the matter relates.

- 4.1.6 The Property Manager shall be permitted to take precautionary steps and/or incur emergency expenditure in respect of the Services to protect the Property without the approval of the Company if in the reasonable opinion of the Property Manager such reasonable actions are necessary to

correct any matter that threatens loss of life, serious personal injury or property damage or the matter breaches an applicable law or regulation.

4.1.7 The Property Manager shall be permitted to take precautionary steps and/or incur emergency expenditure in respect of the Services to protect the Property without the approval of the Company if in the reasonable opinion of the Property Manager:

- such reasonable actions are necessary to correct any matter that threatens loss of life, serious personal injury or property damage or the matter breaches an applicable law or regulation; and
- given the emergency nature which has arisen it would not be reasonably prudent to seek the Company's approval to such action and/or expenditure.

## 5. Fee and Invoicing.

- 5.1 Subject to clause 5.2 the Management Fee in consideration of administering the Services pursuant to this Agreement shall be a sum of a fixed fee of €7,875 plus iva, for 2022. The Management Fee shall be included in the Service Charge in respect of the Year in question and payable in 2022 at the rate of €1,875 in each of Q1 and Q2 and €4125 in Q3.
- 5.2 The Management Fee set out in clause 5.1 does not relate to the provision of the Additional Services which are to be charged to the Company in addition in accordance with clause 6. Nor does it relate to any labour hours worked at the property.
- 5.3 To the extent that sums are paid by the Fractional Owners on account, the **total annual Service Charge for 2022 is set at a budget by the Company of €50,000** (plus any Additional Services). The Property Manager shall invoice each of the **10** maximum Fractional Owners an equal amount of the annual budgeted per share held by them as follows:
- 5.3.1 By three annual payments to be paid by bank transfer;
- 5.3.2 The first of €1,250 by 14<sup>th</sup> January 2022 [inclusive of the Management Fee of €196.88 plus iva];
- 5.3.3 The second of €1,250 by 14<sup>th</sup> April 2022 [inclusive of the Management Fee of €196.88 plus iva];
- 5.3.4 The third of €2,500 by 14<sup>th</sup> July 2022 [inclusive of the Management Fee of €393.76 plus iva]; and
- 5.3.5 The Property Manager undertakes to invoice Fractional Owners 14 days prior to each due date (1<sup>st</sup> January; 1<sup>st</sup> April and 1<sup>st</sup> July).
- 5.5 The Property Manager shall be entitled to levy a late payment fee as shown in clause 11 of any sums not received by the due date as described in clause 5.3 above. In the event that The Property Manager does not receive monies due from any Fractional Owner as laid out in clauses 5.1/5.2/5.3, then The Property Manager reserves the right to advise the Company accordingly and withdraw all services during the use or occupation of the relevant Fractional Owner not having paid.
- 5.6 I.V.A. shall be charged upon the invoicing of the Fees where it is applicable.
- 5.7 The Property Manager shall invoice for the Service Charge and the Management Fee in accordance with article 31.2 of the Company's Articles of Association.
- 5.8 Any administration and non-manual labour carried out by the Designated Persons in respect of the Services shall fall within the scope of the Management Fee. In the event of the Designated Persons being required to carry out Additional Services they shall be charged to the Company at the same hourly rate agreed for general maintenance services.

## **6. Additional Services**

- 6.1.** The Property Manager shall notify the Company in writing of any Additional Services required and, if practicable, seek the Company's written consent to such Additional Services prior to commencing their performance. If the Company by express written instruction requires the Property Manager to perform any Additional Services the amount and timing of any fee for Additional Services shall be agreed between the parties or in the absence of such agreement assessed by the Company on a fair and reasonable basis having regard to any estimates submitted by the Property Manager. With regard to expenditure, all expenditure incurred in relation to Additional Services shall be agreed between the Property Manager and the Company in advance. The Property Manager will endeavor to obtain 3 alternative estimates for the company's consideration where estimates for additional services exceed €500. The Property Manager shall clearly show in all estimates the supervision or project management cost and expense of the Property Manager in each estimate reparation and eventual execution of any works as approved by the Company.
- 6.2.** Changes to the check-in and checkout times as laid down in the Rules and Regulations of the Company. Should any Fractional Owner of the Company request a check-in on an alternate day and not a Saturday then this will attract an additional charge of €75.00 should the attendance of the Management Company be necessary to facilitate this change. Notwithstanding the terms of this clause any changes to check in/out times are the personal responsibility of the Fractional Owner requesting the change and not the Company. The Company shall have no liability for any payments due nor for any issues arising from the change in dates or times.
- 6.3.** The Property Manager shall not perform any Additional Services until the fee for the Additional Services is agreed or assessed by the Company, unless deemed an emergency or essential service, repair or renewal.
- 6.4.** Unless otherwise agreed by the Company fees (at the rate set out in clause 5.1) in respect of Additional Services shall be added to the Service Charges payable
- 6.5.** The Property Manager shall not be entitled to additional remuneration for performing Additional Services where and to the extent that such Additional Services were necessitated in whole or in part by any negligence, omission, or default on the part of the Property Manager
- 6.6.** Any Fees for the procurement and management of such Additional Services shall be agreed in advance between the Property Manager and the Company. Unless otherwise agreed by the Parties, they will be understood to be provided free as part of the Services.

## **7. Indemnity**

- 7.1.** The Property Manager shall be liable for and shall indemnify the Company in respect of injury or damage to any property or in respect of any personal injury to or the death of any person. Such indemnity shall apply in so far as such injury or damage arises out of or in the course of or by reason of the performance of the Services to the extent that the same is due to any breach of this Agreement or any negligence, misconduct, omission, fraud or the default of the Property Manager, its employees, agents or sub-contractors.

## **8. Property Manager's Personnel**

- 8.1.** The Company may request the removal of any person engaged in the performance of the Services if in the Company's reasonable opinion such person's performance is not satisfactory having regard to the Property Manager's obligations under this Agreement. The Property Manager is to promptly replace such a person with another person approved by the Company.
- 8.2.** The Property Manager agrees and warrants that none of its employees, agents, contractors or other workers will transfer by operation of TUPE and in the event that TUPE applies the Property Manager shall indemnify the Company and keep it indemnified resulting from TUPE applying.

## **9. Obligations of the Company**

- 9.1.** During the Term the Company grants irrevocable and non-exclusive permission to the Property Manager to enter the Property for the purpose of carrying out the Services. If so requested by the Property Manager the Company shall supply to the Property Manager without charge all necessary data and information relevant to the Property in the possession of the Company or its employees, agents or sub-contractors or which may only be obtained by the Company for the purpose of providing the Services. Subject to the Company's written consent as provided in this Agreement the Company is to sign or execute all deeds or documents relating to the Property necessary to enable the Property Manager to carry out the Services.



## **10. Copyright and Confidentiality**

- 10.1.** The Property Manager warrants to the Company that in the performance of the Services it will not (and will procure that none of its employees, agents or sub-contractors will) knowingly infringe any copyright or other intellectual property or design rights or copy wholly or substantially the work or designs of any third party.
- 10.2.** The Property Manager shall be liable to and indemnify the Company against any and all costs, claims, fees, damages, losses or expenses which the Company suffers or incurs:
- 10.3.** by reason of any infringement of copyright, intellectual property or design rights by the Property Manager, its employees, agents or sub-contractors;
- 10.4.** in the event that the rights granted by the Property Manager pursuant to this clause 10 are at any time determined by a court of law to be invalid, ineffective or impaired in any way.
- 10.5.** Except to the extent required by law or where such matters are already within the public domain or where strictly necessary for the proper performance of the Services the Property Manager shall keep confidential and not without the prior written approval of the Company disclose to any person or make use of any information of a confidential nature relating to the Company, the Fractional Owners, the Property, the Services or this Agreement.
- 10.6.** The Property Manager shall not make any press announcement in relation to the Services and Property except with the Company's prior written approval. Nor use the property for any promotional purposes without the prior consent of the company.

## **11. Interest**

- 11.1.** If either party fails to make payment in accordance with this Agreement the other party shall be entitled in addition to any unpaid amount that should properly have been paid to simple interest on that amount from the final date for payment until the date of actual payment. Such interest is to be calculated at a daily rate of 5% per annum from the date the payment became overdue.
- 11.2.** It is agreed that the provisions of this clause 11 constitute a substantial remedy for the purposes of the Late Payment of Commercial Debts (Interest) Act 1998, s 9(1).

## **12. Termination**

- 12.1.** Unless otherwise agreed in writing between the parties, this Agreement will end on the last day of the Term.
- 12.2.** Each party (Non-defaulting Party) shall have the right to terminate this Agreement immediately:
- in the event of material breach by the other party (Defaulting Party) of this Agreement and the Defaulting Party has not remedied in all material respects the breach after notice from the Non-defaulting Party allowing it a reasonable time to do so;
  - in the event that the Defaulting Party commits a breach of its obligations under this Agreement which is incapable of being remedied;
  - if the Defaulting Party has committed breaches of this Agreement which are individually or cumulatively of such seriousness as to permit the Non-Defaulting Party to treat this Agreement as repudiated by such breaches
  - the Company sells or disposes of the Property;
  - where there is an Event of Insolvency in relation to the Defaulting Party.
- 12.3.** The Company may terminate this Agreement for convenience upon giving to the Property Manager not less than 30 (thirty) days' prior written notice.

## **13. Consequences of Termination**

- 13.1.** If the Property Manager's engagement is terminated for any reason the Property Manager shall if instructed:

- take such steps as may be necessary to handover to the Company or any successor property management agent appointed by the Company all aspects of the management of the Property which form part of the Property Manager's responsibilities under this Agreement and co-operate and assist fully the Company and the relevant successor;
- for a reasonable period after termination complete any matters in progress at the time of termination (including Service Charge reconciliations and action to recover arrears).

**13.2.** Within 30 Working Days after termination of this Agreement the Property Manager shall:

- provide to the Company a statement of account showing in respect of the Property all receipts and expenditure in and out of the Management Account and Sinking Fund Account from the date the preceding sets of accounts were prepared;
- subject to clause 13.3 to account to the Company for the credit balances if any on the Company's Account, Management Account and Sinking Fund Account subject to the right for the Property Manager to set any credit balance on the Company's Account against any debit balance properly payable on the Management Account.

**13.3.** Following the termination of the Property Manager's engagement under this Agreement for any reason (subject to any set-offs or deductions the Company may be entitled properly to make as a result of any negligence, default or breach of this Agreement by the Property Manager) the Company shall pay to the Property Manager in full and final settlement of any claim which the Property Manager may have within 20 Working Days after the receipt by the Company of the statements of account under clause 13.2 any payments which are due to the Property Manager for the Services which have been properly performed up to the date of termination less any amounts previously paid to the Property Manager. Such payment shall be applied for and made in accordance with and shall be subject always to the provisions of clause 5.

**13.4.** Subject to clause 13.3 termination of the Property Manager's engagement under this Agreement shall be without prejudice to the rights and remedies of the Company and the Property Manager in relation to any negligence, default or breach of contract of the other prior to such termination.

**13.5.** The termination of this Agreement will not affect the continuance of the obligation of confidentiality contained in clause 10.

#### **14. Assignment and Sub-Contracting**

**14.1.** The Company shall be permitted to assign, charge or otherwise deal with the whole or part of its interest in this Agreement without the approval of the Property Manager but will provide 30 days notice to the Property Manager of its intent to so assign, charge or otherwise deal with the whole or part of its interest

**14.2.** The Property Manager shall not assign, charge or otherwise deal part or whole of its interest in this Agreement or its duties whether in whole or in part without the approval of the Company.

#### **15. Limitation of Liability**

**15.1.** No actions or proceedings for any breach of this Agreement shall be commenced by either party after the expiry of 5 (five) years from the end of the Term or sooner termination of this Agreement or such earlier date as may be prescribed by law.

**15.2.** Any owner or guest of an owner in residence shall be responsible for the safekeeping and security of their personal possessions and valuables during their occupation of the property and are reminded to make use of the secure and lockable wall safe installed at the property.

#### **16. Anti-Bribery**

**16.1.** The Property Manager shall comply with applicable Bribery Laws including ensuring that it has in place adequate procedures to ensure compliance with the Bribery Laws and use all reasonable endeavours to ensure that it complies with any internal bribery policies of the Company relating to the prevention of bribery and corruption (as updated from time to time) and shall use all reasonable endeavours to ensure that all of the Property Manager's personnel, sub-contractors and any others associated with the Property Manager involved in performing the Services or with this Agreement so comply. The expression 'adequate procedures' shall be construed in accordance with the Bribery Act 2010 and documents published under it.

**16.2.** Without limitation to clause 16.1 the Property Manager shall not make or receive any bribe (as defined in the Bribery Act 2010) or other improper payment or allow any such to be made or received on its behalf either in the United Kingdom or elsewhere and will implement and maintain adequate procedures to ensure that such bribes or payments are not made or received directly or indirectly on its behalf.

**17. Notices**

**17.1.** Any notice or communication given or made in accordance with this Agreement (a 'Notice') shall be in writing and shall (except as otherwise agreed) be deemed to be properly given if delivered in accordance with clause 17.2 to the addresses of the parties shown in this Agreement or such other address as either party may from time to time notify to the other in writing.

**17.2.** A Notice may be delivered by hand, sent by pre-paid first class mail or by email. A Notice delivered by hand shall be deemed to have been received when delivered. A Notice sent by mail shall be deemed to have been received 2 Working Days after posting provided that it is not returned through the post office undelivered. A Notice sent by email shall be deemed to have been received on receipt of a delivery return mail from the correct address

**18. VAT/IVA**

**18.1.** Each amount stated to be payable by either party to the other under this Agreement is exclusive of IVA, which, when applicable, shall be additionally payable by the relevant Fractional Owner or the Company, as the case may be.

**18.2. No Partnership and Good Faith**

**18.3.** Nothing in this Agreement is intended to or shall be deemed as to establish any partnership, employment or joint venture between the Company and the Property Manager nor make either party the agent of the other but the parties shall owe a duty of good faith to the other in the carrying out of the obligations set out in this Agreement.

**18.4.** During the Term, the Property Manager shall not engage in any activities which may reasonably be considered to harm, directly or indirectly, the Property, The Company or its shareholders.

**19. Contracts (Rights of Third Parties) Act 1999**

**19.1.** Nothing in this Agreement confers or purports to confer on any third party any benefit or right to enforce any term of the Agreement which would not have existed but for the Contracts (Rights of Third Parties) Act 1999.

**20. Variations**

**20.1.** Any variation or amendment to the terms of this Agreement after the date of this Agreement shall be effective only if made in writing and signed by both the parties to this Agreement.

**21. Entire Agreement**

**21.1.** This Agreement represents the entire agreement between the parties and supersedes any previous negotiations or correspondence between them in relation to the Services.

**22. Severability**

**22.1.** If any term or condition of this Agreement is for any reason held to be illegal, invalid, ineffective, inoperable or otherwise unenforceable:

- it shall be severed and deemed to be deleted from the Agreement and the validity and enforceability of the remainder of this Agreement shall not be affected or impaired;
- however would not be so if some part of it were deleted the term or condition shall apply with such modifications as may be necessary to make it enforceable.

**23. Governing Law**

**23.1.** This Agreement shall be governed by and construed in accordance with the laws of England and Wales law and the Courts of England and Wales shall have exclusive jurisdiction over any dispute or proceedings which may arise.

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## SCHEDULE 1 - SERVICES

### 1. General Management

- 1.1. The property Manager shall ensure the following services are administered in the performance of this Agreement and in a manner set out in clause 3.1..
- 1.2. The Property Manager shall:
  - 1.2.1 when so requested arrange for the placement of each Fractional Owner's personal furniture and effects in the Property at the commencement of that Fractional Owner's Occupation, and the removal and safe and secure storage of the same at the end of such period of Occupation. Such storage comprises (per share in the Company) a separate lockable cage in at the Property and the Property Manager will provide each Fractional Owner with a lock to his personal lockable cage
  - 1.2.2 deal with and carry out all property management and regular and ongoing maintenance matters relating to the Property including all aspects of proper maintenance of the dwelling house, its utility and drainage services, all electrical goods (fixed or portable), heating and air conditioning systems, wood burning stoves, swimming pool, electrical or mechanical tools and equipment
  - 1.2.3 carry out, or procure the dealing with and carrying out, of all landscape gardening and land maintenance at the Property, including the husbandry of any olive or grape or other crops and the production of any olive oil or wine from the same and make available to the Fractional Owners the resulting consumable produce in such manner as approved in writing by the Company.
  - 1.2.4 report to and advise the Company in relation to and arrange renewals of and repairs to furniture, furnishings, glassware, crockery, and general decoration of the Property both internally and externally;
  - 1.2.5 organise the provision of and (subject to receipt of sufficient monies) payment for all services in connection with the Property including utility charges, rates, all repairs and services, payments to contractors working in relation to the Property and other outgoings. Such payments shall be made in a timely manner and reviewed and queried if appropriate; The Company shall have no liability otherwise for failure by the Property Manager to settle payments in a timely manner.
  - 1.2.6 deal with the preparation and distribution of invoices relating to the Service Charge and any Additional Services to the Fractional Owners at the Company's direction (subject always to receipt from the Company of up to date postal and email addresses for the Fractional Owners). Each Fractional Owner shall be invoiced that proportion of the Service Charge and Additional Services as is equal to the percentage that that Fractional Owner's share(s) in the Company bears to the entire issued share capital of the Company;
  - 1.2.7 subject to clause 5.3.4., collect monies due from the Fractional Owners;
  - 1.2.8 supervise all staff working in the Property including contractors, building suppliers and engineers; and comply with any and all infectious disease protocols that may exist from time to time.
  - 1.2.9 not commence any legal proceedings or legal process relating to the Property without the approval of the Company;
  - 1.2.10 ensure the Property is thoroughly secure and arrange and manage all security for the Property as approved by the Company; and
  - 1.2.11 deal with all correspondence relating to the day-to-day management of the Property and provide the Company with copies of all notices and material correspondence relating to the Property or the Company's liabilities and seek and implement the Company's instructions in relation to the same.
  - 1.2.12 The arrangement, management, and supervision of Cleaning, Linen and Laundry services as defined in the attached Schedule 2 at the beginning of each Fractional Owner's (or their authorised guests) period of occupation, and weekly thereafter (except during periods of unoccupancy) or at other times by agreement. The labour cost of cleaners shall be at the expense of each Fractional Owner and payable by each Fractional Owner
  - 1.2.13 During any period/s of unoccupancy by Fractional Owners the Property Manager shall visit the property at least one in every 7 days (more often during inclement weather)

## 2. Staffing Requirements

Any on-site staff are to be employed or engaged by the Property Manager or an associated service company of the Property Manager and not by the Company. The Property Manager alone is to be responsible for paying all fees and salaries, pension contributions, National Insurance Contributions (or equivalent), administration and any other payments relating to their employment or engagement or the termination of their employment or engagement including redundancy, wrongful or unfair dismissal and discrimination

## 3. Valuation

The Property Manager is at the cost of the Company to carry out such other valuations of the Property as the Company may from time to time require.

## 4. Record Keeping

- 4.1 The Property Manager is to maintain and keep up to date records relating to the Company and the Property including:
- 4.1.1 full records of Service Charge accounts, expenditure and receipts, details of the services provided and the providers of those services;
  - 4.1.2 copies of all insurance contracts and schedules for the Property and any plant, machinery and equipment forming part of the Property, as well as employees of the Property Manager and third-party sub-contractors;
  - 4.1.3 copies of all contracts of employment relating to staff employed at the Property where applicable;
  - 4.1.4 copies of all maintenance agreements and other contracts for the provision of services within or to the Property;
  - 4.1.5 copies of all inspection certificates that are required to be kept in relation to any plant, machinery and equipment forming part of the Property;
  - 4.1.6 originals of the invoices relating to the receipts and outgoings in respect of the Property for a period of not less than six years or for such longer period as may be in accordance with good accounting practice from time to time or be required by law;
- 4.2 The Property Manager is to provide on request all original and copy documents and records in respect of the Property as may be required by the Company, any auditor of the Company or any legal or other professional advisor or any regulatory or governmental body.
- 4.3 Where the records referred to in paragraph 4.1 above or any part of it is kept in computerised form, the Property Manager shall, upon reasonable written request by the Company, provide print-outs of the information stored on its computer system together with a copy of the relevant data on computer disk in a format which can be accessed by the Company or the person requiring the data.

## 5. Reporting to the Company

- 5.1 On or prior to each Yearly Reporting Date the Property Manager is to provide the Company with a report on the Property in respect of the then current Year (**Annual Report**) containing the following details:
- 5.2 the projected budget for the Service Charge for the following Year (**Service Charge Budget**) in consultation with the Company Treasurer;
  - 5.3 the Service Charge accounts for the previous Year (being the Year prior to the then current Year) relating to the expenses of the Property and the Company;
  - 5.4 the proposed Service Charge to be paid by the Fractional Owners for the following Year;
  - 5.5 a summary of all material aspects of the Property which relate to the performance of the Services;
  - 5.6 all sums actually received from each Fractional Owner on account of the Service Charge, or otherwise;
  - 5.7 all sums due from the Fractional Owners and unpaid at the date of the report together with details of steps being taken to recover the same;

- 5.8 any sums paid to the Company and all other moneys held by the Property Manager which are due to be paid to the Company;
- 5.9 a statement of all expenditure paid or expected to be paid by the Property Manager in the performance of the Services not included in the Service Charge which cannot be recovered from any third party;
- 5.10 a statement of the sums required from the Company under clause 6 of this Schedule;
- 5.11 a report on any ongoing or planned refurbishment works or material repairs to the Property;
- 5.12 copies of any material notices or correspondence affecting the Property.

## **6. Accounts**

- 6.1 The Property Manager is to ensure that the bank with whom the Company's Account is maintained acknowledges that the credit balance from time to time on that account does not belong to the Property Manager.
- 6.2 all moneys received by the Property Manager in respect of the Property are to be paid as follows, all:
  - 6.3 sums paid which belong to the Company or are paid in respect of costs incurred by the Company are to be paid into the Company's Account;
  - 6.4 sums paid in respect of the Service Charge excluding any contributions to sinking funds are to be paid into the Management Account;
  - 6.5 other sums paid in respect of costs incurred to be incurred by the Property Manager are to be paid into the Management Account; and
- 6.6 All sums to be paid by the Property Manager are to be paid as follows:
  - 6.7 sums payable in respect of the provision of services, disbursements, fees, rates and other outgoings in respect of the Property or the performance of the Services are to be paid from the Management Account;
  - 6.8 In respect of any expenditure to be made from the Management Account that is not recoverable from the Fractional Owners by way of Service Charge or otherwise the Company is at the reasonable request of the Property Manager to credit to the Management Account with such sums as are necessary to ensure that there are sufficient moneys in the Management Account to meet the expenditure to be drawn on that account.

## **7. Health and Safety**

- 7.1 The Property Manager is to notify the Company of any health and safety hazards which may exist or arise at the Property of which the Property Manager becomes aware and any environmental hazards or actual or potential contamination of which it is or becomes aware.
- 7.2 The Property Manager is to ensure that it has sufficient and appropriate insurance for its employees as well as any and all third-party contractors for whom the Company accepts no liability whatsoever.
- 7.3 The Property Manager is to inform all persons engaged by the Property Manager at the Property (as the case may be) (including sub-contractors) of all such hazards which there are or which the Property Manager becomes aware of whether or not notified to the Property Manager by the Company and to instruct such persons in connection with any necessary associated safety measures to include compliance with all health and safety legislation and the provision of appropriate health and safety representatives.
- 7.4 The Property Manager is to notify the Company in each Annual Report of all relevant health and safety issues.
- 7.5 The Property Manager will operate for the benefit all owners any additional requirements of cleansing and sanitization of the property and its laundry and linens to meet any and all infectious disease control that may be in force from time to time. Such measures would include the required level of sanitization of all surfaces throughout the property and as such the owners in occupation preparing for departure and the owners preparing for arrival for occupation are asked to accept whatever flexibility is required on the Saturday changeover day to include:
  - 7.5.1 allow the entry to the property on the Saturday changeover day no later than 08:00 hours to facilitate the Property Manager and cleaning contractors to commence cleaning.
  - 7.5.2 owners in occupation are to exit the property and property boundary by 11:00 promptly and to not return to within the property boundary or property so as to negate any sanitization already carried out.

7.5.3 owners preparing for arrival for occupation at the property are asked not to arrive and expect entry to the property until at least 15:00 on the Saturday changeover day.

**SCHEDULE 2 – DETAIL ON CLEANING, LINEN AND LAUNDRY SERVICES**

These are the Cleaning, Linen and Laundry services as referred to in Clause 1.2.12 of Schedule 1,

**Pre-Check in Service**

- Ensure keys to doors and windows available
- Ensure air conditioning/heating and kitchen appliances all in working order
- Replace any internal/external light bulbs not working
- Ensure sufficient wood stock for stoves
- Check with incoming owners if any concierge services required
- Lay out any personal items as requested from owner's locker
- Ensure pool and hot tub clean and serviceable
- Ensure BBQ clean and serviceable
- Ensure security services in working order
- General check-up of property to detect any issues that need to be addressed
- Inform incoming guests of any issues relating to the property or services

**End of Stay and Weekly Service during occupation**

- All floors hoovered and mopped, including lifting all carpet runners
- All hard furniture dusted and polished
- All soft furniture cleaned
- All mirrors and hard surfaces polished
- All rooms and surfaces cleaned/dusted
- Clean kitchen including hob, oven, fridge/freezer, sink and all surfaces. Replace with fresh any used T towels
- Clean and wash crockery, pots and pans, utensils and glassware where needed
- Check and clean kitchen cupboards
- All bathrooms and WC's cleaned and sanitized (including toilets, shower glass, mirrors, tiled floors, shower drains. etc.)
- Ensure adequate stocks of cleaning materials, toilet and kitchen rolls
- Strip all used beds and make up with fresh and laundered linen
- Replace all used towels (including used bathrobes and used blankets)
- Windows cleaned inside and out including shutters
- External terrace dining areas cleaned, including tiled floors, outdoor tables, chairs and outdoor mirror
- Removal of all garbage/fridge cleared of used/opened foodstuff
- All used linen and toweling to be laundered
- Ensure BBQ clean and serviceable (owners should also clean after each use)

**General – Each Monday, Wednesday & Friday**

- Ensure all outside terraces and driveways swept and cleared of debris
- Ensure pool and hot tub maintained and remain clean and serviceable
- Water and maintain potted plants
- Ensure irrigation system properly functioning
- Keep clean and tidy all external storage areas



EXECUTED AS A DEED by the parties on the date first set out on page 1

DocuSigned by:  
*William Hulse*  
B579A114A7AB459...

Executed as a Deed by **IL RIFUGIO LIMITED** acting by a director )

Director

In the presence of  
Witness signature:

DocuSigned by:  
*Joseph Scott Angarola*  
D0F4E3CAD05A425...

Name (in BLOCK CAPITALS):

JOESPH  
ANGAROLA.....

Address:

Joseph Scott Angarola

Occupation:

1942 West Potomac Ave, #2E, Chicago, IL 6

Executed as a Deed by **PINELLI PROPERTY MANAGEMENT SRLS** )

DocuSigned by:  
*Mr Nigel Carley*  
E2F52C05C96F4E8...

Director

In the presence of  
Witness signature:

DocuSigned by:  
*Mr Alessio Scilocchi*  
F47B8D3AEEAB485...

Name (in BLOCK CAPITALS):

ALESSIO  
SCILOCCHI.....

Address:

SS 91 N. 86 Campagna(Sa)

Occupation:

Self Employed