

# Terms and Conditions

## 1-Insurances

You hereby warrant and represent that you are fully insured for buildings insurance in place. Blue Crystal cannot advise on insurance matters and we recommend that you contact your insurance company or broker direct. At handover you can leave your existing insurance policies (Buildings, Terrorism, Engineering and Directors and Officers Insurance) in place until their renewal dates. Alternatively, we can arrange for our selected insurance broker to become responsible for your policy, handling any new claims whilst ongoing claims will be finalised by your existing broker.

Your insurance policy will be reviewed annually to investigate whether any other suitable policies should be considered.

We charge an annual fee for our involvement in the insurance process and any claim notifications: £100.

### a-) Insurance claims

Any insurance claim work undertaken on your behalf will be subject to an administration charge of 10% of the claim amount. Blue Crystal cannot be held liable for an insurance claim not going through with prospective insurers.

## 2- Payment of outgoings

Where instructed by the freeholder, and provided we hold sufficient funds, Blue Crystal can pay bills, contractors, insurance premiums and any regular outgoings out of the service charges, as and when demands are received. Blue Crystal can endeavour to query any obvious discrepancies; however, it must be understood that it is entitled to accept and pay, without question, demands and accounts that it believes to be in order. Blue Crystal shall not be liable for the inadequacy of any insurance cover or for the verification of services/maintenance charge demands or estimates where applicable.

## 3-) Repairs, maintenance and replacement

Blue Crystal can attend to the day-to-day minor repairs and maintenance of the property and its contents. A float of £1,000 is required (subject to variation depending on the individual property) at the commencement of the term of the management and shall be maintained throughout the management of your property, to enable Blue Crystal to meet any expenditure on the freeholder's behalf. Blue Crystal cannot undertake to meet any outgoings beyond the funds it holds. Blue Crystal can obtain estimates for consideration for any major repairs or maintenance over £250 and submit them for approval with a Section 20 Notice prior to the commencement of the works. However, in emergencies and when Blue Crystal considers it necessary, it will be entitled to protect the freeholder's interest without further consultation.

Blue Crystal will be entitled to use the freeholder's preferred contractors on the basis that the contractor can resolve the entire issue in a timely manner but at all times reserves the right to use its own contractors. Where the issue is not solved after a maximum of 2 visits or where the contractor takes more than 1 week to resolve an issue or where the contractor fails to attend to an appointment, Blue Crystal reserves the right to use its own contractors at the freeholder's expense. Blue Crystal will not be responsible where the freeholder has briefed in and organised a quotation for work in the first instance or for following up on work or where the freeholder has ordered something to be delivered at the property including access or removal of goods. Where freeholder has taken special insurance. Blue Crystal can call said insurance to arrange a visit but waiting times are not included; these waiting times will be charged at £70 per hour. Blue Crystal will need to be provided with correct, up to date information on all insurance matters at all times or will call their own suppliers to resolve issues.

### a-) Property visits and defects

Our management service can include non-expert investigation of defects, which come to our notice or are clearly and adequately brought

to our notice by a leaseholder/freeholder. If instructed to do so and provided it receives the payment of its fee in advance, Blue Crystal shall visit the property on a periodic basis at an additional charge of £70 per visit. It should be appreciated that any such visit can extend only for apparent and obvious defects and will not amount in any way to a structural survey of the property. We cannot accept liability for hidden or latent defects.

### b-) Purchase of items or land registry searches for the property

Blue Crystal can be instructed to purchase specific items for the property. Time spent on this service is charged at £50 minimum or 10% of the value of items. Blue Crystal will carry out land registry searches on your behalf when instructed, time spent on this service is charged at £25 per search.

## 4- PAYMENT OF FEES

### a-) Sale of property by landlord

Where a property is sold, transferred, Blue Crystal's fees remain the responsibility of the original freeholder for the duration of contract or periods of holding-overs, irrespective of who carried out negotiations. The freeholder undertakes to instruct his solicitor to assign responsibility for Blue Crystal's fees and service charges to the purchaser. It is specifically recorded that such fees shall be payable on any renewal, extension and holding over or entering into of an agreement (including new agreement).

### b-) Commission and interest

Any commission, interest or other income earned by Blue Crystal while carrying out its duties as agent for any aspect of the management of the property as chosen by the freeholder, for example by referrals to contractors, will be retained by Blue Crystal.

### c-) Outstanding fees

The freeholder undertakes that where any of Blue Crystal's fees, commission charge and/or renewal commission charges remain outstanding for more than several days, Blue Crystal may use sums obtained or held on the freeholder's behalf to pay the outstanding sums.

### d-) Interest

Blue Crystal fees are payable on demand, as and when they fall due. Blue Crystal reserves the right to charge interest on any amounts outstanding 30 days after the fees are first demanded. Interest will be charged from the date the fees become due at the annual rate of 8% above Bank of England base rate. A fix charge compensation amount to be obtained depending on the size of the outstanding amount plus additional reasonable costs incurred as per late payment fees legislation. The term Late Payment legislation refers to the Late Payments of Commercial Debts (Interest) Act 1998, the Late Payment of Commercial Debts Regulations 2002 and the Late Payment of Commercial Debts Regulations 2013.



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Blue Crystal Residential Ltd

Registered Address:

27 Old Gloucester Street,  
London, WC1N 3AX

Registered No: 10525455



#### e-) Cancellation

This agreement between freeholder and Blue Crystal shall continue until written 30-day notice is given to cancel, and should a property is sold, upon completion of the property, a new ownership shall follow under this same agreement.

#### f-) Fitting and Equipment

You hereby warrant and represent that all equipment, furnishing, gas, electrical, water or otherwise provided with the property is fully operational and safe at all times prior to the commencement of this agreement.

#### g-) Important safety notices

##### The Fire Furnishings (Fire) (Safety) Regulations 1988

##### The Fire Furnishings (Fire) (Safety) (Amendment) Regulations 1993

The freeholder warrants and represents that all furniture presently in the communal areas of the property or to be included in a property to which this agreement applies, complies in all respects with the Regulations. The freeholder further warrants that any furniture purchased for the property after the date of the agreement will also comply with the Regulations referred to above for the duration of this agreement and undertakes compliance throughout the duration of this agreement.

##### The Gas Safety (Installation & Use) Regulations 1998

All gas equipment, pipe work and appliances must accord with these regulations including annual inspections by a Gas Safe registered installer and record maintained of work undertaken.

##### The Electrical Equipment (Safety) Regulations 1994

The freeholder warrants and undertakes that all plugs, sockets and wiring in the property and the electrical supply is 'safe' and will not cause 'danger' and complies with all statutory requirements. Newly installed plugs and sockets must also comply with regulations. We can, upon your instruction obtain the necessary EICR certificate.

**Portable Appliance Testing (PAT)** is the examination of electrical appliances and equipment to ensure they are safe to use. We can, upon your instructions, organise a (PAT) maintenance programme for all equipment used within the property.

#### Legionella Under the HSE Approved Code of Practice 'Legionnaires' disease: The control of legionella bacteria in water systems' (ACOP L8)

Freeholder has a legal responsibility to ensure that the risk of legionella is properly assessed and controlled and does not cause a danger. All water systems must be periodically risk assessed and appropriate measures implemented where a reasonable risk of exposure is identified. You hereby warrant that the property has been risk assessed by a competent person to identify the risk of legionella and risk controls implemented where necessary. We can, upon your instructions, obtain the necessary report for you.

#### h-) Indemnity

The freeholder undertakes to keep Blue Crystal fully and effectively indemnified in respect of any claim, demand, liability, cost, expense or prosecution which may arise due to the failure of the freeholders and leaseholders to comply fully with the terms of all the above Regulations referred to in these Terms and Conditions, including any subsequent amendments there to or replacement Regulations.

### 5- GENERAL

#### a-) Repairs and statutory obligations

Where Blue Crystal is managing the property for you then this paragraph applies during the entire period of this agreement. Blue Crystal has the authority to carry out any appropriate action related to all Statutes and Regulations and to incur such expenditure as they deem necessary to comply with the same. In particular, Blue Crystal may instruct contractors, at your expense, to carry out any repairs or works needed to comply with any recommendation or requirement relating to any gas, electric or pipe work, water safety in the property.

You undertake to pay Blue Crystal all costs, claims, damages, and other payments incurred or made under this authority or arising out of any breach or non-observance or non-performance by yourself of statutory obligations or regulations.

Blue Crystal do not supervise any contractors and are not liable to you for any failure or delay by a contractor or workmen.

Furthermore, you undertake to ratify whatever Blue Crystal shall do in the performance of their management service and to pay Blue Crystal all costs, claims, payments and expenses incurred by Blue Crystal.

#### b-) Indemnity

The freeholder agrees to indemnify Blue Crystal as managing agent against any costs, expenses or liabilities incurred or imposed on it, provided they were incurred on the landlord's behalf in pursuit of Blue Crystal's normal duties.

#### c-) Amendments/variations

This contract constitutes the entire agreement between Blue Crystal and the freeholder and supersedes all prior agreements, understandings, representations or communications between the parties. NO amendment or variation to this contract will have any contractual effect unless approved in writing by a Director of Blue Crystal Residential Ltd.

#### d-) Disclaimer

Blue Crystal will carry out all services with reasonable care and skill. However, it is unable to guarantee the suitability of leaseholders' timely service charge payments during the management services and cannot be held liable by the freeholder for such events.

#### e-) Instructions to solicitors

You will be entitled to be informed of any service charge arrears, disputes or breaches of the covenants brought to our attention. However, if legal action is required, you will be responsible for instructing your own solicitor and for all fees involved or Blue Crystal can instruct a debt collection agency at freeholder's expense.

#### f-) Keys

Blue Crystal require three sets of keys for the property and will have duplicates cut at your expense if these are not provided by you. In the event that keys are lost or unaccounted for our liability is strictly limited to the cost of cutting a replacement set of keys. We may require necessary certificates at times to enable us to have keys cut. Administration fee of £25 applies.

#### g-) Dealing with third parties

Blue Crystal will be entitled to but not obliged to liaise where necessary with the freeholder's accountants, solicitors, mortgagees and insurance companies.

### 6-) Block Management

Blue Crystal charges a fixed management fee per flat, per annum. Set-up fee is £350 one off fee



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Our management fee is: (per dwelling, per annum): £350 for up to 20 flats, £250 per dwelling over 20 flats.  
Our management fee is charged in accordance with the lease payment dates and terms. It is paid from the service charges of the property upfront.

We review our management fee annually with our clients in advance of the service charge year end.  
Setting up additional service charges are charged at £300 each time.

#### Services that are included in our management fee:

- Liaising with the client (e.g. freeholder) and any Recognised Residents Association on day to day management issues and overall management policy.
- Inspecting the common parts of the property to check condition and deal with any maintenance matters.
- Preparing specifications and contracts for minor works and services (e.g. cleaning and gardening)
- Agreeing and managing maintenance contracts (e.g. lifts and fire alarms) on behalf of the client.
- Arranging health and safety related inspections (e.g. Fire Risk Assessments) and ensuring that all necessary risk assessments are in place.
- Responding to lessee telephone calls, e-mails and correspondence within one working day and reporting to, and taking instruction from, the client as necessary.
- Providing a 24 hour telephone service for emergencies relating to the building.
- Recruiting and supervising any site staff on behalf of the client and dealing with all matters relating to their employment.
- Advising the client on all relevant legislative and regulatory matters and general interpretation of leases.
- Maintaining all management files and records for the property.
- Maintaining records of lessees' and residents' details.
- Attending meetings with the client and lessees e.g. AGMs.
- Consulting with the client on major works and long-term agreements.
- Opening and handling bank accounts.
- Preparing and sending out service charge expenditure estimates.
- Collecting service charges and reserve fund contributions, including sending applications for payment (demands) and associated summaries and statements.
- Managing and collecting service charge arrears.
- Processing payments relating to the property (e.g. contractors and suppliers) within expenditure limits and funds available within a reasonable time frame.
- Accounting for service charges and providing information to accountants prior to the preparation of annual service charge accounts.

#### Other Fees:

In addition to our annual management fee, we charge a range of fees for services relating to matters that are considered outside of the management agreement. Our fees are transparent and are always confirmed in advance with our clients or the party responsible for paying them. An invoice and receipt will be issued for all payments.

Below is our fee structure. If the fee that you are looking for is not listed, please contact us to discuss your requirements.

#### Company Secretarial Services:

For share of freehold buildings and resident management companies, we are able to act as Company Secretary. This includes maintaining company records (e.g. Director appointments and resignations), filing annual returns and company accounts, and arranging and chairing Annual General Meetings and Extraordinary General Meetings (e.g. for passing resolutions).

- Companies with up to 20 members (per annum): £350
- Issue of new share or member certificate: £100
- Indemnity for lost share certificate: £100
- Adding or removing directors: £100

#### Major Works:

- Service of Notice under S.20 of the Landlord & Tenant Act 1985 (as amended):
- £500 Section 20 Notice fee applies
- Management of major works projects (% of final contract value): 10% applies

#### Minor Works:

- Management of minor works projects (% of final contract value): 10%. Minimum of £50 applies.

#### Fees relating to property transfers and other similar transactions e.g. re-mortgages:

Our fees for the following items are administration charges:

- Responding to solicitors' pre-sales enquiries and LPE1 forms: £500
- Responding to solicitors' re-mortgage/charge enquiries: £200
- We will provide the answers to the above within 3 working days of receipt of our fee and answer any additional queries (when relating to the same transaction) for no additional fee.

#### The information included in the above packages is also available as individual items:

- Copy of 3 years' service charge accounts: £50
- Copy of 3 years' company accounts: £50
- Copy of company Memorandum and Articles of Association: £50
- Insurance documents: £50
- Fire and General Risk Assessment: £50
- Copy of Lease: £75

#### The following fees are charged on a per document basis:

- Notice of Assignment: £150
- Notice of Charge: £150
- Deed of Covenant (when prepared by solicitor): £150
- Deed of Covenant (prepared by Blue Crystal): £300
- Certificate of Compliance: £150
- Execution of other documents (e.g. Deed of Rectification): £150



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**Other fees relating to individual properties and/or lessees:**

- Licence to Sub-let (per tenancy): £125
- Letter of Consent (per permission e.g. pets): £100
- Provision of Land Registry Documents: £75
- Licence to Alter: £200
- For a licence to alter, we charge a fee for administration of the process, however there will be additional fees incurred which will be payable by the individual property owner. These will include surveyor, structural engineer and solicitor fees (where appropriate).

**Credit Control/Arrears:**

- First reminder: No charge
- Second reminder: £50
- Solicitor letter before action: On request

We appreciate that bills can sometimes be overlooked so if a service charge or ground rent payment is not received by the due date, we will send a reminder to the relevant lessee(s). If a second reminder is required, we will charge the relevant lessee(s) the above fixed fee as a deterrent for late payment. If an individual debtor is passed to solicitors for further action, the cost of any legal action as charged by the court or solicitor will be billed to the individual. Details of fees charged by the solicitor can be obtained upon request. Upfront costs of legal action is to be paid by the freeholders.

**k-) Bank Accounts**

All funds are held in client accounts of RBS, Liverpool, Wavertree Technology Park, Stephenson Way, Liverpool, L13 1HE



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