



RUBY AUCTIONS REAL ESTATE

MANAGEMENT AGREEMENT

BETWEEN

.....
(hereinafter referred to as "the Principal")

AND

RUBY AUCTIONS REAL ESTATE
(hereinafter referred to as "RUBY AUCTIONS REAL ESTATE" "THE AGENT")

DATED20

RELATING TO

.....
.....

CONTACT DETAILS

Owner:

Representative:

Name:

Name:

Address

Address:

.....

.....

.....

.....

Tel. (Res.).....(Bus).....

Tel. (Res.) (Bus).....

Cel

Cel.

Fax No

Fax No

E-mail

E-mail

WHEREAS

- I The Principal is the owner of Stand
known as
together with all fixed improvements thereon (hereinafter referred to as "the Property") and
- II The Principal wishes to appoint RUBY AUCTIONS REAL ESTATE as the Principal's agent to manage
the Property on the following terms and conditions:

IT IS HEREBY AGREED THAT:



RUBY AUCTIONS REAL ESTATE

PART I

APPOINTMENT

- 1 (a) The Principal appoints RUBY AUCTIONS REAL ESTATE to manage the Property for an initial fixed period of (.....) years commencing on the 1st day of 20.. Upon termination of the initial fixed period this appointment shall continue indefinitely until terminated by 2 (two) calendar months' written notice by either party.
- (b) In the event that the Property is sold to a third party during the initial fixed period of this agreement, the agency created hereby shall cease with effect from the date of registration of transfer in the Deeds Office, subject to the provisions of Clause 16(a) and (b) hereof.

PART II

DUTIES OF PROPERTY MANAGERS

LETTING OF THE PROPERTY

- 2 (a) RUBY AUCTIONS REAL ESTATE shall endeavour to ensure that the Property is fully let at all times at the open market rents at the time of letting or at rents determined in terms of any applicable Rent Regulations.
- (b) RUBY AUCTIONS REAL ESTATE shall make all reasonable enquiries as to the suitability of the incoming Tenant before making recommendations to the Principal or the appointed Representative.

- (c) EITHER

RUBY AUCTIONS REAL ESTATE shall obtain the instructions of the Principal or the appointed Representative prior to entering into a lease agreement with any potential Tenant.

OR

RUBY AUCTIONS REAL ESTATE is hereby authorized to enter into a lease agreement without instruction from the Principal, or appointed Representative provided that RUBY AUCTIONS REAL ESTATE reports all the details of the lease to the Principal or appointed Representative. Any lease agreement entered into shall be for a minimum period of one year.

- (d) The Principal or appointed Representative is deemed to be familiar with RUBY AUCTIONS REAL ESTATE's standard lease agreement relevant to the Property and authorises a Partner or other designated employee of RUBY AUCTIONS REAL ESTATE to sign such lease agreement on behalf of the Principal.

COLLECTION OF RENTS

- 3(a) RUBY AUCTIONS REAL ESTATE shall attempt to collect all rents in respect of the Property and upon receipt shall pay such rents into their trust account.
- (b) If any rent is not received, then the provisions of PART V hereof shall apply.

GOOD TENANCY DEPOSIT

- 4(a) RUBY AUCTIONS REAL ESTATE shall attempt to obtain a good tenancy deposit equating to one month's rent from each new tenant placed into the Property after the commencement of this agreement, and shall endeavour to ensure that such good tenancy deposit is maintained at the equivalent of one month's rent at all times.
- (b) RUBY AUCTIONS REAL ESTATE shall place any good tenancy deposits received in their trust account.
- (c) RUBY AUCTIONS REAL ESTATE shall hold the good tenancy deposit during the management of the property and no interest will accrue to the Principal or the Tenant.

ANNUAL INSPECTIONS

- 5(a) RUBY AUCTIONS REAL ESTATE shall attempt to undertake a full inspection of the Property at least once a year, and shall then report to the Principal, with comments and or recommendations, on the state of repair and maintenance. The first inspection



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shall be undertaken within one month of the commencement of this agreement, shall form the basis of an "Incoming Record" on the condition of the property and shall be utilized to compare its condition when the Tenant vacates the Property, as an "Outgoing Record". A report will not be submitted to the Principal when these records are updated unless there are specific areas requiring attention.

- (b) RUBY AUCTIONS REAL ESTATE shall visit the Property whenever it is deemed necessary to do so, and shall only report on such visits to the Principal, if it deems this necessary.
- (c) RUBY AUCTIONS REAL ESTATE shall inspect the Property immediately after any Tenant vacates ("Outgoing Inspection") and/or immediately prior to the incoming tenant taking occupation ("Incoming Inspection").

TENANTS COMPLIANCE WITH LEASE

- 6 (a) RUBY AUCTIONS REAL ESTATE shall attempt to require the Tenant to comply with all terms and conditions of the lease agreement entered into between the Principal and the Tenant; particularly those relating to the rent payments due, and repair and maintenance obligations of the Tenant.
- (b) In the event that the Tenant fails to comply with all the terms and conditions of the lease agreement, however, RUBY AUCTIONS REAL ESTATE shall not be liable to make good any loss suffered by the Principal save where such loss has been caused by willfulness on the part of RUBY AUCTIONS REAL ESTATE.

PART III

LANDLORD'S REPAIRS AND MAINTENANCE

- 7 (a) The Principal or the appointed Representative hereby authorizes RUBY AUCTIONS REAL ESTATE to expend such sums as are necessary for the repair and maintenance of the Property, provided that such cost shall not exceed fifty percent (50%) of the monthly rent for the Property, on any single item of repair or maintenance.
- (b) Where RUBY AUCTIONS REAL ESTATE estimates that the aforesaid cost would exceed fifty percent (50%) of the rent received from the Property, RUBY AUCTIONS REAL ESTATE shall make recommendations to the Principal and await instructions.
- (c) In cases of emergency or when necessary and unavoidable, (e.g. roof leaks, burst pipes, leaking geyser, maintain security, electrical faults.....) RUBY AUCTIONS REAL ESTATE is hereby authorized to expend such sums as are reasonable and necessary to ensure that the Property is secure and weatherproof or that other such essential repairs are undertaken. Where applicable quotations will be obtained in order that the necessary work is done at competitive cost.
- (d) RUBY AUCTIONS REAL ESTATE shall make all relevant claims to the Principal's insurers for all insurable damage to the Property and shall attempt to recover such amounts due from the insurers. However, the onus is on the Principal or the Representative to ensure the Property is adequately insured at all times.

SECURITY WHILST VACANT

- 8 In the event that the Property is vacant for any period of time whilst unoccupied and/or unlet, RUBY AUCTIONS REAL ESTATE will not be liable for any loss of or damage to the Property or any part or aspect thereof occurring because the property is unoccupied. However, RUBY AUCTIONS REAL ESTATE shall inform the Principal when it is known that the property is vacant and seek instruction.

CONTROL OF STAFF

- 9 RUBY AUCTIONS REAL ESTATE shall control and supervise all staff employed by the Principal to maintain, clean, caretake and/or otherwise supervise the Property in particular in respect of a Block of Flats, (save for any full-time staff whom the Principal wishes to continue looking after). The Principal acknowledges that such staff are employed by the Principal and not by RUBY AUCTIONS REAL ESTATE.



RUBY AUCTIONS REAL ESTATE

PART IV ACCOUNTING TO PRINCIPAL

ACCOUNTS

- 10 (a) Each and every month during the subsistence of this contract, RUBY AUCTIONS REAL ESTATE shall furnish to the Principal or the Principal's authorised Representative;
- i) a statement of account, including all supporting statements, invoices and vouchers where applicable for those who are residing in Zimbabwe, and for those living abroad the statement of account will be E-mailed and the hard copy with any supporting vouchers will be held in the property file at RUBY AUCTIONS REAL ESTATE, for collection.
 - ii) a statement detailing rents due, received, in arrears or credit balances
 - iii) a cheque comprising the balance of the rent received after expenses have been paid, or (where such an instruction has been given by the Principal) deposit such cheque or effect an electronic transfer of funds into a specified account.
- (b) RUBY AUCTIONS REAL ESTATE shall forward such statements and (if applicable) such cheque to the address shown in Annexure "A" of this Agreement or such other address as the Principal might subsequently direct, but only within Zimbabwe.
- (c) It is specifically recorded that in the event of any rent being received after the seventh day of the month, or after the next working day if the seventh day falls on a weekend and or public holiday, the rental will only be paid to the Principal in the next accounting month.

PROPERTY EXPENSES

- 11(a) RUBY AUCTIONS REAL ESTATE shall make timeous payment of all accounts held by the Principal as shown in Annexure "A" hereto, PROVIDED that there are sufficient funds within the Principal's account to meet such payment. In the event of there being insufficient funds within the account to meet the expenses, RUBY AUCTIONS REAL ESTATE shall so inform the Principal. RUBY AUCTIONS REAL ESTATE shall not be liable for any additional charge that may be levied on the Principal in the event of the payment not being made timeously.
- (b) In the event that RUBY AUCTIONS REAL ESTATE considers it necessary to retain part of the Principal's funds to meet expenses such as rates payments, insurance premiums and large repair expenses, RUBY AUCTIONS REAL ESTATE may, in consultation with the Principal, retain funds within its trust account to meet such expenses. Usually, any funds so retained will be reflected on the monthly statement of account which is sent to the Principal.
- (c) In the event that the Tenant advances more than one month's rent, RUBY AUCTIONS REAL ESTATE shall retain any funds necessary to meet any expenses during the period covered by the advanced rent.

PART V

LEGAL HANDOVERS

- 12(a) RUBY AUCTIONS REAL ESTATE shall, if any tenant has not paid the rent on or before the seventh day of each month or is otherwise in breach of the lease, effect such measures as it deems necessary to obtain or attempt to obtain immediate payment from the Tenant concerned.
- (b) In the event that any rent is in arrears at the end of the appropriate month, RUBY AUCTIONS REAL ESTATE is authorised to hand over the matter to the Principal's legal representatives for collection of the arrears and/or ejection of the Tenant from the Property. RUBY AUCTIONS REAL ESTATE shall use its discretion as to whether such Tenant should be handed over to the Principal's legal representatives, bearing in mind the tenant's past performance, the likelihood of obtaining payment and other relevant considerations.



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- (c) Although any legal costs expended in such actions shall ultimately be borne by the Principal, RUBY AUCTIONS REAL ESTATE through the Principal's legal representative, shall attempt to collect such costs from the Tenant.
- (d) The Principal's legal representative shall be those specified in Annexure "A" or, if not specified, the legal representative shall be those chosen by RUBY AUCTIONS REAL ESTATE.
- (e) The Principal authorizes RUBY AUCTIONS REAL ESTATE to sign on behalf of the Principal any indemnity required by the Messenger of Court and will complete, or request an indemnity similar to that shown in Annexure "B" attached hereto.

PART VI

OBLIGATIONS OF THE PRINCIPAL

- 13 (a) The Principal shall remunerate RUBY AUCTIONS REAL ESTATE in accordance with the provisions of PART VIII of this Agreement and agrees that RUBY AUCTIONS REAL ESTATE may deduct the amounts due from rents received.
- (b) The Principal shall require all creditors listed in Annexure "A", where appropriate, to forward all accounts required to be paid from the Principal's account to RUBY AUCTIONS REAL ESTATE immediately after signature of this Agreement. RUBY AUCTIONS REAL ESTATE shall not be liable in any way if such payments are not made timeously.
 - (c) Should the Principal require RUBY AUCTIONS REAL ESTATE to make payment of any mortgage bond instalment, the Principal shall make payment of the instalment for the month in which this Agreement commences to take effect. RUBY AUCTIONS REAL ESTATE shall thereafter make payment to the appropriate building society or financial institution, subject to sufficient Principal's funds being available for such payment. The Principal is required to ensure that adequate funds are available to cover any mortgage instalments in the event that the tenant falls in arrears with rent payments or the recovery of arrear rentals is delayed when legal action is taken against the Tenant.

PART VII

RENT BOARD/ARBITRATION PROCEEDINGS

- 14(a) RUBY AUCTIONS REAL ESTATE shall at the appropriate times make recommendations to the Principal in respect of increasing the rent of the Property. Upon the Principal giving RUBY AUCTIONS REAL ESTATE the appropriate instructions, RUBY AUCTIONS REAL ESTATE shall commence negotiations with the tenant with a view to increasing the rent and, if necessary, shall either make the appropriate application to the relevant applicable Rent Board in terms of the Rent Regulations or arrange arbitration proceedings.
- (b) RUBY AUCTIONS REAL ESTATE shall attend any necessary Rent Board or arbitration hearings and shall submit all relevant representations thereat.
 - (c) If necessary, RUBY AUCTIONS REAL ESTATE shall make representations to the Principal regarding the engagement of a legal practitioner at any hearing.
 - (d) Upon receipt of the determination of the Rent Board or arbitrator, RUBY AUCTIONS REAL ESTATE shall inform the Principal thereof and, if applicable, shall make recommendations as to whether such determination should be appealed and whether a legal practitioner should be engaged

PART VIII

REMUNERATION OF RUBY AUCTIONS REAL ESTATE

- 15 (a) The Principal shall pay commission in respect of the management of the Property to RUBY AUCTIONS REAL ESTATE at the rate of (.....per centum) of the rent and other amounts collected from the tenant. Such commission shall be deducted from rent and any other payments received, including V A T.
- However, in the event that the prescribed management fee is amended by the Estate Agent's Council during the management period, the Principal will be given one calendar months notice of the new management fee.
- (b) In the event that RUBY AUCTIONS REAL ESTATE makes any representation and/or application to the Rent Board or to an arbitrator, or files an appeal to the



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Administrative Court, the Principal agrees to pay fees on a quantum meruit basis, based on RUBY AUCTIONS REAL ESTATE's time scales at the time such work is undertaken. In addition the Principal shall reimburse RUBY AUCTIONS REAL ESTATE for all other costs necessarily incurred in preparing and presenting the case, including any legal practitioner's costs.

PART IX

GENERAL CONDITIONS

EARLY TERMINATION OF CONTRACT

- 16 (a) In the event of the sale of the Property to any party other than the Tenant introduced by RUBY AUCTIONS REAL ESTATE, and in the further event that the sale takes place during the initial fixed period of RUBY AUCTIONS REAL ESTATE's appointment in terms of Clause 1 hereof, the Principal hereby agrees to compensate RUBY AUCTIONS REAL ESTATE for loss of management commission for the period from the date of transfer (or, in the case of a "Deed of Sale", from the effective date of commencement of that Deed) to the date of termination of the initial fixed period on the basis of Clause 15(a) hereof. Such payment shall be made immediately following transfer.
- (b) In the event of the sale of the Property to the Tenant introduced by RUBY AUCTIONS REAL ESTATE, no management commission shall be payable with effect from the date of transfer, unless RUBY AUCTIONS REAL ESTATE is retained as a Managing Agent.
- (c) In the event that the Principal wishes to terminate this contract prior to the date of termination of the initial fixed period of this agreement, or prior to the termination of the current lease period, the Principal shall pay a penalty/compensation equivalent to one (1) month's gross rent due for the month which the management ceases, unless proven gross negligence on the part of RUBY AUCTIONS REAL ESTATE shall be the reason for such early termination of this agreement.

WITHHOLDING FUNDS FOLLOWING SALE OR TERMINATION OF MANAGEMENT

- 17 The Principal hereby agrees that RUBY AUCTIONS REAL ESTATE may at its discretion withhold the payment of any monies held in the Principal's account, if RUBY AUCTIONS REAL ESTATE is aware of any outstanding accounts not yet paid. In addition, the Principal shall make payment to RUBY AUCTIONS REAL ESTATE any additional amounts necessary to cover the amounts owing.

WORK NOT COVERED IN THIS AGREEMENT

- 18 For the purpose of clarification, it is acknowledged that this Agreement does not cover any instructions or remuneration due in respect of any of the following work in respect of the Property:
- i) Any valuation for any purpose, including an assessment of replacement cost for insurance purposes.
 - ii) Any additional accounting to the Principal other than as required in terms of this Agreement.
 - iii) The preparation of detailed dilapidation reports or the supervision of repair and maintenance work.
 - iv) Representing the Principal before a Court, Tribunal or Board (including the Residential Rent Board) or in arbitration proceedings.

NON-LIABILITY OF RUBY AUCTIONS REAL ESTATE

- 19 The Principal is deemed to be familiar with the provisions of the Rent Regulations and RUBY AUCTIONS REAL ESTATE shall not be liable to the Principal in respect of any claim by any Tenant for any refund of rents paid by the Tenant or for any damages suffered by the Tenant, no matter on what grounds any such claim is made.



RUBY AUCTIONS REAL ESTATE

20 Attached is a copy which provides you with relevant details. YOU SHOULD RETAIN IT.

IN WITNESS HEREOF the parties hereto have executed this Agreement on the day and year when signed.

As Witnesses:

.....

PRINCIPAL

1.

2.

.....

DATE

As Witnesses:

.....

For RUBY AUCTIONS REAL ESTATE

1.

2.

.....

DATE



RUBY AUCTIONS REAL ESTATE

ANNEXURE "A"

DETAILS OF PROPERTY

1) TITLE DEED DESCRIPTION.....

.....

2) INSURANCE

a) Name of Insurer/s

i) (Type of Policy)

ii) (Type of Policy)

b) Policy No. Present Premium Renewal Date

i)

ii)

c) Is RUBY AUCTIONS REAL ESTATE to pay premium from rentals? YES/NO (Delete inapplicable)

If "yes", the Principal shall request its insurers in writing, to send the debit notes to RUBY AUCTIONS REAL ESTATE (copy of letter to be provided for follow-up, if necessary)

3) MORTGAGE REPAYMENT: YES/NO (Delete inapplicable)

a) Amount to be paid \$.....

b) To whom payable

c) Loan Account No.

N.B. Where applicable, payments will be made to a commercial bank savings/current account for which a mortgage stop order for payment of the installments which have been arranged. The Principal must ensure that such savings/current account holds adequate funds to cover at least two or three mortgage installments, to protect the Principal against the possibility either that the Tenant may pay rentals late or that the recovery of arrear rentals may be delayed when legal action is taken against the Tenant.

4) RENTAL PAYMENTS/STATEMENTS

a) Address and Branch of Bank or Building Society or Financial Institution to which rent cheque to be sent:

ACCOUNT NAME.....
BANK.....
BRANCH.....
ACCOUNT NUMBER.....

Name and address to which statement of account to be sent:

Postal Address in Zimbabwe:
E-mail Address if living abroad

b) If the Principal wishes RUBY AUCTIONS REAL ESTATE to send a copy of the statement of account with the supporting vouchers (where applicable), to an Accountant or, the authorized Representative, specify name and address to which it is to be sent:

.....
.....
.....

5) NAME AND ADDRESS OF PRINCIPAL'S LEGAL REPRESENTATIVE:

.....



RUBY AUCTIONS REAL ESTATE

Tel No E-Mail

- 6) OTHER PAYMENTS AUTHORISED BY PRINCIPAL TO BE MADE BY RUBY AUCTIONS REAL ESTATE
(delete inapplicable) YES/NO
- a) Staff wages: YES/NO
 - b) Cleaning and basic maintenance materials: YES/NO
 - c) Municipal rates and charges: YES/NO
NB If applicable, the Principal shall request in writing the City of Harare to send Municipal Rates accounts to RUBY AUCTIONS REAL ESTATE
 - c) If applicable, Electricity and/or Water Accounts
NB If applicable, the Principal shall request in writing the City of Harare, ZESA and ZINWA to send all future accounts to RUBY AUCTIONS REAL ESTATE
 - d) Repairs and maintenance
 - e) Any other (please state)
 - i)
 - ii)
 - iii)



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ANNEXURE "B"

INDEMNITY

WHEREAS the Tenant occupying the Property let by RUBY AUCTIONS REAL ESTATE on behalf of the Principal might fail to pay rent on due date and/or otherwise breach any term or condition of the Agreement of Lease, in which event the Tenant might be evicted and his property attached and sold in execution in terms of an Order of Court,

AND WHEREAS the Messenger of Court or Deputy Sheriff might require RUBY AUCTIONS REAL ESTATE to indemnify him in respect of such action,

AND WHEREAS RUBY AUCTIONS REAL ESTATE will need to be protected in respect of any claims arising against them as a result of any instructions given to the Messenger of Court or Deputy Sheriff,

NOW THEREFORE WE HEREBY INDEMNIFY RUBY AUCTIONS REAL ESTATE and hold them harmless against any claims of whatsoever nature which may arise as a result of the eviction of persons occupying premises belonging to me/us or the removal of sale in execution of property believed to belong to such persons. This indemnity shall continue until countermanded by me/us in writing and shall apply to all cases in which RUBY AUCTIONS REAL ESTATE are acting on our behalf in relation to claims of eviction or execution against tenants.

NAME OF LANDLORD:

NAME OF TENANT:

STREET ADDRESS OF PROPERTY:
.....

STAND NUMBER OF PROPERTY:

Signed at HARARE this day of20.. ,
in the presence of the undersigned witnesses:

AS WITNESSES:

1)
LANDLORD/REPRESENTATIVE OF
COMPANY

2)

N.B. 1) This form is required by the Messenger of Court/Deputy Sheriff and if not completed and provided, an eviction will not be attempted or, if commenced, will not be pursued.

2) Two blank copies of this form shall be completed by the Principal.



RUBY AUCTIONS REAL ESTATE

SCALE 8 OF THE FEES :

REAL ESTATE INSTITUTE OF ZIMBABWE

For the management of property including collection of rents.

1. "Gross Rental" means the rents reserved by the leases of letting plus any incidental receipts collected and/or accounted for in the course of management.
 - (a) Single unfurnished residential premises including semi-detached houses other than collective units under a single ownership (as defined by (c) below - 15% payable on the gross rental, plus V A T (valued added tax) on the management commission. The total amount being 17,25%.
 - (b) Single furnished residential premises other than collective units under a single ownership (as defined in (c) below - 15% payable on gross rental plus VAT (value added tax) on commission. Total amount being 17,25%.
 - (c) Flats, town or terrace houses:
15% of the gross rental, plus VAT (value added tax) on the commission. The total amount being 17,25%.

2. Where in the ordinary course of business a client cancels the management mandate, the Agent concerned must charge a fee for the balance of mandate period or the leases negotiated by him.