

Greenhills Asset Management - Proposal for 12 month extension of existing service agreement

Outline Scope of Services and Fee Basis

Classification	Key Services	Fee basis
Potential Redevelopment Zones A-C	<ul style="list-style-type: none"> ➤ Detailed planning and financial appraisal of redevelopment options to assess viability to include: <ul style="list-style-type: none"> • Head lease and occupational lease discussions on matters such as breaches of covenant, value aspirations, suitability of the property, ability and willingness of occupiers to relocate • Discussions with Planning Department on matters such as use, density of development, design, car parking ratios • Construction cost review 	
Potential Asset Management Zones D-E	<ul style="list-style-type: none"> ➤ Identify improvement and value enhancing opportunities through lease restructures ➤ Formulate proposals for such opportunities, including financial appraisals, to determine viability ➤ Prepare draft new estate lease by Dec 2014 with service charge provisions and introduce on any lease restructure 	
Whole Estate	<ul style="list-style-type: none"> ➤ Seek to secure Memorandum of Understanding with Threadneedle over Zone A and potential sharing of services/amenities where appropriate ➤ Advice and implementation of rent reviews ➤ Identify breaches of covenant and liaise with Watford Borough Council Legal Department as reasonably necessary over enforcement action ➤ Support WBC Estates team on any other reasonable management matters throughout, such as asset management tender process, car park management regime, assignment and sub-letting applications 	
Outputs and reporting	<ul style="list-style-type: none"> ➤ Monthly Steering Group meetings and minutes, including intelligence on occupiers and investors ➤ At the end of the period, update draft Strategic Masterplan and Regeneration Initiative report - all in accordance with initial LEP phasing objectives ➤ Report and recommendations for any other opportunities that arise 	<p>Total Fee £150,000</p> <p>Fee base inclusive of third party consultants appointed by Greenhills.</p> <p>Payable quarterly in arrears.</p> <p>Duration and fee base to be reviewed once procurement process underway.</p>

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Value Add	<ul style="list-style-type: none"> ➤ Buy in leasehold interests where appropriate, or secure redevelopment options, in Zones A, B and C. ➤ Initiate and secure all value add opportunities <ul style="list-style-type: none"> • Target 3 lease restructures Zone D • Target 3 lease restructures Zone E ➤ Maximise income through rent reviews or other opportunities ➤ Consider option to create a small unit scheme, refurbish, re-position and let c. 7,000 sq ft of warehouse space at 20 Caxton Way 	<p>Target Fee 10% of value created.</p> <p>Actual Fee to be reviewed and agreed on a case by case basis</p>