
FIM SERVICES LIMITED

Forestry Management Service Terms and Conditions of Business

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| A: INFORMATION |
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DEFINITIONS

In these Terms and Conditions of Business the following terms have the following meanings:

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| "FIM" | means FIM Services Limited, whose registered office is situated at Glebe Barn, Great Barrington, Burford, Oxon, OX18 4US. |
| "Owner" | means the company, institution, individual or organisation named in this document as the Owner. |
| "Investment Property" | means any land or interest in land owned or to be acquired by the Owner and to which FIM and the Owner agree in writing these conditions shall apply. |
| "Woodland Manager" | means the individual, company or organisation employed by the Owner to provide services to the Owner in relation to the day to day management of the Investment Property in accordance with the Woodland Manager's Contract. |
| "Services" | means the provision of such of the following services as FIM and the Owner shall agree in writing that FIM shall provide: <ol style="list-style-type: none">1. advice on the acquisition of Investment Property.2. annual investment management and consultancy services on the management of Investment Property.3. advice on the sale of timber from the Investment Property.4. advice on the sale of Investment Property. as set out fully in these Terms and Conditions of Business. |
| "Woodland Manager's Contract" | means the contract to be entered into between the Owner and the Woodland Manager and pursuant to which the Woodland Manager will provide services in respect of and manage part or all of the Investment Property and supply the Property Budget. |
| "Property Budget" | means the rolling three year income and expenditure budget/budgets to be agreed between the Woodland Manager and FIM, prior to being recommended to the Owner for their approval. |

CONDITIONS

These Terms and Conditions of Business shall apply to, and shall be deemed incorporated in, any agreement between FIM and the Owner regarding the provision of any or all of the Services save to the extent that they are excluded or modified by FIM in writing. No employee or agent of FIM has power to vary these conditions orally, or to make representations in respect of any aspect of the Services, without prior written authorisation from FIM.

GOVERNING LAW

The construction, performance and validity of these Terms and Conditions of Business and any agreement into which they are incorporated shall in all respects be governed by the laws of England.

B: PROVISION OF SERVICES

1. ACQUISITION OF INVESTMENT PROPERTY

FIM will deliver to the Owner an Acquisition Report on the location, quality, and potential of the Investment Property.

FIM will use its reasonable endeavours to ensure that any information in the Acquisition Report is accurate and true, however no guarantee or warranty is given by FIM as to the accuracy of any information contained in the Acquisition Report and FIM will accept no responsibility for any damage or loss arising therefrom.

FIM will negotiate the purchase of Investment Property and liaise with the Owner's solicitors to help conclude the purchase on the terms agreed with the Owner.

FIM will advise on taxation matters impacting the Investment Property.

At the date of entry to the Investment Property, the Owner will pay to FIM the Acquisition and Advisory Fee as specified in the Acquisition Report, plus Value Added Tax ("VAT"), or such other fee as specified in writing between the Owner and FIM.

2. ANNUAL INVESTMENT MANAGEMENT SERVICE

FIM will provide a full investment management service, to relieve the Owner from the day to day management of the Investment Property.

The Services outlined below can be selected in all or part.

The fees for the provision of the Services in Section 2 will be as specified in the Acquisition Report and are to be paid to FIM six monthly in arrears on stated dates, unless otherwise agreed in writing.

(i) Administration

FIM will provide an annual opinion of the market value of the Investment Property to the Owner.

FIM will make recommendations to the Owner on a suitable Woodland Manager for the Investment Property.

FIM will recommend to the Owner a rolling three year Property Budget for the Investment Property, once agreed with the Woodland Manager.

FIM will monitor and approve all invoices against the Property Budget before submission of the invoices to the Owner for payment directly by the Owner.

FIM will seek to obtain the budgeted income in a timely fashion, for onward transmission directly to the Owner.

FIM can open a forestry bank account on behalf of the Owner and manage payments and undertake bank reconciliations.

FIM will inspect the Investment Property when FIM believes this is required, to confirm that the Property Budget has been correctly implemented.

FIM will use its reasonable endeavours to ensure the Investment Property performs in line with the Property Budget agreed by the Owner. However, no guarantee or warranty is given by FIM, who will accept no responsibility for any loss or damage arising out of the Woodland Manager's failure to comply with and/or his failure to implement the agreed Property Budget within the time allotted and/or his failure to properly manage and supervise the Investment Property.

FIM is the Owner's agent. Therefore, the payment of all expenditure relating to the Investment Property, however incurred, or any liability arising from the ownership of the Investment Property, shall be the sole responsibility of the Owner who shall indemnify FIM against all claims, liabilities and demands arising in respect thereof.

(ii) VAT and Accounts

FIM will offer the Owner advice on VAT registration as appropriate. FIM will effect registration on the Owner's behalf, if it is required. FIM will prepare and submit to the relevant fiscal body the required VAT Returns. When submitting VAT Returns original invoices must be retained by FIM.

FIM will prepare and submit to the Owner Annual Accounts and a Financial Report on the Investment Property, to include details of all income and expenditure arising in the past year.

FIM will maintain and keep all necessary books and records as may be required for the preparation of VAT Returns and Annual Accounts.

The Owner hereby undertakes to disclose timeously to FIM all information necessary for the proper preparation of the Annual Accounts and VAT Returns and agrees to hold FIM harmless and to indemnify FIM in respect of any liabilities of whatever nature, costs, claims, demands or disputes arising out of either inadequate and/or inaccurate information supplied by the Owner to FIM, or the failure by the Owner to supply information timeously to FIM, for the purposes contained in this sub-section.

(iii) Insurance

FIM will advise on, and arrange for, the appropriate insurance cover for the Investment Property.

FIM receives a commission for administering the insurance of the Investment Property. This commission will be retained by FIM. The rate of commission will vary from time to time.

In the event of any claim arising under the insurance policy, FIM will negotiate the claims settlement with the insurance company. The fee for this Service will be a percentage of any claims settlement, as agreed with the Owner.

(iv) Consultancy

FIM will be available to advise the Owner on any changes in the markets which may materially impact the market value of the Investment Property.

FIM will be available to advise on the taxation implications to the Owner of the Investment Property and on any provisions, enactments, decisions or rulings, impacting the method of UK taxation of the Investment Property.

3. SALE OF TIMBER

FIM will implement the sale of timber from the Investment Property. The service provided by FIM in this respect will be:

- preparation and circulation of particulars of the sale to potential purchasers and negotiation with interested parties.
- closing a deal and the issue of an Agreement for Sale of Timber on behalf of the Owner to the successful purchaser.
- monitoring payment under the contract and implementation of the terms of the Agreement for Sale of Timber.

In its dealings with third parties FIM will be acting as the Owner's agent. The Owner agrees that the Owner will enter into the Agreement issued by FIM for the sale of timber direct with the purchaser. Any liability for payment under the contract will be between the Owner and purchaser.

The fee payable to FIM for the services outlined in this Section 3 will be an agreed percentage of the net proceeds of sale received by the Owner, as specified in the Acquisition Report, plus VAT. The fee will be charged on completion of a contract, or at the Owner's financial year end in the case of an ongoing contract on net income received to date as at the financial year end, or as otherwise agreed between the Owner and FIM.

4. SALE OF INVESTMENT PROPERTY

When instructed directly by the Owner, FIM will assist the Owner to seek the introduction to the Owner of a suitable purchaser of the Investment Property or any part thereof. FIM will prepare a Marketing Report for the Investment Property. On receipt of written instructions by the Owner to proceed, FIM will prepare sale particulars of the Investment Property for presentation to possible purchasers and undertake a full marketing programme of the Investment Property.

The fees payable to FIM for the services outlined in this Section 4, will be an agreed percentage of the sale price, plus VAT and will be payable whether or not the sale is effected as a result of an introduction of the purchaser by FIM. The fee will be paid to FIM on either the date of completion of the sale or the date of entry onto the Investment Property by the purchaser, whichever first occurs. Marketing expenses, as agreed with the Owner, will be payable by the Owner as and when they are incurred by FIM.

C: TERMINATION AND NOTICE

- (i) Unless otherwise agreed in writing by FIM and the Owner, either FIM or the Owner may terminate any agreement between FIM and the Owner regarding the provision of any or all of the Services by giving not less than three months notice in writing to the other. Such termination shall be without prejudice to any rights and liabilities of FIM and the Owner which have accrued under the agreement up to the date of termination.
- (ii) Any notice to be given to FIM or the Owner under these Terms and Conditions shall be in writing and shall be deemed to have been duly given to FIM if left at or sent by pre-paid first class post to its address appearing in these Terms and Conditions, or such other address as FIM may notify to the Owner from time to time, and to the Owner by being left at or sent by pre-paid first class post to the address given by the Owner in these Terms and Conditions or such other address as the Owner may notify in writing to FIM from time to time.
- (iii) Any notice given in accordance with (ii) above shall be deemed to be received in the case of posting 24 hours after dispatch or otherwise at the time it is left at the proper address.
- (iv) In proving the giving of notice it shall be sufficient to prove that the notice was left at the proper address or that the envelope containing such notice was properly addressed and posted.

I have read and approve the above Terms and Conditions of Business

OWNER

WITNESS

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Signature of Owner

.....
Signature of Witness

.....
Full name of above (print)

.....
Full name of above (print)

Address

Address

.....

.....

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Date of signing

.....
Place of signing

Glebe Barn, Great Barrington, Burford, Oxon OX18 4US
Tel: 01451 844655, Fax: 01451 844509, Email: fim@fimltd.co.uk