



Shanghai Vision Asset Management

On-going Management SLA

V4.7 - General

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The contents of this document remain the intellectual property of Shanghai Vision Asset Management Ltd and contain confidential information. Shanghai Vision Asset Management Ltd will provide the services outlined on a "best efforts" basis and have no legal obligations against your investment.

Ongoing Management and Power of Attorney

This ongoing management service can be offered to all Shanghai Vision Asset Management investors to ensure the asset is managed in a quality and hassle free manner.

Shanghai Vision Asset Management has the right to transfer these services to a competent third party or terminate the service at any time on written notification to the investor. This will be to ensure quality standards are maintained on behalf of the investor.

SVAM ongoing service fee is charged as follows: 10% of gross rental income for guaranteed yield project and 15% for non-guaranteed yield project. Fees are charged in arrears every six month on June 30 and Dec 31 of each year.

In the event your apartment is vacant in preparation for an Exit Sale where you decide to use a 3rd party to complete the Exit Sale for you, SVAM are entitled to be paid the standard monthly management fee for said vacant months before handover to 3rd party

These services are limited to:

FUNCTION	FREQUENCY
Bank account and Mortgage Monitoring	
Monitoring mortgage repayments are the correct amounts and debited on the correct dates. Mortgage interest rate updated if changed in China.	Monthly
6 monthly reconciliation of account debit and credit transactions	6 monthly
A copy of an on-line bank statement or direct bank statement confirming the RMB balance at a specific date – will be provided where possible.	6 monthly
6 monthly 'Projected Cashflow' into the future	6 monthly
"Funds transfer request" for any funding shortfalls. Note: This will include a buffer to cope with any unforeseen expenses.	As required
Time deposit account management	As required
Currency Control	
Exchange of funds from foreign currency into RMB or Transfer of funds between investors Chinese based accounts For those investors who are required to send additional funds to meet mortgage repayments, annual insurance and SVAM fees etc.	Not more than twice per year for each investor. In line with the "Funds transfer Request"
<u>Outward Remittance of RMB out of China in USD/Euro/GBP</u> Upon the investor's written and signed request, FX will be sent to their designated account twice a year if the surplus RMB Balance exceeds the outlined limits <u>after</u> all forward debits for the next 6 months are deducted. Funds will only be sent back in the months of May and November. Note: Investors with cash and mortgage units are encouraged to use RMB build up to pay back their mortgage debt where possible.	RMB remaining Balance Limits is dependant upon investor situation: <ol style="list-style-type: none"> 1. All units cash only = 10,000RMB balance. (approx.) 2. Mortgage and Cash units = 10,000RMB balance plus 2 months mortgage for each mortgage property. (approx.) 3. Mortgage only units = 25,000RMB balance plus 2 months mortgage

	for each mortgage property.
Rental Confirmation	
Where required - rent collection and lodgement. For Guaranteed Yield developments - confirmed as paid by tenant/developer.	As rental payments are due. (i.e. Monthly, Quarterly etc) Note: Bank remittance fees may apply.
Rental Tax Payment Processing	
Monthly payment of rental tax at the local district tax administration.	As Required.
Monthly collection and storage of rental tax payment invoice at the local district tax administration.	As Required
Annual Chinese Tax Summary.	Annually
On-Going Insurance	
Annual payment of insurance As only the mortgage % of the property is covered by the bank. Cash Buyers – Insurance also required annually. This is billed to the investor's Chinese account. It will be assumed that the investor will want full property insurance unless the investor notifies Shanghai Vision Asset Management in writing.	Annually
Negotiating and signing of Insurance Contract, collecting & filing insurance policy.	Annually
Local Presence	
Ongoing Power of Attorney to sign local agreements, issue local payments and perform local duties.	See Excess charges
SVAM acting on behalf of the investor on the "Homeowners Association" to ensure efficient management of the building.	As required.
Use of Shanghai Vision Asset Management office address as a mailing address for Landlord mail that cannot be distributed outside of China.	Information for each tenant may be received weekly including bank statements, management information, local authority communications, tenant communications, mortgage statements etc.
Asset Management	
Collection and storage of furniture manufacturer, decoration and building guarantees.	As requested.
Storage of power of attorney, notarized copy of Deeds and other relevant documents	On-going
Storage of both purchase and On-going Mgt related receipts and invoices.	Archived > 3 years old.
Property visit to check apartment quality	Quarterly

Updating Power of Attorney and Passport	
When your passport expires a new version and PofA have to be legalized again in your country of domicile NOTE: Investor pays legalization costs and DHL directly.	At least 6 months before passport expires via the On-going management pack. Shanghai Vision Asset Management will proactively track expiry dates. The investor must facilitate by getting a new passport notarized within 3 months of expiry otherwise Ongoing Management will cease. If investors obtain a new passport they should advise Shanghai Vision Asset Management immediately.
Reporting	
Development overview and local area update	Annually
Annual Mortgage Statement – Mortgage Investors will receive a SVAM generated report outlining the status of their mortgage as it is not provided by Chinese banks.	Annually
Copy of this “On-going Management SLA”	Once off / upon requests

Either Shanghai Vision Asset Management or the lending bank will store the notarized Power of Attorney, the notarized passport, the notarized deeds and ongoing management receipts/invoices.

NOTE: The cost of these services are not fixed and can vary with changing demands/policies in the market place of China

The Shanghai bank account of the investor will be debited the SVAM on-going fee as outlined on the Projected Cash flow.

Excess Charges for Shanghai Vision Asset Management and/or Third Party

- Once off bank transfer of funds between investor personal a/c's RMB160
- Third Party Interbank transfer (not related to standard ongoing service) RMB240
- Additional currency exchange from FX to RMB
 - RMB160 for amounts less than \$10,000
 - RMB800 for amounts over \$10,000
- Additional currency Exchange from RMB to FX 1.5% of the RMB amount (No less than RMB 500)
- Requesting missing bank statement (manual) RMB400 per statement plus bank charges and postage
- Property Specific Valuation request by investor, undertaken by reputable independent third party – e.g. DTZ, Century 21.
 - \$350 for residential land use
 - \$500 for commercial land use
- Additional / Exceptional Furniture Purchase arrangements RMB400 / hour
- Legal Approach to tenant - Shanghai law Firm \$200 / hour
- Litigation against tenant or management company - Shanghai law Firm \$200 / hour
- Litigation negotiations against landlord for failure to repay mortgage - Shanghai law Firm \$200 / hour
- Interbank transfer failure investigation RMB160
- Additional Funds Transfer Requests if investor fails to send on time RMB800
- Short-term cash advance to the investor Short-term credit rates.
- Late Payment of Mortgage Advice after 2 consecutive failed mortgage repayments \$200 plus bailiff costs.
- Mortgage early repayment application 0.1% of the repayment amount (No less than RMB 500)
- Requesting Mortgage repayment schedule from bank RMB160
- Assist Title deeds replacement application RMB800

The above represent a summary of common excess charges, additional services may be requested that attract additional excess charges. Investors may request any of the above services in writing to Shanghai Vision Asset Management.

Note: Foreign currency transactions are subject to government restrictions and policy.