1) POLICY INTRODUCTION

The Board of Directors of the Factories Corporation of Jamaica Limited (FCJ) (hereinafter referred to as “the Board”) recognises the importance of developing and maintaining best practices geared at managing the company’s real estate assets. Essentially, FCJ’s core business model is that of being the Landlord (owner) - optimally utilizing its real estate assets through the rental and lease of built spaces, facilities and land to tenants (hereinafter referred to as “Clients”) in the public and private sectors. FCJ has therefore developed a Rental Policy, (hereinafter referred to as “this Policy”) that will govern processes related to the rental/ lease application, submission approval, ongoing client relations management, receivables administration and tenancy termination.

This Policy is produced in keeping with the principles articulated in the Financial Administration and Audit (FAA) Act as well as the Public Bodies Management and Accountability Act (PBMA) along with FCJ’s Internal Board Charter. The Rent Restriction Act was also used as reference throughout sections of this Policy.

The FCJ believes that adherence to this Policy will provide structure and consistency to the administration of lease arrangements with its Clients and maintain good and mutually beneficial relations, to not only foster business growth within the productive sector but to also ensure the continued viability of the Corporation. The FCJ, in accordance with its commitment to transparency, accountability, honesty and integrity will employ the terms within the Rental Policy with alacrity and responsibility. Client relations management is an essential tool for business sustainability and this Policy will detail standard operating procedures and principles to support this thrust.

2) PURPOSE & OBJECTIVES

The purpose of this Policy is to outline comprehensive and transparent processes based on best practices and approaches regarding new and existing FCJ Clients. The main objectives of the FCJ Rental Policy are:

1) To enhance national development by providing quality commercial space for the productive sector.

2) To ensure that all commercial operations achieve financial viability and provide an economic rate of return as specified by the Board.

3) To establish rates giving consideration to the following: -

   a) Recovery of total costs, including outlay
   b) Economic rate of return as approved by the FCJ Board
   c) Category of industry (e.g. manufacturing, BPO/ GSS, distribution, etc.)
   d) Current state of the facilities to be rented e.g. previous build-out, water, etc.
   e) Maintenance and any other services to be provided
   f) Appropriate security deposit, linked to current rental rates and duration of lease contract
   g) Market conditions (eg. period of vacancy, demand per parish etc.)
   h) Any other relevant factors, FCJ policy, Board and/or management directives that may arise from time to time.

4) To collect monies as they fall due and employ effective measures to recover outstanding amounts owed by delinquent clients.

5) To execute effective strategies to maintain the long -term sustainability of the Corporation.

3) SCOPE

This Policy applies to new and existing Clients, occupying spaces operated by FCJ and which is governed by a relevant, written, mutually agreed contracts signed between the Client and FCJ. Respective FCJ Officers, Managers, Management & Board Committees, as well as the Board will be directed by the terms outlined within this Policy. The scope of the ISO9001:2015 system is the rental/leasing of industrial or commercial spaces.

4) RENTAL & MAINTENANCE RATES

The administration of rental & maintenance rates shall reflect the following:

a) The facilities of FCJ shall be leased in line with or higher than the standard base rates of return on investment (ROI) conditional on the category of industry (space usage) of the prospective Client. The rates are calculated by the Client Service Manager using information on annual property valuations as provided by Estate Manager and approved by the Board:

i. Services or ICT or BPO- 15%
ii. Distribution -12%
iii. Manufacturing – 9%
iv. Agro-Processing – 9%
v. Land Only (Client-Built Facilities) – 8%

b) The base rates shall be subject to an annual increase of 7.5% for rental denominated in Jamaican Dollars ($JMD) and 3% for United States Dollars ($USD) for each year of the lease as per schedule attached to the lease contract. The rate of adjustment shall be subject to periodic revision at the discretion of the Finance Committee and approved by the Board.

c) Management may negotiate rental rates higher than the standard base ROI.

d) Management will not negotiate a rate lower than the standard base ROI outside of the terms of the Concessionary Policy (see Appendix 1). All rental rates lower than the standard ROI must be approved by the Board.

e) Maintenance will be charged for general wear and tear on external walls and roof, perimeter fencing, water and lighting in common areas, upkeep of grounds, garbage disposal, insurance, property tax, compound and/or unit personnel and electronic security, etc. or other services at the discretion of Management. The maintenance rate is calculated and communicated by the Finance Director. This rate should be finalized three (3) months prior to the start of the financial year (April 1st).

f) Maintenance fees will be treated as an estimate for the upcoming year and will be subject to audit by a professional audit firm to determine actual maintenance expense for a given year. Any difference between the actual expense and estimated fees will be charged/credited to the Client's account retroactively.

g) Payment of all rental amounts shall fall due on the first of each month and shall be paid thereon.

All payments shall be deemed to be on account and shall be applied to outstanding debts other than rent before being applied to earliest rent due.

h) In the event, the unit/property has been improved by a previous Client, the improvement will be costed by the Engineering department Manager and Management will negotiate a costing separate from the standard rental rate. Management will have the option to have the incoming Client to pay a one-time payment or the cost is rolled into the rental rate for payment not exceeding three (3) years.

5) REQUIREMENTS FOR SPACE APPLICATION

a) Prospective Clients should provide all of the following documents in order for their company to be considered by the Managing Director:

i. Completed FCJ Space Application Form
ii. Bank Reference Letter
iii. Company Business Plan/Outline
iv. Articles of Incorporation
v. Company Registration
vi. Tax Compliance Certificate
vii. Financial Statements and/or Cashflow Projections
viii. Letter of Good Standing from Past/Current Landlord

b) Sole traders and private individuals applying for space may be exempted from providing Items iv. and v. listed above. All other items are required.

c) Existing clients expanding their occupancy, through the lease of additional spaces, may apply using only a completed FCJ Application Form in order for the submission to be considered by the Managing Director.

d) The Lease Application Process outlined in this Policy will serve as a guide to the standard procedure for handling Client submissions for space (see Appendix 2).

6) LEASE CONTRACT

a) Within fourteen (14) days following possession and/or occupancy of any facility must be executed by the signed lease contract, detailing all terms and conditions of the lease.

All such contracts must include the following:-

(i) A specific duration, which shall be a minimum period of one (1) year, unless otherwise endorsed by the Managing Director. All property up for divestment or slated for improvements shall be given a minimum tenure of one (1) year to any Client.

Provision for renewal at the end of the specified lease period.

(ii) Security deposit reflecting three (3) months' payment of the approved rental and/ or maintenance rates and linked to the duration of the lease.

(iii) Provisions for restoration of facilities following the expiration of the lease.

b) All renewal of contracts should be completed and signed by both parties before the date of expiration of the existing contract.

c) Clients whose accounts are in arrears will not be given the option to renew their Lease until the outstanding amounts are paid in full. Any holding over by the Client after the expiration of the lease, shall be construed to be a tenancy from month to month at the rent prescribed by the Landlord under the terms of the last Lease and shall be on the terms and conditions therein specified, so far as applicable. Any such tenancy shall be terminable at any time by either party giving to the other at least one month's notice in writing.

d) After approval of the Managing Director on the application for facilities, the prospective client company must receive an Offer Letter and Space Reservation Agreement (see Appendix 3) to be reviewed and signed. The returned signed Space Reservation Agreement must be accompanied by payment of the relevant security deposit to reserve the facility. The Agreement will specify a time period of two (2) weeks. In the event the timeline is not met by the Client, and there is a competing interest for the space, the Management will decide to forgo the existing submission. A new submission may be tabled for the consideration of the Managing Director.

7) LEASE WITH OPTION TO PURCHASE

a) Lease with option to purchase must be approved by the full Board.

b) Where substantial alterations are made to premises, FCJ must be able to compel performance or claim damages.

c) Where the sale price is included in a lease, it will hold for only one (1) year (the first anniversary for leases longer than one year)

d) At the renewal of the lease the option to purchase must be re-introduced for a period not exceeding one (1) year.

8) SHORT TERM AGREEMENTS

a) Short term rentals may be negotiated as endorsed by the Managing Director.

b) Payments for short-term rental must be made quarterly in advance.

9) SECURITY DEPOSIT

a) A security deposit shall be required in all lease contracts and shall represent a minimum of three (3) months' rental and maintenance charges at all times. The Managing Director will have the discretion to approve payment of the security deposit over a maximum of three (3) months. The security deposit may be made via bank transfer or Bank Guarantee.

b) Payments of security deposit shall be made by bank transfer or Bank Guarantee upon the signing of the Space Reservation Agreement.

c) Under special circumstances, FCJ may exercise discretion in considering a Bank Guarantee.

d) Following the payment of the security deposit, in full or on terms agreed by the Managing Director, as well as the signing of the Space Reservation Agreement, then the client may be permitted to occupy the premises. This occupancy will be formalized upon the signing of the Building Inspection Checklist – Entry Certificate (see Appendix 4) by both FCJ and the client.

e) The application of security deposit being held may only be discharged to the Client after the premises have been vacated and the unit restored to a satisfactory state as formalized by the signing of the Building Inspection Checklist – Exit Certificate (see Appendix 4)

10)COLLECTION OF RENTAL & MAINTENANCE FEES

a) Rental shall be paid promptly on the first day of each month.

b) Resolution of Disputes:

i. All disputes and queries by the client in respect of invoiced amounts are to be made within thirty (30) days; otherwise, the invoice will be deemed final.
ii. Queries will be investigated and adjustments made as applicable.
iii. Payments on disputed invoiced amounts cannot be withheld because of unresolved queries.

c) Clients in arrears will be served with the following notices (see Appendix 13-Collection of Arrears Procedure):-

i. Reminder Notice giving seven (7) days to pay
ii. Second Reminder Notice giving seven (7) days to pay within the second month of arrears
iii. Demand Letter giving seven (7) days to pay after failure of adhering to payment plan terms
iv. Notice to Quit providing the required notice of thirty (30) days and expiring just before the beginning of a new payment period.
v. Final Notice, which is given just before repossession of the unit
vi. Repossession Letter, prepared by the Legal Officer advising of repossession and commencement of legal proceedings.
(see Appendices 5 to 10)

d) Notices are to be served by hand, by registered mail and via electronic mail (email). Notices served by mail are deemed served five (5) days after the date of registration.

e) A Payment Plan (see Appendix 11) may be entered into by Management as endorsed by the Receivables Committee for one hundred and eighty (180) days. Payment plans exceeding one hundred and eighty (180) days must be referred to the Finance Committee for endorsement and approved by the Board.

11) REPOSSESSION & EVICTION

a) Repossession proceedings will ensure the Notice to Quit expires without remedy.

b) All accounts for which facilities are repossessed are passed to the Legal Officer and/or external Counsel for continued resolution.

c) FCJ will, under normal circumstances, allow stay of eviction for thirty (30) days after repossession.

d) Clients are not charged rental or maintenance upon repossession of space.

e) The cost of repossession will be for the client's account.
f) Clients are evicted if:

    i) There is no response during the stay of eviction
    ii) There is a significant breach of the lease agreement
    iii) The account has reached the point of expiry of Notice to Quit, without remedy, for a third (3rd) time within the lease period. In such cases, no stay of eviction will be granted.

g) Goods are deemed to be abandoned and may be disposed of by FCJ, according to the Standing Order for the Removal of Unclaimed Possessions (see Appendix 12) , if clients do not claim said goods as follows:

    i) Free Zone clients – six (6) months after Notice of Breach

ii) Non-Free Zone clients – thirty (30 days after the date of repossession).

h) The full guidelines on the Collection of Arrears Procedure is outlined in this Policy (see Appendix 13).

12)GENERAL

a) Clients are to receive approved spaces for lease within two (2) months' after the receipt of approval by the Managing Director. Clients will benefit from a Build Out Period, whereby upon occupancy, following the signing of the Entry Certificate, the Client will be allowed to operationalize their space use without incurring rental and maintenance charges for a period of one (1) month.

b) In circumstances where a Client applies for a rent and maintenance free payment period exceeding the standard one (1) month build out period to undertake build-out of facilities, such request should be contained in the initial submission for the Lease Space Application as a consideration of the Managing Director.

c) All newly vacated or unoccupied spaces for rent must be readied for occupancy by incoming clients within three (3) months of vacancy. The timely execution of these standard pre-occupancy works is the duty of the Property Manager. Failure to deliver may result in extended build-out periods and loss of revenue to FCJ.

d) Delays in the Client occupancy caused by internal FCJ operations may result in an extended build out period being provided to the Client for an additional two (2) month period at the discretion of the Managing Director. Beyond this, any additional periods so deemed must be referred for the consideration of the Managing Director.

e) Standard pre-occupancy works may include but not limited to: - building works (roof repairs, painting and sealing walls and floors), installation of windows fixtures, electrical supply restoration and certification (GER approval), water supply access, drainage cleaning, among other works as agreed by FCJ Management.

f) Clients may choose to undertake the cost of standard pre-occupancy works or other repairs allowing for the practical completion of the unit as agreed by Management. Under those circumstances, the Client must outline this intention in writing to the Client Service Manager and the proposed estimate must first be reviewed by the FCJ Quantity Surveyor and approved by the Engineering Manager, to ensure consistency with current market rates. These must then receive the approval of the FCJ Managing Director. Upon completion of these works and following verification by the FCJ Quantity Surveyor and endorsement from the Engineering Department Manager then the approved costs incurred may then be credited to the Client's account.

g) Competing interests submitted for the same space may be decided by Management using the Lease Offer Score Sheet (see Appendix 14). Decisions will be tabled along with the successful submission for the consideration of the Managing Director.

h) No write-offs or waivers of any outstanding rental can be offered to any Client without the specific approval of the Board.

i) Decisions on any matter relating to rentals, not specifically covered in this Policy, but having budgetary implications to the Corporation and which are likely to affect FCJ financial performance, shall be taken in consultation with the Projects Committee.

13)REVIEW

The Projects Committee may commission a review of this Policy every two (2) years, or as necessary, to ensure its effectiveness and continuous improvement.

APPENDIX 1

CONCESSIONARY POLICY

INTRODUCTION

The Government of Jamaica (GOJ) aims to significantly boost productivity and growth in the economy with an initiative that has been dubbed '5 in 4' (i.e., 5% economic growth in 4 years). Factories Corporation of Jamaica Limited (FCJ) will be an important facilitator of the productive sector to realize this outcome. A critical success factor for businesses within our target sectors is the space in which they operate.

OBJECTIVE OF THE PROPOSED CONCESSION POLICY

The proposed concession policy is a strategic initiative that will expand the options that are available to existing and prospective clients by enhancing the accessibility and affordability of rental facilities. By extension, the initiative will help to increase the actual revenue generated from these clients in the medium to long term. This will be accomplished by a drive to regularise all tenant accounts that are currently in arrears, as well as, incentivising the utilization of current facilities; particularly those that have been vacant for one year or more.

The program has two overarching aims:

1. To facilitate sustainability through our Review & Rescue Initiative, which will target existing tenants who have not effectively serviced their rental agreement, and
2. To provide rental rate incentives for both existing and prospective tenants through the Attract and Sustain Initiative.

REVIEW & RESCUE

The Review and Rescue Initiative is an intervention program for tenants who are unable to effectively service their rental agreements in a timely manner. A review will be triggered when a tenant falls two months into arrears. A meeting will be requested to discuss the state of delinquency, at which point it will be determined if said tenant qualifies for enrolment into the program.

APPENDIX 1 – Cont'd

Criteria:

- The business must have been a tenant for a minimum of two (2) years.
- The business must be assessed by an approved business management consultant (e.g., Jamaica Business Development Corporation), with a view to enhance the financial viability and sustainability of the business. The assessment report and related recommendations must be submitted by the business management consultant accordingly.
- The business must submit the most recent financial statements and/or bank statements with the application for enrolment into the Program.
- The business must be a going concern, as certified by the most recent audited financial statements and/or the based on the assessment by the business management consultant.
- The business must demonstrate financial viability and sustainability post enrolment into the Program.

Features:

- Up to one (1) year to clear accumulated arrears.

Restrictions:

1. No reduction in maintenance fees
2. The Management will evaluate and approve payments plans for up to six (6) months.
3. Committee/Board approval is required for payment plans that exceed six (6) months.
4. Total accumulated arrears must be cleared by the end of the Program.
5. If the business falls into two (2) months arrears while enrolled in the Program, then the default contractual provisions of the rental agreement will be enforced.

ATTRACT & SUSTAIN

The Attract and Sustain Initiative is an incentive program to help Micro, Small and Medium Enterprises (MSME's) to access affordable rental facilities to advance their businesses. FCJ will be a consummate facilitator that will incentivize those enterprises who dare to brave the challenges of starting a business in Jamaica. The initiative is geared toward enhancing the marketability and utilization of low interest facilities. This will be accomplished by a drive to incentivise the rental of current vacant facilities; particularly those that have been vacant for one (1) year or more.

Criteria:

- Existing and prospective businesses must submit a completed FCJ application form along with the required supplementary documents.
- The business must be currently registered with the Office of the Registrar of Companies in Jamaica (ORCJ) and have been in operation for three (3) years or less.
- The business must be tax compliant as verified by a current Tax Compliant Certificate (TCC).
- The business must be a registered member or affiliate with at least one business mentoring organization such as the Small Business Association of Jamaica (SBAJ), MSME Alliance, Jamaica Chamber of Commerce (JCC), Young Entrepreneurs Association (YEA), Jamaica Manufacturers Association (JMA), or the Jamaica Export Association (JEA).
- The business must be involved in either manufacturing, agro-processing, export or a culturally related enterprise.
- The business must demonstrate financial viability and sustainability post enrolment into the Program.
- The business must employ or demonstrate the potential to employ four (4) or more workers by the end of the Program.

Features:

1. Up to 50% reduction in rental rates for a maximum of 1 year.
2. Referral to the Development Bank of Jamaica (DBJ) for a Voucher of Technical Assistance (VTA) to assist with capacity building and business development for enhanced the financial viability and sustainability of the business.

Restrictions:

1. No reduction in maintenance fees
2. The Management will evaluate and approve reduction in rental rates up to 30%
3. Committee/Board approval is required for reductions in rental rates that exceed 30%.
4. If the business falls into two (2) months arrears while enrolled in the Program, then the default contractual provisions of the rental agreement will be enforced.

APPENDIX 2

LEASE SPACE APPLICATION PROCESS

1. Email sent to potential Client regarding process and relevant documents required. (**24-48 hours**)

2. Potential Client submits **ALL** required documents.

   (Submit by 1st Friday of each month)

   NB: If more than one submissions are received, a Lease Offer Score Sheet is done to ascertain the successful client.

3. Submissions are prepared and sent to the Finance Department for vetting.

   (Submit by 1st week of each month)

4. Submissions are sent to the Managing Director within four (4) weeks for approval

5. Approved by the Managing Director

6. If the potential client's application is **successful**, the Offer Letter/ Space Reservation Letter is prepared and sent. **Space is reserved for 2 weeks after offer letter is sent while awaiting payment of the security deposit.**

   If **not successful**, client is informed.

7. After payment of security deposit (**3 months' rent and maintenance + GCT**), a Lease & Billing memo is prepared and sent to the Legal Department & Revenue Manager.

8. Lease agreement is then generated by the Legal department and sent to the Client Service department and then sent to the Client.

9

. Entry Certificate is done with clients and representative (s) from the Property and Client Service departments.

Signed copy of Lease Agreement returned.

10JPS and NWC letters are then prepared and sent along with the title to respective clients.

11. Based on time of entry, the Billing Memo is prepared and shared with the Revenue Manager/ Finance Department for action.

APPENDIX 3

OFFER LETTER & SPACE RESERVATION AGREEMENT

*Note: All highlighted sections subject to change

(PLACED ON FCJ LETTERHEAD)

October 31, 2002

Client Principal's/Owner's/Representative's Name
Client/ Company Name
Registered Address

Dear Mr. Thompson:

Re: Offer Letter for Factory Space – Unit N, 121 Duke Street SIC, Kingston (66.91 Sq. m./720 Sq. ft.)

We hereby advise that your application for space at the captioned location has been approved. Some of the terms and conditions of your lease agreement are outlined below:

Term:

Two (2) Years

RENTAL RATE Unit N (66.91 Sq. m)

Rental:			
Year	Per Sq. m. per Annum	Per Annum	Per Month
	JMD	JMD	JMD
1	5,513.24	368,890.89	30,740.91
2	5,926.73	396,557.71	33,046.48

Maintenance:	Year	Per sq. m. JMD	Per Year JMD	Per Month JMD
	1	6,011.16	402,206.72	33,517.23

GCT to be added to the above rates.

Cont'd…..1/2

APPENDIX 3 – Cont'd

Page 2

October 31 , 2002

Client Principal's/Owner's/Representative's Name
Client/ Company Name
Re: Offer Letter for Factory Space – Unit N, 121 Duke Street SIC, Kingston (66.91 sq. m. /720 sq. ft.).

Security Deposit:

You will be required to provide a security deposit equivalent to three (3) months' rent, maintenance and GCT:

Rent – JMD 106,056.13 Maintenance – JMD 115,634.43

Stamp Duty:

The lease stipulates that you pay one half of the stamp duty fee. The total amount is JMD 5,000.00 but you will be required to pay JMD 2,500.00.

Therefore, the total payment or bank guarantee due on October , 2022 is Two Hundred and Twenty-FourThousand One Hundred and Ninety Dollars & Fifty-Six Cents (JMD 224,190.56).

Kindly sign and return the enclosed Space Reservation Agreement, in acknowledgement to all the terms referenced above and therein.

We look forward to your co-operation and thanks again for making it FCJ.

Yours faithfully,
FACTORIES CORPORATION OF JAMAICA LIMITED

………………………………..
Oshean Campbell
Client Service Manager

Attch.

End……2/2

APPENDIX 3 – Cont'd

SPACE RESERVATION AGREEMENT

This AGREEMENT is made the day of 2022 BETWEEN FACTORIES CORPORATION OF JAMAICA LIMITED (FCJ), a company duly incorporated under the Companies Act of Jamaica and having its registered office at 17 Knutsford Boulevard, Kingston 5, "hereinafter referred to as "FCJ" of the ONE PART and ________________________________ hereinafter referred to as "the Lessee" of the OTHER PART.

A. INTERPRETATION

In this Agreement, where the context so admits, the expression:

I. "the FCJ" shall include the person for the time being entitled to the reversion immediately expectant on the determination of the Term hereby granted;

II. "the LESSEE" shall include the successors in title and permitted assigns of the Lessee and if the Lessee for the time being is more than one person then it includes each of them;

III. "the Term" means the period of years hereby created together with any statutory or other continuation or extension thereof and specified in item 2 of the SCHEDULE;

IV. "the Space" means the premises described in the SCHEDULE hereunder, more specifically, specified in item 1 of the said SCHEDULE;

V. "Force Majeure" Force Majeure refers to an exceptional event or circumstance which is beyond a Party's control; which such Party could not reasonably have provided against before entering into the Contract: which, having arisen, such party could not reasonably have avoided or overcome; and which is not substantially attributable to the other Party. Force Majeure includes but is not limited to the COVID 19 pandemic, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial action."

WHEREAS:

1. The FCJ is the beneficial owner and is entitled to possession of ALL THAT parcel of land part of FCJ LOCATION NAME in the parish of FCJ LOCATION PARISH and being ALL of the lands comprised in the Certificates of Title registered at Volumes 1488,1541 and 1542 Folios 199, 718 and 678, respectively, of the Register Book of Titles and has the authority to lease the space mentioned and referred to in SCHEDULE hereunder.

2. The Lessee has requested FCJ to reserve the space, more specifically described in the SCHEDULE hereunder for the use of the Lessee.

3. The Lessee has indicated to FCJ that it is desirous of entering into a lease agreement with FCJ for the lease of the space for a term specified in SCHEDULE hereunder.

NOW IT IS HEREBY MUTUALLY AGREED AS FOLLOWS:

<u>RESERVATION</u>

1. (i) FCJ reserves the right exclusively unto the Lessee to lease the said space in but not limited to the broad terms referred to in SCHEDULE hereunder.
   (ii) FCJ undertakes not to part with possession of the said space during the period of this reservation.
   (iii) The period of reservation shall be at any time from the date of this Agreement and for a period of two (2) weeks thereafter.
   (iv) The reservation herein is subject to the proper execution of this Reservation Agreement first and the receipt of same by the FCJ along

with the full payment of the security deposit referred to in SCHEDULE hereunder.

CONSIDERATION

2. As consideration for the said Reservation, the Lessee shall make a commitment for the Leasing of the space as described in SCHEDULE hereunder by signing and returning this Agreement on or before July 30, 2022

3. The reservation shall be deemed cancelled if and in the event of:
   a. The said space requested for reservation becomes unavailable by the FCJ due to circumstances beyond the control of FCJ or due to Force Majeure.
   b. Subject to clause 1(iii) above, there is delay in the expected timeline for delivery of the said space in a state of practical completion and the reservation is requested to be cancelled within three (3) months of the communicated timeline.

4. It is expressly understood that the parties may agree to an extended period for practical completion, which agreement shall be in writing.

5. The Reservation Agreement shall be deemed cancelled and FCJ shall be under no liability whatever to continue reserving the said space for the Lessee if:

   a) The said space requested for reservation becomes unavailable by the FCJ due to circumstances beyond the control of FCJ or due to Force Majeure.
   b) Subject to clause 1(iii) above, there is delay in the expected timeline for delivery of the said space in a state of practical completion and the Lessee decides not to pursue the matter of leasing the said space one (1) month

before the communicated timeline for practical completion. Said decision should be placed in writing and delivered to the Managing Director of FCJ.

c) The Lessee refuses to sign the Instrument of Lease and provide the necessary guarantees and all in the form and manner stipulated by FCJ within fourteen (14) days of the Lessee receipt of the same.

SCHEDULE

DESCRIPTION OF UNIT:

____________Sq. Ft./ _______ Sq. m. of space located and being part of FCJ LOCATION NAME in the parish of FCJ LOCATION PARISH registered at Volumes 1488,1541 and 1542 Folios 199, 718 and 678, respectively, in the Register Book of Titles.

1. THE TERM:

Three (3) Years

2. PERMITTED USE:

Manufacturing or Distribution or Services or Land Only or Agro-Processing

3. RATES (YEAR ONE):

Rental - $5,513.24 per Sq. M./ annum

Maintenance - $6,011.16 per Sq. M./ annum

4. SECURITY DEPOSIT:

On the execution of this Agreement, a security deposit of three (3) months' rent, the value of JMD 224,190.56 shall be payable.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the FCJ and Lessee as of the day and year first written below:

GIVEN under the COMMON SEAL of)

the said

FACTORIES CORPORATION OF JAMAICA LIMITED)

by ,Client Service Manager)____________________

in the presence of:-)

____
WITNESS

GIVEN under the COMMON SEAL of)

the Lessee __________________________________)

by , Director) ____________________

in the presence of:-)

____
WITNESS

APPENDIX 4

BUILDING INSPECTION CHECKLIST – ENTRY/ EXIT CERTIFICATE

BUILDING INSPECTION CHECKLIST

☐ ENTRY ☐ EXIT

Tenant: ____________________ No. of Stories____________________
Property: ____________________ Unit: ____________________
Type: ____________________ Date: ____________________
Inspector: ____________________

INTERIOR

NO.	ITEM	STATUS	REMARKS
1	Electrical Panel		
2	Painting		
3	Floors		
4	Window Winders		
5	Window Grilles		
6	Internal Doors		
7	Facilities (Male)		
8	Facilities (Female)		
9	Partitions		
10	Light Fixtures		

EXTERIOR

NO.	ITEM	STATUS	REMARKS
1	Roller Shutters		
2	Doors		
3	Windows		
4	Manholes		
5	Gutters		

6	Painting		
7	Downpipes		
8	Water Meter		
9	Electrical Meter		
10	Garbage Skip		
11	Grounds: Bushing Cleanliness		
12	Loading Ramp		
13	Annex(es)		
14	Other Amenities		
15	Water Tank		
16	Air Conditioner		
17	Generator		
18	Other		

This serves to advise that I have inspected the captioned building and I accept the building in the condition as indicated above.

Signature: ______________________________ Date: ____________________
TENANT

Witness: ______________________________ Date:____________________
FCJ REPRESENTATIVE

APPENDIX 5

REMINDER NOTICE

*Note: All highlighted sections subject to change

(PLACED ON FCJ LETTERHEAD)

July 21, 2022

Client Principal’s/Owner’s/Representative’s Name
Client/ Company Name
C/o FCJ Location
FCJ Location Parish

Dear Mr. Francis,

Re: Arrears of Rent on Property - FCJ Unit#, FCJ Location

Reference is made to the captioned matter.

Based on the terms of the governing Lease Agreement more specifically the TENANT'S COVENANTS -To Pay Rent, please note that you are in breach of Section 4 (1) of your lease agreement for failing to pay rent due in accordance with the terms, at the times and in the manner prescribed therein.

As at the date of this letter, your May to July 2022 invoices for rent and maintenance charges is still outstanding for payment. This is broken down as follows:

1. May to July 2022 invoice for rent and maintenance charges $1,023,430.07

Please be reminded that your rent and maintenance charges is due on the 1st day of each month.

We now write formally requesting that your payment for rent and maintenance charges to be paid on or before July 26, 2022, in keeping with your term of our lease agreement.

Please be guided accordingly.

Yours faithfully

FACTORIES CORPORATION OF JAMAICA LTD.

…………………………….
Ms. Shawn Murray
Revenue Manager

APPENDIX 6

SECOND REMINDER NOTICE

*Note: All highlighted sections subject to change

(PLACED ON FCJ LETTERHEAD)

July 21, 2022

Client Principal's/Owner's/Representative's Name
Client/ Company Name
C/o FCJ Location
FCJ Location Parish

Dear Mr. Francis,

Re: Second Reminder on Arrears of Rent on Property - FCJ Unit#, FCJ Location

Reference is made to the captioned matter.

Based on the terms of the governing Lease Agreement more specifically the TENANT'S COVENANTS -To Pay Rent, please note that you are in breach of Section 4 (1) of your lease agreement for failing to pay rent due in accordance with the terms, at the times and in the manner prescribed therein.

As at the date of this letter, your May to July 2022 invoices for rent and maintenance charges is still outstanding for payment. This is broken down as follows:

1. May to July 2022 invoice for rent and maintenance charges $1,023,430.07

Please be reminded that your rent and maintenance charges is due on the 1st day of each month.

We now write formally requesting that your payment for rent and maintenance charges to be paid on or before July 26, 2022, in keeping with your term of our lease agreement.

Please be guided accordingly.

Yours faithfully

FACTORIES CORPORATION OF JAMAICA LTD.

……………………………
Ms. Shawn Murray
Revenue Manager

APPENDIX 7

DEMAND LETTER

*Note: All highlighted sections subject to change

(PLACED ON FCJ LETTERHEAD)

June 17, 2022

Client Principal's/Owner's/Representative's Name
Client/ Company Name
C/o FCJ Location

Dear Mr. Francis,

Re: Payment Plan for Outstanding Arrears- FCJ Unit#, FCJ Location

Reference is made to the captioned matter and the approved payment plan, which commenced July 01, 2020 to settle outstanding arrears. Based on the terms of the payment outlined in said letter, you have failed to honour your obligations to pay your current months' rent and maintenance in addition to your monthly instalments to clear the arrears. Please be reminded that your 24 months payment plan agreement will end as at the 30th of June 2022.

As at the date of this letter your outstanding balance on account is $2,782,415.05 which includes April to June 2022 rental invoices (see statement of account attached).

Based on the foregoing, we demand that the sum of $1,223,954.58 represents April to June's 2022 rent and maintenance arrears and plus the outstanding balance on the payment plan of $1,558,460.47 which shall be paid on or before the 30th of June 2022. Failing which the Corporation will enforce its rental policy and agreement by taking the necessary punitive actions.

Please be guided accordingly.

Sincerely,
FACTORIES CORPORATION OF JAMAICA LIMITED

Mr. Michael Johnson
Director of Finance

APPENDIX 8

NOTICE TO QUIT

*Note: All highlighted sections subject to change

BY REGISTERED POST, BEARER & EMAIL

NOTICE TO QUIT

JAMAICA SS

TO: Client/ Company Name
FCJ Location
FCJ Parish

WE, FACTORIES CORPORATION OF JAMAICA LIMITED, the Landlord of premises known as GARMEX FREE ZONE, in the parish of St. Andrew, HEREBY GIVE YOU NOTICE TO QUIT AND DELIVER UP POSSESSION of that part of the aforesaid premises of which you are tenant on or before the Thirty first day of October 2022 or at the end of the month of your tenancy which will expire after the end of one month from the date of service of the Notice on you. The Landlord requires you to quit and deliver up possession of the aforesaid premises on the ground that: -

1. Your rent and maintenance charges have been in arrears for a period of Three months.
2. The premises are reasonable required by the Landlord for use by him for business trade or professional purposes.

DATED THE FIFTH DAY OF SEPTEMBER, 2022

BY FACTORIES CORPORATION OF JAMAICA LIMITED

____

DR. DONALD FARQUHARSON
MANAGING DIRECTOR

SERVED BY : ______________________________________

SERVED AT : ______________________________________

DATE : ______________________________________

TIME : ______________________________________

APPENDIX 9

FINAL NOTICE

*Note: All highlighted sections subject to change

(PLACED ON FCJ LETTERHEAD)

September 05, 2022

Client Principal's/Owner's/Representative's Name
Client/ Company Name
C/o FCJ Location

Dear Mr. Francis,

Re: Outstanding Arrears – FCJ Unit#, FCJ Location

Reference is made to the captioned matter and the notice to quit dated June 22, 2022 that was served on you and expired on July 31, 2022.

As at the date of this letter, the outstanding balance on account is $1,847,381.57, which represents twelve (12) month's rent and maintenance charges, broken down as follows:

1. Rent and Maintenance charges for March 2022 to July 2022 $622,238.60
2. Water charges $56,618.94

(See Statement of Account attached)

The FCJ's relationship with you over the past two (2) years has been one of understanding and leniency. The Corporation have taken into consideration the difficulties that have affected your business and the industry on a whole and have been patient and co-operative with you over the period. However, we have come to a point where we need to bring your account up to date.

Consequently, we now demanding that 50% deposit on your outstanding balance totaling $923,690.79, within five (5) days of the date hereof. Failure to do so will result in FCJ enforcing the relevant rental policy which will result in the repossession of the unit by September 12, 2022.

Based on the foregoing, please take this as a Formal Notice to remove any and all goods and/or perishable items/belongings that might currently be stored in the unit occupied by Client/ Company Name, as the unit will be locked on the date specified above, without further reference to you.

Please be guided accordingly.

Sincerely,
FACTORIES CORPORATION OF JAMAICA LIMITED

Mr. Michael Johnson
Director of Finance

APPENDIX 10

REPOSSESSION LETTER

*Note: All highlighted sections subject to change

(PLACED ON FCJ LETTERHEAD)

11th July 2022 BY EMAIL & REGISTERED MAIL

Client/ Company Name
C/o FCJ Location
FCJ Location Parish

Attention: Mr. Rory Henry

Dear Sirs,

Re: Repossession/Removal of items located at Property - FCJ Unit#, FCJ Location

Reference is made to the captioned matter and to the Notice to Quit dated April 14, 2022.

Please be advised that your tenancy with the Corporation has been terminated, as per the abovementioned Notice to Quit and you are now being given notice to make the necessary arrangements to have Client/ Company Name, remove all its belongings from the property at caption by 4 p.m. on or before 29th July 2022.

Failure to remove all items within the prescribed period, will result in them being removed by the Corporation at the expense of Client/ Company Name and placed in a public space entirely at the risk of Client/ Company Name.

The Corporation has no responsibility for the items once removed. Please be advised accordingly.

Yours sincerely,
FACTORIES CORPORATION OF JAMAICA LIMITED

PER: ______________________________
NATALIE IRWIN-CARBY (MRS.)
LEGAL OFFICER

/tab

cc. Dr. Donald Farquharson - Managing Director (FCJ)
Mr. Kevin Ormsby, Property Development and Maintenance Manager (FCJ)
Mr. Oshean Campbell- Client Services Manager (FCJ)

APPENDIX 11

PAYMENT PLAN

*Note: All highlighted sections subject to change

PAYMENT PLAN AGREEMENT
between FCJ & Client/ Company Name
July 15, 2019

Location: Garmex Kingston
Unit: 5A
Client: Any Name Co. Ltd.
Outstanding Amount: $2,444,000.00
Deposit: $600,000.00 (Bank Transfer #

AGREEMENT:

- The outstanding amount of One Million $1,551,584.62 is owed.
- The figure of Six Hundred Thousand Dollars ($600,000.00) representing a deposit on the outstanding amount owed was paid to FCJ on July 15, 2019.
- The amount of Six Hundred Thousand Dollars ($600,000.00) will be paid on a monthly basis to clear the outstanding amount over a period of six (6) months.
- The next effective payment of Six Hundred Thousand Dollars ($600,000.00) is to be paid effective August 15, 2019.

We understand this is a legally binding Agreement and have signed to be bound by its terms:

Signed: ________________________________
Name: ………………………………………..
Factories Corporation of Jamaica (FCJ)
Date: ……………………………….………

Signed: ________________________
Name: ……………………………………….
Witness
Date: ……………………………………….

Signed: ________________________________
Name: ………………………………………..
Client/ Company Name (Client)
Date: ……………………………….………

APPENDIX 12

STANDING ORDER FOR THE REMOVAL OF UNCLAIMED POSSESSIONS

This Standing Order is designed to provide guidance to persons acting on the behalf of Factories Corporation of Jamaica Limited (FCJ) in the removal of items from a repossessed unit. It is important that persons adhere to these instructions in order to avoid damage to the organization's reputation as a result of theft of items from the repossessed unit or confrontation with the former client.

1. Prior to the commencement for the relocation of items, a member from the Audit Department must visit the location and inventorize and photograph all items stored in the Unit.

2. The keys to the repossessed unit must be signed for by the FCJ's Senior Maintenance Manager.

3. On the instructions of the Managing Director or his designate, the Property Manager or agents of FCJ is to organize a work party comprising employees or sub-contractors as designated by the Property Manager, to commence the removal of items from the repossessed unit.

4. Only personnel employed or contracted by FCJ are to take part in the removal of items from any repossessed unit. All personnel involved in the removal exercise must be properly dressed in safety gear issued by FCJ (helmet, boots, luminous vest with the FCJ logo on it, eye protection and gloves).

5. All persons involved in the removal exercise must take due care to avoid damaging any items being removed.

6. The Security Supervisor is to ensure that the repossessed unit is not entered by the former client during the removal exercise.

7. In the event that an item or items is/are damaged during the removal exercise, the Senior Maintenance Manager is to report the matter verbally and in writing to the Property Manager and the Client Service Manager on the same day.

8. Following removal of all items, the Senior Maintenance Manager must secure the unit and submit the keys to the repossessed unit to be secured at all times by FCJ's Security Team Surveillance Duty Personnel on duty on a daily basis.

9. In the event that the keys are lost, the matter must be reported immediately for remedial action to be taken to secure the unit.

10. Personnel are being warned that the unauthorized removal of any items from the repossessed unit constitute a violation of FCJ's Terms of Appointment and Conditions of Employment. Persons caught doing so will be sanctioned.

11. Should a former client visit the location during or after the removal exercise and there are no in- house security personnel in attendance, access to the unit should be denied and a representative of FCJ should alert the Security Supervisor and/or Client Service Manager.

12. At no time should any FCJ's assigned personnel or sub-contractor engaged a former client in any verbal confrontation regarding the removal exercise. If there are verbal confrontations initiated by the former client, FCJ's employees or sub-contractor must immediately alert the Security Supervisor and/or Client Service Manager.

13. In the event the client tries to access the unit during or after the removal exercise without FCJ's approval, the matter should be reported to the Jamaica Constabulary Force (JCF). If the situation warrants the presence of members of the in-house security team/members of the Jamaica Constabulary Force (JCF), the Client Service Manager or his designate should be advised prior to or during the removal exercise.

APPENDIX 13

COLLECTION OF ARREARS PROCEDURE

PERIOD	ACTION	REMEDY	RESPONSIBILITY
MONTH ONE			
Day 1	Rent is due	Payment is received	Collections Officer or Cashier
Day 2-30	Call clients and make arrangements for collection	Payment is received	Collections Officer
Day 14	Reminder Notice sent by hand, mail or Whatsapp (social media messaging), stating amount outstanding and giving seven (7) days to pay	Payment is received	Revenue Manager
Day 21	Reminder Notice expires. May commence negotiations with Client for a Payment Plan or other agreement if negotiated position is arrived at, then Reminder Notice would not be required.		
Prior to last day of month	Prepare Second Reminder Notice for delinquent with whom the company is not in negotiation.	Full Payment of all invoices in arrears	Revenue Manager
MONTH TWO			
Day 14	Issue a Demand Letter sent by hand, mail or Whatsapp (social media messaging), stating amount outstanding and giving five (5) working days to pay	Full Payment or as per terms of agreed Payment Plan	Director of Finance

PERIOD	ACTION	REMEDY	RESPONSIBILITY
MONTH THREE			
Meeting of Receivables Committee	Decision to be taken by Receivables Committee to issue Notice to Quit giving until monthend to pay, issued indicating that: • No favourable response has been received to Reminder Notices • Unit will be repossessed (locked) if account is not resolved before the end of the month • FCJ takes no liability for client's possessions that remain in the facility at the time of repossession	Payment in full or based on the terms of agreed Payment Plan. Any part-payment not on payment plan should not leave a balance of more than one month's rent outstanding.	Receivables Committee
Day 14 Day 21	Provide the Managing Director with list of clients to be potentially locked for endorsement to be issued Notice(s) to Quit to delinquent client(s). Provide the Finance Committee with list of clients to be potentially locked and ensure Notice(s) to Quit are sent to delinquent client(s)	Payment in full or based on the terms of agreed Payment Plan. Any part-payment not on payment plan should not leave a balance of more than one month's rent outstanding.	Revenue Manager Director of Finance

PERIOD	ACTION	REMEDY	RESPONSIBILITY
Last Day of Month	Notice to Quit expires		
MONTH FOUR			
Day 1	Provide the Property Manager with list of clients who will be locked as endorsed by Managing Director.	Any part-payment should not leave more than one month's balance outstanding	Revenue Manager/ Client Service Manager
Day 1- 5	Repossession Letter issued to delinquent client stating that: • Unit is being Repossessed / Locked • The matter has been escalated to external counsel and/ or debt collection agency for action	Full Payment of all invoices in arrears	Legal Officer
Day 21	Matter referred to external Counsel or Collections Agency		Legal Officer/ Revenue Manager

PERIOD	ACTION	REMEDY	RESPONSIBILITY
Last Day of Month	Revenue Manager will inform the Client Service Manager on the move to lock. Move to lock - A notification of the action taken is to be placed at the premises at the expiration of the repossession notice. Property Manager will facilitate the execution to lock premises	Full Payment of all invoices in arrears	Client Service/ Revenue Manager
MONTH FIVE			
Last Day of Month	If no response after thirty (30) days of the Repossession Notice, proceedings will commence pursuant to the Standing Order for the Removal of Unclaimed Possessions as outlined in this Policy	Full Payment of all invoices in arrears	Legal Officer

APPENDIX 14

LEASE OFFER SCORE SHEET

This document was developed to establish transparency in the selection of clients recommended to the Managing Director.

The criteria developed supports the Government of Jamaica mandate of economic growth and job creation, ensuring that selected clients are financially capable to generate employment and sustain business operations.

1) The management of FCJ will take in consideration all applicant for space of interest of which a committee to include at least the Estate Manager, Director of Finance and the Client Service Manager where each Head of Department (HOD) will be responsible for specific criteria and sections of the scoring sheet.

2) In the event, where more than one company has an equal total score rating, formal communication through email will be sent to client to bid at a higher rate within 48 hours. The highest 2nd and 3rd applicants will be able to counter bid the highest offer after receipt of all bid rates thereafter 24 hrs to provide final bid rates. The highest bid rate will be recommended to the Managing Director for approval.

3) Management will have the authority to recommend an application for Committee approval which has a lower score with proper justification to support the application.

4) For sites that are purposed designed and built for specific operation, weights will be adjusted to reflect the sector of interest at the particular location.

EVALUATION FORM

CRITERIA

Relationship with Property

1. Applicant's Present Relationship with Property
   a. Lessee in good standing with tenure over ten years
      20

b. Lessee in good standing with tenure six to ten years
15
c. Lessee in good standing with tenure one to five years
10
d. Entities with no current relation to the property
5

Operations in alignment with GOJ towards economic growth and job creation

2. The business creates opportunity for economic growth
   a. Beneficial and very important to the national/public interest
   20
   b. Project has some advantages and is in the national/public interest
   10
   c. Project not beneficial and not in the public interest
   0

3. Number of Jobs created
   a. Over 30 25
   b. 15-30 15
   c. 10-14 10
   d. 1-9 5
   e. None 0

   Nature of Operations in alignment with GOJ towards economic growth and job creation

4. Industry type
   a. Manufacturing/Agro-processing
   20
   b. Business Process Outsourcing
   15
   c. Warehousing & Distribution
   10
   d. Other 5

   Business Sustainability

5. Economic and Social Sustainability of the Project
   a. Project demonstrates economic and social sustainability
   20
   b. Project demonstrates 1 out of 2 criteria of economic and social sustainability
   10
   c. Project does not demonstrate economic or social sustainability
   0

   Finance and Development

~~6.~~ Ability to Finance the going operations of the business for a period of 1year.
   a. Bank letter stating amount of funds in account 20
   b. Bank letter vaguely stating business relationship 10
   c. Insufficient financial information provided

Tenure of Operations

7. Relative years of Business Operations
   a. Significant experience (15 years or more) 20
   b. Moderate experience (more than 8 years - less than 14 years) 15
   c. Some experience (more than 3 years - less than 8 years) 10
   d. Inexperienced (less than 3 years) 5

Regulatory Compliance

8. Compliance with Existing Laws and Regulations
   a. Compliant (excellent compliance with tax laws and regulations, 20
   statutory deductions and registrar of companies; TRN, TCC
   b. Becoming compliant (in the process of meeting eventual compliance 10
   within three months with tax laws and regulations, statutory deductions and registrar of companies: TRN, TCC)
   c. Not compliant 0

Submission of Applicant

9. Rating Regarding Submission of Applicant
   a. Applicant submitted application with all relevant documentation 25
   b. Applicant submitted complete application some documentation 15
   c. Applicant submitted complete application with no documentation 10
   d. Applicant submitted incomplete application 5

Business Reference

10. Feedback from reference provided

a. Positive Feedback received
   20
b. Negative Feedback received
   10
c. Unable to contact
   0

Additional Comments
____
____
____
____
____
____
______

SCORE SHEET

Property Name: ______________________________ Date: ___________

Name of Applicant: ___________________________

CRITERIA SCORE

1. Applicant's Present Relationship with Property (50) __________
2. Opportunity for economic growth (30) __________
3. Number of Jobs created (55) __________
4. Industry Type (55) __________
5. Economic and Social Sustainability of the Project (30) __________
6. Ability to Finance the going operations of the business for a period of 1year (30) __________
7. Relative years of Business Operations (50) __________
8. Compliance with Existing Laws and Regulations (30) __________
9. Rating Regarding Submission of Applicant (55) __________
10. Feedback from reference provided (30) __________

TOTAL SCORE OF APPLICANT ____________

MAXIMUM POSSIBLE SCORE ____________

FINAL SCORE (%) ____________