

TERMS AND CONDITIONS OF LETTING & MANAGEMENT

Whether you are a Private Home Owner, an Investment Landlord or a Property Company, Clarets Residential Ltd offers a Letting & Management service which can be tailored to meet your individual needs.

Clarets Residential Ltd is a limited company, registered in England No. 73386527

The Company adheres to the codes of conduct of The Property Ombudsman (reg. no. N00561) and the National Association of Estate Agents (NO. 38090)

Please note that Clarets Residential Ltd will only accept instructions on the following Terms and Conditions. We strongly recommend that you carefully read these Terms and Conditions before signing this agreement.

Client Name: #ll-name#

Client Address: #ll-address#

“The Property”: #full-address#

Various terms in this agreement have been defined and you can find these definitions in clause 4.26 of this agreement.

1. Your Obligations as Landlord:

- a) Sub-letting
- b) Mortgages
- c) Insurance
- d) Gas, Smoke & Carbon Monoxide Alarms
- e) Fire Regulations
- f) Electrical Testing for HMO’s
- g) Electrical Equipment
- h) Inventories & Schedule of Condition
- i) Cleaning
- j) Deposit
- k) Maintenance
- l) Energy Performance Certificates
- m) Ownership
- n) Planning consent and usage
- o) Non UK resident Landlords
- p) Right to Rent Checks

As Landlord you need to ensure the following matters are dealt with:

a) Sub-letting:

If you are a leaseholder it is essential that:

the intended letting is permitted under your lease of the Property (“Head Lease”)

the period of the intended letting expires before the expiry of your Head Lease;

your Landlord’s written permission is obtained before the commencement of the letting; and you have advised your Landlord of your new correspondence address.

b) Mortgages:

Where the Property is subject to a mortgage, or has been used as security for a loan, permission is normally required from the mortgage lender before you may let or sub-let the Property.

You must confirm in writing to us that you have obtained your mortgage companies written permission to Let the Property. Please note that applying for permission after a Tenant has been found or after the commencement of a tenancy could prejudice the tenancy.

c) Insurance:

You must ensure and provide evidence that the building and contents insurance cover for the Property is adequate and covers properties which are let. The policy needs to include 3rd party liability and occupier risks as well as cover furnished lettings if applicable. Your tenant should be given a copy of your insurance schedule for buildings and contents, as this will form part of your tenancy agreement. Failure to inform your Insurance Company that the property is let out could render the policy void. It is the Tenants responsibility to arrange and insure their own personal belongings.

Please note that many household policies do not automatically provide such cover. On request Clarets are able to provide information on insurance.

d) Gas, Smoke & Carbon Monoxide Alarms:

Gas equipment and appliances must comply with the Gas Safety (Installation & Use) Regulations 1998 ("1998 Gas Regulations") which require, amongst other things, annual inspections by a Gas Safe (formerly CORGI) registered gas fitter with records maintained of the inspections and work undertaken. A copy of the report must be given to the Tenant at the commencement of the tenancy and annually thereafter. Further details can be found here: www.hse.gov.uk/pubns/indg285.pdf

You warrant to us that you agree to undertake the responsibility for safety checks on all gas equipment in the Property, and to provide a certificate in accordance with the 1998 Gas Regulations.

If no such certificate is available prior to the commencement of the tenancy you hereby agree that we shall (but will incur no liability to you if we shall fail to), at your expense, arrange for the statutory safety check to be carried out and remedial work performed.

You agree to indemnify us for any liability, cost or expense under the 1998 gas Regulations or any other related laws and regulations.

The Smoke and Carbon Monoxide Alarms (England) Regulations:

From October 2015 all rented properties must be fitted with a smoke alarm on each storey of the premises on which there is a room used wholly or partly as living accommodation; in addition to this, carbon monoxide alarms also need to be equipped in any room of the premises which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance; (i.e., gas fire, log burner, gas hob/oven etc., boiler etc) Checks must be carried out at to ensure that each prescribed alarm is in proper working order on the day the tenancy begins if it is a new tenancy. Failure to do this can result in heavy fines of up to £5000.

Clarets are happy to recommend contractors to have these installed on your behalf.

e) Fire Regulations:

You must ensure that any furniture and fittings supplied for a tenancy comply with the requirements of The Furniture & Furnishings (Fire, Safety) Regulations 1988 ("1988 Fire Regulations") (as amended 1993). You hereby warrant to us that

all furniture and furnishings in the property fully comply with the requirements of the Consumer Protection Act 1987. Further details can be found here: www.berr.gov.uk/files/file24685.pdf
You agree to indemnify us for any liability, cost or expense under the 1988 Fire Regulations or any other related laws or regulations.

f) Electrical Testing for Houses in Multiple Occupation:

Under the Housing Act 2004 a House in Multiple Occupation (HMO) is defined as accommodation occupied by three or more persons forming more than a single household; in other words three or more unrelated persons.

There is specific reference in The Management of Houses in Multiple Occupation (England) Regulations 2006 ("2006 Multiple Occupation Regulations") to having fixed electrical installations inspected and tested at regular intervals.

Where a landlord is letting a property to three or more sharers he must: (a) ensure that every fixed electrical installation is inspected and tested at intervals not exceeding five years by a person qualified to undertake such inspections and testing; (b) obtain a certificate from the person conducting that test, specifying the results of the test; and (c) supply that certificate to the local housing authority within 7 days of receiving a request in writing for it from that authority. Further details of HMOs can be found here:

<http://www.legislation.gov.uk/ukxi/2006/372/contents/made>

You warrant to us that you agree to undertake the responsibility for safety checks on all fixed electrical installations in the Property, and to provide a certificate in accordance with the 2006 Multiple Occupation Regulations.

If no such certificate is available prior to the commencement of the tenancy you hereby agree that we may (but will incur no liability to you if we shall fail to), at your expense, arrange for the statutory safety check to be carried out and remedial work performed.

You agree to indemnify us for any liability, cost or expense under the 2006 Multiple Occupation Regulations or any other related laws or regulations.

g) Electrical Equipment:

The Electrical Equipment (Safety) Regulations 1994 ("1994 Electrical Regulations") stipulate that all equipment provided for a tenancy, electrical or otherwise, must be fully operational and recently serviced. Further details can be found here: <http://www.legislation.gov.uk/ukxi/1994/3260/contents/made>

We strongly recommend that you instruct a qualified electrician to carry out a safety check prior to the commencement of any tenancy.

You hereby warrant to us that all electrical items are safe, and you undertake to be responsible for safety checks in accordance with the 1994 Electrical Regulations.

If no such safety checks are undertaken prior to the commencement of the tenancy you hereby agree that we may (but will incur no liability to you if we shall fail to), at your expense, arrange for such safety checks to be carried out and remedial work to be performed.

You agree to indemnify us for any liability, cost or expense under the 1994 Electrical Regulations or any related laws or regulations.

h) Inventory & Schedule of Condition:

An Inventory and Schedule of Condition is **strongly advised** for all tenancies to avoid end of tenancy disputes.

We will arrange for an Inventory and Schedule of Condition unless expressly advised otherwise in writing at the time of our instruction.

You will be responsible for the costs of compiling the Inventory and Schedule of Condition. We cannot accept any responsibility if you produce your own inventory and then conduct your own Check In and Check Out.

i) Cleaning:

We strongly recommend that the property is professionally cleaned prior to the commencement of the tenancy, this is a recognised standard, and would be noted as such in any Inventory and Schedule of Condition. This will set the required standard of cleanliness for the Tenant on the termination of the tenancy, subject of course to fair wear and tear. At the end of the tenancy we will instruct professional cleaners to clean the property at the expense of the tenant.

j) Deposit:

If the Tenancy created forms an Assured Shorthold Tenancy, the Deposit will need to be protected in accordance with the Deposit Protection Scheme (referred to hereafter as the "DPS"), a scheme implemented by the government to safeguard tenants' deposits under certain residential tenancies. As part of our management service we are able to facilitate this process on your behalf if you so wish, at no additional cost. It will be up to you and the Tenant to agree to the return, or not (full or part), of the Deposit at the end of the tenancy in accordance with the DPS. We will not be responsible for arbitration or mediation in respect of any dispute. Further details on the DPS can be found here: <https://www.gov.uk/private-renting> . Other types of tenancy, such as Non-Housing Act tenancies, are not affected by the DPS legislation. Please see clauses 2 d) & 2 e) for further details.

Please note that the rental threshold for Assured Shorthold is £100,000 per annum.

k) Maintenance:

You will have a statutory responsibility for the upkeep of the property pursuant to Section 11 of the Landlord and Tenant Act 1985 (referred to hereafter as the "LTA").

Your responsibilities under the LTA are to keep in good order and repair the structure of the property, to keep in good repair the appliances for supply of gas, electricity and water to keep in repair the appliances for supply of space heating and water heating; and to keep in repair the sanitary appliances.

Please ensure the property is in good order with no outstanding maintenance issues or faulty equipment.

l) Energy Performance Certificates

From 1 October 2008 residential let properties require an Energy Performance Certificate ("EPC"). The provisions are part of The Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007 ("2007 Energy Performance Regulations"). This can be found in full at:

<http://www.legislation.gov.uk/ukxi/2007/991/contents/made>

You warrant to us that you agree to undertake the responsibility for an EPC for the Property, and to provide a certificate in accordance with the 2007 Energy Performance Regulations.

If no such certificate is available prior to the commencement of the tenancy you hereby agree that we may (but will incur no liability to you if we shall fail to), at your expense, arrange for an EPC to be carried out.

An EPC, once conducted, is valid for 10 years and you indemnify us against any requirement to notify you of any expiry of the EPC.

You agree to indemnify us for any liability, cost or expense under the 2007 Energy Performance Regulations or any related laws or regulations.

m) Ownership

You warrant to us that you are the legal owner of the Property and that where you are signing this agreement on behalf of a joint owner(s) you are duly authorised to sign on their behalf and to bind your co-owners such that these terms will be enforceable against all the legal owners.

n) Planning consent and usage

You warrant to us that the Property has a current planning consent for use as a residential dwelling and is currently and exclusively used as such. You further warrant that the Property is not used for or occupied as Live/Work accommodation. If at any time during our appointment the Property is used or occupied as Live/Work you will confirm this in writing to us immediately.

o) Non UK Resident Landlords

Under the Income Taxes Management Act 1970 as amended by the Finance Act 1995, If you reside outside the UK, or intend to go abroad during the period of the tenancy for a period of 6 months or more, and we are collecting rent on your behalf, we are obliged under tax law to deduct tax from the rent at the basic rate which is currently 20%, unless written notification to the contrary is received from the Inland Revenue in the form of an Approval Certificate.

An approval certificate will allow you to receive all rental income due without deductions to cover tax liabilities and you can apply for this by completing an NRL1 form, or an NRL2 and NRL3 for non-resident companies and trusts. Clarets are happy to provide these for you.

Alternatively, the forms are available from the Inland Revenue at the following address.

HMRC Personal Tax International
Operations, S0708
PO Box 203
Bootle
L69 9AP
Telephone: 03000 516644 or 516651 (from the UK)
Telephone: +44 3000 516644 or 516651 (from abroad)
Fax: 03000 547381

You can apply for approval if:

- Your UK tax affairs are up-to-date
- You have never had any UK tax obligation or
- You do not expect to be liable to UK tax

p) Right to Rent Checks

The Right to Rent checks comes under section 22 of the Immigration Act 2014. What this means for all private landlords in England, is that you will have to check new tenants have the right to be in the UK before renting out their property. So from the 1 February 2016, any person who rents out private property in England will need to see and make a copy of proof that any new adult tenant has the right to rent in the UK, whether coming from outside the UK or not. Clarets will carry out these checks on your behalf, prior to referencing starting, Should you wish to carry out your own checks,

you will need to let Clarets know prior to referencing. Failure to comply means you could have a civil penalty of up to £3,000.

2. Our Service to You:

Letting & Management Service

Clarets Residential Letting & Management Service consists of the following services:

- a) Introduction of Tenant & Agreeing Terms
- b) Initial Rent & Deposit
- c) Ongoing rent collection
- d) Deposit
- e) DPS
- f) Payment of Outgoings
- g) Repairs and Replacement
- h) Property Visits
- i) Vacant properties
- j) Waiting at Properties
- k) Insurance Claims
- l) Furnishing and Refurbishment
- m) Inventory & Schedule of Condition and Check In
- n) End of Tenancy procedure and Check Out

a) Introduction of Tenant & Agreeing Terms:

Taking up references (but not including any charges for further company investigations, should you request these).
Negotiating the terms of the tenancy between yourself and the tenant.

b) Initial Rent & Deposit:

We will instruct the tenant to arrange for the initial rent and the Damages Deposit (normally five weeks rent in advance) to be paid to us ("The Receipts").

We will deduct our fees from the Receipts prior to forwarding any balance due to you. In instances where the Tenant's Deposit needs to be protected (Assured Shorthold Tenancies only) then we will protect the deposit in accordance with the DPS.

If after the deduction of the agreed letting and management fees, the amount of money in Receipts is less than the fees due, you agree to immediately transfer the balance owing to us. If this sum is not received we will take this sum from the next rent payment made to us.

c) Ongoing rent collection:

We will instruct the Tenant to arrange for the rent to be paid to us via standing order.

Once receiving the rent on your behalf we will, where necessary, initiate procedures for pursuing late payments; we cannot be held responsible if the Tenant(s) fail to pay his/her contractual rent.

We will forward the balance of rents received, less our allowable fees, costs and expenses to your nominated bank account within seven working days of receiving the rent from the Tenant, along with a statement.

We will prepare monthly rent /management invoices to you and/or to your accountant as notified to us.

d) Deposit:

We will not be responsible for arbitration or mediation in respect of any dispute, but where the Deposit is protected under the DPS we will make available to the Independent Case Examiner ("ICE") any such information which they request which may enable a resolution to the dispute. Where we are instructed by you to carry out third party remedial works on your behalf, a payment of £180 (inc VAT) will become payable to cover all administration costs.

e) DPS

We are a member of the Deposit Protection Service. The contact details for this scheme are as follows:

Name: The Deposit Protection Service
Address: The Pavillions
Bridgewater Road
Bristol
BS99 6AA
Tel: 0870 707 1707
Email See web form at www.depositprotection.co.uk
Fax : 0870 703 6206

If we manage your property the deposit will automatically be entered into the DPS, if we do not, you will need to specify if you require us to hold the deposit for you at the end of this document
If you/the Landlord decide to hold the Deposit yourself, we will transfer it to you within 7 days of receiving it. You/the Landlord must then register it with another Tenancy Deposit Protection Scheme within a further 9 days if the Tenancy is an Assured Shorthold Tenancy. If you fail to do so the Tenant can take legal action against you/the Landlord in the County Court. The Court will make an order stating that you/the Landlord must pay the Deposit back to the Tenant or lodge it with the Deposit Protection Scheme. In addition a further order will be made requiring you/the Landlord to pay compensation to the Tenant of an amount equal to three times the Deposit. You/the Landlord will be unable to serve a Section 21 Notice on your Tenant until compliance with the above conditions and the Court will not grant you/the Landlord a possession orders

Subject to the Deposit Protection Service rules, the Deposit will be refunded to the Tenant, less any deductions, within 10 days once the following have been completed: possession of the Property has been returned to the Landlord and all keys have been returned to the Landlord and both parties have confirmed their acceptance of any Deposit deductions and confirmation has been received from the Local Authority that no claw back of Housing Benefit is due.

The Deposit is not transferable by the Tenant in any way.

The Deposit will be protected by The Deposit Protection Service (The DPS) in accordance with the Terms and Conditions of The DPS. The Terms and Conditions and ADR Rules governing the protection of the Deposit, including the repayment process, can be found at www.depositprotection.com.

In the event that the total amount lawfully due at the end of the tenancy exceeds the amount of the Deposit the Tenant shall reimburse the Landlord's Agent the further amount, within 14 days of the request being made.

If the Landlord and Tenant do not agree with each other about the amount of the Deposit refund at the end of the tenancy they may either apply to The Deposit Protection Service for the free alternative dispute resolution service or seek a county court order for a judgement on their claim.

The Deposit Protection Service offer free dispute resolution for Deposits held by them. The service is provided by the Chartered Institute of Arbitrators (though applications should be made to The Deposit Protection Service).

f) Payment of Outgoings:

We will pay (from rent received from the Tenant) on your behalf, outgoings relating to the property and account to you for such expenditure on the rent statement. Although we will do our best to pick up any discrepancies, it must be understood that we may pay without question demands and accounts, which appear to be in order.

You must inform us in writing of any specific outgoing (e.g. insurance, ground rent, service charges) you wish us to pay on your behalf, and instruct your insurance company, local authority, block agents or other persons to send accounts to you. care of our management centre.

g) Repairs and Replacement:

Where brought to our attention, on your behalf, we administer day to day management matters including minor repairs (to the value of £350 (inc. VAT) for any single item) without reference to you, providing we are holding sufficient funds.

Wherever possible we will provide estimates to you for works likely to cost more than £350 (inc. VAT); if this is not possible, in an emergency for instance, we will arrange for work to be completed to protect your interests, advising you of the costs as soon as practical thereafter.

In addition any statutory obligations imposed on us in relation to the repair of the property will be discharged and charged to you as appropriate.

We require a minimum float of £350 as a working balance. Please note we cannot undertake to meet any outgoings beyond the funds available in your account with us.

You will be responsible for meeting all invoices for work instructed on your behalf when they become due. In the event that we do not receive requested instructions from you or where we are unable to contact you, we will have full authority to act in your best interests.

For works over £350 (inc VAT), that fall outside our normal management service, carried out with your written instructions we will charge a 10% arrangement fee.

When instructed, we are happy to use your specified contractor(s), however, we reserve the right to instruct our own contractors in an emergency or if your contractor is unable to undertake the required work within a reasonable time.

h) Property Visits:

We undertake to visit the property regularly; normally on the fourth month of the tenancy and at four-monthly intervals thereafter. Our management will also include non-expert investigation of defects, which come to our notice or are brought to our attention clearly and adequately by the tenant.

Inspections extend only to obvious and apparent defects and will not amount in any way to a structural survey of the property. We cannot accept responsibility for hidden or latent defects.

i) Vacant Properties:

Our management service does not include the supervision of the property when it is not let, during this time instructions can be given for us to make specific visits for a minimum fee of £60.00 (inc. VAT) per visit.

j) Waiting at Properties:

In the event you instruct a contractor, or we have to use a contractor to attend the property who is unable to collect keys from our offices or give a specific time of call we will attend the property on your behalf and charge a waiting fee of £60.00 (inc. VAT) per hour or part thereof after the initial hour.

k) Insurance Claims:

Where we are instructed to handle insurance claims on your behalf we will charge an administration fee of 10% of the total value of the claim.

l) Furnishing and Refurbishment:

Where instructed to undertake partial or total furnishing/refurbishment of the property we will charge a fee of 10% of the total value.

m) Inventory & Schedule of Condition and Check In:

We will, unless otherwise instructed (see back page), arrange for an Inventory & Schedule of Condition to be completed (at your expense), together with booking a Check In with the tenant at the start of the tenancy.

n) End of Tenancy procedure and Check Out:

We will endeavour to contact the tenant two months prior to the end of the tenancy, to enquire whether they intend to stay on at the property for a further period, or to vacate. However, you will remain ultimately responsible for instigating any end of tenancy procedures such as, but not limited to, serving the tenant notice to vacate, rent adjustments and asking us to book a Check Out.

Where we are given specific end of tenancy instructions by you, we will carry these instructions out.

We cannot be held responsible for instances where either you or the Tenant are un-contactable. If the Tenant leaves of their own accord at the end of the tenancy and we have been unable to contact you we will return the Deposit (where held by us and after booking a Check Out), to the Tenant, and in accordance with the DPS (where applicable).

3. Our Fees – Letting & Management Service:

Upon finding a tenant who is accepted by you and who enters into a tenancy agreement for all or part of the property, our fees will be charged as follows:

3.1.

Letting Fee

8%+VAT of the total rent received throughout the initial tenancy (“the Letting Fee”).

Management Fee:

4%+VAT of the total rent received throughout the tenancy (“the Management Fee”).

Our fees are payable and due at the commencement of the tenancy, the fee being a percentage of the total rent scheduled within the tenancy agreement. These fees will be payable for any tenant introduced by us, whether or not the tenancy was set up and administered by us, and will be deducted from the initial rental payment received, with any balance owing being payable by you prior to the commencement of the tenancy.

If the property rents at £#deal-rent# per month on the basis of an initial twelve month tenancy our fee would be £#deal-lettingfee-exvat# +VAT. Should the agreed rent be higher or lower than £#deal-rent# per month, or should the tenancy agreed be for a longer or shorter term than twelve months, our fee will be correspondingly higher or lower.

We will charge all fees due to us at the commencement of the tenancy. However, we can, at your request, charge only the Letting Fee at the commencement of the tenancy, with the Management Fee being charged and payable either

monthly, quarterly or annually at your request (see back page), but always in advance. For renewals/extensions/holdovers of the tenancy we collect the Management Fee in advance monthly, quarterly or annually at your request; with the Renewal Fees (see 3.2) being payable in full as soon as the extended tenancy commences. The Renewal Fee will be taken, in full, from the next rent payment made to us.

3.2. Fees for subsequent extensions/renewals/holdovers (“Renewal Fees”)

1st Renewal fee: 6%+VAT of the total rent received throughout the first year of any extensions/renewals/holdovers.

2nd & Future Renewal fees: 5%+VAT of the total rent received throughout the second year of any extensions/renewals/holdovers.

a) If your Tenant renews or extends a tenancy which we originally negotiated, we will be entitled to a fee, even if we have not been involved in the negotiation of it. We will charge a fee on all years of renewals of the original tenancy. The Management Fee will be payable in all events and as long as the tenancy continues and as long as we are instructed to manage the tenancy.

b) If you and the Tenant agree to a new tenancy for a fixed period (for example, twelve months) then our commission is due on the start date of the new agreement (calculated by reference to the Rents) for that period.

c) If the tenancy continues on a monthly, periodic or similar basis we will charge our according Renewal Fee for each period of six months of the continuing tenancy and we will continue to charge these fees at six-monthly intervals, until the Tenant vacates the property and the tenancy comes to an end. Our commission (calculated by reference to the Rents) will be payable at the start of each six-monthly period. If the tenancy comes to an end before the end of a six month period, we will refund any part of our commission which relates to the period after the tenancy has ended (as per clause 3.3 below).

3.3. Refund of Letting Fee

a) We agree to reimburse you with a pro-rata refund of our letting fee should the Tenant legally execute any break clause contained within the tenancy agreement; such refund will not be instigated until the Tenant has left the property.

b) We will not offer a pro-rata refund of our letting fee if the Tenant is released from the contract in any other way than if a break clause is executed.

c) We will not offer a pro-rata refund of our letting fee if you execute any break clause within the tenancy agreement to gain or regain possession of the property.

3.4. Tenancy Agreement and Extension Documentation

a) We have prepared a comprehensive agreement (“Tenancy Agreement”) which has been drawn up specifically to cover current legislation and to protect your interests.

b) Extensions to the agreement will not be charged. The charge of which is incorporated in the initial letting fee and renewal fee thereafter.

c) Unless we are instructed otherwise, we will use the Tenancy Agreement for the letting of the property. Should you instruct your own solicitor to prepare a tenancy agreement you will be responsible for the solicitor’s fees in full in that

event. For the negotiation and administration of your own or tenant's own tenancy agreement our fee will be £120 (inc. VAT).

d) We require the tenancy agreement in question to be signed by you, prior to the commencement of any tenancy. Therefore it is vital that we have your up to date contact details.

4. General Provisions

4.1. Change of Ownership

If you sell the Property to another person with the Tenant still in occupation, you will continue to be liable for our fees for the remainder of the period of the tenancy during which the sale has fallen. The fees will be calculated as set out in clauses 3.1 & 3.2 above. You will not be liable for any fees after the tenancy has come to an end (even if the new owner renews the tenancy) beyond the period after the expiration date of the tenancy which was in place at the time of change of ownership. For the sake of good order, you agree to supply us with the contact details of the new owner of the Property.

4.2. Rent

a) Unless otherwise agreed, rent quoted to a prospective tenant by us on your behalf will be inclusive of all outgoings for which you are responsible (for example, ground rent, service charges, buildings insurance) with the exception of water charges, gas, electricity, council tax, telephone charges and fuel oil where there is an independent oil fired heating system.

b) Any rent demanded by us on your behalf will not include Council Tax or any similar charge, which is normally levied separately on the occupants of the property.

4.3. Rent Remittances

Payment to you will be made by BACS transfer to your nominated bank or building society within seven working days of cleared funds being received in our account.

4.4. Withdrawal from Agreed Offer

a) In the event of you instructing us to proceed with a proposed tenancy and subsequently withdrawing such instructions before the tenancy agreement is entered into, you agree to pay £420 inc VAT as a contribution towards the costs of administration and marketing incurred by us.

b) You furthermore agree that you agree to absorb the cost of the referencing procedure which the applicants may have undertaken prior to your withdrawal from the proposed tenancy. At time of writing the cost of referencing, per applicant, is £132 (inc. VAT).

4.5. Mail

It is not part of our service to forward your mail. Therefore, no responsibility can be taken for your mail and it is recommended that it be redirected via Royal Mail.

4.6. Instruction of Solicitors

If legal action is required in respect of the tenancy, you will be responsible for instructing your own solicitors and for all fees involved. If we are required to attend court on your behalf, a charge of £180.00 (inc. VAT) will be made on any day we attend court.

4.7 Tax on Rental Income

- a) You are responsible for notifying HMRC of the tenancy. Where you are resident abroad HMRC will hold us responsible for the payment of withheld tax to them from your rental income, unless you have ensured that we have the requisite exemption certificate under applicable tax legislation.
- b) If you have an existing exemption certificate referring to another letting agent you will need to ensure HMRC issues a new certificate in our name or in the name of any rent collecting agent who we appoint.
- c) If you are not resident in the UK and do not have an exemption certificate, we are required to deduct tax from your rent at the appropriate rate and remit the tax withheld to HMRC quarterly, should this be necessary an administration charge of £30.00 inc VAT per quarter will be payable.
- d) Where we are not employed to collect the rent for you and where you are resident outside the UK, the tenant is responsible for deducting tax and remitting this to HMRC.
- e) If you are resident in the UK but subsequently cease to be resident in the UK and have not provided us with an exemption certificate, it will be necessary for us to commence withholding tax from the time you cease to be so resident.
- f) Where you are not resident in the UK, you will be charged £18.00 (inc. VAT) per annum for the provision of a gross annual income statement or other information to HMRC.
- g) Upon your request, annually, within two months of 5 April, or in the case of a company, its accounting reference date, we will provide you with a statement of gross income and expenditure relating to tenancies administered by us under the terms of this agreement. There is an annual charge of £30.00 (inc. VAT) for each such statement.

4.8. Interest

No interest will be paid on any monies held by us, however, it should also be noted that no charges will be raised in respect of any banking costs incurred by us in operating the client account.

4.9. Sale of Property to the Tenant

We will seek to gain a fee from you where any Tenant we have introduced to the Property subsequently agrees to buy the Property. The level of which shall be determined in accordance with our standard fee for sale at the relevant time. Our fee for such sales is currently 2% + VAT but subject to review from time to time.

4.10. Value Added Tax (VAT)

Except where VAT is expressly excluded in this agreement, VAT is due and payable on all services which are subject to VAT provided by us to you under the terms of this agreement, at the applicable rate from time to time.

4.11. Landlord and Tenant Act 1987, Sections 47 and 48

- a) We are obliged to include your full name and address on all rent demands if your address is within England and Wales. If you reside outside England and Wales then we must provide the tenant with an alternative address to which notices (including notices of court proceedings) may be served on you.
- b) Although we will use our reasonable endeavours to forward any notices to you promptly, we cannot accept liability for any loss or damage incurred either directly or indirectly from our actions or omissions in this respect.

4.12. Reserved Rights

We reserve the right to offer to you, and introduce, other services in the performance of our duties under this agreement for which we may receive a commission and for which we do not have to account to you.

4.13. Further Assurance

Upon and after this agreement takes effect, each of the parties shall, at the request of the other, do and execute or procure to be done and executed all such acts, deeds, documents and things as may be necessary to give effect to this agreement.

4.14. Assignment

This agreement shall be binding on and inure for the benefit of the successors of the parties and shall not be assignable by you, but will be assignable by us as reasonably required from time to time.

4.15. Limitation of Liability

a) Subject to Clause 4.15 b) and Clause 4.15 c), if either of us fails to comply with the terms of this agreement, neither of us shall be responsible for any losses that the other suffers as a result, except for those losses which we or you could reasonably foresee would result from the failure to comply with the terms of this agreement.

b) We shall not be liable to you for any losses you suffer that fall into the following categories:

loss of income or revenue;

loss of business;

loss of anticipated savings,

however, this Clause 4.15b) shall not prevent claims for foreseeable loss of, or damage to, your physical property.

c) Our total liability to you under this agreement shall be £50,000.

d) This Clause does not include or limit in any way our liability for:

death or personal injury caused by our negligence; or

fraud or fraudulent misrepresentation; or

any breach of the obligations implied by section 12 of the Sale of Goods Act 1979 or section 2 of the Supply of Goods and Services Act 1982; or

losses for which it is prohibited by section 7 of the Consumer Protection Act 1987 to limit liability; or

any other matter for which it would be illegal or unlawful for us to exclude or attempt to exclude our liability.

4.16. Representations

a) No partner, employee or agent of ours is authorised to make any representation or warranty not contained in this agreement and you acknowledge that you have not relied on any such oral or written representations or statements about our business, your business, the prospects for the same, turnover, profitability or any other matter.

b) It is expressly provided that nothing in this agreement shall exclude any liability of either party for pre-contractual statements or representations, where such statements or representations have been made fraudulently.

4.17. Data Protection

a) We will be processing all personal information in accordance with Data Protection legislation. You may be contacted from time to time by telephone, post or email by us and carefully selected third parties about financial or other products associated the moving process.

b) If you would prefer us not to use your information in this way or have any questions about the handling or protection of your personal data or your rights under this agreement please contact the data protection officer.

4.18. Severance

If any court or competent authority decides that any of the provisions (or any part of a provision) of this agreement are invalid, unlawful or unenforceable to any extent, the provision (or part of it) will, to that extent only, be severed from the remaining terms, which will continue to be valid to the fullest extent permitted by law.

4.19. Waiver

If we fail, at any time while this agreement is in force, to insist that you perform any of your obligations under this agreement, or if we do not exercise any of our rights or remedies under this agreement, that will not mean that we have waived such rights or remedies and will not mean that you do not have to comply with those obligations. If we do waive a default by you that will not mean that we will automatically waive any subsequent default by you. No waiver by us of any of the provisions of this agreement shall be effective unless we expressly say that it is a waiver and we tell you so in writing.

4.20. Rights of Third Parties

No term of this agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any third party.

4.21. Governing Law & Jurisdiction

Each of the parties to this agreement hereby acknowledge and agree that the terms and conditions of this agreement shall be interpreted in accordance with the laws of England and that any dispute, difference or question or any kind which may arise between the parties in respect to the subject-matter of this agreement shall be determined in accordance with the laws of England and the parties hereto hereby submit to the exclusive jurisdiction of the English Courts.

4.22. Disengagement and Termination

a) Either you or we can, by written notice to the other, disengage us from our management activities and terminate this agreement. The notice period under this clause shall be the shorter of the rent period or three months with such notice period to commence on the date of the next rent period (by way of an example, where rent is paid by the Tenant monthly in advance, the notice period shall be one month beginning on the date when the Tenant is obliged to pay the next month's rent).

b) Disengagement and termination will not affect either your or our outstanding rights, duties and obligations under this agreement, including our right to collect any monies due to us under or in relation to this agreement (monies due to us could include, but are not limited to, the Management Fee for the period, and any contractor's invoices which we may have paid on your behalf, and your obligation to pay Renewal Fees). We reserve the right to withhold such amount from the final month's rent received from the Tenant in order to attend to payment of any monies owed to us.

4.23. Entire Agreement

This agreement, together with any documents referred to in it, constitutes the whole agreement between the parties relating to its subject matter and supersedes and extinguishes any prior drafts, agreements, undertakings, representatives, warranties, assurances and arrangements between the parties.

4.24. Information Requests

We reserve the right to request certified copies of sufficient documentation so to verify your identity and current residential address and you hereby undertake, if so requested, to provide such documentation in a timely manner.

4.25. Agency

a) Whether you instruct us on a sole or multiple agency basis you agree that we have the right to instruct sub-agents on our behalf and on such terms as we see fit for the purpose of marketing, letting or managing your property.

b) If we are instructed on a Sole Agency basis the following provisions of this clause (4.25 b) will apply. You will be liable to pay our fees (as stated above), in addition to any other costs or charges agreed, if, at any time, a tenancy agreement for the property is signed by: a Tenant introduced by us during the period of Sole Agency or with whom we had negotiations about the property during that period; or a Tenant introduced by another agent during that period.

c) Multiple Agency is the situation where we are instructed along with one or more other agents in respect of the rental of the same property, but only one agent is to be entitled to a fee on the rental of the property. In the case of Multiple Agency, you will be liable to pay our multiple agency fee if at any time a tenancy agreement is signed by a Tenant introduced by us during the period of our multiple agency or with whom we had negotiations about the property during that period.

4.26. Definitions and Interpretation

a) The following words have the following meanings in this agreement:

“Check In” – the process by which you or us (as the case may be) and the Tenant agree the Inventory and Schedule of Condition. “Check Out – the process by which, upon the Tenant vacating the Property, you or us (as the case may be) and the Tenant agree

any variations to the Inventory and Schedule of Condition. “Deposit” – the deposit to be paid by the Tenant under the Tenancy Agreement “Inventory and Schedule of Condition” – a document signed by the you and the Tenant which details the furniture, white goods and other items contained in the Property together with details of the Property’s condition “Managing Agent” – us or any third party that we may choose to retain on a subcontracted basis for the purpose of managing a tenancy, pursuant to clause 2 in its entirety. “Property” – the premises on which you are instructing us “DPS” – has the meaning contained in clause 1.1j) “Tenancy Agreement” – has the meaning contained in clause 3.4 a). “Tenant” – the tenant of the Property “us”/”we”/”our” – Clarets Residential Ltd “you”/”your” – the Landlord of the Property

a) All warranties, representations, agreements and obligations expressed to be given or entered into by more than one person, are given or entered into jointly and severally by the persons concerned.

b) References to clauses or schedules are to clauses of our schedules to this agreement, and references to sub-clauses are to sub-clause in which the reference appears.

c) Headings and sub-headings are inserted for convenience only and shall not affect the interpretation of this agreement.

d) The singular includes the plural and any reference to the masculine gender shall include the female and vice versa.

e) Any reference in this agreement to any provision of a statute or statutory instrument shall be construed as a reference to that provision as amended, re-enacted or extended from time to time

f) Any reference to “the tenancy” or “tenancy” shall be to any or all tenancies arranged or managed by us in respect of a property under the terms of this agreement.

5. Appointment as Letting & Managing Agent

I/We hereby appoint Clarets Residential Ltd as my/our agent to provide the service(s) selected below in relation to the above property on and subject to the terms of this agreement

TICK

<input type="checkbox"/>	Let Only	8% Commission + VAT
<input type="checkbox"/>	Rent Collection	2% Commission + VAT
<input type="checkbox"/>	Fully Managed	4% Commission + VAT
<input type="checkbox"/>	On a Sole/Multiple Agency basis (delete as applicable) until..... (insert date)	

Further Instructions

I/We hereby instruct Clarets Residential to undertake the following:

<input type="checkbox"/>	Carry out the Right to Rent Checks & references (per applicant)	£54.00
<input type="checkbox"/>	Register and hold the Deposit under the terms of the DPS (clause 2 d)	£36.00
<input type="checkbox"/>	Arrange the Gas Safety Check and certificate (clause 1 d)	£120.00
<input type="checkbox"/>	Arrange the HMO Electrical Testing (clause 1 f)	£270.00
<input type="checkbox"/>	Contract & Administration Fee	£216.00
<input type="checkbox"/>	Arrange the Energy Performance Certificate (clause 1)	£120.00
<input type="checkbox"/>	Arrange Smoke Alarms & Carbon Monoxide Alarms	TBA
<input type="checkbox"/>	Arrange the preparation of the Inventory and Schedule of Condition (clause 1 h)) (Dependant of Property size)	TBA
<input type="checkbox"/>	Rent Guarantee with excess (1 month's rent)	TBA

I/We hereby confirm the following:

I/We confirm that I/We fully understand the content and effect, and agree to be bound by the terms, of this agreement.

Signed (Landlord(s)):

Print Name:Dated:

Signed:

(Duly authorised, for and on behalf of Clarets Residential Ltd having its principal place of business at
at 49 High Street, Bushey, Hertfordshire, WD23 1BD)

Print Name:Dated:

Landlord's normal place of residence is outside the UK
(clause 4.7)

Yes / No

If Yes

TICK

I have a Non Resident landlord approval certificate from HMRC

I understand Clarets/my Tenant (delete as appropriate) will deduct 20% from all rent received .

Landlord's Bank Details

Name of account holder:

Bank:

Account number:

Sort Code:

PAPERWORK TO BE PROVIDED TO CLARETS CHECKLIST

Mortgage Statement/ Consents to Let

Land Registry deed

Current EPC

Current Gas/Electric Safety Certificate

Passport/ Driving licence

Buildings insurance schedule