

TERMS OF LETTING & MANAGEMENT



1. Sub-letting and Mortgages

On accepting instructions for your property we will assume that:

- (a) any intended letting is permitted by your lease.
- (b) the intended letting is for a period expiring prior to the termination of your lease.
- (c) your landlord's written permission is obtained in writing prior to the sub-letting.
- (d) if the property to be let is subject to a mortgage, permission is normally required from the mortgagee to let or sub-let the property. We require you to confirm that you have obtained your mortgagee's permission in writing to sub-let. Please note that applying for permission after a tenant has been found could prejudice the tenancy. It should be noted that the mortgagee would usually have the power to terminate the letting if mortgage payments are not maintained and other requirements complied with. You should advise us if there is a mortgage in place so that the requisite notice can be served on the tenant.

2. We will require that authority to let the property is obtained in writing from any joint owner(s) who should be named in the tenancy agreement.

3. Insurance

Your property and contents must be comprehensively insured. You must inform your insurers of your intention to let the property as failure to do so may mean rejection of any future claim. You must ensure that the policy covers furnished lettings as many household policies do not automatically provide such cover.

4. Safety Regulations

The property must comply with all current legislation regarding the electrical installation and equipment (as per the Electrical Equipment (Safety) Regulations 1994), the gas installation and appliances (as per the Gas Installation (Safety & Uses) Regulations 1996) and all furniture and soft furnishings (as per Furniture and Furnishings (Fire) (Safety) (Amendment) Regulations 1996). The landlord must comply with any amendments that may apply during the period of any tenancy plus any other regulations referred to within this agreement or that may apply at any time. The appropriate testing and valid certificates are mandatory prior to any tenancy commencing. If we are not supplied with existing certificates we will instruct contractors to carry out the relevant testing at the cost of the Landlord.

5. Presentation

You are responsible for ensuring that the property is in a good condition for letting. In particular it must be professionally cleaned and be in good repair with all appliances in working order. London Executive can offer a homecare service during empty or vacant periods when the property has no tenants in occupation. Details and charges for this service is upon request.

6. Commission and fees:

6a. Letting and Rent Collection (including tenancy renewals)
10% of the total rent payable during the Tenancy + Value Added Tax
Subject to a minimum letting fee of £600 + VAT for a minimum period of six months

6b. Letting, Rent Collection and Management (including tenancy renewals)
15% of the total rent payable during the Tenancy + Value Added Tax
Subject to a minimum letting fee of £600 + VAT and a minimum management fee of £800 + VAT for a minimum period of six months

6c. Furnishing and Refurbishment
10% of the total expenditure + Value Added Tax

6d. On finding a tenant who is acceptable by you or whom you have given us authority to accept on your behalf and who completes the Tenancy Agreement, our commission will be charged as follows:-

6e. 10% plus VAT of the total rent payable under the terms of the tenancy agreement for the entire length of the tenancy, the total amount of commission including extensions whether or not negotiated by us, will be deducted from the first and second rent payment(s) received from the tenant in lieu of the same is payable within 14 days of invoice by London Executive. If your property is let and managed by London Executive the total amount of commission including extensions whether or not negotiated by us, will be deducted from the first and sixth rent payment(s) received from the tenant in lieu of the same is payable within 14 days of invoice by London Executive.

6f. An additional 5% of the total rent payable under the terms of the Tenancy Agreement plus VAT for the demand of our full management service and accounting to you payable from the rent collected. In the event of rent default an invoice will be sent to you separately and is payable within 14 days of invoice by London Executive. This fee is charged monthly.

6g. Interest at the rate of 4% over the base lending rate of National Westminster Bank Plc, in force from time to time, (or 10% if greater) will be payable on all fees and commissions which are not paid within 14 days of the due date for payment.

6h. Tenancy Agreement and Charges
Upon preparation of our Tenancy Agreement our charge for which is shared equally between Landlord and Tenant. The amount will be £150 (inc. VAT) for both Landlord and Tenant and the same for any or each extension. This price includes any changes made to the Tenancy Agreement that are agreed by the Landlord and the Tenant.

7. Letting and Rent Collection Service

The services included for our commission of 10% are:

7a. Introduction of a prospective tenant for the property.

7b. Taking up a status reference, prepared by an independent referencing company, (but not including any charges for additional information or company investigations should you request these) and forwarding to you for your approval.

7c. Negotiating the terms of the Tenancy between yourself and the tenant.

7d. Collecting and forwarding the deposit payable by the tenant against dilapidations and rent arrears to the Tenancy Deposit Scheme.

7e. Making every effort to notify utility companies (telephone, gas, electricity, water and council tax) at the commencement of the tenancy.

7f. The receipt of rent on your behalf

7g. The demand of rent in the absence of payment which will take the form of a series of letters to the tenant requesting payment.

7h. The forwarding of net rents to your bank by cheque. If the rent is received in cheque form it can take ten days for cheques to clear through the UK banking system. Any monies disputed will be without prejudice to final clearance.

7i. The preparation and submission of regular rent statements to yourself and/or your accountant.

7j. When we have not been instructed to manage a property, a deposit negotiation fee of £150 (inc. VAT) will be charged on the Landlord's account.

Letting, Rent Collection and Management

The services included for our commission of 15% are:

8a. The services detailed above.

8b. Outgoings

We will pay out of rents received current outgoing such as ground rent, council tax (due by the Landlord), Insurance premiums and any service charges and /or maintenance charge or similar contribution to shared expense and account to you regularly. We must be placed in sufficient funds at the commencement of the Tenancy and during the term of the management, to enable us to meet all expenditure prior to the rent collection dates. Please note that you are expected to instruct your Insurance company, the local authority, etc, to send their accounts to us. Although we shall do our best to query any obvious discrepancies it must be understood that we are entitled to accept and pay without question demands and accounts which appear to be in order. In particular, we cannot accept responsibility for the inadequacy of any insurance cover or for the verification of service/maintenance charge demands or estimates where applicable. It is important that we receive full written instructions regarding any insurance premiums you wish us to pay.

8c. Repairs and Replacement

We shall deal with day to day management matters including minor repairs up to a maximum of £150 + VAT for any one item, without asking your consent or pre-approval. Except in emergency cases, wherever the expenditure exceeds the above amount, we obtain estimates from two contractors and we submit same to you for approval. In case you will require more than two estimates (and up to five) to be submitted to you, an additional administration fee of 10% of the total repair or redecoration expenditure will be charged for this work. A property management sheet will be supplied for your completion prior to the commencement of the Tenancy.

8d. Property Visits and Defects

We can if requested carry out visits to the property at an additional £40 + VAT per visit. If we manage a property that is not let, we carry out visits to your property every three months at no extra cost. It should be appreciated that any such visits can extend only to apparent and obvious defects and will not amount in any way to a structural survey of the property. We cannot accept responsibility for hidden or latent defects as this will be a non-expert investigation of defects, which come to our notice or are clearly and adequately brought to our attention by the tenant.

8e. Terms of Management Appointment

Except in cases where you intend to re-occupy the property and where special arrangements are made, our management appointment is for the initial letting period and thereafter as long as the tenancy continues subject to three months notice to terminate on either side. We must be placed in sufficient funds at the commencement and, if necessary, during the period of management, to enable us to meet all expenditure prior to the rent collection dates. It is essential that we hold a working balance as we cannot undertake to meet any outgoings beyond the available cash from time to time in our funds on your account.

8f. Void Period

Our management service does not include security or supervision of the property when it is not let, although in the course of finding you a tenant, visits may be made by our lettings staff for a fee of £40 + VAT as detailed under clause (8d) Property visits and defects.

8g. Furnishing and Refurbishment

We have considerable experience in dealing with either partial or total furnishing and refurbishment of properties. If we undertake to arrange this work, an additional fee of 10% + VAT of the total cost will be payable by you.

8h. Keys

The Landlord must supply one set of keys for each tenant and in addition one set for the management of the property, to be held at the office. If you are unable to do so, we will cut additional keys at your expense.



9.

General Information

9a. Where London Executive are Managing Agents then this clause 9a and clause 9b apply for the duration of the tenancy period. London Executive have the authority to carry out repairs to the property (including the replacement maintenance servicing or repair of any furniture, furnishings, appliances, equipment or machinery) up to the limit of £150 + VAT save in the circumstances set out in the following clause.

9b. London Executive have the authority to carry out any appropriate action pursuant to all statutes and Regulations and to incur such expenditure as they deem necessary to comply with same. In particular, London Executive may instruct any Corgi registered installer at your expense to carry out any repairs or works needed to comply with any recommendation or requirement relating to any gas appliance or pipework in the property.

9c. You fully indemnify London Executive against all costs, claims, damages and expenses and other payments made pursuant to this authority or arising out of any breach or non observance or non performance by London Executive and/or yourself of such statutory obligations or regulations, rules and orders.

9d. Further you undertake to ratify whatever London Executive shall do in the performance of their management service and to indemnify London Executive against all costs, claims, payments and expenses (up to £150+VAT) incurred by London Executive.

9e. You indemnify London Executive against any payment of Council Tax or Rates (if any) payable in respect of the property.

9f. Data Protection Act 1998

The Landlord hereby consents to the Landlords agents (London Executive) processing data, any information, and personal details on or of the Landlord as defined in the Data Protection Act 1998.

9g. The Rent

We will agree with you a rent to be quoted to potential tenants. Unless specifically agreed otherwise this will include all payments for which you are responsible, such as ground rent and service charges. Please note, however, that it is normal for the tenant to take over responsibility for the gas, electricity, charges for water and sewage disposal and telephone accounts during a tenancy, to pay for any other fuel used and to be responsible for the council tax.

9h. Security Deposit

Unless otherwise agreed, this amount will be a minimum of six weeks rent. London Executive will submit this deposit to the Tenancy Deposit Scheme, unless The deposit or any balance payable will be paid to the tenant after dilapidations are assessed.

9i. Rent Remittances

Banking arrangements are as such that it is necessary for us to allow approximately ten days before transferring monies to clients accounts less any deduction for commission, expenses, contractors invoices etc. Any monies will be without prejudice to final clearance.

9j. Inventories

Unless instructed to the contrary we will employ on your behalf an established independent Inventory Company to produce an inventory and check the inventory at the commencement and termination of the tenancy. Please note that this is a requirement. We cannot be held responsible for any error or omission on the part of the Inventory Company, as they are not in our employ. Where we are providing our letting and rent collection service we will not become involved in any way in the agreement of deductions which must be negotiated directly between the Landlord and Tenant, unless you instruct us to do so per clause 7j. In the event of any dispute the inventory clerks decision shall be accepted by both parties as full and final. The fee for the check-in inventory is payable by the Tenant and the fee for the check-out inventory is payable by the Landlord.

9k. Tenancy Agreement

Unless we are instructed otherwise, we use our standard form of Tenancy Agreement. Landlords instructing their own solicitors to prepare an agreement will be responsible for their solicitor's fees.

9l. Instructions to Solicitors

We will inform you of any rent arrears or breaches of the tenancy brought to our attention within 5 days, however, you will be responsible for instructing your own solicitor and to pay all fees involved if action is required.

9m. Waiting at Properties

In the event that you instruct a contractor to attend the property who is unable to collect keys from our offices and can give a specific date and time of arrival we will charge waiting time at the property of £40 per hour + VAT.

9n. Courts and Tribunals

For any court or tribunal appearance (by special arrangement only) there will be an additional charge of £100 + VAT per hour plus expenses.

9o. Taxes Act 1988 and the Taxation of Income from Land (Non Residents) Regulations 1995

The Inland Revenue will hold us, as agents, responsible for the payment of any tax liability which arises on rents collected by us on your behalf, unless an approval certificate is provided by the Inland Revenue Pursuant to the Finance Act 1995. You are responsible for notifying the Inland Revenue of the tenancy. If you reside abroad it is necessary for us to deduct monies at the appropriate rate, withhold and forward to the Inland Revenue on a quarterly basis or until we receive an approval certificate, similarly, if at present you live within the UK but subsequently move abroad. In the event that the approval certificate arrives after a payment is made to the Inland

Revenue on your behalf, you will need to liaise with the Inspector of Taxes directly, we will not be liable for any refunds. If you are a landlord based abroad and are not accepted for the Non Resident Landlord scheme, we shall make an administration charge of £350 + VAT per annum for forwarding monies to the Inland Revenue.

9p. Purchase

In the event that a sale of the property should arise directly or indirectly as the result of the letting to the tenant leading to an exchange of contracts, we will consider this the direct introduction of a buyer to you. We will then be entitled to commission on the sale of the property at the rate of 2.5% of the sale price + VAT. This commission will become payable once the sale is completed or two months after exchange of contracts, whichever date is sooner.

9q. Sale

In the event that you sell the property that we have let for you and the tenancy is to continue, you remain liable to pay to us our commission fees for the whole duration of the tenancy period (and any extension) whilst the tenant remains in occupation, unless to our satisfaction the new owner enters into an agreement with us on similar terms to this agreement, in which case we will release you in writing from further liability to pay us fees under this agreement.

9r. Interest

Any interest earned by us on any monies held for whatever reason on your behalf will not be credited to your account. No charges will be raised relating to banking costs incurred by London Executive in operating the client account.

9s. Collection of Rent

If you instruct us to receive rent from the tenant on your behalf, this will be done where possible by use of a standing order mandate unless you instruct us otherwise, however you are advised that by accepting rental payment by standing order (which can only be terminated by the tenant) should the tenant breach any of the terms of the Tenancy Agreement whereby you seek forfeiture of the tenant and repossession of the property, the continued payment of rent by the tenant under the standing order mandate may be deemed to be a waiver by you of the tenants breach. Immediately following any breach the tenant must be notified by you (in the event that we do not manage the property) that monies received by standing order are to be regarded as "mesne profits"

Instructions are only accepted by London Executive upon these Terms and Conditions. Any variation must be agreed in writing by London Executive and annexed to these Terms and Conditions.

9t. If London Executive do not manage the property then you will need to instruct an independent Inventory Company at the end of the tenancy to do so on your behalf. You will then agree directly with the tenant the total costing to be charged from the deposit based upon the inventory check out report. London Executive are unable to release deposit monies to you or the tenant without the prior agreement of both parties in writing to the amounts to be paid out, save in circumstances where London Executive has notified you in writing of their intentions so to do and no proper reply is received from you.

9u. If London Executive do manage the property we will arrange for those items to be costed and the appropriate amount taken from the deposit. We will then pay out this sum to you and pay any balance to the tenant. It is agreed between us that our decision as to the total costs involved and what (if anything) is to be paid to you or repaid to the tenant out of the deposit in respect of dilapidation's or rents unpaid or any other monies in dispute is binding upon you.

9v. Where we are providing our letting and rent collection service we will not become involved in any way in the agreement of deductions which must be negotiated directly between the Landlord and Tenant. In the event of any dispute, the inventory clerks decision shall be accepted by both parties as full and final

9w. If there is any dispute between you and the tenant over these matters either party may sue the other in the local County Court to determine the issues between you. In such event, we will pay the deposit into court to abide the courts decision.

9x. Any work carried out by our staff in connection with any dispute will be charged to you at the rate of £50 + VAT per hour.

9y. Fees paid by London Executive prior to the start of the tenancy for the preparation of documentation and the general state of the flat will be charged to the landlord irrespective if this landlord pulls out of an agreed tenancy.

Declaration:

I/We declare that I/we are the sole/joint owner(s) of the property as stated above and that prior to the commencement of the tenancy all furniture and upholstered furniture, soft furnishings, beds, mattresses, pillows and cushions (if any) in the property, comply with the provisions of the Fire and Furnishings Regulations 1993, and warrant that the property complies with the Gas Safety Regulations 1998 and the Electrical Equipment Regulations 1994.

I have read and understood the terms and conditions as set out above and overleaf in clauses 1-9. I accept that in signing below I am bound to clauses 1-9 (incl).

Signature:

Date:

Please retain this form for your records: