

TERMS OF BUSINESS

1. DEFINITIONS

In these Terms and Conditions of Business the following expressions shall have the following meaning unless the context otherwise requires:

- 1.1 "Tenant" shall mean any one or more individuals or corporate entities introduced by us to you or the premises or named as Tenant in the Tenancy Agreement or Lease
- 1.2 "The Tenancy" shall mean the entire period that the tenant remains in occupation of the Property including the extension or renewal or period holding whether by way of memorandum, agreement or otherwise
- 1.3 "Rent" shall mean any payment to be made by the Tenant or the Agent(s) of the Tenant for use of the property whether expressed to be rent, a premium or any other form of payment, whether paid directly by the Tenant or his Agent(s) or obtained from other means such as deduction from the deposit.
- 1.4 "Commission" shall mean the commission or fees details of which are set out in Section 3 hereof.
- 1.5 "Sandersons" shall mean Sandersons Property Management
- 1.6 "Agent" shall mean Sandersons Property Management
- 1.7 "Landlord" includes the person or persons for the time being who owns the interest in the premises which gives the right to possession of it when the tenancy ends.
- 1.8 "Premises" references to "the premises" include references to any part or parts of the premises and to the furniture, fixtures fittings and effects therein.
- 1.9 "Deposit" meaning a sum of money paid by the tenant to the Landlord as security against any breach of the tenancy including damage to the premises or non payment of rent
- 1.10 "Stakeholder" shall mean that no deduction can be made from the deposit without the consent, preferably in writing from both parties, the consent of the court or an adjudication decision from the Tenancy Deposit Solutions Ltd (TDSL)
- 1.11 "ADR" means the Alternative Dispute Resolution.

2. THE SERVICES

2.1 Let Only Service In providing the Let Only Service Sandersons will:

- a) Agree with you in advance a rent for your property and market your property as appropriate at the agreed rental and erect a marketing board.
- b) Introduce any prospective tenants to the property by way of an accompanied viewing unless specified otherwise
- c) Apply for appropriate references
- d) Negotiate the terms of the Tenancy between yourself and the Tenant and ensure that an appropriate Tenancy Agreement and Notices are prepared and signed by or on behalf of the Landlord and Tenant
- e) Make all reasonable endeavours to notify the Local Authority and Water Companies of the change of occupant. (We cannot accept any responsibility for inaccuracies or delays on the part of the Local Authority or Service companies concerned).
- f) Arrange rental guarantee and legal expenses insurance through a third party insurer where instructed
- g) Arrange for inventory to be compiled on your instruction
- h) Collect and pay to you any deposit paid by the Tenant against damages and reimbursements

2.2 Rent and Collect Service In providing the Rent and Collect, in addition to the services outlined in paragraphs a) to

- g) above Sandersons will:
- i) Collect the monthly rent on your behalf and forward net rents to your bank account one month in arrears.
- j) Prepare and submit monthly statements to yourself and/or your accountant
- k) Collect and hold any deposit (as Landlord's Agents) paid by the Tenant against damages and reimbursements and register the same in accordance with the law

2.3 Management Service In providing the Full Management Service, in addition to the services outlines in paragraph a) to g) and i) to k) above Sandersons will:

- l) Arrange for the preparation of an inventory at the commencement of the tenancy and for the inventory to be checked at the termination of the tenancy and a checkout report to be supplied. Any damage or dilapidations that may have occurred during the tenancy are recorded on this report. Copies of which are forwarded to the Landlord and Tenant. (See schedule 5 of costs)
- m) Pay from rent received current outgoings such as ground rent, insurance premiums (on receipt of demands), service charges, maintenance contracts etc subject to us holding sufficient funds on your behalf. Although we will do our best to query any obvious discrepancies it must be understood we are entitled to accept and pay without question demands and accounts which appear to be in order. Please note you are expected to instruct your Insurance Company, Managing Agent etc to send their accounts to us. We cannot accept responsibility for the adequacy of any insurance cover or for the verification of service/maintenance charge demands or estimates where applicable.
- n) Carry out routine checks of the property not less than three times a year (if no serious defect requiring our inspection has been reported to us in the meantime) and report to you on each occasion. Any such inspections and assessments of those defects which are brought to our notice would be of a cursory nature and would embrace only apparent or obvious defects, and would not amount in any way to a structural or other survey. Any further inspection by us, or structural or other survey by a qualified body would be by special arrangement and subject to an additional fee. We shall not be responsible for any hidden or latent defects within the property.

o) Deal with day to day management matters including minor works up to a maximum of £500 + VAT for any one item without further instruction from you. Please note that we are not able to arrange for any works prior to a letting unless we are holding sufficient funds from you to cover the costs. Deal with matters of redecoration, renewal, replacement or repair with your verbal authority (save in the case of emergency and/or when it is impractical to do so). Except in an emergency whenever practical, estimates will be obtained and submitted to you for works likely to cost more than £500 + VAT. Upon receipt of your approval of such estimates we will organise and inspect works in excess of £500 + VAT for an additional administration fee of 10% of the cost of works + VAT. Such charge will be deducted from any monies received by us unless payment is received from you direct.

p) Lodge and progress any insurance claim relating to the property on your behalf. An additional fee of 10% of the total value of the claim + VAT will be charged, for which we will pursue the claim (without liability as to its merits) through to payment or rejection by your insurers. Should you decide not to proceed with any insurance claim, we shall be entitled to charge for the work undertaken by Sandersons.

q) Put in hand any cleaning and repair works arising from the schedule of dilapidations as outlined in l) above (subject to availability of funds held on your behalf) and to obtain estimates for major works if appropriate. We will submit the same to both the Landlord and Tenant, requesting authorisation from the Landlord as to what amount is to be deducted from the dilapidations deposit. If an Agreement cannot be reached between Landlord and Tenant within a reasonable time frame, Sandersons will refer the case to independent arbitration as required.

r) Arrange and pay from rent for any cleaning or minor repairs on a change of tenancy during our management appointment.

It must be noted that our standard management service as set out above does not apply when the property is not let; management during void periods is subject to a separate charge as defined in paragraph 4.4

3. GENERAL INFORMATION

3.1 Rent

Unless otherwise agreed, the rent quoted to a tenant by us on your behalf will be inclusive of all outgoings for which you are liable as a Landlord such as ground rent, service charges etc, but will exclude gas, electricity and other fuel charges, telephone, water rates and council tax (or any charge that may replace it) which are payments for which the tenant is in most circumstances responsible for.

3.2 Dilapidations Deposit

Sandersons are members of the Tenancy Deposits Solutions Scheme which trades as Mydeposits. Their details are as follows

Tenancy Deposit Solutions Ltd

Company registered in England no.05861648
Registered office: 3rd Floor, Kingmaker House, Station Road,
New Barnet, Hertfordshire, EN5 1NZ
General enquiries: customerservices@mydeposits.co.uk

3.2.1 If Sandersons are instructed by you/the Landlord to hold the Deposit, we shall do so under the terms of the Tenancy Deposit Solutions Scheme.

3.2.2 If you decide to hold the Deposit yourself, we will transfer it to you within 5 days of receiving it. You 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 in the County Court. The Court will make an order stating that you must pay the Deposit back to the Tenant or lodge it with the custodial scheme which is known as the Deposit Protection Scheme. In addition a further order will be made requiring you to pay compensation to the Tenant of an amount equal to three times the Deposit. You 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 a possession order. Sandersons have no liability for any loss suffered if you fail to comply.

3.2.3 The Agent holds tenancy deposits as Stakeholder.

At the end of the tenancy covered by the Tenancy Deposit Scheme

3.2.4 If there is no dispute we will keep any amounts agreed as deductions where expenditure has been incurred on behalf of the Landlord, or repay the whole or the balance of the Deposit according to the conditions of the Tenancy Agreement with the Landlord and the Tenant. Payment of the Deposit will be made within 10 working days of written consent from both parties.

3.2.5 If, after 10 working days following notification of a dispute to the Agent/Member and reasonable attempts have been made in that time to resolve any differences of opinion, there remains an unresolved dispute between the Landlord and the Tenant over the allocation of the Deposit it will (subject to 2.2.6 below) be submitted to the ADR for adjudication. All parties agree to cooperate with any adjudication.

3.2.6 The statutory rights of either you or the Tenant(s) to take legal action against the other party remain unaffected.

3.2.7 If there is a dispute we must remit to The Dispute Service Ltd the full deposit, less any amounts already agreed by the parties and paid over to them. This must be done within 10 working days of being told that a dispute has been registered whether or not you or Sandersons want to contest it. Failure to do so will not delay the adjudication but will involve appropriate action being taken to recover the deposit and discipline both parties.

3.2.8 Sandersons must co-operate with the ADR in the adjudication of the dispute and follow any recommendations concerning the method of the resolution of the dispute.

3.2.9 The Deposit amount, unless otherwise agreed, will normally be a sum equivalent to 150% of the rent (175% where the tenant has a pet). Where appropriate Sandersons hold the deposit as "Stakeholder" in a designated client account and any interest accrued thereon will not be credited to either Landlord or Tenant.

3.2.10 In the event of a dispute, the Landlord agrees to pay Sandersons £50 per hour for submitting the relevant paperwork to the tribunal and dealing with the matter.

Incorrect Information

If the Landlord warrants that all the information he has provided to the Agent is correct to the best of his knowledge and belief. In the event that the Landlord provides incorrect information to the Agent which causes the Agent to suffer loss or causes legal proceedings to be taken the landlord agrees to reimburse and compensate the Agent for all losses suffered.

3.3 Inventories

Sandersons will arrange for an Independent Inventory clerk to compile a full and independent inventory of the condition and fixtures and fittings of the property. An additional "check-out" is also recommended be carried out at the property by the Independent Inventory Clerk. The Check-out report would be used by Sandersons as the sole basis for reaching a conclusion in the disbursement of the damages and reimbursements deposit. Sandersons shall not be responsible for any failure or negligence of a third party in the provision of an inventory, but will provide details on request. (See Section 4)

Please note under the new Tenancy Deposit Legislation which came into force in April 2007, if you fail to provide an inventory and full condition statement at the beginning of a tenancy you will find it extremely difficult to make any deductions from the tenant's deposit.

3.4 Rental Guarantee and Legal Expenses Insurance Cover:

Where the above service is provided, Sandersons will instruct a third party insurer to arrange the provision of Rental Guarantee and Legal Expenses Insurance cover the terms of which will be provided to you if possible at the commencement of any tenancy. Sandersons cannot be held liable for any claims loss or damage that may arise in the instance of any claim where inadequate cover may have been provided by the insurer or where the third party insurer may prove negligent. Sandersons are not accountable in any way for the payment of rent or the costs of any legal expenses incurred. Rent guarantee payments do not cover the first month's arrears, nor damages nor any rent due after vacant possession has been obtained. The insurer will normally pursue these costs on your behalf through the courts.

3.5 Insurance

The property and its contents must be comprehensively insured to include third party and occupiers liability risks. Failure to inform your insurer that the property is let could render the policy void. You should obtain advice from your insurers as to the nature and extent of the cover required. Whilst we encourage tenants to insure their own contents it can not always be assumed that a policy will be in place.

3.6 Leasehold Property

If the property to be let is leasehold, it is the Landlord's responsibility to ensure that (1) any intended letting is permitted under the terms of the lease; (2) the intended letting is for a period expiring prior to the expiry of your lease; (3) the written permission of your superior Landlord is obtained and Licence to Sub-Underlet is granted if necessary.

3.7 Mortgages

Where the property is subject to a mortgage or loan, it is the Landlord's responsibility to ensure that written permission is obtained from the mortgage and/or lender. We require you to confirm that you have obtained this permission in writing. Please note that applying for permission after a tenant has been found could prejudice the tenancy. Some tenants may also request sight of written confirmation that permission has been granted.

3.8 Ownership

Authority to let the property should be obtained from any joint owner(s) who should be named in the Tenancy Agreement. Where any party comprises of more than one person the obligations and liabilities of that party under this agreement shall be joint and several obligations and liabilities of those persons.

3.9 Contractors

Our panel of appointed contractors is constantly monitored to ensure that all members comply with our high standards of quality, cost and reliability. We will endeavour to use any contractor specified by you, but cannot guarantee to do so, particularly in an emergency. Whilst exercising all due care and attention in our choice and administration of contractors we cannot accept any responsibility for any loss or damage caused by the neglect or default of any contractor.

3.10 Keys

We require a set of keys for your property to be provided for each tenant and a further set to be held by Sandersons where the management service has been requested; if you are unable to supply the required sets, we will have them cut at your expense. We recommend that if there are any lost or unaccounted keys to your property, locks are changed before a tenancy commences. Sandersons cannot be held liable for lost or unaccounted keys. It may be necessary for you to provide Sandersons with a letter of authority for some security keys to be cut.

3.11 Instructions to Solicitors

Should any rent arrears or breaches of contract be brought to our attention, you will be informed as soon as is reasonably practical. Thereafter you become responsible for instructing your own solicitor as necessary and for all fees and charges involved. We cannot take legal action for you as the tenancy contract is between you and your tenant(s), nor can we accept liability for arrears or breaches of covenant.

3.12 Courts & Tribunals

Applications for fair rent or preparation for, or appearances before the Rent Officer Rent Assessment Committee or any other court or tribunal will be by special arrangement and subject to an additional charge of £200+VAT per half day.

3.13 Income Tax

The Landlord is responsible for notifying the Inland Revenue of the tenancy. Income from letting UK property is subject to UK income tax, even if the Landlord is resident abroad, whether the non-resident Landlord is an individual, an overseas registered/resident company or an overseas-resident trust.

In April 1996 the legislation under section 42A, Income Tax and Corporation Taxes 1988 came into effect. This means Sandersons as your agent must account for tax at the basic rate on United Kingdom rental income if you are a Landlord whose usual place of abode is outside the UK (a 'non-resident Landlord'). From 6th April 1996 the non-resident Landlord can apply directly to the Inland Revenue (or through Sandersons as their managing agent or through their accountant) for exemption from deduction of tax at source from rental income. If approval is granted by the Inland Revenue, then effective from the date approval was granted Sandersons as your agent will be entitled to pay over rents without making tax deductions. If you are a non-resident Landlord who has not been granted exemption from tax deduction at source, Sandersons as your agent must pay to the Inland Revenue on a quarterly basis the basic rate of income tax of net rentals collected by us on your behalf. The calculations of tax paid by Sandersons will not take in to account mortgage interest, wear and tear allowance or other tax deductible items which we do not pay on your behalf. The eventual liability for tax may therefore be less than the amount forwarded to the Inland Revenue, but any overpayment will have to be reclaimed at the end of each tax year by the Landlord submitting a self assessment tax return to the Inland Revenue directly. We regret the necessity to make such deductions, but have no alternative in view of our responsibility to meet the tax liability on your behalf.

3.14 Landlord and Tenant Act 1987

We are obliged to include your full name and address on all rent demands. If your address is outside of England and Wales then we must provide the Tenant with an address within England and Wales to which notices (including Notices in Proceedings) may be served upon you. We will require this information before a tenancy commences. If the information provided changes during the tenancy we must be informed immediately. Additionally under Section 47 we are required to provide an address to the tenant detailing where you are living at any given time. Please ensure that you furnish Sandersons with these details as soon as possible.

3.15 Furniture, Furnishings, Gas and Electrical Safety

Regulations and Requirements

We draw your particular attention to our guidance notes relating to the Furniture and Furnishings (Fire) (Safety) Regulations 1988 (as amended), The Gas Safety (Installation and use) Regulations 1994 and the Electrical Equipment (Safety) Regulations 1994 all of which impose important requirements upon Landlords of residential property. Please ensure you are fully acquainted with your liabilities under the regulations and ask for further guidance or advice should you require it. Please note that Sandersons is obliged to refuse to take on a property where the furniture, furnishings, gas installations or electrical equipment do not comply. Your acceptance of the Terms and Conditions of Business will be deemed as having indemnified Sandersons against any liability occasioned by any breach of any of the Regulations mentioned above.

In the event that any Landlord fails to provide a copy of an appropriate Gas Safety Certificate carried out by a registered engineer either at the commencement of the tenancy or for any renewal period, Sandersons reserve the right to instruct such works as may be necessary and to deduct any costs incurred from the passing rental

3.16 Smoke detectors

Sandersons advise that smoke detectors should be fitted to all properties to a minimum of two in a single storey dwelling and one per floor otherwise. It is strongly recommended that carbon monoxide detectors are fitted to your property

4. COMMISSIONS, FEES & CHARGES

- 4.1 Let Only Service:** Sandersons commission is 100% of the first month's rent, payable in advance at the commencement of the tenancy plus VAT. Our minimum Letting Service Commission is £500 + VAT. Should the Tenants renew the Agreement a further charge of £95 plus VAT is chargeable payable in advance at the commencement of each Tenancy.
- 4.2 Rent and Collect Service:** Sandersons commission for this Service is 12.5% of the annual rent payable for the entire length of the tenancy plus VAT, payable from and at the same frequency as rent received.
- 4.3 Full Management Service** Sandersons commission for this Service is 15.5% of the annual rent payable for the entire length of the tenancy plus VAT, payable from and at the same frequency as rent received.
- 4.4 Void Management:** Where there may be a void period in your property Sandersons can provide fortnightly checks, retrieving and forwarding of mail, cursory checks of the gas, electric and water supplies and appliances and the examination of security arrangements. Sandersons cannot be held responsible for any damage theft or loss at any time during the management of your property. The cost of the void management service is £35.00 + VAT per calendar month.
- 4.5 Sale of Property:** In the event that a Tenant, any associated party or any person introduced at the time by Sandersons purchases the property or any interest in it (either after entering into a Tenancy Agreement) or otherwise and whether by transfer of the Landlord's interest in the property or the grant of lease) the commission on the sale at a rate of 1% + VAT of the sale price shall be payable to Sandersons on completion of the sale. In the event that a third party purchases the property or any interest in it and the tenancy is to continue, then your liability to pay Lettings and Management Commissions continues unless the purchaser enters into an agreement with Sandersons on the same terms as your own, and Sandersons agrees to enter such an agreement. Sandersons reserves the right to refuse to enter into such an agreement for any reason whatsoever.
- 4.6 Value Added Tax:** Except where otherwise stated our commissions, fees and charges will be subject to VAT at the prevailing rate or any other tax which may take its place.
- 4.7 Variations and Jurisdictions:** Variations to the Sandersons Terms and Conditions of Business will only be valid if agreed in writing with the Sales Manager. Acceptance of these Terms and Conditions of Business forms a binding legal agreement in accordance with English law and is subject to the jurisdiction of English courts alone.
- 4.8 Liability of a Landlord to Commissions, Fees and Charges:**
Commission and other charges are due and payable by the Landlord in accordance with paragraph 4 hereof on any letting of the Property to a Tenant and reference to the Tenant including:
- Any 'associate' of the Tenant as defined in Section 303(8) of the Income and Corporation Taxes Act 1970.
 - Any close company as defined in Section 282 of the Act in which that person or any associate as defined is a participator as defined in Section 303(i) of the Act.
 - Any company (or any connected person or entity of that company) which shall be the employer former employer guarantor or former or proposed guarantor of that person.
 - Where the tenant is a company any person employed by the company or for whom the company is or has become or proposes to become guarantor and includes any company which is a holding company of the company or subsidiary company of the company or a member of the same group, as defined in Section 272 of the Act as a company.
 - Any person or entity introduced by the Tenant or occupier of the property.

Where a tenant is introduced to your property by Sandersons and subsequently takes up a tenancy of your property whether arranged by Sandersons or not we shall be entitled to a commission fee equivalent to that of our Let Only fee

- 4.9 Penalty charges:** Once an offer has been accepted verbally or in writing by the Landlord we shall draw up agreements and take up references. If the Landlord subsequently informs us that they do not wish to proceed with the Tenancy there will be a penalty charge of 2 weeks rent + VAT or £350.00 + VAT whichever is the greater.
- 4.10 Rent Guarantee and Legal Expenses:** Where it is requested for the Rent Guarantee and Legal Expenses an additional fee including IPT is payable from and at the same frequency as rent received.
- 4.11 Inventory Costs:** The use of an Independent Inventory Clerk incurs additional costs for which you the Landlord will be responsible. As a third party is used any scale of charges available from our offices will be subject to changes from time to time. The quoted costs include Sandersons' charge for all administration relating to the inventory and checkout.
- 4.12 Additional Works:** From time to time you may require Sandersons to carry out remedial works to your property during a void period. In these instances payment will either need to be made direct to the appropriate contractors or to Sandersons prior to the works being carried out. Sandersons will make a charge of 10%+VAT on all such works carried out.
- 4.13 New-Build Properties:** Sandersons will attempt to deal with any "teething problems" that arise during a tenancy of a new build property. Where a developer fails to repair or remedy any fault within 10 days of the original report the matter must be taken up with the developer directly by you as the landlord.

**INSTRUCTION TO LET AND/OR
MANAGE MY PROPERTY**



Address of Property to Let: _____

Name of Legal Owner/s: _____

Your (new) Address: _____

Contact Telephone numbers: Home) _____ (Work) _____

(Mobile) _____ (E mail address) _____

State the earliest date on which your property will be available from:

Period of Let:

Please tick the service you require:

Services

- | | |
|--|---|
| <input type="checkbox"/> Fully Managed with Rent Protection | <input type="checkbox"/> Fully Managed |
| <input type="checkbox"/> Rent and Collect with Rent Protection | <input type="checkbox"/> Rent and Collect |
| <input type="checkbox"/> Let Only with Rent Protection | <input type="checkbox"/> Let Only |

Additional Services (Please ask for quotation)

- | | |
|---|---|
| <input type="checkbox"/> Legal Protection insurance | <input type="checkbox"/> Full Accountancy service |
| <input type="checkbox"/> Emergency Repair Service | <input type="checkbox"/> Annual tax statement |
| <input type="checkbox"/> Professional cleaning/gardening prior to first tenancy | <input type="checkbox"/> Endsleigh Buildings and Contents Insurance cover |
| <input type="checkbox"/> Regular gardener during tenancy | |

Will you be Resident in the UK: YES / NO
(If no please ask about the Tax Implications)

DO YOU WISH: (Please circle)

Sandersons to arrange Inventory:	YES / NO
Sandersons to arrange Gas Safety:	YES / NO
Sandersons to arrange Electrical Test:	YES / NO
Sandersons to have keys cut:	YES / NO
Sandersons to set up Emergency Cover	YES / NO

HAVE THE RELEVANT CONSENTS BEEN GRANTED BY:

The Mortgage Lender:	YES / NO
The Freeholder Management Company	YES / NO
Your Insurance Company	YES / NO
Does the Mortgagee require a copy of the Tenancy Agreement:	YES / NO

INVENTORY SCALE OF CHARGES (Section 5)

No of beds	Unfurnished	Furnished
1 bed	85.00	95.00
2 bed	95.00	105.00
3 bed	105.00	115.00
4 bed	115.00	130.00
5 bed or over will we provide you with an estimate		

Check Out £100

The above charges are a guide only and additional fees may be levied depending on the size of the accommodation and any extra rooms. Prices may vary without prior notice. VAT will be charged at the prevailing rate.

List any special letting instructions: _____

Current Buildings and Contents Insurer: _____ Renewal date: _____

Please give details of any maintenance contracts, guarantees on appliances or building works etc., and insurance policy details.

The main stop cock is located (please state) _____

Payment details:

Bank: _____ Branch: _____ Acc Name: _____

Account number: _____ Sort code: _____

Declaration

I/we confirm that all the above details are true. I/we confirm that I am/we are the legal owners of the property to let and have permission to let from our mortgage lender (where appropriate). I/we hereby authorise SANDERSONS PROPERTY MANAGEMENT to act on my/our behalf in the letting and management of the said property, to instruct an inventory and condition statement to be compiled and for a EPC certificate to be produced. I further authorise SANDERSONS PROPERTY MANAGEMENT to sign all documents relating to the letting of the property on my behalf, to collect rents and to take all necessary action concerning repairs up to a limit of £500. I/we agree to pay by deduction from rental income all fees as set out in SANDERSONS PROPERTY MANAGEMENT Terms and Conditions of business. I/we have read and retained a copy of this document and agree to abide by the terms therein.

Signed: _____ Print name: _____ Date: _____

Signed: _____ Print name: _____ Date: _____

Signed: _____ Print name: _____ Date: _____

For office use only	
Landlord with multi properties	Yes / No
Unique multi property ref	ME/
Date T of B sent to LL	

(Ref: Branch/LL Ref/YYMMDD)