

Landlord Management Contract

Hearthstone

Property Management Ltd

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General

Service type

Let only /Full Management/Maintenance service

You should read the Fees and Service Schedule attached to this Agreement where we set out our fee structure.

Definitions

1. In this agreement the following definitions and interpretations apply:

- a. Use of the singular includes the plural and use of the masculine includes the feminine and vice versa.
- b. "Agent" "we" or "us" means the agent trading from the registered office address as described in the summary schedule.
- c. "Jointly and severally liable" means that each person will be responsible for complying with the obligations of and paying all charges and costs under this agreement, both individually and together.
- d. "Landlord" "you" or "your" means the landlord as described in the summary schedule above and any other person owning a reversionary interest in the premises, whether freehold or leasehold, entitling them to possession of it upon the termination or expiry of the tenancy and anyone who later owns the premises.
- e. "Tenant" means anyone entitled to possession of the premises under a tenancy agreement.
- f. "Occupier" means a tenant or any other person or organisation entitled to occupy the premises under a tenancy, licence or any other form of agreement or contract.
- g. "Occupancy agreement" means any agreement between you and any occupier which permits them to occupy the premises whether or not it constitutes a tenancy agreement.
- h. "Premises" means any part or parts of the building boundaries fences garden and outbuildings belonging to the landlord at the premises address set out in the summary schedule above. When the premises are part of a larger building the premises include the use of common access ways and facilities.
- i. "Inventory" or "Inventory and schedule of condition" means the document drawn up prior to the commencement of the tenancy by the landlord or the agent, which includes the fixtures and fittings in the premises.
- j. "Term" or "Tenancy" means the fixed term of the tenancy agreement and any extension or continuation of the tenancy whether fixed term or periodic arising after the expiry of the original term.
- k. "Superior Landlord" means the person company or organisation to which ownership of the premises reverts at the end of the lease.
- l. "Deposit" means the money held by the agent in a stakeholder capacity during the tenancy in case the tenant fails to comply with the terms of the tenancy agreement.
- m. "Stakeholder" means that deductions can only be made by the agent from the deposit at the end of the tenancy with the written consent of both parties.

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- n. "Tenancy agreement" means the contract drawn up between the landlord and the tenant specifying the obligations of the two parties.
- o. "TDS" means The Dispute Service whose details are shown in the tenancy agreement.
- p. "ICE" means the Independent Case Examiner of The Dispute Service Limited.
- q. "Agreement" means these terms of business signed between the agent and the landlord
- r. "Member" means the agent who is a member of the Tenancy Deposit Scheme.

Jurisdiction and Service

2. This agreement shall be governed by and construed in accordance with the law of England and Wales and the Courts of England and Wales shall have exclusive jurisdiction in respect of any dispute under it.

3. Any legal proceedings to be served in respect of this agreement which are to be served outside the jurisdiction shall be deemed to be sufficiently served if they are sent by ordinary first-class or airmail post or its equivalent and it is agreed that all legal proceedings may be served in English without the necessity for translation into any other language.

4. The provisions for the service of notices are that if either party deliver by hand any notices or documents which are necessary under the Agreement, or any Act of parliament to the other party by 5pm or the last known address of the other party; the documents or notices will be deemed delivered on the next working day which excludes Saturdays Sundays and Bank Holidays; or if any documents or notices are sent by registered, or recorded delivery post the documents will be deemed delivered upon proof of delivery being obtained; or if the documents or notices are sent by ordinary first class post addressed to the other party or the last known address of the other party; the documents or notices will be deemed delivered two working days later, which excludes Saturdays, Sundays and Bank Holidays. The address for service for the landlord will be the contact address specified in this agreement and the address for service for us will be:

2 new cottages
Thurlow rd
Great Bradley
Newmarket
Suffolk
Cb8 9LP

Service Information

5. We trade as a limited company registered at Companies House Reg. No 8908178

Acts of Third Parties

6. We will not be responsible for any loss or damage that you suffer through the act, default or negligence of any third party which may arise other than through our negligence, omission or failure.

7. The Contract (Rights of Third Parties) Act 1999 does not apply to this Agreement.

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Termination

8. Either party has the right to terminate this agreement in writing:
- a. When a contract is signed by a client during a visit by you to his home or his place of work or away from your premises, then he must be given a right to cancel that contract within 7 days of signing in accordance with the cancellation of contracts regulations 2008;
 - b. upon the occupier's vacation of the premises;
 - c. if we break any term or condition of this agreement during the term of an occupancy agreement where thirty days written notice of the breach has been given by the other party.
 - d. if you are in major breach of any of the terms contained in this agreement or if you do or do not do something which makes it impossible, impracticable or illegal for us to continue to perform our obligations under this agreement.
 - e. either party carries out or suggests that the other should carry out any form of unlawful discrimination.

Assignment

9. We reserve the right to assign our rights and or obligations under this agreement upon giving you one months' written notice.

Data Protection Act 1998

10. In order to comply with the Data Protection Act 1998 to prevent any unauthorised access to or use of personal data. We have the responsibility to keep your information and that of any tenant or occupier confidential and will only use it if fees are not paid and we wish to refer the matter to a debt collector or solicitor; or if we are specifically required do so by law; or to pass it to a government agency by Law; when instructing solicitors; to change account details for utility suppliers and the council tax into or out of your name; or when a contractor's invoice has not been settled by you.

Interest on Clients Monies and Commission

11. Any interest accrued on monies that we hold on your behalf will be retained by ourselves to cover bank and administration charges etc. Any commission earned by us while acting on your behalf will be retained to cover costs.

Money Laundering

12. In order to comply with the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 we require you to provide us with one proof of identity and one proof of residence, which can be selected from the list below. You should either send us the original documents for copying and returning to you; or provide us with copies certified by a solicitor as genuine. We apologise but we will not be able to accept printouts of online bank statements or utility bills.

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List A: Proof of Identity

- Full Passport
- National Identity Card
- Full Driving Licence
- Cheque (please mark this as "Void")

List B: Proof of Residence

- Council Tax bill
- Utility bill
- Mortgage statement
- Bank Statement
- Credit or Charge Card Statement.

If you are a public limited company we will require a certified copy of the Certificate of Incorporation. If the company is not quoted we require certified copies of any two of the following documents:

- Memorandum and Articles of Association
- Certificate of Incorporation
- A set of the latest accounts
- The most recent annual Companies House return.

In addition we need proof of identity and residence of one of the directors of the Company.

Signatures

I/We accept the above Terms and Conditions including Schedules 1 to 8 inclusive and I/we instruct Hearthstone Property Management to act on my/our behalf.

Director signature:

Date:

Position:

Hearthstone company director

Landlord 1 Signature:

Date

Address

Witness Signature

Date

Address

Schedule 1: Fees and Commissions

The landlord should read the terms of business carefully and in particular this section which clearly sets out the commission, fees and other charges including any renewal, extension or continuation of the tenancy either as a fixed term or a periodic tenancy which will be payable. Ensure you are certain of the meaning of the charges you will incur.

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Commission

1. You are responsible for paying our commission at the rate of 10 % when any person, company or other organisation enters into a binding contract for the occupation of the premises where they do so as a result of:
 - a. a viewing conducted by us.
 - b. sight of any marketing or advertising material produced by us or by our instructions.
 - c. by way of an introduction from an existing occupier for which we have previously charged a commission.

This commission remains due and payable in relation to any extension, renewal or continuation of the occupancy contract whether or not we are the effective cause of the said extension, renewal or continuation and for the period of time any such party or their assignees, subtenants or successors in title continue to reside in the premises. By signing this agreement the landlord gives us the authority to deduct our commission, fees, expenses and any other costs from any monies belonging to the landlord or any deductions from the deposit agreed by the tenant for any property owned by the landlord where we are or were acting on the landlord's behalf.

VAT

2. We are not a VAT registered company and none is chargeable.

Refund of Commission

3. We will not make any refund of our commission if the tenancy terminates before the originally agreed date whether this occurs due to the use by you or by the tenant of any contractual break clause in the tenancy agreement, an agreed surrender, repudiation, rescission, frustration or forfeiture of the lease, through any court proceedings, or if your interest in the premises is assigned to another party.

Additional Services

4. The following services are in addition to the above and form the subject of an additional charge.
 - a. Preparation of documentation for County Court proceedings or TDS adjudication will be £50.00 plus our reasonable costs and expenses and attendance at court or any tribunal on your behalf will be charged at £18.75 per hour plus our reasonable costs and expenses.

Schedule 2: Agent Obligations

When we are instructed to let the premises we will do the following:

We will visit the premises to view them and provide you with an indication of the current market rent achievable.

We will market your premises to inform suitable applicants of the availability of your premises by erecting a To-Let board at the premises and by advertising on national property websites. You must notify us in writing if you have previously agreed not to erect a To-Let board with the superior

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landlord, freeholder or other interested party, or local bye-laws or conservation area restrictions prevent the erection of a board.

As and when we have applicants interested in viewing your premises, we will either accompany these people to your premises with keys provided by you, or arrange a mutually convenient appointment for them and us to meet you at the premises.

Negotiate any offers received between you and the applicant and confirm all the terms of the offer to you for acceptance.

When an applicant shows an interest in your premises, we will:

Provide them with a sample tenancy agreement;

Take up references upon each applicant whenever possible.

We use a reference agency who has informed us that they obtain a credit reference report checking the financial standing of the applicant, including income and credit rating, contact the previous landlord (if appropriate) and contact the personal referee if applicable.

You will need to confirm that the references are acceptable. If we do not hear from you to the contrary within seven days we will assume acceptance and proceed with the letting, provided that we have received a signed copy of this agreement and the necessary funds. When we proceed we will be doing so without any responsibility for the accuracy of those references or the information contained in them, unless it is due to our negligence or breach of contract.

An inventory and schedule of condition is essential for the proper conduct of your premises, whether they are let furnished or unfurnished, to reduce the risk of a dispute arising about the deposit. The inventory should, where applicable, show that furnishings and electrical equipment comply with current legislation. If you do not have an inventory and schedule of condition you will not be able to prove the condition of the premises at the start of the tenancy and may not be able to obtain compensation from the tenant either through any tenancy deposit protection scheme or through the county court. We have no liability for any loss suffered if you do not have a fully comprehensive inventory.

Our standard tenancy agreement provides that the landlord will be supplied for the check in of the inventory at the start of the tenancy by ourselves or at an extra cost by an independent inventory clerk, and the tenant will pay for a check out report to determine whether or not there is any damage, or compensation for breach of the tenancy, or cleaning needed taking into account the check-in report of the inventory and schedule of condition. A copy of the check-out report will be sent to both you and the tenant for comment.

[OR]

If you are preparing the inventory we must receive it from you at least 5 days prior to commencement of the tenancy. Otherwise we will compile an inventory and schedule of condition on your behalf.

At the start of the tenancy a check in of the inventory will take place and a check-out report of the inventory and schedule of condition will be carried out at the end of the tenancy. Our tenancy agreement makes it clear that the landlord will pay for the check in report via a fully managed

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contract and the Tenant will pay for the cost of compiling the check out report via our administration fee.

We will prepare a comprehensive tenancy agreement setting out the rights and obligations of both parties including any special terms that have been agreed. If you wish to use a tenancy agreement drafted by your own solicitor, please supply us with a draft within a reasonable time before the tenancy is due to commence.

We will notify the electricity, gas, water and telephone companies and the local authority when the tenant occupies your premises provided you have supplied us with the contact details of your utility suppliers including the account numbers, and ask them to send a credit agreement and supply contract to the tenant. You will need to pay any outstanding utility charges up to and including the date upon which the tenant occupies the premises and for any void period between tenancies. We will need to provide the utility suppliers with your new address and the meter readings at the commencement of the tenancy to ensure that there are no discrepancies with the changeover. Some suppliers will not take instructions from us in which case you must contact them directly to take the accounts out of your name.

We collect the first month's rent and if necessary subsequent payments to pay our commission, together with the deposit which is usually equivalent to one month/six weeks' rent, and try to arrange the signing of a standing order so that future rent payments are made promptly direct to our/your bank account.

We will register the details of the deposit and the two parties to the tenancy agreement with the tenancy deposit scheme DPS. Regardless of the type of tenancy, we register the tenancy with the tenancy deposit scheme.

[OR]

We will pass the deposit to the landlord who must register it with a tenancy deposit protection scheme within fourteen days of the tenancy starting or the deposit being taken whichever is the earlier.

Request a minimum of three sets of keys from the landlord prior to the tenancy commencing. If you do not comply and we have additional sets cut to enable you to comply with this obligation, charges will be made at a cost to the landlord.

Arrange for all safety certificates and energy performance certificates to check the safety of appliances and installations. If we have not received a copy of a current safety and energy certificates five days before the tenancy commences, we will arrange for these to be completed. The cost will be deducted from the initial payment of rent.

We will serve notice to end the tenancy if requested in writing and you do not wish to renew or extend the tenancy as shown under renewals below. You must provide us with at least ten weeks written warning that you want to end the tenancy either at the end of the fixed term or according to a break clause. We cannot be held liable for any delay in getting possession if you provide insufficient time for service of the notice.

Arrange a check out of the inventory if we manage the premises. If we do not manage the premises a check out can be arranged subject to an administration charge plus the cost of the check out charged by the inventory clerk.

Advise you that if a formal offer has been made by a prospective tenant and you then inform us that you wish to withdraw from the proposed tenancy that it may not be possible to withdraw the offer if it has been accepted. If you refuse to proceed the tenant could take legal action against you for any losses suffered. If a prospective tenant agrees to accommodate your request you should expect to meet reasonable costs and expenses incurred by him or her.

Advise you that if you instruct us to proceed with a proposed tenancy and subsequently withdraw your instructions you agree by signing this agreement to meet some of the costs and the expenses incurred up to the sum of £150.00.

Inform you that you must notify us of any change in your residency.

Warn that we will not arrange works prior to a letting (whether requested by you or the intended tenant) unless the landlord has requested us to do the work in writing or has accepted a formal quote.

Notify you that it is not part of our normal function to forward the client's mail. Therefore no responsibility can be taken for mail sent to you at the premises. We recommend that you arrange for it to be redirected by the post office.

We advise that if the tenant leaves the premises of their own accord prior to the expiration of the tenancy it is your responsibility to take the appropriate action to recover any outstanding rent from the former tenant. Help will be afforded and every effort made to assist in the proper recovery of lost rent.

Schedule 3: Rent Collection

1. In addition to the letting service detailed above we will use our best efforts to arrange for a standing order to be set up so that the tenant can send future rent payments direct to us. Payments received will be sent to you within 3 working days after receipt of cleared funds, less our agreed fees and expenses into your nominated bank or building society account.
2. You agree to compensate us within 5 working days of a statement of account from us for payment of all claims, costs, and expenses incurred as a result of repayments made by us on your behalf for any overpaid state-provided benefits. It will be your responsibility to recover these monies from the occupier.
3. You should set up a facility with your bank to ensure payment of all regular out-goings to take account of alterations to the payment dates, void periods or failure by the tenant to pay any sums due.
4. We cannot be held responsible if the tenant fails to pay any sum due under the occupancy agreement unless it is due to our negligence or breach of contract. We will however take action in your name to recover unpaid monies by serving the appropriate letter requesting payment to the occupier. If this does not have the desired effect we will advise you to instruct specialist solicitors to take further action. You will be responsible for any legal charges and expenses incurred.

Schedule 4: Full Management

1. In addition to the above Services we will do the following:

a. Pay current outgoing such as ground rent if applicable, any service charge and/or maintenance charge or similar contribution to shared expenses and account to you regularly provided we hold sufficient funds. Although we will do our best to query any obvious discrepancies, we are entitled to accept and pay, without question, demands and accounts that appear to be in order. In particular, we cannot accept responsibility for the verification of any service or maintenance charge demands or estimates where applicable. We have no liability for any discrepancy in any invoices paid on your behalf to or any dispute with any third parties unless the loss is due to our negligence or breach of contract. It is the responsibility of the landlord to ensure that invoices and demands are sent direct to us.

b. Deal with day-to-day management matters, including minor repairs up to a maximum figure for any one item which will be agreed with the landlord at the time of taking the instruction and the signing of this agreement. Except in the case of an emergency or to enable you to comply with statute, wherever practical, an estimate is obtained and submitted to you for approval. In an emergency which risks significant damage to your premises or to the life of an individual Emergency repairs will be completed up to a cost of £200 which the landlord will reimburse.

By signing this Agreement you agree that we can instruct contractors on your behalf and deduct the cost of repairs and maintenance from the rent.

c. Instruct tradesmen to carry out any maintenance, repairs or other work on your behalf. You however remain liable for the payment of all invoices to tradesmen unless otherwise agreed.

d. Use a particular contractor if requested by you provided we have copies of their professional qualification, public liability insurance and the person is readily available. If any damage is caused by the negligence or failure of tradesmen specified by the landlord we, the Agent, will not be liable for any loss suffered.

e. Advise that we are not liable for any loss or damage suffered by you if we are unable to carry out repairs or maintenance because we do not have authorisation from the landlord unless the loss or damage is due to our negligence or breach of contract.

f. Try to visit the premises approximately 4 times each year or more frequently if requested in writing and deemed necessary by you. These visits are of a limited nature in order to verify the general good order of the premises and the proper conduct of the tenancy by the tenant. A visit will not constitute a complete check of every part of or every item in the premises but enable us to note any lack of repair or maintenance which should be brought to your attention. A visit will only note repairs of which we are informed or which are clearly visible. We are not liable for any loss or damage due to hidden or latent defects.

g. Supervision of the premises is not part of our management function when it is unoccupied. If you wish us to manage your premises during a void period we will gladly do so subject to an agreed charge which are payable in advance together with your written instructions. We will visit the premises once a week during office hours being Monday to Friday between 9am and 5pm. We will inform you of any lack of repair or maintenance but will not instruct a contractor unless we hold

cleared funds; and you confirm in writing we may deduct the cost of the contractor from those funds.

i. Endeavour to obtain a forwarding address to give to the water company to comply with the flood and Water Management Act 2010 which makes payment of the final water account the liability of the landlord if no forwarding address is provided. We cannot be held liable if the tenant does not provide an address or gives an address that is not deemed acceptable by the water company.

2. Either party may withdraw instructions to manage the premises upon giving one months' written notice.

Schedule 5: Landlord's Undertakings

Consent for Letting

1. By signing these terms and conditions you warrant to us that you are the owner of the premises, or otherwise lawfully entitled to enter into an occupation agreement. You may be asked to provide us with sufficient documentary evidence to satisfy us and the occupier that you are entitled to do so. You will be liable to provide us with a full indemnity for any costs, losses, or other expenses we may bear due to you not having the right to enter into an occupation agreement.

Mortgage

2. If the premises are subject to a mortgage, you will need your mortgagee's written consent to the proposed letting. By signing this agreement you confirm that you have your mortgagee's consent to grant a tenancy. The mortgagee may want to see a copy of the tenancy agreement, which can be supplied upon written request. The mortgagee may charge you a fee for giving their permission. If your mortgagee has any special conditions relating to the tenancy or type of tenant you must provide them to us prior to the start of the tenancy to be included within the tenancy agreement. Conditions cannot be imposed upon a tenant at a later date. You will be liable to provide us with a full indemnity for any costs, losses, or other expenses we may bear due to you not having the proper consent from your mortgagee to enter into an occupation agreement.

Sub-Letting

3. If you are a leaseholder, you will normally require the consent from your superior landlord, freeholder or their managing agent before you can sub-let the premises to an applicant. In giving consent the superior landlord or their managing agent may require you to provide references for your tenant and for you and your tenant to enter into an agreement to observe the covenants contained in your head lease. A fee may be charged for granting consent to sub-Let, which is your liability, and for the licence granted prior to the start of the tenancy and upon renewal. We will need a copy of any sections of the head lease that impose restrictions on the behaviour of the occupier together with any schedules referred to therein so that we can attach a copy of this to the occupancy agreement. If the occupier is not given a copy of the relevant sections of the head lease you cannot impose any obligations contained in it upon them. This could lead you to breach the terms of your lease. You will be liable to provide us with a full indemnity for any costs, losses, or

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other expenses we may bear due to you not having the proper consent from your superior landlord to enter into an occupation agreement.

Insurance

4. It is essential that the premises and the contents included in the inventory and schedule of condition are adequately insured and that your insurers are aware that the premises are let. Failure to do so may invalidate your insurance. You must inform your insurers whenever the premises remain vacant for a period greater than specified in your insurance policy. You should also check that your insurance policies include third party liability to protect you if the tenant or a visitor to the premises is injured. You must give us copies of any section of your insurance policies that impose restrictions on the behaviour of any occupier of the premises to attach to the occupancy agreement at its commencement, including any conditions for vacant premises. If these are not given to the occupier then they have no obligation to comply, which could be breach of your insurance contract rendering any claim void. We cannot be responsible for the renewal of your insurance cover although we will endeavour to send reminders to you at renewal time.

Taxation

5. You will be liable for tax on income arising from letting the premises and you must inform Her Majesty's Revenue and Customs ("HMRC") that you are letting the premises. There are a number of allowances that you can claim against this income. You should seek advice on these allowances from your accountant or from the HMRC website which can be accessed on www.hmrc.gov.uk. You must also keep all your invoices for six years for tax purposes.

6. The HMRC has special rules regarding the collection of tax on rental income if you are a landlord who is resident overseas for a period of more than six months in any tax year, or you subsequently move abroad. If you fall into this category it is your responsibility to obtain a tax approval number from HMRC. The relevant form and guidance notes can be downloaded from www.hmrc.gov.uk/cnr/nrlandlords.htm. Until that approval number is given to us by the HMRC we are legally obliged to deduct tax from your rental income at the prevailing rate, which is currently 20%. This money is forwarded to HMRC on a quarterly basis. If the Tenant pays you direct, you are non-resident in this country and he has not received approval from HMRC to pay the rent gross he must deduct tax and forward that to HMRC on your behalf. No person or organisation is exempt from this scheme.

Rent Arrears or Breach of Covenant

7. It is your responsibility to take all necessary steps to ensure that actions are taken to protect your interests, including instructing solicitors and commencing legal proceedings to preserve your rights and recover arrears of rent and to defend all actions or other Legal proceedings and arbitrations that may be brought against you in connection with the premises. All costs and disbursements incurred including legal costs and disbursements will be payable by you.

Reimbursement of the Agent

8. You will keep us reimbursed and indemnified for and against any claim, damage, expense or liability whether criminal or civil suffered by us from and during the time that we are or were acting

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on your behalf unless it is due to our negligence or breach of contract. For the avoidance of any doubt we reserve the right to have work carried out on your behalf and to charge you for that work to ensure that you fulfil your contractual and statutory obligations as a landlord. If any notice is served on the agent under the Housing Health and Safety Rating Scheme of the Housing Act 2004 requiring the agent to carry out any work, repairs or maintenance of the premises the landlord will reimburse the agent promptly on demand for all costs expenses and fees incurred.

Water Rates

9. You should endeavour to obtain a forwarding address from the tenant at the end of the tenancy if we do not manage the premises to give to the water company to comply with the Flood and Water Management Act 2010 which makes payment of the final water account the liability of the landlord as from October 2011 if no forwarding address is provided. We cannot be held liable if we do not manage the premises; the tenant does not provide an address or gives an address that is not deemed acceptable by the water company.

Sub-Contractors

10. Any other party, including but not limited to, external inventory clerks, gas, electrical or water engineers, builders or surveyors, Domestic Energy Inspectors, or solicitors who we instruct will be instructed on your behalf. This means that you are the contacting party and that you have the primary liability for the payment of that sub-contractor's invoices, fees, charges or other expenses and that they, and not we, owe you a liability for the quality of their work.

Housing Act 2004

11. Due to this Act certain types of premises may require a licence before they can be let. These properties are primarily Houses of multiple occupation ("HMOs") occupied by three or more people who are not related but, in certain areas, licences can be required for non-HMO property. It is your responsibility to determine whether you need a property licence and to obtain that licence. You agree to keep us fully indemnified against all losses, costs or damages we might incur, whether criminal or civil, due to your failure to obtain an adequate licence for the letting of your premises. If we become aware that the premises is let in a manner which requires a licence and you refuse to obtain one we reserve the right to terminate our instruction immediately and to inform any occupiers of the premises and the Local Housing Authority of the situation.

Also as part of the Housing Act 2004 private dwellings must comply with the Housing Health and Safety Rating System ("HHSRS"), which is a means of measuring hazards and risk of injury at the premises. This system applies to all properties but is most commonly applied to tenanted property. The responsibility for ensuring the premises comply is entirely yours. If we accept an instruction to let the premises and subsequently an order is served to comply with the HHSRS or if we incur any costs for compliance due to an order being served upon us you agree to reimburse us within fourteen days of written demand or by way of deduction from monies paid to us by the occupier or from any other property owned by you where we collect or hold sums on your behalf.

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Indemnity

12. If you ask us to do anything which we consider to involve a higher risk to us or to you or which is outside our normal procedure we may ask you for a written agreement to indemnify us against any loss, damage or other costs which we might incur as a result of following your instructions. If you refuse to provide this to us then we reserve the right to refuse your instructions and to terminate this agreement.

Schedule 6: Deposit Handling (Agent to Hold through TDS)

Any accrued interest will be used to cover any bank and administration costs incurred by ourselves. After the tenancy ends you are entitled with the written consent of the tenant to ask us to deduct from the deposit money to compensate for damage or any breach of the tenancy agreement. You will need to specify the amounts to be deducted and the reasons for any deductions to be made. Provided the two parties agree to the deductions we will send you the amount agreed between the parties for damage, cleaning, unpaid bills, or unpaid rent and pay the balance if any to the tenant. If the amount of compensation you seek exceeds the amount held as the deposit, you may require the tenant to pay that additional sum within fourteen days of the tenant receiving that demand in writing.

Tenancy Deposit Scheme (TDS)

To comply with tenancy deposit protection legislation the agent is a member of the Deposit protection service, which is administered by:

The Deposit Protection Service

The Pavilions

Bridgwater Road

Bristol

BS99 6AA

If we are instructed by you to hold the deposit, we shall do so under the terms of the tenancy deposit scheme.

At the end of the tenancy covered by the tenancy deposit scheme

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.

If, after 10 working days* following notification of a dispute to the agent 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 the clause below) be submitted to the ICE (Independent Case Examiner) for adjudication. All parties agree to co-operate with any adjudication.

The statutory rights of either you or the tenant to take legal action against the other party remain unaffected.

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It is not compulsory for the parties to refer the dispute to the ICE for adjudication. The parties may, if either party chooses to do so seek the decision of the Court. However, this process may take longer and may incur further costs. Judges may, because it is a condition of the tenancy agreement signed by both parties, refer the dispute back to the ICE for adjudication. If the parties do agree that the dispute should be resolved by the ICE, they must accept the decision of the ICE as final and binding.

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 we want to contest it. Failure to do so will not delay the adjudication but The Dispute Service Ltd will take appropriate action to recover the deposit and discipline us.

We must co-operate with the ICE in the adjudication of the dispute and follow any recommendations concerning the method of the resolution of the dispute.

Dealing with disputes from non-ASTs: The Independent Case Examiner (ICE) may agree to resolve any disputes over the allocation of these deposits, by arrangement. If he does:

The ICE will propose what he considers the most effective method of resolving the dispute.

- Landlord, tenant and agent must consent in writing to his proposal.
- Disputes will be subject to a fee of £150, for time spent with ICE or in court.
- The resolution process will not start until the parties' consent, the disputed amount and the fee have been submitted.

By signing this agreement you agree to abide by the regulations of the TDS of which we are a member.

Incorrect Information

The landlord warrants that all the information he has provided to the agent is correct to the best of his knowledge and belief. If 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.

* These time scales can be changed by agreement with the tenant which means the deposit clause within the tenancy agreement would be altered in individual cases or by the contract used as standard by the agent.

Schedule 6: Deposit Handling (Agent to Hold with DPS)

We will normally hold the deposit if it is an assured short hold tenancy unless specifically requested by the landlord in writing to transfer it to him and the prospective tenant agrees in writing. If we are protecting the deposit to comply with current legislation under the Housing Act 2004 we will register the deposit with DPS within fourteen days of the tenancy commencing or the deposit being taken whichever is earlier and arrange signature of the relevant certificate by the tenant to comply with the rules of DPS. If the landlord is protecting the deposit with DPS it will then be the landlord's liability to register the deposit within the prescribed timescale and to serve the relevant

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documentation on the tenant. We will not negotiate deductions between the landlord and the tenant but will inform DPS that a dispute has arisen by completing the relevant documentation and passing the deposit or balance of it to DPS for adjudication regarding the deductions to be made once both parties confirm in writing that a dispute has arisen.

If we have to attend court on your behalf as a witness we will charge a fee of £150.

Schedule 6: Deposit Handling (Landlord to Hold)

If you decide to hold the deposit and the tenancy is an assured short hold tenancy you must specify to us prior to the start of the tenancy under which other tenancy deposit protection Scheme the deposit will be covered, you must provide proof of membership, together with a copy of the insurance policy before the deposit can be released.

Schedule 7: Safety Legislation

The Furniture and Furnishings (Fire) (Safety) (Amendment) Regulations 1993

1. It is a criminal offence to let premises with upholstered furniture or soft furnishings containing foams that cannot be proven to comply with the above regulations. By signing this agreement you give us authority to remove any item that does not have a fire label attached to it. The regulations require that specified items must be match resistant, cigarette resistant and carry a permanent label.

Electrical Equipment (Safety) Regulations 1994

2. You are responsible for providing instruction books for all items of electrical equipment and for ensuring that all electrical appliances within the premises comply with the above regulations. You should also ensure that all electrical installations are safe and have them checked regularly. If we need to arrange for a safety check under these regulations, the cost will be charged to the landlord for the safety check itself.

Gas Safety (Installation and Use) Regulations 1998

3. It is a criminal offence to let premises with gas appliances, installations and pipe-work that have not been checked by a Gas Safe Registered Engineer. You will need to provide us with a copy of a Gas Safety Certificate (GSC) carried out no more than twelve months previously. If this GSC is not sent to us when you return this agreement you give us authority to arrange for a gas safety check. The GSC will need to be renewed at twelve monthly intervals. If we are managing the premises we will arrange for a new GSC automatically at your expense if you do not provide us with a new one at least 5 working days before the existing one expires. We need to give your tenant documentary proof of your compliance with these regulations at the commencement of the tenancy and within twenty- eight days of the GSC being renewed. If you use your own contractor we will need proof of their Gas Safe registration. No tenancy can commence until we are in receipt of a valid GSC. If we are not managing the premises it is the legal responsibility of the landlord to arrange for the gas safety

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check and for a copy of the Gas Safety Certificate being given to the tenant annually. We have no liability if the landlord fails to comply with the regulations.

Part "P" Building Regulations (Electrical Safety in Dwellings)

4. From January 1 2005 the above regulations came into force requiring qualified personnel to carry out certain electrical work at premises. To ensure compliance with the regulations we will only use a competent person to carry out any electrical work at the premises. If the landlord wishes to use his own contractor we will need written proof that he is currently registered with an approved self-certification scheme before issuing instructions. In the absence of such proof we will instruct our own contractor if managing the premises.

Smoke Alarms and Carbon Monoxide Alarms

5. Under current legislation being the Building Regulations 1991 it is the law that all newly built premises from June 1992 must have mains fitted smoke alarms with battery backup. Other properties do not require smoke alarms by law. However if battery operated smoke alarms are fitted to the premises the landlord must ensure that the alarms are in working order at the start of a tenancy. It is not the law that carbon monoxide alarms are fitted to premises. However we advise all landlords to consider the installation of alarms to protect the occupier and help prevent any legal action being taken against a landlord. If you wish us to arrange the fitting of alarms at your expense you must advise us in writing. These works will be quoted for and require landlord approval.

Energy Performance Certificate ("EPC")

6. As from October 1 2008 all properties going on the market for letting must have an EPC. A copy must be given to the tenant with written details or prior to the first viewing. The landlord must provide us with an EPC when first giving instructions. The premises cannot be marketed without an EPC. We can arrange an EPC subject to the landlord approving the arrangement fee.

Schedule 8: Additional Clauses

Landlord Taking Over Management

If the landlord decides that they wish to manage the property themselves within 4 months of the agreement being signed, and whilst the tenants are still residing at the property, there will be an agency Fee of £300; this is to cover all work and advertising carried out up to that point.

Serving Section 21

In the case that a Section 21 is to be served to the tenants, there will a charge of £75 + VAT.