

CARTER MILLS LETTINGS & MANAGEMENT TERMS AND CONDITION OF BUSINESS, FEES AND EXPENSES

We are required by Codes of Practice and regulations to define our duties, functions and terms and sole Letting and/or Managing Agents as follows:

Lettings Service

- 1 If Carter Mills introduces a tenant who enters into an agreement to rent the landlord's property commission becomes payable to Carter Mills. (See clause 10)
- 1.1 Introductory Commission fee is payable on the commencement of the tenancy.
- 1.2 The Introductory Commission fee is charged as a percentage of the total rental value of the agreed term as specified in the tenancy agreement, subject to clause 1.4 below. Introductory commission fees charged is set out below.
- 1.3 The Introductory Commission fee is payable for any tenant introduced to the property by Carter Mills, whether the tenancy is finalised by Carter Mills.
- 1.4 If the tenancy agreement is terminated in accordance with a break clause, Carter Mills will refund any commission already received for the remaining period of the tenancy. The Commission will be refunded within 14 days of the tenant vacating the property.
- 1.1.5 If the tenant terminates the tenancy agreement prior to the end of the tenancy term and the tenant vacates the property, Carter Mills will refund the commission for the remaining period of the tenancy to the landlord to the extent that this is not recoverable from the tenant's deposit.

Inventory

- 2 It is imperative that each property has a professional and independent inventory detailing not only its contents but also a schedule of conditions. We shall prepare such inventory along with additional copies of which we will issue to yourself and any perspective tenant. Other copies will be filed or provided for future tenants, or insurance purposes.
- 2.0 The cost of these will be the responsibility of the landlord. Charges may vary depending on the size of the property and an estimate of cost can be given on request.
- 2.1 Where instructed we will arrange for the tenant to be checked out

against the initial inventory report at the end of the tenancy and send a copy of the report. The cost of this is borne by the tenant unless the tenancy agreement states otherwise.

Deposit

3 The deposit will be held in accordance with the terms of the tenancy agreement.

3.0 Under the terms of our Assured Shorthold agreement, the deposit will be held by Carter Mills in accordance with the Housing Act 2004 and the provisions of the deposit protection scheme, operated by The Deposit Protection Services. Under this scheme, undisputed deposits must be released to the tenant within ten days of termination of the tenancy. Carter Mills administrative fee for registration under the scheme is £25 + VAT. Full details of the scheme may be found at www.mydeposits.co.uk and www.depositprotection.com. Carter Mills takes no responsibility for the failure of a deposit being registered where held by the landlord or an alternative appointed agent. Where landlords manage the letting of their own property and have instructed Carter Mills to act only as a tenant introducer it will be the landlord's responsibility to ensure that the whole amount of the deposit paid by the tenant and recorded on the tenancy agreement is protected in line with the tenants Deposits Protection Order requirements.

If Carter Mills is preparing the tenancy agreement on the Landlords behalf the agent will also arrange for the tenant(s) copy of the prescribed information to be drawn up and for both documents and the counterparts to be signed by the ongoing tenants.

The landlord's copy of the completed Tenancy agreement and the prescribed information will be sent to the Landlord as soon as possible by first class post together with the Landlord notes of the completion and paying over of deposits to Custodial scheme (DPS). If the landlord is a member of an Approved Tenants Deposit Scheme under which they will be holding the tenants deposit, the landlord must provide the Agent with the full details of the Approved scheme together with their membership /registration number as soon as it is possible (once funds have cleared) the balance of the rent and deposit after deduction of the Agent fees will be forwarded to the Landlords.

Collection of rent

4. Carter Mills will collect rent in accordance with the terms of the tenancy agreement.

4.0 Where Carter Mills collects the rent, if the rent has not been paid five

days after it falls due, Carter Mills will endeavour to notify the landlord at the earliest possible opportunity, and will attempt to obtain payment from the tenant by means of telephone, calls and series of written notices.

Transfer

- 4.1 Where you provide us with UK bank details, we use BACS system to make payment to your account and do not charge for this service, where we are required making payment by alternative methods, we will pass on any cost incurred in doing this.
- 4.2 We will make payments to yourself or designated party upon your written notification within fourteen (14) days of receipt of rent to a bank/building society account. (Subjected to rent being received to terms) We are not responsible for any bank charges that you incur because of delay in payments.
- 5 We will carry out regular inspections of the property on a two-monthly basis. Writing to the tenant and requesting corrective action for any problems they may be responsible for.
- 6 Notification of Services Companies, (e.g. telephone, gas electricity) and Local Authority regarding Council Tax, at the commencement and termination of the Agreement.
- 7 We shall deal with day to day management matters, including minor repairs to the property and its contents of which we shall contact the Landlord in the cases where there are major repairs.
8. **Maintenance**
Works costing up to £150 (UK Landlords) and £250 (Overseas Landlords) for any one item will be dealt with as they arise without further instructions from the Landlord, for expenditure in excess of this the Agent will request authorization in advance, although it is agreed that in an emergency or for reasons of contractual necessity where reasonable endeavors have been made to contact the Landlord, the Agent may reasonably exceed the limits specified. By law, it is necessary to carry out an annual inspection and service for Central Heating and any Gas appliances. The Agent will carry this out on the Landlord's behalf and expense and administer the necessary inspection and maintenance records. The costs will be debited to Landlord's account. The Landlord agrees to repay the Agent for any reasonable costs, expenses or liabilities incurred or imposed on the Agent if they were incurred on behalf of the Landlord in pursuit of the Agent's normal duties. To assist the Agent in carrying out his duties effectively, the Landlord agrees to respond promptly with instructions where necessary to any correspondence or requests from the Agent. The Landlord agrees to make the Agent aware of any ongoing maintenance problems.

The Landlord agrees that the property, beds, sofas and all other soft furnishings conform to the current fire safety regulations.

9. Payment of Outgoings

Except in an emergency we shall, wherever practicable, obtain at least two estimates and consult with you where redecoration, renewal, repair or replacement is likely to cost more than £400.00. No such consultant shall be necessary if neither you or a duly authorised representative is available or refuses to give instructions or in case of an emergency, or where, in Carter Mills' view, immediate action is necessary to prevent the endangering of lives or permanent damage to the property or its contents, or where maintenance work is immediately required under or by reason or statute, local government or health and safety law requirements or regulations.

10. Our fees

- 1 On finding a suitable tenant (an occupier) for you who completes one of our Tenancy Agreements, our fees will be as follows:
- 2 72% of one month's rent initially for finding the Tenant(s) and preparation of documentation. This fee shall also be payable on the occupation of every occupier.
- 3 12% of monthly rent due and received during the period that the occupier remains in occupation.
- 4 For each Tenancy Agreement granted, and administration fee of £175.00 is payable. A fee of £175.00 payable on the extension of any extension of any existing Agreement.
- 5 For the preparation of an inventory of the premises, (if required) which is individually assessed for each property. The fee payable is £175.00.
- 6 In the event of Carter Mills undertaking any additional duties hereof of dealing with applicants for fair rent or appearance before the Rent Officer, Rent Assessment Committee or any other Court or Tribunal. The fee will be negotiated with you by special arrangement
- 7 In the event of our appointment here under being terminated by you or because of our appointment becoming frustrated, for whatever cause, prior to the completion of an Agreement, but after we have accepted a reservation fee from an intended Occupier, then our fees will become equivalent to two weeks rent. This appointment shall remain in effect until terminated in writing the Landlord giving not less than three months written notice to Carter Mills.

If the tenants introduced by Carter Mills continue their tenancy after this agreement is terminated we reserve the right to revert the agreement to

Letting-Only status and therefore charging 12% plus VAT of the rent for the time remaining of the current contract and all future contracts with those tenants originally introduced by Carter Mills. This will be calculated from the date of the last rental payment received by Carter Mills

11. **General Terms and Notes**

1 **Leaseholds**

If your property is leasehold it is advisable to check with your solicitor to ensure that your lease does not contain a covenant that forbids the letting of your property, or which provides for the freeholder's consent to be obtained. In the event of you being a leaseholder and our paying contributions on your behalf, we will be entitled to accept and pay without question demands and accounts from your freeholder which appears to be in order. We cannot accept responsibility for the adequacy of any insurance cover or the verification of demands, accounts or estimates.

2 **Mortgages**

The landlord warrants that consent to let his/her mortgagees has been obtained, and where he/she is lessee, the lease extends beyond the term that he/she proposes to let and that any necessary consents have been obtained.

3 **Rent**

Unless you notify us to the contrary, the rent quoted on your behalf will be inclusive of all out-goings for which you are responsible, (e.g. rates, service charges etc.) except for Gas, Telephone and Electricity and or Council Tax.

4 **Insurance**

4.0 Although the aim is to take every care managing the property, the agent cannot accept responsibility for non-payment of rent damage or other default by tenants, or any associated legal costs incurred in their collection where the agent has acted correctly in terms of this agreement, or on the Landlords instruction's. An insurance policy is recommended for this eventuality

4.1 Activities relating to the arrangement and administration of insurance are governed by The Financial Services and Market Act 2000. As a result, we are unable to arrange Insurance on your behalf, to notify your insurer of claims or to complete documentation relating to those claims.

- 4.2 We will notify you when we believe that damage to your property and will assist in accumulating the information that you need to make a claim.

5 **Tenancy Agreement**

We will provide our standard form of agreement. These are available for your inspection and you may wish to check with your solicitor that these are entirely appropriate to your circumstances.

- 5.1 The charge to the landlord for the tenancy agreement is £210 + VAT.

6 **Duration**

This appointment will remain in force until terminated by service of three months notice by one party or the other. We may terminate this appointment ourselves forthwith and without service of notice in the event of any breach by you, of the express terms hereof or in the event of any act or omission on your part which makes impracticable the further performance of our services hereunder.

7 **Void Periods**

Our management function does not include the supervision of the property when unoccupied although, in the normal course, periodic visits may be made by our staff.

8 **Liability**

We shall use our commercial judgement as to the terms of any agreement entered into, on your behalf and shall use our best endeavours to ensure that, where appropriate to your circumstances, such provisions are legally permissible and as are agreed with the occupiers, are inserted to facilitate your regaining possession, but we shall not, under any circumstances, be liable to you in the event of a protected Tenancy being created (whether intended or not) or in the event of any difficulties arising in your recovering arrears or possession of the property or in anyway, whatsoever relating to our appointment hereunder.

9 **Ratification**

Upon signing this appointment, you hereby agree to ratify all actions taken on your behalf hereunder.

9.1 **Indemnity**

The landlord undertakes to keep Carter Mills fully and effectively indemnified in respect of any claim, demand, liability, cost, expenses or prosecution which may arise due to the failure of the landlord to comply fully with the terms of all the Regulations contained herein, including any

subsequent amendments thereto or replacement Regulations.

10. Notices

For this appointment, any communications sent by ordinary first Class post to you or any duly authorised representative at your or his/her last known address shall be sufficient for all purposes.

11. Scope of Authority

Without limiting the generality of the foregoing, we may instruct Solicitors on your behalf to commence any action or legal proceedings in Court (or submit Arbitration) for any purpose necessary to preserve your rights and property and to recover arrears and to defend all actions or other legal proceedings or attributions that may be brought against you about the property, our having full authority to comprise any such terms as we may see fit. Any costs incurred shall be debited to your account but you shall be credited with any sums recovered.

12. Taxes

When letting property and collecting rents for Landlords overseas; the Agent is obliged by the Taxes Management Act (TMA) and the Taxation of income from Land (Non-residents) Regulations 1995 to deduct tax (at the basic rate) to cover any tax liability, unless the Landlord has been authorized in writing by the Inland Revenue to receive rent gross. In this situation, the agent also requests that the Landlord appoints an accountant or reserves to the Agent the right to employ a suitably qualified accountant to manage correspondence with the Inland Revenue. A standard annual charge will be made for this work and reasonable administration expenses may be charged by the Agent for further work requested by the Landlord, the Landlords Accountant or the Inland Revenue in connection with such tax liabilities. In many cases, Landlords tax liability is minimal when all allowance costs are deducted.

13. Professional Memberships

At Carter Mills we pride ourselves on our professionalism. Our professional integrity is the reason why our landlords come back to us time and time again. As members of the Property Redress Scheme (PRS), National Association of Letting Agents (NALS), Deposit Protection Scheme (DPS) and Client Money Protect (CMP) you can be confident in our attention to detail and commitment to quality of service

14. Social Media Presence

At Carter Mills we use social media to reach a wider audience and to

show case our properties by using video clips on Utube giving a more personal and visual feel of the property before prospective tenant's views. We have our own blog post on word press, we use Twitter, Facebook, Instagram and Utube.

15. VAT

Our fees and all payments due to us will be subjected to Value Added Tax or any other Government Tax or charges at the appropriate rate.

14. Indemnity

The Owner(s) will always hereafter indemnify Carter Mills and keep us indemnified against all actions, proceedings, claims and demands, cost, damages and expenses which we may pay, sustain or incur because of any non-payment by the Owner (s) of Mortgages instalments.

Please confirm the following details.

- (a) *Whether you own title solely or jointly and if jointly, with whom?*
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- (b) *Whether you own a freehold or leasehold title.*
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- (c) *The name and address of your Bankers and your account number.*
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- (d) *Your forwarding address and telephone number.*
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- (e) *Your insurer's name and address and policy number (both house and contents).*
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- (f) *Your solicitor's name and address.*
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- (g) *Your Builder's name and address.*
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- (h) *Any other information which you may consider relevant, including special circumstances or requirements.*

Carter Mills Ltd

I/We agree to the above Terms for letting and management and wish to appoint Carter Mills as Letting/Managing Agents.

Signed (Owner or Duly Authorised representative)

Signed (Witness)

Dated