

CONDITIONS OF ENGAGEMENT

FOR THE LETTING & MANAGEMENT OF FURNISHED/UNFURNISHED RESIDENTIAL PROPERTY

1. Basis of Contract:

- a. This document is supplemental to the Contract of Engagement and together these form the whole basis of the contract between the **Client (or 'Landlord')** and **Tuffin & Co Property Management Ltd (or 'Agent')**.
- b. This Contract of Engagement is a sole agency contract. This means that only the Agent shall be responsible for the letting and management **unless specifically agreed in writing**. Should the Client appoint additional agents or let the property him/herself, the Agent shall be entitled to rescind this contract and/or charge letting fees and /or expenses as if the Agent had procured the letting.
- c. **"Full Management"** means the performance of the duties specified in Clauses 2a - 2m of "Agent's Responsibilities" below. **"Rent Collection Only"** means the performance of the duties specified in Clauses 2a - 2h only of the "Agents Responsibilities". **"Letting Only"** means the performance of the duties specified in Clauses 2a - 2g only of the "Agents Responsibilities" plus the collection of the first month's rent, unless specifically agreed otherwise. **"Landlord"** means an individual or company who lets property. **"Tenant"** means an individual or company who holds or possesses a property for a time in return for the payment of rent. **"Deposit"** means a sum of money paid by the tenant as security against damage to the property or furnishings, non-payment of rent, or non-payment of outstanding utilities bills or fees due at the end of the tenancy.

2. Agent's Responsibilities

- a. **Inspection and Advice:** Tuffin & Co Property Management Ltd will inspect the property, advise on the suitability of the property for letting and advise approximate anticipated rental value and will take the necessary details of the property for letting subject as specified hereafter.
- b. **Finding a Tenant:** Tuffin & Co Property Management Ltd will endeavour to find a suitable tenant for the property within as short a time as possible by means of its register of applicants, web site, local newspaper and board advertising and where applicable, by regional or national advertising but does not undertake to find a suitable tenant within any specific period and shall not be held accountable for any loss by the Client due to there being no suitable applicants for the tenancy. Tuffin & Co Property Management Ltd will erect a "To Let" board or poster unless specifically requested not to do so.
- c. **Applicants' Details:** Tuffin & Co Property Management Ltd will advise the Client of the brief details of applicants they consider to be suitable and will obtain confirmation from the Client that an application shall be pursued. A holding deposit will be taken from the applicant and no further viewings will be made pending determination of the application. If unsuccessful the applicant will receive a full refund of the holding deposit. If successful the holding deposit will be put towards the tenancy deposit.
- d. **References:** Tuffin & Co Property Management Ltd or their appointed credit agency will take up references and/or undertake credit checks on the preferred applicants as appropriate. The referees will be taken from the following checklist and a copy of the reference report can be provided to the client if required:
 - (i) Employers
 - (ii) Bank/Building Society
 - (iii) Previous Clients of their Agents
 - (iv) Character Reference

Once satisfactory references are received the Client will be committed to proceed with the tenancy on the terms agreed.

- e. **Agreements and Notices:** Tuffin & Co Property Management Ltd. where required, will prepare the necessary Tenancy Agreements and Notices and will arrange for the signing of the Agreements and the service of the Notices. Unless otherwise agreed, Tuffin & Co Property Management Ltd will act as agent for the owner and will sign the Agreement as agent.
- f. **Tenant's Deposit:**
- (i) The Agent is a member of the **Tenancy Deposit Scheme** which is administered by

The Dispute Service Ltd, PO Box 541, Amersham, Bucks, HP6 6ZR
Tel. 0845 226 7837; fax. 01494 431 123; email, deposits@tds.gb.com
 - (ii) The Agent will collect from the tenant a deposit of six weeks rent, or such other amount as might be agreed with the Client, which will be held until the termination of the tenancy by the Agent as stakeholder under the terms of the Tenancy Deposit Scheme.
 - (iii) If there is no dispute the Agent 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.
 - (iv) If, after 10 working days¹ following notification of a dispute to the Agent and reasonable attempts having 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.f.(v) below) be submitted to the Independent Case Examiner of the Tenancy Deposit Scheme ('ICE') for adjudication. All parties agree to co-operate with any adjudication.
 - (v) When the amount in dispute is over £5,000 the Landlord and the Tenant will agree by signing the Tenancy Agreement to submit the dispute to formal arbitration through the engagement of an arbitrator appointed by the ICE although, with the written consent of both parties, the ICE may at his discretion accept the dispute for adjudication. The appointment of an arbitrator will incur an administration fee, to be fixed by the Board of The Dispute Service Ltd from time to time, shared equally between the Landlord and the Tenant. The liability for any subsequent costs will be dependent upon the award made by the arbitrator.
 - (vi) The statutory rights of either you/the Landlord or the Tenant(s) to take legal action against the other party remain unaffected.
 - (vii) 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.
 - (viii) If there is a dispute the Agent 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 the Client or the Agent 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 the Agent.

- (ix) The Agent 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.
 - (x) The Client 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 Client 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.
- g. **Utility Companies:** Tuffin & Co Property Management Ltd will notify the Local Authority in relation to council tax, and other utilities in respect of electricity, gas and water. (Telecommunications companies will only accept instructions direct from their customer. Tuffin & Co Property Management Ltd is, therefore, unable to assist in this matter.)
- h. **Rent Collection:** Tuffin & Co Property Management Ltd will collect the rent on a monthly basis or periodically as agreed and will account to the Client each month or as otherwise agreed. Payment will be made direct to the Client's nominated bank or building society account. Payments to the Client cannot be paid out until rent receipts have cleared by the bank. Approximately five working days are required to clear cheques. Tuffin & Co Property Management Ltd will take such action as is reasonably necessary, in the name of the Client, to pursue and recover rent arrears where applicable.
- i. **Visits:** Tuffin & Co Property Management Ltd will inspect the property 6 to 8 weeks after commencement of the tenancy and thereafter immediately before renewal of the tenancy and at least once every six months unless circumstances demand more frequent visits. A report will be made to the Client, either verbally or in writing, after each inspection. During periods when the property is unoccupied between tenancies Tuffin & Co Property Management Ltd will, if required, periodically inspect the property and will take such action as is considered reasonably necessary to protect the property against frost action such as draining down the central heating or water supply system or the continuous running of the heating system. Where such action is taken the costs thereof shall be borne solely by the Client.
- j. **Inventories:** Tuffin & Co Property Management Ltd can, where required, prepare a detailed inventory of the contents and condition of the contents. A separate charge is made as detailed in paragraph 4.i.iv.
- k. **Repairs:** Tuffin & Co Property Management Ltd can, as part of their Management, arrange for small repairs up to £250 to be undertaken but will, if requested pass all repairs requirements to the Client to deal with. Repairs costing more than £250 or which involve the preparation of specifications, schedules of work or plans or which require additional supervision may incur an additional charge by negotiation and agreement with the Client. If there is an urgent need for action, e.g, a burst pipe or roof damage, a contractor will be instructed to carry out emergency work. In other cases, subject to clause 4.c, Tuffin & Co Property Management Ltd will endeavour to obtain instructions from the Client with regard to the work required. In all cases where Tuffin & Co Property Management Ltd have instructed contractors on behalf of the Client, the cost of the works shall be deducted from rents received, or in the event of there being inadequate rent to cover the cost of the works, the Client will settle the contractors' account or remit funds to Tuffin & Co Property Management Ltd to do so, without delay.
- l. **Renewing Tenancies/Service of Notices:** Where instructed, Tuffin & Co Property Management Ltd will renew the Tenancy Agreements or serve Notices to Terminate the Tenancy. Unless otherwise instructed it will be assumed that an existing tenancy is to be renewed.
- m. **Tenancy End:** When instructed Tuffin & Co Property Management Ltd will serve Notice of Termination on the Tenant. At the end of the tenancy, Tuffin & Co Property Management Ltd will check meter readings and will notify the Local Authorities etc., of the change of occupation. Tuffin & Co Property Management Ltd can also check the

inventory for which an additional charge will be made on a time basis, as set out in paragraph 4.i.iv. Tuffin & Co Property Management Ltd. will also deal with the return of the deposit as set out in paragraph 2.f. above.

3. Client's Responsibilities

- a. **Mortgagee's / Freeholder's Consents:** The Client will obtain any necessary consent to let from the mortgagees or freeholder (if any) of the property.
- b. **Insurer's Consent:** The Client will obtain from the insurers of the property and/or contents, confirmation of cover for letting purposes and will ensure that the property and contents are kept fully insured. Tenants will not be held responsible for the cost of repairing accidental damage which should have been covered by the Client's insurance.
- c. **Telephone:** The Client will arrange for the disconnection of the telephone during any period of letting and will accept any re-connection charges on return to the property. (The retention of a particular telephone number can not be guaranteed.)
- d. **Type and Choice of Tenant:** The Client will make the final choice of tenant, unless otherwise agreed. The Client shall advise Tuffin & Co Property Management Ltd of the type of preferred tenant and any restrictions which shall apply to the type of tenant.
- e. **Gas Safety Installation User Regulations 1994:** If the property is supplied with any gas appliances (either natural or bottled gas), the Client shall ensure that each appliance has been checked by a CORGI registered tradesman within the last 12 months and shall supply to Tuffin & Co Property Management Ltd a copy of the current Client's Gas Safety Record for all appliances. If no such Record is produced before the commencement of the management, the Client hereby authorises Tuffin & Co Property Management Ltd at the Client's expense to arrange all works reasonably necessary to comply with the regulations.
- f. **Furniture & Furnishings (Fire) (Safety) Regulations 1988 :** The Client warrants that all Furniture and Furnishings comply with current safety legislation.
- g. **Electrical Equipment (Safety) Regulations 1994:** The Client confirms that all electrical installations and equipment made available in the property to be let have been tested by a qualified and approved electrical contractor within the last 12 months and comply with current regulations. If no such tests have been carried out before the commencement of the management, the Client hereby authorises Tuffin & Co Property Management Ltd at the Client's expense to arrange all works necessary to comply with current regulations.
- h. **Management Fees:** (i)The Client agrees to pay the fees and confirms that Tuffin & Co Property Management Ltd shall be entitled to deduct from rents received the agreed amount of fees, including VAT, together with any disbursements or other agreed charges as detailed in paragraph 4.i. before remitting the balance to the client. (ii) Any shortfall in funds shall be paid by the Client within 14 days of a request by Tuffin & Co Property Management Ltd. (iii) If Tuffin & Co Property Management Ltd are dis-instructed before the property is let the Client will pay to Tuffin & Co Property Management Ltd on request the cost of advertising, travelling, disbursements and administrative costs incurred but in the event that a tenancy application has been received and processed a Letting Fee of 50% of one month's rent will be payable in addition and the Client will also refund the prospective tenant's application fee.
- i. **Repossession:** The Client will give notice to Tuffin & Co Property Management Ltd in writing of intention to repossess the property. This notice must be given in sufficient time to allow the correct termination notices to be served on the tenant.

- j. **Council Tax:** Although Council Tax is normally the responsibility of the tenant, the Client will be responsible for the payment of any Council Tax due in respect of the property when it is unoccupied or is let as holiday accommodation or let as a house in multiple occupation.

4. General Terms

- a. **Authority:** The Client confirms that he/she is the sole or joint owner of the property and has the right to let the property and authorises Tuffin & Co Property Management Ltd to carry out the various duties of property management agent detailed in paragraph 2. above.
- b. **Client's Instructions:** The Client agrees to respond promptly with instructions where necessary to any correspondence or requests from Tuffin & Co Property Management Ltd.
- c. **Retention:** The Client agrees that Tuffin & Co Property Management Ltd may hold a reserve of £100 to his/her account for the duration of the management to ensure the availability of funds for the prompt and efficient management of the property. The Client further agrees that Tuffin & Co Property Management Ltd may arrange repair works up to a value of £100 without prior authorisation.
- d. **Interest on Client's Money:** Tuffin & Co Property Management Ltd shall be entitled to retain any interest on client's money and tenants' deposits earned during any period during which rents or other receipts are held in its bank accounts and shall not be required to calculate or account to the Client for any such interest. Tuffin & Co Property Management Ltd shall be entitled to earn and retain commissions on insurance policies issued.
- e. **Variation of Fees:** Tuffin & Co Property Management Ltd reserve the right to vary the fees at the end of any period of tenancy on giving the Client two months written notice.
- f. **Storage of Documents:** On completion of the letting, Tuffin & Co Property Management Ltd will, unless otherwise instructed, keep the Counterpart Tenancy Agreement and the Notices on file.
- g. **Confidentiality:** Tuffin & Co Property Management Ltd shall not either during or after the termination of the said appointment without limit in point of time divulge or communicate to any person or persons except to those of the employees of the Client whose province it is to know the same, any secret or confidential or other information which they may receive or obtain in relation to the affairs of the Client and shall not use for their own purposes nor for any purposes other than those of the Client any information or knowledge of a confidential nature which they may from time to time acquire in relation to the Client.
- h. **Insurance:** Tuffin & Co Property Management Ltd shall maintain at their own cost a comprehensive professional indemnity insurance policy to cover their liability in respect of any act or default for which they may become liable to indemnify the Client under the terms of this contract and to make this available for inspection when required.
- i. **Schedule of Charges:** The following charges will apply for the duration of the instruction or until otherwise advised:
- l. **Letting Fee:** If Full Management is not to be carried out a charge of 50% of one month's rent, subject to a minimum charge of £200, will be made for finding a tenant and dealing with the letting of the property. If Full Management or Rent Collection Only is to be carried out there will be no initial Letting fee but a fixed **Setting-up Fee** of £150 will be charged. The same fee will apply on each subsequent new letting to a new tenant.

- ii. **Full Management Fee:** 12% of rent received, (or such other fee as specified on the Contract of Engagement) payable monthly. No charge is made during void periods when no rent is received. **Rent Collection Only fee:** 7.5% of rent collected, payable monthly.
- iii. **Preparation of Tenancy Agreement:** The initial charge to the Client is included in the Setting-up fee above. There is no charge to the client for a renewal of the tenancy to an existing tenant.
- iv. **Preparation of Inventory for Furnished Property,** where no inventory already exists, based on an hourly rate of £38.00 per hour. Where an inventory has already been prepared by the Client, a charge of £25 per hour will be made for checking this against the property contents and typing up the inventory. No charge is made for preparing a Schedule of Condition of Unfurnished property.
- v. **Visits during Unoccupied Periods:** No charge is made for inspections during any period when the property is unoccupied between tenancies. If the property is not available for letting but supervision of the property is never the less required, a charge of £30 will be made for each visit to the property.
- vi. **Court Appearance:** to be agreed on time charge basis when appropriate with a minimum of £80 per hour.
- vii. **Advertising Expenses:** these are included in the Full Management fee. For Letting Only advertising will be recharged at cost to a maximum of £80 unless otherwise agree.
- viii. **Stamp Duty:** if the lease is required to be stamped, this will be charged to the Client at cost, usually £5.
- ix. **Rechargeable Expenses:** Subject to clause 3h(iii), there are no additional charges for telephones, postage, mileage etc., which are all included in the Full Management fee. For Letting Only mileage is recharged at 40p/mile.
- x. **Tax Retentions:** A fee of £70 per annum or part thereof will be charged in connection with the retention of tax in respect of overseas clients or for dealing with enquiries from the Inland Revenue in connection with the Taxes Management Act 1970.
- xi. **Sale to Tenant:** A fee calculated as 1% of the sale price of the property shall be payable by the Client to Tuffin & Co Property Management Ltd. in the event of a sale of the property to any person introduced by Tuffin & Co Property Management Ltd, either directly or indirectly, being contracted either during the term of this agreement or within 12 months of the termination of this agreement.
- xii. **VAT** will be added to the above fees and expenses where appropriate, at the prevailing rate.
- j. **Legal Costs:** In the event of a Client having to take court action against the tenant the Client will need to instruct his/her own solicitor at his/her own expense. Tuffin & Co Property Management Ltd. will provide all the necessary supporting information and if required will attend court in support of the solicitor. An additional charge will be made for court appearances as set out in paragraph 4. i.vi.
- k. **Termination of Contract:**
 - i. This contract will continue until terminated by either party giving to the other TWO MONTHS notice in writing to expire at the end of any period of tenancy.
 - ii. This contract shall be subject to termination by the Client by summary notice in writing if Tuffin & Co Property Management Ltd shall have:-
 - (a) committed any serious breach or repeated or continued (after warning) any material breach of their obligations hereunder; or
 - (b) been guilty of conduct tending to bring themselves or the Client into disrepute; or
 - (c) committed an act of bankruptcy or compounded with their creditors generally; or

(d) failed to discharge their duties hereunder efficiently or diligently.

iii If Tuffin & Co Property Management Ltd are dis-instructed before the property is let the Client will pay to Tuffin & Co Property Management Ltd on request the cost of advertising, travelling, disbursements and administrative costs incurred but in the event that a tenancy application has been received and processed a Letting Fee of 50% of one month's rent will be payable in addition and the Client will also refund the prospective tenant's application fee.

iv. On termination of this contract or at the end of the final tenancy and vacation by the tenant, responsibility for the property will immediately revert to the Client unless otherwise specifically agreed in writing.

l. **Assignment:** Tuffin & Co Property Management Ltd reserves the right to assign the rights and obligations of this contract where appropriate.

m. **Complaints:** Tuffin & Co Property Management Ltd operates a complaints handling procedure, full details of which are available on request.

5. Taxes Management Act 1970 (Overseas Clients)

a. Please confirm whether you now, or intend in the future, to live abroad with earnings subject to UK tax. **YES / NO**

b. **If YES**, Tuffin & Co Property Management Ltd is required to retain basic rate tax on net income received from let property unless a Certificate of Exemption from the Inland Revenue is submitted to Tuffin & Co Property Management Ltd.

c. Tuffin & Co Property Management Ltd will liaise with the Inland Revenue and the Clients tax advisers when requested and will deal with the annual returns to the Inland Revenue.

d. The Client agrees to inform Tuffin & Co Property Management Ltd of any change in his/her residential status which might invoke the procedures of the Taxes Management Act 1970.

e. The Client agrees to pay the fees in accordance with clause 4.i.x above.

6. Rent Indemnity & Legal Expenses Insurance

Tuffin & Co Property Management Ltd can arrange Rent Indemnity and Legal Expenses insurance in respect of each Tenant meeting the Insurer's criteria for credit worthiness. The cost of the insurance cover is currently £50.00 plus VAT for 6 months or £80.00 for 1 year. Tuffin & Co Property Management Ltd. strongly recommends this insurance which **will automatically be made available to you unless you specifically CONFIRM THAT YOU DO NOT wish to take up the offer of this insurance** by signing here:

Signed.....Date.....

I / We fully understand the terms and conditions of this contract and agree to them.

Signed.....Date.....

By the Client