

**TERMS & CONDITIONS FOR LANDLORDS OF RESIDENTIAL ACCOMMODATION
SUMMARY OF SERVICES**

A: LETTING ONLY we will

- inspect and estimate the rental value of your premises
- advertise and market as may be necessary
- accompany all applicants to viewings
- negotiate the letting terms
- draw up and execute the tenancy agreement
- take up references on the tenant
- arrange for the preparation of an inventory
- hold rental/dilapidations deposits as stakeholders
- generally advise the landlord on all aspects of the tenancy

B: LETTING WITH FULL MANAGEMENT we will

- inspect and estimate the rental value of your premises
- advertise and market as may be necessary
- contact the relevant utilities
- make regular inspections of your premises
- arrange for maintenance staff to attend
- pay usual outgoings
- liaise with the Landlord's accountants and solicitors
- account to the Landlord on a regular basis

C: FULL MANAGEMENT WITH NO LETTING we will

- contact the relevant utilities
- make regular inspections of your premises
- arrange for maintenance staff to attend
- pay usual outgoings
- liaise with the Landlord's accountants and solicitors
- account to the Landlord on a regular basis

Cactus Lettings & Property Management

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SECTION 1 : PREINSTRUCTION REQUIREMENTS

MORTGAGES AND LEGAL CHARGES

Where a property is subject to a mortgage or other legal charges, permission from the lender is usually required to let. Cactus require that the Landlord determines their own legal responsibility in this respect, and obtain the necessary consent at the earliest opportunity.

SUPERIOR LANDLORD

If the Landlord's interest in the property is not freehold but leasehold, permission to let from the superior Landlord is usually required, often by way of a licence to sub-let. Cactus require that the Landlord determines their own legal responsibility in this respect, and obtain the necessary consent at the earliest opportunity. In no circumstances can the Landlord create a sub-tenancy for a period longer than the interest they hold. Cactus may offer advice on all the above circumstances, but generally advise referral to the Landlord's acting solicitor. Landlord to obtain all consents where required.

POWER OF ATTORNEY

Where the Landlord is resident overseas it is recommended that legal power of attorney is placed with a UK based resident or professional advisor, so that instructions may be expeditiously obtained as situations arise.

PROPRIETORSHIP

Cactus accept, in good faith, receipt of instructions and information from the rightful owner, or person having due authority, of any property, and do not accept any liability where incorrectly instructed or informed.

JOINT OWNERSHIP

In the case of joint ownership the landlord must ensure that all other joint owners are named in the tenancy agreement and confirm that he/she is authorised to give instructions on their behalf.

INSURANCE

The Landlord must consult with their Insurance Company or brokers, to ensure that the property and all its contents are and remain adequately insured throughout the letting, and that the policy/ies allow for lettings.

DECOR AND CONDITION

The Landlord is required to ensure that the property, and all contents, have been cleaned and tidied, and that all is in a reasonable state of repair. The Landlord bears the responsibility of ensuring that all structures comply with the relevant Building Regulations, that all services have been correctly installed and are operational, and that all equipment is safe to use.

EQUIPMENT AND APPLIANCES

The Landlord confirms and warrants that all services, equipment and appliances, particularly burglar alarms, washing machines, gas fires and electrical and central heating systems have been installed by properly qualified persons in accordance with the manufacturer's recommendations and any statutory regulations and have been checked and serviced by properly qualified service engineers, before the Tenant takes up occupation. The Landlord authorises Cactus to carry out any inspection, which Cactus may in their discretion consider necessary at the Landlord's expense. If, as a result of such inspection, works are required to make any service, equipment or appliance safe to use, the Landlord irrevocably authorises Cactus to carry out such works at the Landlord's expense.

FIRE & FURNISHINGS REGULATIONS

You hereby warrant to Cactus that all furniture and furnishings in the Property to be let and included in the letting (whether originally provided or added during the Tenancy) fully comply with the Furniture and Furnishings (Fire) (Safety) Regulations 1988 as amended by the Furniture and Furnishings (Fire) (Safety) (Amendment) Regulations 1989 and 1993.

GAS REGULATIONS

The Landlord must ensure that the gas supply and all gas appliances and fittings provided are safe and properly serviced and comply with the Gas Safety (Installation and Use) Regulations 1994. A Gas Safety Report will be required before the commencement of the Tenancy. A safety check should then be carried out on a yearly basis, by a Corgi registered engineer. You will indemnify us should a breach of these regulations occur during the tenancy.

ELECTRICAL EQUIPMENT & WIRING

You hereby warrant to Cactus that ALL electrical appliances plugs sockets and wiring in the Property and the electrical supply is "safe" and will not cause "danger" and complies with all statutory requirements. From 1 January 1997 all new electrical appliances must carry a "CE" mark and instruction booklets or clear working instructions must be provided.

INCOME TAX MANAGEMENT (For non-UK resident Landlords)

It is essential that the Landlord has an accountant to deal with taxation matters in the UK, and provides Cactus with their name and address. If the Landlord has no professional advisor dealing with taxation affairs, Cactus would be pleased to recommend one. Where Cactus collect rent, the Inland Revenue may assess them for the income tax liability arising on the income. For such purposes, Cactus are required to retain an amount from the gross rents received to cover the likely income tax liability, equivalent to the basic rate of tax. Cactus remit tax due as demanded by the Inland Revenue and as agreed by the Landlord's accountant and will account for the balance of funds held. Cactus do not prepare tax computations or agree or dispute any assessments.

COMMUNITY CHARGE AND COUNCIL TAX

Where the Landlord is held responsible for payment of local taxes or where Cactus are deemed responsible for payment of the same, Cactus reserve the right to discharge any liability out of rents received. Usually the Tenant is liable to pay such taxes directly, but the Landlord is responsible for such charges when the property is vacant.

SECTION 1 : PREINSTRUCTION REQUIREMENTS (cont'd)

INVENTORIES

A detailed, comprehensive Inventory incorporating a full description and statement of the condition of all fixtures and fittings must be supplied for all lettings properties. Cactus can arrange for an Inventory of the fixtures and fittings. The cost of this will be included in the letting fee. At Check In Cactus will meet with the Tenant and go through the inventory. At Check Out a full inventory will be conducted. The deposit is not returned to the Tenant until any appropriate costs for damage, dilapidation's or loss have been agreed by both the Tenant and the Landlord. In the event of any dispute the matter will be referred to arbitration, or as otherwise directed by the Tenancy agreement.

LETTING PROCEDURE

Once a suitable Tenant has been found Cactus endeavour to obtain at least two references, and where possible Cactus approach the Tenant's bank, solicitor, accountant, employer, previous Landlord and personal contacts. It is usual for professional organisations to limit the extent of their liability in respect of any reference given. Similarly Cactus can not offer any guarantee in respect of a Tenant.

TENANCY AGREEMENT

Cactus will prepare and execute an appropriate Tenancy agreement, usually in the form of an Assured Shorthold Tenancy, or a company let. Cactus also serve the appropriate notices required to be served upon and prior to commencement, under the relevant Housing Acts. Where significant and/or complicated alterations to the standard agreement are required, Cactus reserve the right to consult with solicitors, at additional cost to the Landlord. No costs would be incurred with prior discussion with the Landlord.

DEPOSIT

A deposit equivalent to a minimum of one months rent, for damages against possible non-performance of Tenant's obligations or breaches of covenant in the tenancy agreement. All deposits will be held in the Deposit Protection Service (DPS). Cactus is a registered member of the DPS. Full details can be obtained from www.depositprotection.com.

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.

SECTION 2 : MANAGEMENT

RENT COLLECTION

The rent quoted, and collected by Cactus, should be fully inclusive of all outgoing, except utilities, including ground rent, service charge, water rates, letting and management fees and VAT, unless otherwise agreed and stipulated in the Tenancy Agreement. Cactus endeavour to ensure that the initial rent and deposit are paid by cleared funds before allowing a tenant possession of the property. Cactus endeavour to collect rent in accordance with the terms of the Tenancy Agreement. In the case of late or non-payment of rent Cactus endeavour to inform the Landlord as early as possible so that they may instruct solicitors to act as may be necessary. Cactus are not themselves liable for any rent or non- payment of same, or other liabilities incurred by the Tenant.

REGULAR INSPECTION

Under the WITH FULL MANAGEMENT service Cactus endeavour to ensure that the property, and contents, are reasonably maintained, and endeavour to make quarterly visits to the property and report to the Landlord if problems arise. The representative from Cactus may not be a qualified surveyor and no responsibility is accepted for failing to locate or report any latent or inherent structural defects, such as damp or dry rot, which may not be immediately apparent.

MAINTENANCE AND REPAIRS

Under the WITH FULL MANAGEMENT service Cactus effect general and essential repairs and maintenance, and make such purchases and instruct contractors as, in Cactus' reasonable discretion, consider necessary without further authority, up to a limit of £200.00. Except in the case of an emergency Cactus will obtain the Landlords consent before carrying out any such repairs.

PAYMENT OF ACCOUNTS

Under the FULL MANAGEMENT service Cactus pay out of income received all outgoing, such insurance and ground rent, as instructed by the Landlord. Cactus question obvious discrepancies on bills received, but pay on behalf of the Landlord those, which appear to be correct without further authority. Payments on behalf of Landlords are only made where there are sufficient monies held in the Management Fund. Cactus do not accept responsibility for the adequacy of insurance cover, or for the verification of service or maintenance charge demands or estimates where applicable.

SERVICE ACCOUNTS

Under the LETTING ONLY, LETTING WITH FULL MANAGEMENT AND FULL MANAGEMENT WITH NO LETTING services, Cactus advise the gas, electricity and telephone services of the change of the name at the commencement of a Tenancy to whom accounts and relevant forms should be sent to, and if available, the meter details as checked at the Inventory Check In. Only under the FULL MANAGEMENT services do Cactus similarly advise the utility services at the termination of a tenancy, to effectively reverse the process.

VOID PERIODS

The management function does not include the supervision of the property when it is not let, although in the course of finding a tenant, periodic visits may be made to the accommodation by allowing staff to accompany prospective tenants.

RENT STATEMENTS

Management rent statements are prepared in accordance with the rental period of the tenancy, usually monthly or quarterly. Before funds are remitted to the Landlord, sufficient time is given to ensure that all receipts have been properly cleared.

LEGAL MATTERS

Cactus advise of any rent arrears or other breaches of covenant brought to our attention. If any legal action is required, the Landlord is responsible for instructing a solicitor, and for payment of any fees that might arise.

BANK ACCOUNTS

All rents and other monies due to the Landlord, and deposits refundable to the tenant, are kept in a Cactus' clients' bank account completely separate from Cactus' own business account.

FEES AND COMMISSION

All charges are subject to VAT at the prevailing rate. All the following charges relate to lettings of between six and twelve months, inclusive. If the same tenancy is extended beyond twelve months, by whomsoever negotiated, there will be an additional commission charge at the rate levels applicable. All charges relate to a single letting of any premises, and where the same property is re-let the following charges will be re-applied. Cactus' right to receive fees will not be prejudiced by any legal actions that may be necessary to recover unpaid rent or other monies due.

LETTING ONLY

The letting fee is 10% of the first 6 months subject to a minimum of £350 plus VAT

LETTING WITH RENT COLLECTION SERVICE

12.5% of the total rent payable under the terms of the Tenancy agreement for the entire length of the Tenancy. The total amount of commission falls due at the commencement of each Tenancy and will be deducted from the initial and subsequent rental payment(s) received from the Tenant. Thereafter, the Tenant pays all rents due directly to Cactus.

THIRD PARTY INTRODUCTIONS

In the event of a third party, being individuals and corporate bodies, in any way associated with an applicant or existing tenant entering into a tenancy or other agreement, then Cactus is due commission at the rates and basis as described above.

SECTION 2 : MANAGEMENT (cont'd)

INSURANCE CLAIMS

Landlords and tenants should take care to review any existing policies when renting or letting a property for the first time as some standard insurance products will either not provide cover, or might place restrictions on cover, for rented property and/or its contents. A failure to inform your insurer that you are renting/letting a property could invalidate any subsequent claim. It is for a landlord to insure the building and his/her contents, fixtures and fittings. The tenants are responsible for insuring any of their own possessions. Cactus are unable to advise on, sell such general insurance products or act on the landlords' behalf unless they are authorised by the Financial Services Authority (FSA), or, directly regulated by a broker registered with the FSA.

EMPTY PROPERTY

Periodic inspections if required by the Landlord when the property is vacant are charged at £25.00 per visit.

MISCELLANEOUS

Additional charges may be made for various circumstances, such as attending court or tribunal proceedings, or furnishing premises, but Cactus endeavour to properly advise the Landlord beforehand.

SECTION 3 : GENERAL

Cactus are entitled to commission if they let the said property, whether instructed verbally or in writing.

Cactus reserve the right to vary commission rates during the course of the tenancy on giving three months prior notice in writing.

Cactus are not liable for any rent or non-payment of rent or any other liabilities incurred by the Tenant, or for any outgoings payable on behalf of the Landlord if there are insufficient funds available.

Cactus are not liable, either directly or indirectly, for any deficiency, loss or damage to the premises, its fixtures and fittings and contents, however caused, whether included in the Inventory or not.

Cactus do not accept legal liability for the management or security of any property before it is let or at the termination of a tenancy, or if unlet between tenancies, whether or not they hold keys to the property.

The Landlord will pay to Cactus any other charges arising from any invoices, which they may at any time hold to the Landlord's account.

The Landlord accepts that Cactus do not pay any bills on the Landlord's behalf unless sufficient funds are available in the Management Fund whether the property is tenanted or not.

The Landlord agrees that in the event of a renewal or extension of a tenancy, Cactus may instruct a CORGI registered gas safety inspector to carry out an annual gas safety certificate on the day of renewal or extension if Cactus have not received a copy of a valid gas safety certificate or valid proof that a gas safety certificate has been carried out from the Landlord. A copy of a valid gas safety certificate must always be forwarded to Cactus. The cost of this gas safety inspection shall be borne by the Landlord.

INDEMNITY

The Landlord indemnifies Cactus against any loss or damage Cactus may suffer as a result of acting as the Landlords Agent in respect of any injury or damage to persons or property arising out of the condition of the property of any hazard in or about the property. Both Landlords and Tenants are advised to take out all appropriate insurance cover.

The Landlord undertakes to ratify whatsoever Cactus shall lawfully do by virtue of these Terms of Business and to indemnify them against all costs and expenses properly incurred by them.

The Landlord undertakes to indemnify Cactus against any costs or actions arising out of any representations made by Cactus on behalf of the Landlord in all respects.

SECTION 4 : DECLARATION

I hereby certify that I own the property known as:

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I wish to undertake: (Please tick where applicable)

- A. Letting Only
10% of the first 6 months subject to a minimum of £350 plus VAT
- B. Letting with Full Management
£150 plus VAT letting fee and then 12.5% of the annual gross rents
- C. Full Management with no Letting
12.5% of the annual gross rents

I confirm my instructions for Cactus Letting and Management Department to act on my behalf in securing a tenant for the above property under the terms presented to me in the Terms of Business. I confirm as required to the regulations as pointed out by Cactus in regard to the Furniture and Furnishings Fire Safety Regulations, Gas Appliances and general maintenance requirements. I hereby accept the above terms of business.

PRINT NAME

Signed

Date.....

PRINT NAME

Signed

Date.....