



Residential Lettings Agreement and Terms of Business

Letco Limited | Tel: 01489 668 862 | Email: info@letcohomes.co.uk | www.letcohomes.co.uk

Definitions

The expression "Letco Homes", "Letco", "we" and "us" shall mean Letco Limited of Unit 6, Fulcrum 2, Solent Way, Whiteley, Fareham, Hampshire, PO15 7FN

The expression "the landlord", "you" and "your" shall mean the person or persons identified at the end of this agreement or his/her or its successors in title or assigns or any person deriving title or claiming through or under the Landlord. Where a landlord comprises of two or more persons any agreement with us shall be deemed to be made by all such persons individually and collectively. Where the Property is owned by a Company then the company is our client and in addition to accepting liability on behalf of the company then each person signing this document personally guarantees payment by the company of our fees.

"Fees" means our charges for providing the Services as detailed in the schedule of services and fees attached hereto.

"The property" means the property identified at the end of the document of which the landlord has instructed Letco to provide the services.

"Rent" means the market rental of the property as agreed between us and you as well as any sum taken as a premium or consideration for the grant, extension or renewal of the Tenancy.

"Schedule of services and Fees" means the schedule attached here to which identifies the services that you require Letco to provide for you.

"Services" means the services to be provided by us and selected by you in accordance with the details set out in the Schedule of services and fees attached by Letco.

"Tenant" means any person or persons deriving under the title as tenant and named in the tenancy agreement.

"Tenancy agreement" means the written contract made between the landlord and tenant setting out the terms of the tenancy including the rent, term and any extension or renewal of the original tenancy agreement.

"Tenancy" means the period during which the tenant rents the property from the landlord.

"VAT" means Value Added Tax as levied at the prevailing rate at the relevant time that an invoice is delivered or a payment is made. This agreement sets out the terms upon which we will act and should be read carefully. For our records we would ask that you complete your electronic signature or sign one copy of this agreement and forward or return it to us as confirmation of your instructions which will enable us to commence marketing the property. If you do not understand any part of this agreement then please discuss any problems with us before completing the final page here of signing the same. We will not commence or carry out any of the services until we are in possession of a copy of this agreement completed with your electronic signature or signed by you if appropriate.

1. Services

1.1 We are appointed as your sole letting agency of the property for which we will provide the services and charge fees as detailed in the schedule of services and fees.

1.2 You should be aware that if we are providing one of our fully managed services and you enter into a renewal of a Tenancy

agreement with an existing tenant introduced by us then you will still be liable to us for our fees.

1.3 We will provide no further services other than those set out in the schedule of services and fees although we will provide additional services to you at a fee as set out in the schedule of services and fees or as may be agreed in the writing.

2. Landlord's Warrantees and Obligations

2.1 You warrant that you are the legal sole or joint owner of the property and its contents and that you have the right permission to rent the property from any co-owner and/or under the terms of any mortgage or head lease or from any other party or body whom consent to the tenancy is required.

2.2 You authorise us to carry out the various duties of managing the property and charging the fees as detailed in the schedule of services and fees including the taking and holding of deposits on your behalf if so required and to keep and retail any commissions that we may earn on any insurance policies taken out by us on your behalf as well as any fees or charges payable to us by the tenant

2.3 You warrant that the property is in a good and fit condition for renting and that the property and its contents (including beds, furniture, electrical equipment and all other soft furnishings if appropriate) conforms to all fire safety, electrical, gas or other regulations or laws applicable to rental properties and current at the time of this agreement

2.4 You agree that we may expend a maximum of £200 (or in the case of overseas landlords, £300) in respect of any one item, repairs or other matters specified by you and we will, at a price to be agreed between us, administer any maintenance work that is required to the property. It is further agreed that in the event of emergency contractual necessity that, subject to us taking reasonable measures to contact you and being unsuccessful, we may exceed the expenditure stated above.

2.5 You undertake to reimburse us in respect of any claims arising from any overpayments that may be made by a local authority in respect of housing benefit or other benefits paid to the tenant or us by way of rent. This clause shall remain in force for the duration of the tenancy and for a period of six years from the termination of the tenancy whether or not we continue to represent you in respect of the property.

2.6 You undertake to indemnify us against all costs claims, demands, expenses, actions or liabilities which are incurred by or imposed upon us when carrying out as normal duties. You further undertake to deal with and respond promptly to any request or correspondence made by us for instructions in respect of enforcing compliance of the terms and conditions of this agreement.

2.7 You will during the Tenancy, keep the property and your contents there in properly insured including public liability insurance and ensure that the insurers and if appropriate your mortgagees, are aware that the property is let.

2.8 You authorise Letco to renew the tenancy agreement at the end of the fixed term if the tenant wishes to extend. This agreement will be renewed at the market rental rate at that time unless otherwise stated. If you do not wish for an agreement to be renewed, this needs to be detailed in writing, ensuring Letco have confirmed receipt of this two calendar months before the agreement end date.



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3. Condition of the Property

3.1 You warrant that the property is in a good and rentable condition and that the property, furniture and furnishings (including mattresses, sofas, chair set and other soft furnishings) conform to the furniture and furnishing (fire) (safety) Regulations 1988 as amended in 1993 and any subsequent amendments or re-enactments thereof.

3.2 As a landlord it is your responsibility to supply the tenant at the commencement of the tenancy with a valid 'Gas Safety' certificate, issued by a Gas Safety registered installer, to comply with the Gas Safety (installation and use) Regulations 1998. You must also ensure that annual safety checks are carried out on all gas appliances where applicable and their flues. Records of these checks must be kept and must be supplied to tenants upon entry to the property and within 28 days of the inspection to an existing tenant. We will require a copy of the Gas Safety Certificate at the commencement of the tenancy.

3.3 In the event that we are managing the property then we will be required to arrange your gas safety record once a year. The cost of such inspection and certification will be your responsibility as it does not form part of our scale of fees and we will charge fees in respect of any work that we are required to carry out in this connection. We insist that a carbon monoxide monitor be installed in the property as an additional safety measure at the commencement of our management of the property and the cost of installation will be your responsibility.

3.4 Legislation provides that all new homes built after June 1992 must be fitted with mains operated smoke detectors in all your properties, including the property, and that they are regularly checked and maintained, especially in the case of battery operated devices.

3.5 You are responsible for compliance with the Electrical Equipment (Safety) Regulations 1994 and Plug Socket Regulations 1994 which require that any person supplying electrical equipment must ensure that it is safe and will not cause danger and satisfies the safety requirements of the 1994 regulations. All new and second-hand electrical equipment, which you supply, in the property must be fitted with an appropriately fitted and fixed plug containing the correct fuse. Although there is no mandatory requirement to safety test of tests by an approved contractor or test plugs and sockets we would recommend that best practise dictates that it would be prudent to do so.

3.6 You agree that prior to the tenancy commencing that the property will be thoroughly cleaned throughout including all the interior and exterior of the windows and that the garden of the property will be in an appropriate state.

3.7 In the event that the property, furniture, gas and/or electrical equipment do not comply with the current legislation or the terms of the agreement then we will refuse to let or manage the property until the non-compliance is rectified by you at your expense.

4. Section 11 of the Landlord and Tenant Act 1985

We would point out the above Act imposes important obligations upon landlords not only to keep the structure and exterior of the property including drains, gutters and external pipes in repair but also to keep in repair and proper working order the installations in the property of the supply of water, gas and electricity for sanitation purposes. This obligation includes basins, sinks, baths and lavatories but does not include fixtures and fitting for making use of the supply of water, gas and electricity supplies although you are required to keep installations in the property for space heating and heating water in repair and proper working order.

5. Indemnities

5.1 Upon signing this agreement you undertake to comply with all the statutory regulations or requirements that are imposed upon landlords and any amendments or re-enactments thereof including in particular but not limited to the statutory requirements contained in clauses 3.1 to 3.5 and 4 above and that before the Tenancy commences that all machines, equipment, furniture and apparatus are in full working order and comply with all and any such Acts and Regulation.

5.2 You further undertake and agree that you will indemnify us, our employees and/or agents in respect of any claim, demand, liability, costs, reasonable expenses or prosecution which may arise as a result of your failure to comply with any Acts, Regulations or other statutory requirement that relate to the letting of the property or your breach of any of the terms and conditions contained herein.

5.3 You further undertake and agree that, at the commencement of the tenancy that all accounts especially gas, electricity, telephone, fuel oil, water, sewage and council tax bills are paid up to date.

6. Early Termination of the Tenancy

6.1 If a tenant leaves the property during the period of the Tenancy Agreement then you must notify us in writing within 7 days of being notified or becoming aware of the same.

6.2 In the event that the Tenant terminates their tenancy early (either with or without consent) then we shall be under no obligation to refund any remuneration previously received by us nor shall we be liable to you in any way for any losses or damage that you suffer as a result of such termination.

6.3 In the event of any termination provided by clause 6.2 above you will allow us a four (4) week period from the date of the tenant vacating the property to seek to re-let the property to a new tenant. Should we successfully re-letting the property within such time we shall be entitled to remuneration as set out in the schedule of services and fees for the period that the property was un-let. If we are successful in relating the property at a higher rent than under the terminated tenancy then we shall be entitled to receive remuneration as set out in the schedule of services and fees calculated as such higher rent from the commencement of the new tenancy.

6.4 In the event that we successfully re-let the property but at a rent lower than that of the terminated tenancy then we shall be entitled to receive remuneration as set out in the schedule of services and fees calculated on such a lower rent from commencement of the new tenancy. We shall not be obliged to refund any sum or part thereof received by us in respect of remuneration for the period of the terminated tenancy.

7. Moving the tenant to an Alternative Property owned by you

If for any reason whatsoever you agree that the tenant may move to another property owned by you or by a person, firm or company connected or associated with you, then you will remain liable to us for remuneration (whether or not the tenant enters into a new agreement with you) and the same basis as if the tenant had remained in the original property.

8. Sale of the Property

8.1 In the event that you agree a sale of the property to either a tenant or any party connected with or associated with the tenant wither before, during or after a tenancy which leads to an exchange of



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contracts then we will be entitled to receive commission of 2% plus VAT of the sale price of the property. This commission will be payable upon completion of your sale of the property.

8.2 In the event that you sell the property subject to the tenancy then you will continue to be liable to us for the remuneration set out in the schedule of services and fees for the period of the tenancy agreement and in respect of all renewals and/or extensions of the tenancy whether or not the renewal or extension is negotiated or arranged by us. You may assign your obligations under this clause to your purchaser but you must obtain the purchaser's written agreement before you complete the sale. If the purchaser agrees to assume your obligations to us then you must send the purchaser's written and signed agreement to us in which the purchaser undertakes to be responsible for our remuneration. If you do not send the agreement as above then you will remain liable under this agreement until such a time as the tenant (or any person or company connected or associated with the tenant) vacates the property. The purchaser must also provide us with his/her/their full name and address.

9. Termination

9.1 In the event that you instruct us to provide any of our Fully Managed Services then you may terminate such instructions on giving us three months' notice in writing at the expiration of the tenancy and in addition to the remuneration payable for the notice period pay a fee equivalent to one month's rent. In such circumstances any outstanding expenses and/or fees or remuneration are payable immediately. Our fees continue to be payable on all renewals and extensions of the tenancy and in such circumstances in accordance with this agreement.

9.2 In the event that you instruct us to provide our Let Only Service then you may terminate such instructions by giving us one calendar month's notice in writing to expire on the last day of the following month.

9.3 In the event that you instructed us to provide a Rent Collection Only Service then you may terminate such instructions by giving us two calendar months' notice in writing to expire on the last day of the month following the two calendar month notice and in addition pay a fee of equivalent to one month's rent.

9.4 For the avoidance of doubt unless your termination of our agency is justified by reason of a serious breach of contract or default on our part then we shall be entitled to be paid our remuneration for our fully managed services in respect of any tenancy or in respect of any renewals or extensions of any tenancy for which remuneration is payable.

10. Rent Guarantee

10.1 If you have selected our Fully Managed Gold or Fully Managed Silver Service then our obligation to you is that in the event that there are defaults in the payment of the rent (as set out in the Tenancy Agreement) by the tenant or his/her/their guarantor (if appropriate) within 6/12 months of the commencement of the tenancy (being the date upon which the tenancy agreement commences as set out in the tenancy agreement) and provided that the tenancy commencement is within 60 days of the reference being given of the reference was before the tenancy commencement date then we will pay the rent monthly in arrears up to a maximum (amount tenant referenced for) per calendar month until vacant possession has been obtained.

10.2 Payments will be made subject to any deductions agreed in this agreement. Deductions will also be made for any outstanding charges due from you.

10.3 In the event of payments being made this clause then all of your rights to recover such payments or sums shall be subrogated to us or our insurers in order to effect recovery of such sums paid (in your name if necessary or expedient). By signing this agreement or attaching your e-signature you confirm and agree to the above. Recovery of rents paid out shall be at our sole discretion.

10.4 Should you receive any funds or payments from any tenant and/or guarantor after any date of default which results in us having to pay any monies to you under this agreement then you will immediately notify us of such receipt and shall forward such funds (up to the amount paid out by us) to us immediately upon receipt of this.

10.5 This guarantee is part of the service standard for our vetting service and you will receive immediate and automatic protection with the vetting at no extra charge upon the commencement of the tenancy agreement and whilst this agreement remains in force.

10.6 This clause may be amended at any time by us upon giving you one month's notice in writing of any such amendment.

11. General Matters

11.1 If you are a non UK Landlord then under the Taxes Management Act 1970 and the Taxation of Income from Land (Non-Residents) Regulations 1995 we are required to deduct tax (at the basic rate) before remitting the rent received to you. This deduction is to cover any liability of yourself and will be made unless you have received an Exception Certificate (NRLI) or other authority in writing from the Ireland Revenue. In the event that the above situation exists then we reserve the right to charge a fee for administration and expenses in respect of any further work required to be carried out by us in conjunction with you, your accountants or agents and Ireland Revenue in resolving or clarifying such tax liabilities.

11.2 Cancellation of Proposed Tenancy Agreement

In the event that we receive unsatisfactory references for a proposed tenant or the tenant withdraws from the letting for whatsoever reason before signing the Tenancy Agreement then you will not be liable for any fees referred to in the Schedule of the Services and fees. Should you withdraw from completing the Tenancy Agreement of the property after having accepted an offer from the tenant introduced by us then we reserve the right to charge a fee of up to £500 plus VAT to cover our reasonable expenses in respect of time expended, negotiations, the taking of references and general office paperwork and administration.

11.3 Council Tax

Although the tenant will normally be responsible for the payment of Council Tax you should be aware that when a property is empty, let as holiday accommodation or let in multiple occupation then responsibility for payment of Council Tax rests with the owner of the property outside of tenancy.

11.4 VAT

We are registered for VAT and where appropriate will charge VAT at the rate of 20% (or as subsequently varied).

11.5 Termination

This agreement shall, in the case where we provide any of our Fully Managed Services and subject to clauses 9.1 and 9.4 hereof, continue for the total period that the Tenant shall remain in the property. Where we provide any other service then this agreement may be terminated by the giving of notice as provided in clauses 9.2, 9.3 or 9.4 respectively.



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11.6 Instruction and Variation

All instructions from you to us relating to termination, major repairs, proceedings, variation of bank details or other significant matters shall be confirmed to us by writing prior to such instructions being acted upon and should you fail to do so then we will refuse to carry out such instructions. We recommend that you insure against any of the above eventualities.

11.7 Legal Proceedings

In the event that the Tenant shall be in breach of the Tenancy Agreement, be it non-payment of rent or breach of any covenant, then we will (having previously advised you) endeavour in the first instance to resolve such non-payment breach with the Tenant. Should we not be able to resolve the non-payment or breach then we will, at your cost and in your name, instruct a firm of solicitors to take appropriate action. We will notify you prior to placing such instructions and obtain and supply you with such information as you may require from the form of solicitors. You hereby undertake to indemnify us against all or any of the legal fees and disbursements incurred as a result of this clause.

11.8 Advertising Board

You agree that we have the authority to erect a board (subject to any restrictions imposed by statutes or the local Authority and if appropriate your Freeholder or Mortgage) upon or in the garden of the property advertising that the property is available for letting.

12. Exclusions

You agree that we will not be liable for;

- (i) The Rent or any other liabilities, outgoing or expenses payable by the Tenant or
- (ii) Any expenditure payable on your behalf if we hold insufficient funds or insufficient authority to make such expenditure or
- (iii) Any costs, expenses or liabilities incurred by you arising out of the property being vacant or by reason of any damage or want of repair caused to the property by reason of any acts or omissions of the tenant or his family, licenses or agents or
- (iv) Any loss, costs, expenses, penalties or liabilities, howsoever arising from your failure to seek any necessary consents from any mortgages, insurers, lenders, landlords or owners of the property or
- (v) Any legal fees and disbursements payable to a firm of solicitors as referred to in clause 11.b hereof.

13. Amendment of this Agreement

All terms and conditions contained in this agreement may be varied by us at any time upon giving you one months' notice in writing to the address given by you and inserted at the end of this agreement.

14. Law, Jurisdiction and Severance

14.1 This agreement and any undertakings contained therein, Tenancy Agreement and accompanying correspondence shall be governed by and construed in all respects in accordance with the laws of England and the parties hereto irrevocably agree that the courts of England have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this agreement.

14.2 Any notice and/or correspondence and/or document required to be served upon or delivered to either party hereto may be sent by ordinary first class post addressed to the recipient at his/her address as set out at the end of this agreement and shall be deemed to have been received at the time at which it would have been delivered in the normal course of post. If said notice, correspondence or document

is sent to fax or email to the fax number or email address of the recipient as notified to the other party then it shall be deemed to have been received at the time of transmission.

14.3 If any provision (or part of a provision) of this agreement is found by any court or administrative body of competent jurisdiction to be invalid, unenforceable or illegal then all other provisions shall remain in force. If any invalid, when unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted then the provision shall apply with whatever modification is necessary to give effect to the commercial intention of the parties.

You can confirm that you have read this agreement prior to signing the same or attaching your electronic signature thereto and agree to the terms and conditions contained herein and in the case of you attaching an electronic signature that the Electronic Communications Act 2000 (Chapter 7) shall apply.

In the event that with your consent we allow the tenant into occupation of the property and you have failed to sign or attach your electronic signature to this agreement prior to the occupation of the property, as aforesaid it shall be deemed to be your unqualified acceptance of all the terms and conditions contained in this agreement.

Signed by the Landlord

Signed by the Landlord

Print Landlords full names

Signed on behalf of Letco

Position held

Date of Signatures