

PROPERTY MANAGEMENT TERMS OF BUSINESS

This document details how the Management of the Property is carried out and responsibilities of The Collection LLP and the Landlord. The following Terms of Business (“the Agreement”) explain your position and responsibilities as Landlord and define your relationship with The Collection LLP. Please read this carefully. You should be aware that if Management proceeds it is confirmed you have agreed and accepted these Terms of Business.

You are advised to take legal advice prior to signing this Agreement from a solicitor, other legal adviser or the Citizens Advice Bureau (“CAB”) if you are uncertain of any of the points contained within this Agreement.

DEFINITIONS

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 Collection LLP trading from the address as described in Schedule 7 Clause 5 above.
- 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 Schedule 10 below and any other person owning a reversionary interest in the Property, whether freehold or leasehold, entitling them to possession of it upon the termination or expiry of the Tenancy and anyone who later owns the Property.
- e. "Tenant" means anyone entitled to possession of the Property under a Tenancy Agreement.
- f. "Property" means any part or parts of the building boundaries fences garden and outbuildings belonging to the Landlord at the Property address set out in Schedule 10 below. When the Property is part of a larger building the Property includes the use of common access ways and facilities.
- g. "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 Property.
- h. "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.
- i. "Superior Landlord" means the person company or organisation to whom ownership of the Property reverts at the end of the lease.
- j. "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 Agreements.
- k. "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.
- l. "Tenancy Agreement" means the contract drawn up between the Landlord and the Tenant specifying the obligations of the two parties.
- m. "DPS" means Deposit Protection Service whose details are shown in the Tenancy Agreement.
- n. "ICE" means the Independent Case Examiner of The Dispute Service Limited.
- o. "Agreement" means this Terms of Business signed between the Agent and the Landlord.
- p. "Member" means the Agent who is a member of the Tenancy Deposit Scheme which is administered by The Dispute Service.

SCHEDULE 1 INSTRUCTION TO LET

We are not your letting agent but in our role as your Managing Agent, The Collection LLP may:

Arrange market appraisals of the Property with competent Letting Agents.

Instruct other Letting Agents to market the property with your permission and as instructing agent to be fully responsible for the sub-agent and any failures to comply with the code of practice.

Negotiate the most favourable terms on your behalf of their engagement.

Advise on the letting prospects of the Property and the likely achievable market rent.

Advise of any pre-letting repairs or maintenance.

Advise on the statutory duties of the Landlord and other requirements which must be fulfilled prior to the letting of the Property. Our Property Services team can assist with arranging all or some of these requirements as shown in Additional Services Schedule 9.

Take brief details of the Property.

Arrange for an Energy Assessor to prepare an Energy Performance Certificate (EPC) if required, at the Landlord's expense.

Negotiate offers and terms with the Applicant on the Landlord's behalf.

Advise the Landlord of any offers received, the names of the Applicants and the terms of the offer.

Endeavour to take up references on the Applicant and report to the Landlord accordingly. Whilst we will use all reasonable efforts to ascertain the accuracy of the references provided, we cannot accept responsibility for the accuracy of information which may be provided to us unless it is due to our negligence or breach of contract. If it is not possible to obtain references, we will try to get the full rent paid in advance, arrange for an acceptable guarantor to be added to the Tenancy or seek the Landlord's written consent to proceed without references.

Forward on feedback received from the Letting Agents.

Advise you that if a formal offer has been received 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 that we will not arrange works prior to a letting (whether requested by you or the intended Tenant) unless sufficient funds are held to cover the cost including our administration fees as shown in Additional Services Schedule 9 below and if you have requested us to do the work in writing.

Advise the Landlord of the number of sets of keys required for the Tenancy.

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Release keys to the check-in Inventory clerk or Landlord's representative or make available to the Tenant to collect from our offices.

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

SCHEDULE 2 LETTINGS, RENT COLLECTION & MANAGEMENT SERVICE

The Collection LLP will provide all the services listed in Schedule 1 together with the following:

Arrange for an Inventory, Schedule of Condition and check in (where appropriate) to be prepared at the Landlord's expense.

Advise the utility companies if possible of the names of the new consumer which have been given to The Collection LLP. This part of the Service can only apply if the Landlord has provided us with the names, addresses and account numbers of suppliers and final utility readings if available. The Landlord should be aware that some suppliers will only accept instructions direct from the account holder. If this position arises, we will inform you of the actions you must take. The Collection LLP has no liability if you fail to take a supplier's account out of your name.

Arrange a pre-Tenancy clean if necessary, at the Landlord's expense.

Advise the Local Authority of the change of owner and occupancy.

Advise the Landlord of any furniture found to be non-compliant (without appropriate label) and if necessary arrange for its removal and disposal or storage at the Landlord's expense.

Advise the Landlord of the number of sets of keys required for the Tenancy, any extra sets of keys required will be cut at the Landlord's expense subject to an administration fee as shown in Additional Services Schedule 9.

Release keys to the check-in clerk or make arrangements to give them to the Tenant or make them available for collection from our office.

Attend day-to-day management matters including minor repairs for which we will need to retain a minimum float of £1000 if the rent is being paid monthly, but will be increased if the rent is paid in advance or by quarterly instalments as agreed in writing between the two parties, and arrange maintenance and repairs where necessary.

If we do not receive rent on your behalf, you will be required to transfer the monies for the minimum float, as required, to our Client Account (*Account name: The Collection Acquisitions LLP Clients Accounts, Account number 13132390 Sort Code 20-47-39*).

Investigate defects which come to our notice or which are brought to our attention by the Tenant. If a defect or problem arises which we consider to be beyond regular maintenance we reserve the right to refer you to a surveyor. You will be liable for the fees of the surveyor or specialist.

Provided funds are held we can pay current outgoings, such as service charges, ground rent and insurance premiums upon receipt of the respective demands. It is the responsibility of the Landlord to ensure that invoices and demands are sent to The Collection LLP. Although we will do our best to query any obvious discrepancies, we are entitled to accept and pay without question any demands and accounts which appear

to be in order. The Collection LLP is not liable for any loss or damage suffered by The Landlord if there is any delay in paying outgoings if we do not hold sufficient funds unless it is due to our negligence or breach of contract.

Where possible we will try to visit the Property a minimum of twice a year in London and a minimum of once a year outside of London to check the condition of the property provided the Tenant grants access. If the

Tenant fails to grant access we will inform the Landlord who should take legal advice and advise The Collection LLP of any action required. These visits are conducted by a member of our Management team, not a surveyor. We will note apparent and obvious defects in need of repair but this will not be a structural

survey. The visit is a general walk through of the Property. We cannot accept any responsibility for defects which are not immediately apparent or for failure to note anything concealed from our representatives. In particular, loft voids will not be checked.

A surveyor's inspection can be arranged on written request. You will be liable for the fees of the surveyor.

If repairs or replacements are likely to exceed the minimum float we will, except in situations The Collection LLP views as emergencies, try to contact you to obtain written authority to incur that expense. If we do not receive contrary instructions from you in writing within seven days we will proceed with your full authority to act as we deem appropriate having regard to your contractual and statutory obligations.

The Collection LLP reserves the right to levy a management charge in addition to and equal to the cost of any protracted refurbishment or building works. For example, when we are required to meet other people at the Property. We will agree this with you in writing when the requirement becomes apparent.

The Collection LLP cannot arrange for any works unless we hold cleared funds which are sufficient to meet the liability. We have no liability for any loss or damage suffered if we do not hold funds unless the loss or damage is due to our negligence or breach of contract.

Instruct a contractor to carry out any maintenance, repairs or other work on your behalf. By signing this Agreement you give us the authority to instruct a contractor on your behalf and deduct the cost of their invoices up to a maximum of £250 (or another amount agreed with the Landlord in writing) except in an emergency which risks significant damage to your Property or to the life of an individual where the amount is unlimited. You however remain liable for the payment of all invoices to tradesmen. If we are not provided with sufficient funds to meet these payments, we reserve the right to provide your contact details to the contractor so that they can contact you for payment. If however the invoice remains outstanding for more than 30 days then we reserve the right to pay the contractor on your behalf using whatever monies we hold for you. The Collection LLP instructs contractors as agents on the Landlord's

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behalf therefore for the avoidance of any doubt, the ultimate liability and responsibility of these invoices is that of the Landlord.

Should work be over £500, we will require a minimum of 50% of the total invoice upfront before work commences.

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 your contractor requires our attendance as key holders at the Property this will be subject to an attendance fee as detailed in Additional Services Schedule 9.

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.

Issue the Landlord with a periodic statement of income and expenditure and shall within each statement account to the Landlord for any net balance in accordance with the Landlord's instructions.

Forward rental income to you, together with a statement, after retaining from the monies received sufficient funds to provide for reasonable expenditure, which will include our fees and expenses in the management of your Property during the next period of Tenancy; or any other fees and expenses incurred by or payable to The Collection LLP for any Property owned either currently or previously by the Landlord where The Collection LLP was instructed to act. Please note our monthly management fee is payable whether or not rent is received.

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.

SCHEDULE 3 END OF TENANCY

Depending upon the type of Tenancy The Collection LLP will prepare and serve the required Notice or letter on the Tenant on behalf of the Landlord upon receiving a written request or alternatively after discussing the matter with the Landlord and receiving instructions. If the Tenancy is an Assured Shorthold Tenancy the Landlord will have to serve a Notice to terminate either at the end of a fixed Term, any extension of it or during a periodic Tenancy. If it is a non Housing Act Tenancy The Collection LLP will serve upon written request either a letter to end the fixed Term; or if the Tenancy becomes periodic serve a Notice to Quit. At least ten weeks warning must be given by the Landlord to The Collection LLP prior to any notice being served. The Collection LLP will charge for this Service if the Property is not managed.

Arrange a check out of the Inventory and Schedule of Condition at the Tenant's expense

If the Property is noted in the check-out report as not being cleaned to a sufficient standard The Collection LLP may arrange for cleaners to carry out a further clean initially at the Landlord's expense. If The Collection LLP does not hold funds, the Landlord may have to make cleaning arrangements in order to put the Property in order to ensure it can be re-let swiftly. Deposit monies cannot be used for this purpose until we have written agreement from the Tenant.

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Negotiate and confirm in writing any deductions to be made from the Deposit with the Tenant including obtaining quotations for any replacement items or repairs.

Arrange the return of the whole or the balance of the Deposit after any deductions have been agreed in writing by the Landlord and the Tenant.

Supervision of the Property is not part of the management function when it is unoccupied. If the Landlord wishes The Collection LLP to manage the Property during a void period it will be subject to additional charges payable in advance and written agreement. The Collection LLP can visit the Property once a week during office hours being Monday to Friday between 9am and 5pm or any other times as agreed in writing. These

visits are conducted by a member of our Management team, not a surveyor. The Landlord will be informed of any lack of repair or maintenance but The Collection LLP will not instruct a contractor unless cleared funds are held, confirmation is given in writing to deduct the cost of the contractor from those funds and the Landlord agrees in writing to pay our administration fee.

SCHEDULE 4 THE DEPOSIT

Unless otherwise instructed, we will collect the Deposit from the Tenant or the letting agent at the commencement of the Tenancy and regardless of the Service used by you, hold the Deposit in a Stakeholder capacity. As Stakeholder we will be unable to release the Deposit or any part of it to you or the Tenant without the other party's written consent. The Deposit or any balance payable will be paid to the Tenant or the Landlord as appropriate at the end of the Tenancy. The Deposit will also be held in an interest bearing Client Account. 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. (For Managed properties please refer to Schedule 3 End of Tenancy). You will need to specify the amounts to be deducted and the reasons for any deductions to be made but the Tenant's written consent will be required. 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

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
Bridgewater Road
Bristol
BS99 6AA**

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Phone 0844 472 7000
Web www.thedisputeservice.co.uk
Email contactus@depositprotection.com
Fax 0870 703 6206

If we are instructed by you to hold the Deposit, we shall do so under the Terms of the Deposit Protection Service, if the Tenancy is an Assured Shorthold Tenancy (“AST”). DPS do not protect Deposits of non-AST’s but may agree to resolve any disputes over the allocation of these Deposits by arrangement, as shown below.

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 Independent Case Examiner (ICE) 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.

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 ICE may agree to resolve any disputes over the allocation of these Deposits, by arrangement. If he does:

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- 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/her proposal.
- Disputes will be subject to a fee of £500 plus VAT (£600 including VAT), or 10% of the Deposit plus VAT, whichever is greater.
- The resolution process will not start until the parties' consent, the disputed amount and the fee have been submitted.

By signing the Agreement you agree to abide by the regulations of the DPS of which we are a member. We will charge a fee as shown in Additional Services Schedule 9 for that service which includes the costs of holding the Deposit and passing it to any relevant dispute service at the end of the Tenancy if you, the Landlord and the Tenant do not agree deductions. The Deposit will be released when we receive written confirmation from both parties.

If we have to prepare documentation in the form of photocopies or other relevant publishing material we will charge a fee as show in Additional Services Schedule 9. If we have to attend court on your behalf as a witness we will charge a fee as shown in Additional Services Schedule 9.

As your Property managers we reserve the right to retain 50% of the last month's Rent to enable us to carry out any necessary cleaning or maintenance to enable us to market your Property and find a new Tenant with a minimum of delay. This may be necessary if a Tenant disputes any deduction and the Landlord has to refer the matter to the DPS to gain compensation for his loss from the Deposit.

INCORRECT INFORMATION

The Landlord warrants that all the information he has provided to the Agent is correct to the best of their 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.

SCHEDULE 5 LANDLORD'S UNDERTAKINGS

1. CONSENT FOR LETTING:

By signing these Terms and conditions you warrant to us that you are the owner of the Property, or otherwise lawfully entitled to enter into a Tenancy 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 a Tenancy Agreement.

2. MORTGAGE:

If the Property is 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 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

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start of the Tenancy so that they are 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 a Tenancy Agreement.

3. SUB-LETTING:

If you are a leaseholder, you will normally require the consent from your Superior Landlord before you can sub-let the Property. The Superior Landlord may impose conditions such as a licence being signed between you and the Tenant regarding compliance with the head lease. A fee may be charged. We will need a copy of any sections of the head lease that impose restrictions to attach to the Tenancy Agreement. If the Tenant is not given a copy of the relevant sections of the head lease you cannot impose any obligations. This could lead you to breach the terms of your lease. By signing this Agreement you agree to indemnify us for any losses or costs due to failure by you to obtain consent.

4. INSURANCE:

The Property and the fixtures and fittings included in the Inventory should be insured and your insurers made aware that the Property is let. Failure to do so may invalidate your insurance. You must inform your insurers whenever the Property remains 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. You must give us copies of any section of your insurance policies that impose restrictions on the behaviour of any occupier of the Property to attach to the Tenancy Agreement. If these are not given to the occupier then they have no obligation to comply. You should consider arranging for an insurance policy that covers loss of rent, contents and legal expenses. Should you wish for us to arrange insurance on your behalf, we are able to provide this service to you but we may apply an administration charge.

5. TAXATION:

You will be liable for tax on income arising from letting the Property and you must inform Her Majesty's Revenue and Customs ("HMRC") that you are letting the Property. There are a number of allowances that you can claim against the income. You should seek advice on these allowances from your accountant or from the HMRC website www.hmrc.gov.uk. You must also keep all your invoices for six years for tax purposes. You should be aware that we forward a form to the HMRC annually detailing all Landlords whose Property we have managed and the rental income they have received, regardless of the country of residence of the Landlord.

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. 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 by the Letting Agent. For any period during which we tax is deducted from your lettings income due to you not providing us with an Approval Number or you are not being accepted into the Non Resident Landlord Scheme, we shall make an administration charge as

shown in Additional Services Schedule 9. If the Tenant pays you direct and you are non-resident in this country, the Tenant must

deduct tax and forward to HMRC on your behalf if approval has not been received by HMRC to pay rent gross. No person or organisation is exempt from this scheme.

6. RENT ARREARS OR BREACH OF COVENANT:

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 Property. All costs and disbursements incurred including legal costs and the disbursements will be payable by you.

7. REIMBURSEMENT OF THE AGENT:

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 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 Property the Landlord will reimburse the Agent promptly on demand for all costs, expenses and fees incurred.

8. WATER RATES:

We will endeavour to obtain a forwarding address from the Tenant at the end of the Tenancy to give to the water company 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 the Tenant does not provide an address or gives an address that is not deemed acceptable by the water company.

9. SUB-CONTRACTORS:

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 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.

10. HOUSING ACT 2004:

Due to this Act certain types of Property 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 Property. If we become aware that the Property is let in a manner which requires a licence and you refuse to obtain one we reserve the right to terminate our instruction immediately.

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 to a Tenant at the Property. You have the responsibility of ensuring the Property complies. If we accept an instruction to let

the Property and subsequently an order is served to comply with the HHSRS on the Landlord or us, you agree to reimburse us within fourteen days of written demand or deduction from monies paid to us by the Tenant or from any other property owned by you where we hold sums on your behalf.

11. INDEMNITY:

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.

12. SIGNING THE TERMS OF BUSINESS:

By signing the Terms of Business you give The Collection LLP the right to re-manage the Property to the same or new persons forming the Tenant at the end of the initial Tenancy. These obligations will continue to apply until vacant possession has been granted and the Landlord has informed The Collection LLP in writing that their instructions are withdrawn.

SCHEDULE 6 SAFETY LEGISLATION

1. THE FURNITURE AND FURNISHINGS (FIRE) (SAFETY) (AMENDMENT) REGULATIONS 1993

It is a criminal offence to let a Property with upholstered furniture or soft furnishings containing foams that cannot be proven to comply with the above Regulations. The Regulations require that specified items must be match resistant, cigarette resistant and carry a permanent label.

2. ELECTRICAL EQUIPMENT (SAFETY) REGULATIONS 1994

You are responsible for providing instruction books for all items of electrical equipment and for ensuring that all electrical appliances within the Property comply with the above Regulations. You should also ensure that all electrical installations are safe and have them checked regularly.

3. GAS SAFETY (INSTALLATION AND USE) REGULATIONS 1998

It is a criminal offence to let a Property 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 the

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 interval. 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 Safety registration. No Tenancy can commence until we are in receipt of a valid GSC. If we are not managing the Property, it is the legal responsibility of the Landlord to arrange for the gas safety check and for a copy of the Gas Safety Certificate to be given to the Tenant annually. We have no liability if the Landlord fails to comply with the Regulations.

4. PART "P" BUILDING REGULATIONS (ELECTRICAL SAFETY IN DWELLINGS)

From 1st January 2005 the above Regulations came into force requiring qualified personnel to carry out certain electrical work at the Property. To ensure compliance with the Regulations we will only use a competent person to carry out any electrical work at the Property. 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 Property.

5. SMOKE ALARMS AND CARBON MONOXIDE ALARMS

Under current legislation being the Building Regulations 1991 it is the law that all newly built Property from June 1992 must have mains fitted smoke alarms with battery back up. Other properties do not require smoke alarms by law. However if battery operated smoke alarms are fitted to the Property 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 the Property. However we advise all Landlords to consider the installation of alarms to protect the occupier and help prevent and legal action being taken against a Landlord.

6. ENERGY PERFORMANCE OF BUILDINGS (CERTIFICATES AND INSPECTIONS)(ENGLAND AND WALES) REGULATIONS 2007

From 1st October 2008, a prospective Tenant of a residential property has to be provided with an Energy Performance Certificate (EPC) free of charge at the commencement of marketing. EPC's must be provided by accredited energy inspectors and last for 10 years.

7. LEGIONNAIRES' DISEASE

In order to comply with the Health and Safety Executive's Code of Practice landlords are strongly advised to carry out a risk assessment at their premises prior to letting especially if there are open water tanks, cooling systems or a swimming pool. We request that a copy of any written risk assessment is provided upon instruction. By signing these Terms of Business the Landlord acknowledges his responsibility for the safety of the tenant at the Premises and confirms he has considered all risks regarding Legionnaires Disease. If we are managing the Property and are not in

receipt of a risk assessment carried prior to taking on any instruction then we will arrange an assessment if deemed necessary. The Landlord will be responsible for the costs.

SCHEDULE 7 GENERAL CONDITIONS

1. TERMINATION

Either party may terminate our Management Agreement by giving two months' notice in writing expiring at any time after six months from the date on which this Agreement started. (For short term tenancies at the expiry of the initial Term). Once a prospective Tenant has been introduced, this Agreement can only be terminated after payment of the fee which The Collection LLP is entitled and the Tenant leaves the Property. Our fees are shown in Schedule 8.

2. NOTICE OF RIGHT TO CANCEL

If you are a consumer and you enter into this Agreement otherwise than at our offices, ie: by letter, telephone, fax, email or during a visit to your home or place of work, you have the right to cancel this contract without any cost to you within 14 working days of instructing The Collection LLP to act for you.

3. COMPLAINTS HANDLING PROCEDURE

The Collection LLP, members of The Property Ombudsman Scheme, are proud of the quality of service we provide to all our clients and contacts. There will however be occasions when someone feels they have cause for complaint. Initially, should you have a grievance or concern, you should talk to whoever has been your contact with The Collection LLP in the hope that any misunderstanding or difficulties can be easily and quickly resolved locally without recourse to a formal procedure.

If, however, you wish to take things further then the following procedure applies: -

1. The Collection LLP Managing Partner, Caroline Takla, has been appointed to deal with complaints and problems. Her office address is The Collection LLP, 17 Grosvenor Hill, London W1K 3QB – Direct line: 0207 629 4200 – Email: caroline.takla@thecollectionllp.com
2. You may speak with her initially or send a written summary of your complaint. She may require you to confirm the circumstances in writing. She will normally acknowledge your grievance within 3 working days.
3. Following initial contact, she will usually speak with the person with which you have an issue, and write to you within ten working days to summarise her understanding of the circumstances leading to your complaint. You will be invited to make any comments that you may have in relations to this.
4. Once the circumstances have been established, Caroline Takla will consider the details of your complaint and all the evidence, and write to you within 15 working days with the conclusion of her internal investigation into your complaint.

5. If you are dissatisfied with this conclusion, you may appeal to The Property Ombudsman (www.tps.co.uk). Such a referral must be made within 6 months of our final review letter.

In the absence of Caroline Takla for more than 5 working days, the matter will initially be dealt with by another duly appointed person.

4. LIABILITY

The Collection LLP 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 otherwise than through the negligence, omission or failure of The Collection LLP. No liability arises for any employee of The Collection LLP; nor for a sum in excess of £30,000 unless it is a claim for personal injury for which The Collection LLP is liable.

5. ASSIGNMENT

The Collection LLP reserves the right to assign our rights and or obligations under this Agreement upon giving the Landlord one month's written notice.

6. THE COLLECTION LLP

The Collection LLP is a limited liability partnership registered in England and Wales no. OC349177, Reg. Office: Palladium House, 1-4 Argyll Street, London W1F 7LD, where a list of members is available. We are members of the dispute and compensation scheme operated by The Property Ombudsman (www.tpos.co.uk) and our registered number is D6232. We are also members of the Office of Fair Trading.

Our VAT number is 980 673 586.

7. JURISDICTION AND SERVICE

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

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.

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 is The Collection LLP office.

8. ACTS OF THIRD PARTIES

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.

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

9. DATA PROTECTION ACT 1998

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 specifically required to 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.

10. CLIENTS' MONIES

Under the RICS rules, we have to advise you that any monies collected on your behalf will be held in the following non-interest bearing account with Barclays Bank plc; Professional Services Team, United Kingdom House, 180 Oxford Street, London W1D 1EA: The Collection Acquisitions LLP Client Account (Sort Code: 20-47-39, Account. No: 13132390).

SCHEDULE 8 FEES AND COMMISSIONS

The Landlord should read the Terms of Business carefully and in particular this Schedule 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 by a Landlord whether or not we are instructed to act on your behalf. Please ensure you are certain of the meaning of the charges you will incur.

COMMISSION PAYABLE INCLUDING ANY RENEWALS

You are responsible for paying our Commission for our Management Service when any person, company or other organisation enters into a binding contract for the occupation of the Property where they do so as a result of the following:

The Collection Acquisitions LLP
17 Grosvenor Hill • Mayfair • London W1K 3QB
Tel: 0207 268 2030 • Fax: 0207 268 2031 • E-mail: info@thecollectionllp.com
www.thecollectionllp.com

Registered in England and Wales No.: OC349177
Registered address: Palladium House • 1-4 Argyll Street • London W1F 7LD

1. MANAGEMENT SERVICE

6% of the rent, premium or other monies paid will be payable for the initial Tenancy plus VAT even if the rent is not paid or a rent free period is granted. Management fees will be deducted in instalments from the rent paid for each period of the Tenancy when it is received by The Collection LLP. Any remaining balance unpaid is payable within 14 days of a written demand.

Alternatively:

15% of the rent, premium or other monies paid will be payable for the initial Tenancy plus VAT even if the Rent is not paid or a rent free period is granted and 13% of the total rent or premium for any renewal or extension of the Tenancy plus VAT. The agreed Letting, Rent Collection and Management fee will be invoiced by The Collection LLP on the commencement of the Tenancy payable in advance; and at the commencement of any renewal or extension of the Tenancy and deducted from the first instalment of rent with any outstanding balance being payable within 28 days of written demand. If fees are not paid within 28 days the discount will not apply and we will deduct commission at the higher rate. If the Management Service is terminated, the fees shown in the Instruction to Let Service will continue to be payable for the duration of time that the Tenant continues to occupy the Property either on a fixed Term or periodic Tenancy.

2. SHORT TERM LETTING SERVICE

SHORT TERM MANAGEMENT SERVICE:

8% of the rent, premium or other monies paid will be payable for the whole Tenancy plus VAT. The agreed Management fee will be invoiced by The Collection LLP on the commencement of the Tenancy and at the commencement of any renewal or extension of the Tenancy and deducted from the first instalment of rent with any outstanding balance being payable within 28 days of written demand. Our fee is subject to a minimum of £1000 plus VAT (£1200 including VAT).

INTEREST

We reserve the right to charge interest, at the rate of 4% per month, on all monies which are overdue for payment for a period exceeding 14 days from the date of issue of the invoice.

VAT

Value Added Tax will be chargeable on all Commission at the prevailing rate (currently 20%). This rate may change from time to time and the total costs will change accordingly. All fees contained within this Agreement are shown exclusive of VAT.

SCHEDULE 9 ADDITIONAL SERVICES

The following Services are in addition to the above and form the subject of an additional charge;

- 1. For Non Managed properties our Property Service team charge an administration fee of £40 + VAT (£54 including VAT) to assist Landlords with arranging all or some of the following**

pre-Tenancy requirements; Gas Safety Record, Periodic Electrical Certificate, Portable Appliance Test, professional cleaning and an Inventory make and check in. The cost of each will be borne by the Landlord.

- 2. Key cutting is available for an administration charge of £25 + VAT (£30 including VAT) plus the cost of the keys.**
- 3. Preparation of our standard Tenancy Agreement is £200 + VAT (£240 including VAT) for a new Tenancy and £100 + VAT (£120 including VAT) for a Memorandum of Agreement prepared for extending a Tenancy including a rent review.**
- 4. Checking and making any alterations requested by your solicitor to our standard Tenancy Agreement is £50 + VAT (£60 including VAT) per hour or part of any hour.**
- 5. Service of Notices to terminate a Tenancy will be subject to an administration fee of £50 + VAT (£60 including VAT).**
- 6. Visits during a void period using our caretaking service will be £85 + VAT (£102 including VAT) per visit. We would suggest one visit each week during office hours during the void period.**
- 7. Additional visits to the Property including attendance as key holders can be carried out upon the written request of the Landlord and confirmation of payment of our fee of £85 + VAT (£102 including VAT).**
- 8. The administration fee for membership of the Deposit Protection Service ("DPS") is £25 + VAT (£30 including VAT) paid annually in advance.**
- 9. Preparation of documentation for County Court proceedings or DPS adjudication will be subject to £120 + VAT (£144 including VAT); and attendance at court or any tribunal on your behalf will be charged at a fee of £150 + VAT (£180 including VAT) per hour plus our reasonable costs and expenses.**
- 10. If it is agreed between The Collection LLP and the Landlord that additional work should be undertaken, which is not part of any of the above services, the remuneration shall be by written agreement between the parties. Additional work may include services of a specialist advisor and management of the Property during extended void periods.**
- 11. If the Landlord is not resident in the UK we will charge an administration fee of £100 + VAT (£120 including VAT) annually to cover the cost of compliance with HM Revenue & Customs Non-Resident Landlords Scheme.**
- 12. Applying for consent to sublet from the Freeholder is available for an administration charge of £150 + VAT (£180 including VAT).**

The Collection Acquisitions LLP

17 Grosvenor Hill • Mayfair • London W1K 3QB

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Registered in England and Wales No.: OC349177

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SCHEDULE 10 CONFIRMATION OF INSTRUCTION

This Schedule follows 1 to 9 of The Collection LLP Terms of Business

Property Address:

Postcode:

PROPERTY MANAGEMENT SERVICE

Property Management Service – fees payable in advance (6% of annual rent + VAT)

CLIENT DECLARATION

I/We confirm that there are no major repairs, constructions or maintenance work; any planning or other fact or condition of which I/we are aware due to be carried out to the Property, adjoining premises or the building of which the Property forms part which may affect the letting of the Property except as noted below:

Correspondence Address:

Postcode:

Telephone (mobile):

Telephone (other):

Email:

Please confirm below where you will be resident for the duration of our appointment/the Tenancy:

In the UK

Overseas

The Collection LLP is legally obliged to file a tax return stating the names and address our clients. If you are resident overseas please refer to Schedule 5. No 5 for further information.

I/we confirm that I/we are the registered owners of the above Property and wish to instruct The Collection LLP to manage our Property on the above service. We accept and agree the obligations of the Terms of Business as shown at schedules 1 to 10 above.

Signed by:

Name:

Date:

**Tariff of Fees
Property Management Central London**

<u>Charges (all subject to VAT at prevailing rate)</u>	
<u>Core Management Fees</u>	
Monthly Full Management Fee	6%
<u>Let and Management</u>	
A DPS Administration fee (payable for all new & re-let tenancies)	£25.00
Routine Visit & Report	£85.00
Full Detailed Inventory	At cost of invoice plus 20% for arrangement
Check-out and complete end of tenancy processes:-	At cost of invoice plus 20% for arrangement
EPC – Arrange & Supply	£85.00
Annual Rent Review	£55.00
Void Period checks (when not instructed to market)	At cost of invoice plus 20% for arrangement
<u>Pre-Let Property Acquisition</u>	
Property Rental Feasibility Report (if required)	£200.00
Rental Site Visit Report & Works Cost Calculator	£300.00
<u>Property Refurbishment – Pre-Let</u>	
Property Refurbishment	By Agreement
Property improvement and refurbishment works on behalf of the client	10% of contractor invoice
Works check, post project completion (minimum fee £150.00)	By Agreement
<u>Rent Indemnity & Legal Costs Insurance</u>	
Rent Indemnity & Legal Costs Insurance (subject to full terms and conditions)	2.5% of the rent collected + IPT
Court Appearance	Free if property covered by Rent Indemnity
If Agent required to attend court on behalf of The Customer – charge per hour	£100.00
Sale of Property to the Existing Tenant	By Agreement
Transfer/Separation fee	½ month's rent/case

All prices are excluding VAT. VAT is charged at prevailing rate.

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