



## PROPERTY MANAGEMENT

### Terms and Conditions

Upon receipt of this signed acceptance of our terms of business from the landlord, Harlon will commence management of the property, subject to confirmation of compliance with the regulations set out in the declaration overleaf. For the avoidance of doubt it is the landlord's responsibility to ensure that the property complies with the above regulations.

#### 1. Rental Collection

- 1a) We will collect rent in accordance with the terms of the tenancy agreement. In cases of persistent late or non payment, Harlon will endeavour to notify you at the earliest possible opportunity and offer advice towards legal steps for the recovery of the rent and repossession of the property.
- 1b) Harlon shall use reasonable endeavours to transfer the monies due under the terms of this agreement to your bank account within ten (10) working days of collection by us of rent. Banking arrangements are such that it is necessary for us to allow such time to process and/or clear rent payments. Harlon's commission fees as referred to herein (including fees due both from the original term of the tenancy or any extension or renewal thereof) shall remain due and payable to Harlon (the consideration therefore being the introduction of the tenant and not the collection and payment of rents or the provision of any other service as described herein) notwithstanding any delay in excess of the said ten (10) days by Harlon to pay (or account) to you the rents received, but Harlon will pay interest to you in such circumstances as specified hereafter. In the event that monies due to you are not transferred within the said ten (10) working days as aforesaid Harlon will pay interest, if you so request in writing, on the monies so transferred (or due to be transferred to you) such interest to be calculated from the date ten (10) working days after Harlon receive payment to the date on which payment is made to you.
- 1c) Harlon will deduct the fee due from the first rental payments. Where Harlon collects the rent and the fee exceeds the first rental payment the balance will be deducted from the second rental payment. Where we do not collect the rent, the balance must be paid before the start of the tenancy. In the event that the balance of the fee is not paid at the start of the tenancy Harlon shall be entitled to deduct the element not paid from the next rental payment(s) together with interest of 2% per annum above HSBC's base rate from the date of the commencement of the tenancy to the date of the actual payment.

#### 2. Other services provided by Harlon include:

- 2a) Harlon will endeavour to notify existing service providers and the local authority, if requested, at the commencement and termination of the tenancy, of the tenant's/landlord's liability for payment of the services and council tax.  
The utility companies and the local authority should send the relevant forms to the new occupier(s) to be completed and signed. (Deposits may be required by the utility companies prior to re-connection of services). Harlon cannot be held liable if services are disconnected or are not transferred by the utility companies.
- 2b) Holding a deposit (the amount to be agreed) from the tenant against unpaid rent or bills, dilapidations and any other costs or losses incurred as a result of any breach by the tenant of the terms of the tenancy agreement for which the tenant is liable. The deposit will be held in accordance with the terms of the tenancy agreement and if the tenancy agreement is silent, the deposit will be held as agents for the landlord subject to the provisions set out below. Neither the landlord nor the tenant will be entitled to any interest which accrues on the deposit. The landlord is required to notify Harlon immediately after receipt of the inventory check-out report of the deductions he requires to be made from the deposit and to provide written confirmation within a maximum of seven (7) days that the deductions have been agreed with the tenant. In the absence of such agreement Harlon reserves the right to agree the dilapidations with the tenant and to refund the balance of the deposit to him. Should

the landlord require Harlon's services to reconcile or negotiate the dilapidations on his behalf there will be a charge of £200. Harlon accepts no responsibility or liability for disputes arising out of the repayment of the deposit to the tenant.

- 2c) Arranging for the booking of the inventory for the property and check-in of the tenant. The cost of preparing an inventory or the cost of up-dating and re-typing an old one will be borne by the landlord. If none exists and unless otherwise requested we will automatically request on the landlord's behalf for one to be prepared by an independent inventory company. If an inventory already exists Harlon reserves the right to update and re-type the document if necessary. It is the usual practice for the landlord to meet the cost of both the inventory and the check-in at the start of the tenancy and for the tenant to pay for the check-out. Charges vary depending on the size of the property but approximate costs can be given on request. Whilst care will be taken in giving instructions to independent inventory clerks, we cannot accept liability for any error or omission on their part.
- 2d) Unless Harlon are instructed otherwise, a Harlon tenancy agreement will be used in respect of all lettings. Harlon's charge to the landlord for this form of agreement is £175. Landlords instructing their own solicitors to prepare tenancy agreements are responsible for the resulting fees.
- 2e) In the event that the landlord and the tenant agree to a renewal or extension of the tenancy without any variation other than as to rent and term, a charge of £60 will be made by Harlon for the preparation of renewal/extension documentation.

### 3. Overseas Landlords – Finance Act 1995

Under Section 42A Income and Corporation Taxes Act 1988 supported by the Taxation of Income from Land (Non-Residents) Regulations 1995 (Finance Act 1995), while a landlord may be considered non-resident for tax purposes, he still has to pay United Kingdom income tax arising from rents received in this country. Unless an "Exemption" is received from the Inland Revenue which allows the landlord to account for tax himself under the self-assessment regime, Harlon is obliged by law to deduct tax at the appropriate rate from rents received and account to the Inland Revenue for these monies on a quarterly basis. Landlords are responsible for obtaining their own "Exemption" and should note that any "Exemption" received is not transferable. It should be noted that no interest is paid to landlords on tax retentions held by Harlon. Where a landlord is considered non-resident for taxation purposes and is not in possession of an exemption from the Inland Revenue a charge of £75 will be made for the work carried out in submitting the quarterly, and £100 for the annual, returns and the preparation of final certificates.

### 4. Comprehensive Management Service – (see attached scale charges)

- 4a) Our management fee is based on 4% of the total rent for the period of our instruction and is payable quarterly in advance (the minimum fee charged will be £30 per month). Our appointment is subject to three (3) months' notice to cease management by either side.

The service includes:

- 4b) Where instructed by the landlord and as long as we hold sufficient funds to do so, we will pay ground rents, service charges, standard council tax, water rates, insurance premiums and any regular outgoings out of the rental income, as and when demands are received. Although we shall do our best to query any obvious discrepancies, it must be understood that we are entitled to accept and pay, without question, demands and accounts that we believe to be in order. In particular, we do not accept responsibility for the adequacy of any insurance cover or for the verification of service/maintenance charge demands where applicable.

- 4c) Harlon will attend to the day to day minor repairs and maintenance of the property and its contents. We require minimum float of £200 (subject to variation depending on the size of the property and on any bills which may be due) at the commencement and during the term of the management to enable us to meet any expenditure prior to the next rent collection. We cannot undertake to meet any outgoings beyond the available funds held by ourselves. We will obtain estimates for consideration by the landlord for any major repairs or maintenance over £500 and submit them for approval prior to the commencement of the works. Where any works to be carried out form part of the refurbishment or redevelopment which will cost in excess of £5000, a charge of £150 will be made by Harlon for the provision of estimates for consideration by the landlord. However, in emergencies and when we consider it necessary, we will act to protect the landlord's interest without consultation. If the costs of the works exceed £200 we will make an administration charge of 5% of the total invoice.

- 4d) We will undertake two (2) inspections of all properties each year. It must be understood that these inspections can only provide a superficial examination and are not intended to be a structural survey or inventory check. Harlon cannot accept responsibility for hidden or latent defects. Any additional inspection requested attracts a fee of £25.
- 4e) During void periods (which we will endeavour to minimise) we charge a fee of £30 per property per month. Harlon will continue to manage the landlord's property during this period, however, we cannot be held liable for any loss and/or damage arising from fire, flood or theft. Should the landlord require supplies to be turned off or disconnected during this period. Harlon must receive formal notification in writing to this effect and we will arrange for a plumber to attend at the landlord's expense. The landlord is further advised to contact his insurance company should the property be empty for longer than thirty (30) days.
- 4f) Harlon staff can be instructed to purchase specified items for the property. Time spent on this service is charged at £35 per hour or part thereof.
- 4g) We will liaise where necessary with the landlord's accountants, solicitors, superior landlords, managing agents, mortgagors and insurance companies.
- 4h) Should we be instructed in writing we will arrange insurance cover and where necessary payment of any premiums relating thereto from the rent received. Harlon will submit and negotiate insurance claims. There is an administration fee of 10% of the total of any claim in excess of £100, subject to a minimum charge of £15.
- 4i) Upon the termination of the tenancy, Harlon will notify the service companies requesting transfer of the responsibilities for the service of accounts to the landlord and Harlon will pay the bills from monies held on the landlord's behalf until the property is re-let. Harlon cannot be held liable should the service companies cut off the services for whatever reason.

## 5. IMPORTANT NOTES TO LANDLORDS

### 5a) SALE OF PROPERTY TO TENANT

In the event of the tenant, occupant or licensee of the property entering into an agreement with the owner/landlord to purchase the property a commission of 2% of the purchase price becomes due to Harlon when unconditional contracts for the sale of the property are exchanged or the contract for sale is completed, whichever is the sooner.

### 5b) Permission

Harlon require that landlords obtain permission prior to a letting. This includes i) consent to let from the landlord's mortgagors; ii) if the landlord is a lessee, he must confirm that the lease extends beyond the terms that he proposes to let and that the landlord's own lessor's consent is obtained; iii) the landlord must notify his insurance company of his intention to let and obtain their agreement to extend the insurance cover on the property and its contents to cover the changed circumstances; iv) if the landlord is a joint owner, he must ensure that all the other joint owners are named in the tenancy agreement and confirm that he is authorised to give instructions on their behalf.

### 5c)Keys

Harlon requires (4) four sets of keys for each managed property. Unless these are provided we reserve the right to have keys cut at the landlord's expense. Harlon operate a key tag system which makes it impossible to tell which property the key belongs to in the event that it is lost or unaccounted for. Should this occur therefore, Harlon's liability is strictly limited to the cost of cutting a new set of keys only.

### 5d) Copy statements

In the event of Harlon having to send duplicate documents or statements a charge of £2.50 per document or statement will be made, subject to a minimum charge of £10.

### 5e) Interest & Commission

Any commissions, interest or other income earned by Harlon, for example by referrals to contractors or inventory clerks, while carrying out duties as agent for the letting and/or management of the property will be retained by Harlon.

5f) By signing this document the landlord agrees that, where any of Harlon's fees, commission charges and/or renewal commissions or charges remain outstanding for more than (7) days, Harlon may use any sums obtained or held on his behalf, including rental payment on this or any other property on which Harlon is instructed, to pay the outstanding sums.

5g) Disclaimer  
Harlon will aim to carry out the above services with reasonable care and skill, however, we do not guarantee the suitability of tenants, timely rental payments or vacant possession at the end of a tenancy and cannot be held liable by the landlord for such events.

5h) Legal Proceedings  
Harlon are NOT responsible for any legal steps for the recovery of rent and/or repossession of the property. Applications for rent or appearances before any Court or Tribunal will be by special arrangement and our fee for any such attendance shall be £350 per day or part thereof per Harlon employee. Harlon will not accept service of legal proceedings on the landlord's behalf.

5l) Indemnity  
The landlord agrees to indemnify Harlon as agents against any costs, expenses or liabilities incurred or imposed on us provided that they were incurred on his behalf in pursuit of our normal duties.

5j) Service of notice  
In the event of Harlon being unable to contact the landlord(s) despite all reasonable efforts on our part, all documents and/or correspondence and/or notices required or desired to be sent by Harlon to the landlord(s) may be sent to the agent resident in England & Wales hereby nominated by the landlord.

5k) Amendments/Variations  
This contract constitutes the entire agreement between Harlon and the landlord and supersedes all prior agreements, understandings and representations or communications between the parties. No amendment or variation to this contract will have any contractual effect unless a director of Harlon Management Services Limited has approved the amendment/variation in writing.

5l) Harlon reserves the right to change the schedule of fees and terms of business.

5m) Jurisdiction  
The High Court and the County Courts of England & Wales shall have jurisdiction to hear and determine any action or proceedings in respect of this agreement.

6. VAT  
All charges levied by Harlon, whether commission fees or otherwise, are subject to the addition of VAT at the prevailing rate.

7. Interest  
Harlon's fees become payable on demand, as and when they fall due. We reserve the right to charge interest on any amounts still outstanding twenty eight (28) days after Harlon fees are first demanded. The prescribed rate of interest shall be at 2% per annum above HSBC's base rate and chargeable from the date upon which the fees first became due.

## 8. IMPORTANT NOTICES

8a) The Fire and Furnishings (Fire)(Safety) Regulations 1988  
The Fire and Furnishings (Fire)(Safety)(Amendment) Regulations 1993

1. The landlord warrants that he is fully aware of the terms and conditions of the Furniture and Furnishings. The Fire and Furnishings (Fire) (Safety) Regulations 1988 and (Fire) (Safety) (Amendment) Regulations 1993 (herein referred to as 'the Regulations'). In signing this document the landlord declares that all the furniture presently in the property or to be included in the property to which this agreement applies complies in all respects with the Regulations.

2. The landlord further warrants that any furniture purchased after this date for the property will also comply with the Regulations for the duration of the tenancy.

3. The landlord undertakes to keep Harlon fully and effectively indemnified in respect of any claim, demand, liability, cost, expense or prosecution which may arise by reason of the failure of the landlord

to comply fully with the terms of these Regulations including any subsequent amendments thereto or replacement Regulations and to co-operate fully with Harlon in respect of a defence under Section 39 of the Crown Prosecution Act 1987 to any prosecution under Section 12(1) of that Act. Any sums due to Harlon from the landlord under these terms shall is not paid on the due date be subject to interest at the rate of 2% over the base rate of the HSBC from the due date until payment, such interest shall accrue on a daily basis and be payable before and after judgement.

8b) The Gas Safety (Installation & Use) Regulations 1998

The landlord is fully responsible for making sure that gas installations and appliances are maintained in good order and checked for safety at least every 12 months by a Corgi Registered Engineer and must provide a copy of the certificate awarded upon request. If Harlon are not provided with a valid certificate prior to the commencement of the tenancy, we reserve the right to call in a Corgi Registered Engineer annually to inspect all gas appliances and their installations, and carry out any remedial works where necessary. The cost of which, together with our administration charge of £30 will be debited from the landlord's account.

8c) The Electrical Equipment (Safety) Regulations 1994

These Regulations require that all landlords supplying electrical equipment must ensure that it is safe and will not cause danger and that it satisfies the above Regulations. If requested in writing Harlon will arrange an electrical check. The cost of which, together with our administration charge of £30 will be debited from the landlord's account. The landlord undertakes to keep Harlon fully and effectively indemnified in respect of any claim, demand, liability, cost, expense or prosecution which may arise by reason of the failure of the Landlord to company fully with these regulations including any subsequent amendments thereto or replacement. If Harlon are not provided with the relevant safety certificates for all of the above, prior to the commencement of the tenancy, we reserve the right to call in the relevant registered engineers to inspect the appliances and their installations, white goods and furniture and to carry out any remedial works necessary; the cost of which together with a cumulative fee of £100 will be debited from the landlords account.