

This agreement sets out the services the Company will provide to the Client and also the corresponding responsibilities of the Client. This benefits both the Company and the Client by setting out where we stand at the beginning of the relationship and should avoid any misunderstanding. It is therefore important that you read this agreement carefully. You will be bound by the terms of this agreement as soon as you sign and return it to the Company. If you do not fully understand the terms of this agreement you should seek independent legal advice. For the avoidance of doubt, the Company shall assume, in the absence of you returning a copy of this agreement, that your continuing instructions confirm acceptance of the terms of this agreement. The decision to proceed will be at the sole discretion of the Company.

INVESTMENT AGREEMENT

between

(1) **SANDSTONE UK PROPERTY INVESTMENT LTD** (Company Number SC187301),
having their registered office at 14 Coates Crescent, Edinburgh, EH3 7AF (“the
Company”);

(2) (1)

(2)

(“the Client”)

BACKGROUND

The Client wishes to engage the Company to *inter alia* source, renovate, furnish and manage residential property or properties on its behalf.

AGREED TERMS:

1. DEFINITIONS

1.1 In this Agreement the following definitions and interpretations apply:

“**Commencement Date**” means the last date on which this Agreement has been signed by all the parties, or such other date as may be agreed;

“**Confidential Information**” means information passing between the parties which has been disclosed to, or otherwise obtained by, one party by the other, which has been expressed to be confidential or which would appear to a reasonable person to be confidential;

“**Contract**” means the contract between the Company and the Client for the provision of the Services as constituted and evidenced by this Agreement;

“**Current Value**” means the amount specified in the Property Schedule as the estimated current value of the Property;

“**Data Protection Legislation**” means all legislation and regulatory requirements in force from time to time relating to the use of personal data and the privacy of electronic communications, including, without limitation (i) any data protection legislation from time to time in force in the UK including the

Data Protection Act 2018 or any successor legislation, as well as (ii) the General Data Protection Regulation ((EU) 2016/679) and any other directly applicable European Union regulation relating to data protection and privacy (for so long as and to the extent that the law of the European Union has legal effect in the UK);

“Date of Entry” means the date of entry agreed between the Client and the seller of the Property and which shall be promptly notified by the Client to the Company in Writing;

“End Value” means the amount specified in the Property Schedule as the estimated value that should be attributable to the Property after completion of the Renovation Service;

“Finding Fee” means the amount detailed in the Investment Summary;

“Furnishing Cost” means all proper and reasonable expenses incurred by the Company in purchasing all items necessary for the purpose of or in connection with the provision of the Furnishing Service and arranging for the delivery, installation and/or fitting of the same;

“Furnishing Fee” means £900 plus VAT;

“HMO Admin Fee” means £295 plus VAT being the charge to process the HMO licence application and carry out all applicable duties of the licence holder;.

“HMO/EU Upgrade Fee” means £3,945 inclusive of VAT;

“HMO/EU Upgrade Service” means the works carried out to ensure the Property complies with HMO safety regulations and EU energy efficiency standards;

“HMO Licence Cost” means the amount paid by the Company on behalf of the Client for the licence required to ensure compliance with the HMO Regulations;

“Insurance Cost” means such costs as may be incurred by the Company on behalf of the Client in assisting with the arrangement of insurance cover for the Client in respect of the Property, its contents or otherwise;

“Investment Summary” means the investment summary in the Company’s standard form from time to time issued by the Company to the Client;

“Losses” means loss of revenue, pure economic loss, loss of actual or anticipated profits, loss of the use of money, loss of anticipated savings, loss of business, loss of opportunity, loss of goodwill or loss of reputation;

“Management Fee” means the management fee payable in accordance with the Property Management Agency Agreement;

“On-Site Health and Safety Fee” means £1,245 plus VAT;

“On-Site Health and Safety Service” means the work carried out at the Property to comply with construction site Health and Safety regulations prior to the Renovation Works start date. This consists, without limitation to, an asbestos report, construction phase plan, including F10 documentation, on-site safety station and independent site health and safety audit;

“Price” means the price specified in the Property Schedule as the purchase price of the Property;

“Project Management Fee” means £2,750 +VAT to cover the active management of development of the property.

“Property” means the property in respect of which the services are to be provided;

“Property Management Agency Agreement” means the agreement for the provision of property management agency services by the Company to the Client on the terms and conditions set out in the Schedule;

“Property Schedule” means a property schedule in the Company’s standard form from time to time issued by the Company to the Client;

“Renovation Cost” means the amount specified as the cost to the Client of the Renovation Works in the Property Schedule;

“Renovation Works” means any works to the Property carried out for the purpose of or in connection with the provision of the Renovation Service as detailed in the Property Schedule;

“Reservation Deposit” means £25,000, being the deposit payable by the Client to the Company to secure a property under this Agreement;

“Schedule” means the Schedule attached to and forming part of this Agreement;

“Services” means the Finding Service, the On-Site Health and Safety Service, the HMO/EU Upgrade Service, the Renovation Service, the Furnishing Service and the Management Service as more particularly described in Clause 4;

“Surveys and Reports Cost” means the cost of all specialist reports required in carrying out property due diligence when sourcing the Property as detailed in the Investment Summary.

“Target Rent” means the amount specified as the target rent in the Property Schedule;

“Tenancy Agreement” means a residential tenancy agreement entered into between the Client and a Tenant relating to the lease of the Property;

“Tenant” means any person (legal or otherwise) or entity, from time to time, who leases the Property from the Client in accordance with the terms of a Tenancy Agreement;

“VAT” means Value Added Tax chargeable in the United Kingdom or any identical or substantially similar tax which may replace such Value Added Tax;

“Working Days” means all days other than Saturdays, Sundays and public holidays in Scotland; and

“Writing” includes electronic mail, facsimile transmission, first class post and similar means of communication.

- 1.2 A reference to any statute or statutory provision shall include a reference to any statute or statutory provision which amends, extends, consolidates or replaces the same or which has been amended, extended, consolidated or replaced by the same and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision.
- 1.3 The singular includes the plural and the masculine includes the feminine and vice versa.
- 1.4 References to persons shall include bodies corporate, unincorporated associations and partnerships.
- 1.5 References to any Clause are references to such terms contained in this Agreement, unless otherwise specified.
- 1.6 The headings to Clauses are for convenience of reference only and shall not affect the interpretation of this Agreement.
- 1.7 Reference to any party in this Agreement shall be deemed to include a reference to its successors, permitted transferees and permitted assignees.
- 1.8 Nothing shall confer or be construed as conferring any rights on any third party.
- 1.9 A reference to ‘this Agreement’ or to any other agreement or document referred to in this Agreement is a reference to this Agreement or such other agreement or document as varied or novated (in each case other than in breach of the provisions of this Agreement) from time to time.

2. COMMENCEMENT

2.1 The Agreement shall commence on the Commencement Date and shall continue thereafter until (i) termination in accordance with the terms of Clause 10; or (ii) service of notice in accordance with Clause 2.2 below.

2.2 The Client may terminate the Contract on giving notice in Writing to the Company within fourteen (14) Working Days of the date on which the Client signs this Agreement.

3. GENERAL

To the extent that this Agreement does not provide Consumers (as defined in Chapter 1 Section 2 (3) of the Consumer Rights Act 2015) with the statutory protections conferred upon them from time to time by United Kingdom consumer legislation, this Agreement will be deemed to be varied or amended to confer such statutory protection upon Consumers who are Clients and this Agreement shall be read and construed accordingly.

4. THE SERVICES

4.1 Subject to the terms of the Contract, the Company will provide, and the Client will accept, the following services (which services shall together hereinafter be referred to as "**the Services**"):-

- (a) source the Property for the Client to the exclusion of any other client of the Company and introduce the Client to legal advisers, surveyors and insurers to facilitate the completion of the purchase of the Property by the Client and the arrangement of insurance in respect of the Property ("**the Finding Service**");
- (b) procure that the Renovation Works are carried out to the Property in accordance with clause 4.2 below including taking responsibility for arranging and co-ordinating all of the relevant trade persons required to carry out the Renovation Works and if applicable ensuring that as at the Date of Completion of the Renovation Works, the Property complies with such rules and regulations relating to a House of Multiple Occupancy as may be in force at that time ("**HMO Regulations**") ("**the Renovation Service**");
- (c) procure the provision of furnishings, white goods, window coverings and fire equipment at the Property and such other furniture and/or equipment as the Company may consider in its sole discretion as being necessary to prepare the Property for the rental market ("**the Furnishing Service**"), and
- (d) advertise the Property for let on behalf of the Client and provide the other management services in respect of the Property pursuant to the Property Management Agency Agreement ("**the Management Service**").

4.2 The Company shall use reasonable endeavours to ensure that any contractors instructed to carry out the Renovation Works are competent to carry out such services to a satisfactory standard of workmanship and quality.

4.3 Subject to completion of the purchase by the Client of the Property and being provided with suitable access to the Property, and subject to the Renovation Cost having been paid by the Client to the Company, the Renovation Service will commence on the Date of Entry and the Company will use its reasonable endeavours to complete the Renovation Service within the period set out in the Property Schedule.

4.4 The Furnishing Service will commence as soon as reasonably practicable following completion of the Renovation Service, in accordance with Clause 4.3 above, and the Company will use its reasonable endeavours to complete the Furnishing Service in approximately two weeks.

4.5 The Management Service will commence as soon as reasonably practicable following completion of the Furnishing Service pursuant to the terms of the Property Management Agency Agreement and shall continue until terminated in accordance with the terms of the Property Management Agency Agreement.

- 4.6 The Client is expressly prohibited from instructing any person or entity (legal or otherwise), other than the Company, to let or manage the Property on their behalf for a period of twelve months from the date of completion of the Renovation Service, unless expressly agreed in Writing by the Company.
- 4.7 The Company may, in its sole discretion, agree to provide further services to the Client at the Client's request, in addition to the Services during the term of the Contract and in such event, the Company shall be entitled to charge the Client for those services at such rate as the Client and the Company may agree in Writing prior to the provision of such further services.
- 4.8 The Company shall be entitled at any time, without prior notification, to make any changes to the Services which are necessary to comply with any applicable safety or other statutory requirements or which are required as a result of changes to services being provided by any third party or which do not materially affect the nature or quality of the Services, provided that the Company will inform the Client as soon as possible thereafter.
- 4.9 Any date or dates specified in the Contract for commencement or completion of any of the Services are approximate only and shall not be of the essence of the Contract.
- 4.10 The Company will not undertake any communal repairs or external building works as part of the Renovation Service unless expressly agreed in Writing prior to the commencement of the Services.
- 4.11 The Reservation Deposit shall be held by the Company and will be deducted from the renovations invoice payable prior to settlement. In the event of the Client withdrawing from the purchase of the Property prior to the Date of Entry the Reservation Deposit is non-refundable and shall be retained by the Company. In the event of the seller of the Property withdrawing from the sale prior to the Date of Entry the Reservation Deposit shall, at the option of the Client, either be retained by the Company to be applied towards the purchase price of an alternative property or refunded in full by the Company to the Client.

5. FEES AND COSTS

- 5.1 In consideration of the provision by the Company to the Client of the Finding Service, the Client shall pay the Reservation Deposit and the Finding Fee.
- 5.2 In consideration of the provision of the On-Site Health and Safety Services, prior to carrying out the Renovation Service, the Client shall pay the On-Site Health and Safety Fee;
- 5.3 In consideration of the provision of the HMO/EU Upgrade Service the Client shall pay the HMO/EU Upgrade Fee;
- 5.4 In consideration of the provision by the Company to the Client of the Renovation Service, the Client shall pay the Renovation Cost.
- 5.5 In consideration of the provision by the Company to the Client of the Furnishing Service, the Client shall pay the Furnishing Fee.
- 5.6 In consideration of the provision by the Company to the Client of the Management Service, the Client shall pay a monthly Management Fee in accordance with the terms of the Property Management Agency Agreement.
- 5.7 The Client shall also be liable to pay the Company for such other proper and reasonable expenses, as detailed in the Investment Summary and incurred by the Company in the provision of any of the Services including, without limitation, the Surveys and Reports Cost, the Furnishing Cost, the Insurance Cost and if applicable the HMO Licence Cost and HMO Admin Fee.
- 5.8 All sums paid by the Client under the Contract are exclusive of VAT (unless otherwise specified in the Property Schedule and/or the Investment Summary) and any other Government taxes and levies, which the Client shall be additionally liable to pay to the Company at the applicable rate from time to time.

6. PAYMENT

- 6.1 The Reservation Deposit shall be paid by the Client to the Company on the Commencement Date.
- 6.2 The Surveys and Reports Cost, the On-Site Health and Safety Fee, the HMO/EU Upgrade Fee, the Renovation Cost, the HMO Licence Cost & HMO Admin Fee if applicable and the Finding Fee, shall be paid by the Client to the Company on the Date of Entry. For the avoidance of doubt, the Company shall not commence the Renovation Works until full payment of the Renovation Cost has been received by the Company.
- 6.3 The Insurance Cost shall be invoiced by the Company to the Client following the Date of Entry and shall be paid by the Client no later than the date of completion of the Renovation Service.
- 6.4 The Furnishing Fee and the Furnishing Cost shall be invoiced by the Company to the Client within 7 days of completion of the Renovation Service. The Furnishing Fee and the Furnishing Cost shall be paid by the Client to the Company immediately upon receipt of such invoice.
- 6.5 All other sums payable by the Client under the Contract shall be invoiced by the Company to the Client and shall be paid by the Client no later than 15 days from the date of issue of an invoice by the Company in respect of the same.
- 6.6 If any sum payable to the Company by the Client in accordance with the Contract remains outstanding for more than 15 days from the date of invoice or due date of payment (whichever the case may be), the Company reserves the right, without prejudice to any other right or remedy it may have to: -
- (a) charge interest on such overdue sum on a day to day basis from the original due date until paid in full at a rate of 4% per annum above The Royal Bank of Scotland plc base lending rate in force from time to time, whether before or after any judgement;
 - (b) withhold any rental or other monies received by the Company from any Tenant until all outstanding sums due by the Client to the Company and any interest payable thereon is paid in full by the Client; and/or
 - (c) refrain from carrying out the Services (or any part thereof) until such sums and any interest payable thereon is paid in full by the Client.
- 6.7 Notwithstanding termination of the Contract, the Client shall remain fully liable to pay the Company in full for such Services as have been performed by the Company as at the date of such termination and to pay (i) any costs and expenses incurred by the Company on behalf of the Client, (ii) any sums due by the Client to the Company under the Contract, and (iii) any loss or damage suffered by the Company as a result of such termination.

7. WARRANTIES

- 7.1 The Company warrants to the Client that it shall carry out its obligations pursuant to Clause 4 of this Agreement using reasonable care and skill.
- 7.2 Notwithstanding the fact that the Company has taken independent professional advice as to the determination of the Current Value, End Value and the Target Rent, no warranty is given as to the accuracy of the Current Value, the End Value, the Target Rent or any other figure specified in the Property Schedule and/or the Investment Summary relating to the Property. Such figures are estimates only and the Client acknowledges that no investment advice is given or required to be given by the Company to the Client pursuant to the Contract and the Client accepts that no warranty can be given by the Company as to the future state of the property market.
- 7.3 The Company warrants to the Client that the Renovation Works carried out by the Company's sub-contractor shall, as far as reasonably possible, be to a satisfactory standard of workmanship and quality and shall be in accordance with the Property Schedule for a period of twelve (12) months from the commencement of the first Tenancy Agreement ("**the Renovation Works Warranty**").
- 7.4 The warranty in Clause 7.1 does not extend to goods or materials supplied by a third party (other than the Company's sub-contractors) as such goods and materials will be subject to manufacturer's warranties.

- 7.5 A claim by the Client based on a breach of the Renovation Works Warranty shall be notified to the Company within 12 months of the commencement date of the first Tenancy Agreement. Any claim by the Client which is based on any breach of warranty in Clause 7.1 (other than the Renovation Works) shall be notified to the Company within thirty (30) days from the date of the provision of the Services to which such alleged breach relates. The Company shall, unless otherwise provided by statute, not be liable to the Client in any way if the Client fails to notify any claim within the above period.
- 7.6 Where any valid claim is made in accordance with the provisions hereof in respect of any of the Services including but not limited to the Renovation Works, the Company shall be entitled to re- execute the relevant part of the Services (or such part as is in question) or, at the Company's sole discretion, refund to the Client the relevant price of such Service (or the appropriate proportion thereof), or the Renovation Works but, unless otherwise provided by statute and subject to Clause 8 below, the Company shall have no further liability to the Client.

8. LIABILITY

- 8.1 Nothing in this Agreement shall exclude or limit the Company's liability for death or personal injury or any liability which cannot be excluded or limited by law.
- 8.2 The Company does not accept and hereby excludes any liability for loss or damage to the Client's tangible property other than loss or damage caused solely and directly by the Company's negligence.
- 8.3 The Company shall have no liability to the Client for any of the Losses nor for any indirect losses, special losses, consequential losses or damage to the Client or any third party arising from the Services whether arising from the negligence of the Company or otherwise.
- 8.4 The Company's maximum and aggregate liability arising out of contract, delict (including negligence or breach of statutory duty) or otherwise for any loss or damage arising out of or in connection with the Contract, howsoever arising, shall not exceed the total of all sums payable by the Client to the Company under the Contract.

9. CONFIDENTIAL INFORMATION

Each party will keep confidential any Confidential Information disclosed to it by the other. Neither party will disclose any Confidential Information to any third party, save to its agents, advisers or to an employee who needs to have access to such Confidential Information in connection with the performance of any obligations under the Contract, provided that the disclosing party will be responsible for ensuring that any person to whom it makes any such disclosure complies with this Clause 9. Information is not Confidential Information if:

(i) it is, or becomes, generally available to the public other than as a direct or indirect result of the information being disclosed by the recipient in breach of the Agreement, (ii) it was available to the recipient on a non-confidential basis prior to disclosure by the discloser, (iii) it was, is, or becomes available to the recipient on a non-confidential basis from a person who, to the recipient's knowledge, is not under any confidentiality obligation in respect of that information, or (iv) it was lawfully in the possession of the recipient before the information was disclosed by the discloser.

10. TERMINATION

- 10.1 Either the Company or the Client will have the right to terminate the Contract forthwith by notice in Writing if the other:
- (a) commits any material breach of the Contract and (in the case of a breach which is not persistent and can be remedied) has failed, within 30 days after receipt of a request in Writing to do so, to remedy the breach. Any longer than this should be considered a material breach unless otherwise agreed between the parties in writing;
 - (b) commits an act of bankruptcy, becomes apparently insolvent, makes an arrangement or composition with creditors or (being a company) has convened a creditors meeting;
 - (c) has a receiver (whether administrative or otherwise) appointed or any steps are taken for the appointment of an administrator or a resolution has been passed for winding up (except for the purposes of a genuine scheme of solvent amalgamation or reconstruction) or any proceedings have commenced relating to the insolvency or liquidation or possible insolvency of that party or it ceases or threatens to cease to carry on business or if serious doubt arises as to that party's solvency.

- 10.2 The Company will have the right to terminate the Contract forthwith by notice in Writing to the Client, without incurring any liability, upon the occurrence of any of the following:-
- (a) the purchase of the Property by the Client is not completed by the Date of Entry and the Client has not used its reasonable endeavours to ensure that such purchase is completed by that date; or
 - (b) the Client instructs any person other than the Company to perform the Services or services similar to the Services; or
 - (c) the Client sells or transfers the Property to any other person at any time during the term of the Contract.
- 10.3 Following completion of the Renovation Works, either the Company or the Client may give notice to the other in Writing to terminate the Contract with effect from the later date of (i) the expiry of a period of three (3) months from the date of such notice or (ii) twelve (12) months from the date of completion of the Renovation Works. (iii) the end of a tenancy lease.
- 10.4 In the event that the Contract is terminated in accordance with any of the provisions of Clause 10.2 or 10.3, the total amount due or that may become due by the Client to the Company under the Contract shall become immediately due and payable by the Client to the Company. In the event that the Contract is terminated in accordance with Clause 10.1, the total amount due by the Client to the Company under the Contract shall become immediately due and payable by the Client to the Company.
- 10.5 For the avoidance of doubt, in the event that the Contract is terminated in accordance with the provisions of Clause 10.2 or 10.3 during the term of a Property Management Agency Agreement, the total Management Fee payable or that would have become payable to the Company for the period of time from the date of such notice of termination to the later date of (i) the expiry of a period of three (3) months from the date of such notice of termination or (ii) twelve (12) months from the date of completion of the Renovation Works (iii) the end of a tenancy lease shall become immediately due and payable by the Client to the Company.
- 10.6 For the avoidance of doubt, in the event that the Contract is terminated by the Company in accordance with the provisions of Clause 10.1 during the term of a Property Management Agency Agreement, the total Management Fee payable or that would have become payable to the Company for the period of time from the date of such notice of termination to the later date of (i) the expiry of a period of three (3) months from the date of such notice of termination or (ii) twelve (12) months from the date of completion of the Renovation Works (iii) the end of a tenancy lease shall become immediately due and payable by the Client to the Company.
- 10.7 The Client shall procure that, upon the termination of the Contract, within 5 Working Days, it will deliver up to the Company all correspondence, documents, papers and property including any Confidential Information (in whatever media) belonging to the Company which may be in its possession or under its control.
- 10.8 Termination of the Contract for any reason shall not affect the Client's obligation to pay any outstanding invoices or any other monies owing to the Company, including any interest charges.
- 10.9 Once the Agent has agreed they will no longer act for the Landlord they will provide written confirmation that they will no longer be acting for The Landlord. The Agent will provide The Landlord with the date the contract terminated and with details of the outstanding fees and/or charges owed by The Landlord to The Agent and details of any funds owed by The Agent to The Landlord. The Agent will also write to The Landlord setting out the arrangements for the handover of The Property, documentation and keys to The Landlord or his newly appointed representative.
- 10.10 The Agent shall return any funds due to The Landlord (less any outstanding debts) automatically at the point of settlement of the final bill.
- 10.11 Upon this Agreement being terminated by either party, as provided for under this Agreement, The Agent will write to The Tenant notifying him that The Agent is no longer acting as Agent for The Property or The Landlord and if appropriate informing The Tenant of who is now acting as agent or if The Landlord is acting directly. The Agent will provide The Tenant with The Landlord's contact details,

if these have not already been provided, or where relevant, those of any new agent. The Agent must also advise The Tenant as to where the deposit is held.

11. DATA PROTECTION

The Company is a data controller under Data Protection Legislation. The Client hereby agrees to the Company storing information relating to both the Property and the Client in paper and electronic format in terms of said legislation. Such information is held for the purposes of providing the Services and shall not be provided to third parties for any purpose unrelated to such provision without the Client's prior written consent or by court order or as required by law. For the avoidance of doubt the Company will comply with its obligations under the Data Protection legislation and accepts no responsibility for any loss or damage experienced by the Client as a result of such compliance.

12. GENERAL

- 12.1 **Entire Agreement.** The Contract constitutes the entire agreement between the Company and the Client relating to the provision of the Services. This Contract shall supersede all prior agreements and understandings between the Client and the Company in relation to the provision of the Services. Any modification or variation to the terms of the Contract shall only be valid if it is made in Writing and signed by both the Client and the Company or their duly authorised agents. The Client acknowledges that this means it cannot rely on any oral or written agreement, undertaking or representation made by the Company or any person acting on the Company's behalf that is not included in the terms of the Contract and therefore where it seeks to rely on such an oral or written agreement, undertaking or representation that it should ensure that the terms it seeks to rely on are annexed in writing to this Contract and the Parties should sign that document in order to incorporate such terms into the Contract.
- 12.2 **Independent Contractor.** Each party to the Contract is an independent contractor, and the Contract does not create a partnership, agency, joint venture or employment relationship between the Company and the Client.
- 12.3 **Notices.** All notices to be given under the Contract shall be in Writing addressed to the relevant other party at their registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving the notice.
- 12.4 **Assignment.** The Client shall not be entitled to assign any right or obligation under the Contract without the prior written consent of the Company. The Company may assign the whole or any part of its rights and/or obligations under the Contract to any other person, entity, firm or company subject to obtaining the prior written consent of the Client. Notwithstanding the foregoing the Company may assign the whole or any part of its rights and/or obligations under the Contract to any other company within the same group as the Company and may sub-contract the whole or any part of its rights and obligations under the Contract to any other person, entity, firm or company, on giving prior notification to the Client in writing.
- 12.5 **Unforeseen Circumstances.** Save in respect of any obligation under the Contract to make any payment, neither party shall be liable for any delay in performing any of its obligations hereunder if such a delay is caused by circumstances beyond the reasonable control of the party delaying and such party shall be entitled to a reasonable extension of time for the performance of such obligations. Such delay shall not constitute a breach of the Contract, provided however that if such delay continues for a period in excess of 90 days, the party not in delay shall be entitled to terminate the Contract forthwith by written notice to the other party.
- 12.6 **Waivers.** No delay or failure by the Company in exercising or enforcing any of its rights or remedies under the Contract will prejudice or restrict its rights, nor will any waiver of rights operate as a waiver of subsequent rights.
- 12.7 **Survival of Clauses.** In the event that any Clause of the Contract is held to be invalid by any court having jurisdiction over the Contract, that Clause may be deleted from this Agreement and the remaining Clauses shall continue to be, to the extent that they are unaffected by the deletion, valid and binding on the parties hereto.
- 12.8 **Overseas Client.** In the event that the Client's usual place of abode for the purposes of HM Revenue & Customs is at the Commencement Date, or becomes at any time during the term of the Contract, outside the United Kingdom, the Client shall notify the Company in writing immediately, advising the Company of their new address outside the United Kingdom and the following conditions shall apply:
- (a) in the event that the Client's usual place of abode for the purposes of HM Revenue & Customs is at any time during the term of the Contract outside the United Kingdom, the Client shall be responsible for obtaining a valid exemption certificate from HM Revenue & Customs;
 - (b) provided that the Client has complied with the provisions of this Clause, the Company shall, in accordance with the terms of The Income Tax Act 2007 and The Taxation of Income from Land (Non-residents) Regulations 1995 (SI 1995/2902), deduct basic rate from the income received in respect of the Property, unless a valid exemption certificate has been obtained by the Client in accordance with this Clause and lodged with the Company; and



SCHEDULE

Property Management Agency Agreement

Between the Landlord:

Landlord: (1):

Landlord Address (1):

Landlord (2):

Landlord Address (2):

(Hereafter referred to as "The Landlord")

and the Agent:

Sandstone UK Property Management Solutions Ltd

14 Coates Crescent, Edinburgh EH3 7AF

Tel No: 0131 220 6360

Email: diane.simpson@sandstoneuk.com

Registration Number: LARN2006006

(Hereafter referred to as "The Agent")

For the property:

Property Address:

(Hereafter referred to as "The Property")

Level of Service:

Managed let

This Agreement sets out the services The Agent will provide to The Landlord and the corresponding responsibilities of The Landlord. This benefits both The Agent and The Landlord by setting out where we stand at the beginning of our relationship and should avoid any misunderstanding. It is therefore important that you read this Agreement carefully. You will be bound by the terms of this Agreement as soon as you sign, date and return it to The Agent. If you do not fully understand the terms of this Agreement you should seek independent legal advice. For the avoidance of doubt, we shall assume, in absence of you returning a copy of this Agreement, that your continuing instructions confirm acceptance of the terms of this Agreement. The decision to proceed will be at the sole discretion of The Agent.

1. Definitions

In this Agreement the following definitions and interpretations apply:

- 1.1 "The Landlord" means the party(ies) named on the first page of this Agreement, any successor and any person who has an interest as heritable proprietor in The Property, even if not named in this Agreement. The Landlord agrees to inform The Agent in writing, of any changes to ownership of The Property, contact telephone numbers, postal or e-mail addresses as soon as possible and in any event within 7 days of the change.
- 1.2 "The Agent" means the Agent named on the first page of this Agreement and any successor thereto.
- 1.3 "The Tenant" means the party(ies) named on the tenancy agreement as the tenant of The Property.
- 1.4 "The Property" means the premises, the address of which is noted on the first page of this Agreement, or any subsequent change to the address made by the local authority.
- 1.5 The provisions of this Agreement shall be governed by and construed according to the laws of Scotland. For the avoidance of doubt, jurisdiction for any proceedings raised by or against The Agent as a consequence of this contractual relationship is prorogated to the Sheriff Court and/or the First-tier Tribunal (Housing and Property Chamber) where The Agent is domiciled.
- 1.6 If there is more than one person signing as The Landlord, all Landlords will be jointly and severally liable for the obligations contained in this Agreement. Jointly and severally liable means that each Landlord will be responsible for complying with the obligations and paying all charges and costs under this Agreement, both individually and together.
- 1.7 Words imposing the masculine include the feminine and singular shall include the plural and vice versa.
- 1.8 Data Protection Legislation means all legislation and regulatory requirements in force from time to time relating to the use of personal data and the privacy of electronic communications, including, without limitation (i) any data protection legislation from time to time in force in the UK including the Data Protection Act 2018 or any successor legislation, as well as (ii) the General Data Protection Regulation ((EU) 2016/679) and any other directly applicable European Union regulation relating to data protection and privacy (for so long as and to the extent that the law of the European Union has legal effect in the UK).

2. Appointment and Authority

- 2.1 Subject to the terms and conditions of this Agreement, The Landlord appoints The Agent to be his agent for The Property.
- 2.2 For Managed Lets (defined at Clause 17.1) The Landlord acknowledges that this Agreement will exist for one year with effect from the last date of signing this Agreement and will renew annually until terminated by either party in accordance with clause 27 of this Agreement.
- 2.3 The Landlord gives authority to The Agent to act on his behalf and to do anything which The Landlord could do himself including signing tenancy documentation and notices on behalf of The Landlord. It is accepted that this will bind The Landlord to all legal obligations within the tenancy agreement or notices. The Landlord agrees to approve everything done by The Agent in good faith when carrying out their duties unless the Agent is professionally negligent or in express breach of contract. The other provisions of this Agreement shall not limit the right of The Agent to carry out whatever acts are necessary to enable The Landlord to comply with his statutory obligations, to prevent further deterioration of The Property and to limit any damage in an emergency.

- 2.4 During the period of this Agreement, The Landlord will not instruct any other agent to find a tenant or tenants or to let or manage The Property.
- 2.5 During the period of this Agreement, The Agent will not instruct other agencies to assist in finding a tenant or tenants or to let or manage The Property without the Landlord's permission in writing. The Agent acknowledges they are liable at law for the actions of the sub-instructed agent and will be held responsible for any failures to comply with the Letting Agent Code of Practice (Scotland) Regulations 2016 and The Property Ombudsman's Code of Practice for Residential Letting Agents in Scotland.

3. Communications

- 3.1 The Landlord can contact The Agent by telephone, e-mail and post. Contact details are provided on page 1 of this Agreement. The Agent will notify The Landlord within 14 days if these contact details change.
- 3.2 The Agent endeavours to respond to enquiries as quickly and fully as possible. The Agent will aim to acknowledge enquiries within 5 working days and respond fully within 7 working days of the date of The Landlord's enquiry.

4. Regulation

- 4.1 The Agent is subject to the rules contained within [The Letting Agent Code of Practice \(Scotland\) Regulations 2016](#). The code sets out the standard of conduct expected of letting agents. A copy is available on request or by clicking the link above.
- 4.2 The Agent is a member of [The Property Ombudsman \(TPO\)](#) scheme and subscribes to the TPO's Code of Practice for Residential Letting Agents in Scotland. Further information is available by clicking the link above or by visiting www.tpos.co.uk.

5. Landlord's undertakings and compliance

- 5.1 The Landlord agrees to promptly apply, where applicable (Scotland only at present), for registration with the appropriate local authority under Part 8 of the Antisocial Behaviour etc. (Scotland) Act 2004. You can register online at www.landlordregistrationscotland.gov.uk. Where The Property is jointly owned, one owner should be designated as the Lead Owner and complete the initial application providing details of all joint owners where required. Each remaining owner should then complete a separate application. All parties will receive an "Application Submitted" email providing a temporary Application number which must be forwarded to the Agent as soon as possible, to allow marketing of The Property to commence. Your Property can only be advertised if it displays a temporary Application number or Landlord Registration number. Once the local authority has reviewed your application, a further email will be issued confirming your registration has been approved and providing your Landlord Registration number. It is essential The Agent is forwarded a copy of this email to update their records. Registration lasts for 3 years from the date your application is approved.

The Landlord agrees to renew their application when required and inform the local authority of any changes to the information provided through the Scottish Landlord Register.

- 5.2 Before the initial or first let of The Property, The Landlord agrees that The Property will be thoroughly cleaned including the windows (both internally and externally) and the gardens, if applicable, will be in good seasonal condition.

- 5.3** The Landlord will fulfil his obligations to ensure that The Property meets the Repairing Standards as set out in Section 13 of the Housing (Scotland) Act 2006 in respect of properties in Scotland and Repairing Obligations as set out in Section 11 of the Landlord and Tenant Act 1985 for properties in England, together with any other statutory re-enactment thereof and all other statutory obligations. This includes, but is not limited to, ensuring The Property has satisfactory provision for detecting fires and for giving warning in the event of fire or suspected fire. There should be at least one smoke alarm fitted in each habitable room and in each hallway or landing and one heat alarm fitted in each kitchen. All smoke and heat alarms should be interlinked. Failure to supply sufficient smoke alarms may result in The Agent arranging installation of additional alarms. It is acknowledged that no liability whatsoever will attach to The Agent should he omit to do so. All costs relating to the implementation of this clause shall be borne by The Landlord and deducted from the rent, if possible, or paid within fourteen days of written demand. The Landlord confirms that all appliances comply with current, and will be kept compliant with future, safety regulations. The Landlord confirms that all machinery, gas appliances and electrical goods will be in full working order and have been serviced/inspected within the last year and have clear instructions for use.
- 5.4** The Landlord agrees to comply with Section 22 of the Housing (Scotland) Act 2014 for properties in Scotland and The Smoke and Carbon Monoxide Alarm (England) Regulations 2015 for properties in England, together with the relevant building regulations, any other statutory re-enactment thereof and all other statutory obligations. The Landlord must ensure The Property has satisfactory provision for giving warning if carbon monoxide is present in a concentration that is hazardous to health by installing a carbon monoxide detector in any space which contains a carbon-based fuel appliance (excluding cooking appliances). The Agent will arrange for the installation of a Carbon Monoxide detector, at the Landlord's expense, where a working Carbon Monoxide detector is not already installed. It is acknowledged that no liability whatsoever will attach to The Agent should he omit to do so. All costs relating to the implementation of this clause shall be borne by The Landlord and deducted from the rent, if possible, or paid within fourteen days of written demand.
- 5.5** The Landlord agrees to comply with The Gas Safety (Installation and Use) Regulations 1998 or any statutory re-enactment thereof and shall provide to The Agent, at least 7 days prior to commencement of the tenancy, a copy of the current gas safety certificate from a Gas Safe registered engineer (or subsequently authorised Registered engineer), together with a copy of the engineer's current registration. If no certificate is produced by that date, The Landlord agrees that The Agent can, at The Landlord's cost, arrange the gas safety check prior to the commencement of the tenancy. The Landlord will provide written instructions for the use of all gas appliances failing which The Agent is authorised to remove the items from The Property and dispose of them at The Landlord's expense. It is acknowledged that no liability whatsoever will attach to The Agent should he omit to do so. All costs relating to the implementation of this clause shall be borne by The Landlord and deducted from the rent received, if possible, or paid by The Landlord within fourteen days of a written demand.
- 5.6** The Landlord agrees to comply with The Fire Safety (Scotland) Regulations 2006 for properties in Scotland and Building Regulations 2010 Part B & Housing Health & Safety Rating System (HHSRS) for properties in England, together with any other statutory re-enactment thereof and all other statutory obligations. The Landlord must ensure The Property is equipped with appropriate means for fighting fires i.e. fire extinguishers and fire blankets. Failure to supply sufficient firefighting equipment, may result in The Agent arranging installation of fire extinguisher(s) and blanket(s). It is acknowledged that no liability whatsoever will attach to The Agent should he omit to do so. All costs relating to the implementation of this clause shall be borne by The Landlord and deducted from the rent, if possible, or paid within fourteen days of written demand.
- 5.7** The Landlord agrees to carry out a Fire Risk Assessment (FRA) for all new tenancies, where required, to focus on the safety of all relevant persons in the case of fire. The Landlord agrees that The Agent can, at The Landlord's cost, arrange an FRA, if required, for any new tenancy. It is acknowledged that no liability whatsoever will attach to The Agent should he omit to do so. All costs relating to the implementation of this clause shall be borne by The Landlord and deducted from the rent received, if possible, or paid by The Landlord within fourteen days of a written demand.

- 5.8** The Landlord agrees to comply with all relevant electrical safety requirements and any statutory re-enactment thereof and shall provide to The Agent, at least 7 days prior to the commencement of the tenancy, a copy of the relevant Electrical Installation Condition Report (EICR) or Electrical Installation Certificate (EIC) together with a Minor Electrical Installation Works Certificate, where applicable (completed by a suitably competent person), and Portable Appliance Test (PAT), for all electrical wiring and the appliances made available to The Tenant under the lease. If no certification is produced, The Landlord accepts that The Agent can, at The Landlord's cost, arrange the required safety check(s) prior to the commencement of the tenancy. It is acknowledged that no liability whatsoever will attach to The Agent should he omit to do so. The Landlord also agrees to provide written instructions for the use of all electrical appliances and if no instructions are available The Agent is authorised to remove the items from The Property and dispose of them at The Landlord's expense. All costs relating to the implementation of this clause shall be borne by The Landlord and deducted from the rent received, if possible, or paid by The Landlord within fourteen days of a written demand.
- 5.9** The Landlord agrees to provide to The Agent, at least seven days prior to the commencement of the tenancy, a copy of the current Energy Performance Certificate (EPC) with the appropriate minimum rating. If the EPC is not provided, The Landlord agrees that The Agent can, at The Landlord's cost, arrange an EPC prior to the commencement of the tenancy. It is acknowledged that no liability will attach to The Agent should he omit to do so. All costs relating to the implementation of this clause shall be borne by The Landlord and deducted from the rent received, if possible, or paid by The Landlord within fourteen days of written demand.
- 5.10** The Landlord agrees to comply with Health and Safety legislation to ensure a Legionella Risk Assessment for the Legionella bacteria, which cause Legionnaires' Disease, is carried out and thereafter regularly reviewed to maintain control and minimise the risk of exposure to the tenant(s). The Landlord shall provide The Agent, at least 7 days prior to the commencement of the tenancy, a copy of the Risk Assessment. If the Legionella Risk Assessment is not provided, The Landlord agrees that The Agent can, at The Landlord's cost, arrange a Legionella Risk Assessment prior to the commencement of the tenancy. It is acknowledged that no liability will attach to The Agent should he omit to do so. All costs relating to the implementation of this clause shall be borne by The Landlord and deducted from the rent received, if possible, or paid by The Landlord within fourteen days of written demand.
- 5.11** The Landlord agrees to comply with the relevant Furniture and Furnishings Fire Safety Regulations by ensuring that all furniture in The Property meets all the fire resistance requirements. If any of the furniture does not comply with current regulations, The Landlord gives permission for The Agent to remove it from The Property and dispose of same, prior to the commencement of the tenancy, at the expense of The Landlord. It is acknowledged that no liability whatsoever will attach to The Agent should he omit to do so. All costs relating to the implementation of this clause shall be borne by The Landlord and deducted from the rent received, if possible, or paid by The Landlord within fourteen days of a written demand.
- 5.12** If The Property is to be a house in multiple occupation (HMO) in accordance with the provisions of the Housing (Scotland) Act 2006 for properties in Scotland and Housing Act 2004 for properties in England or any statutory re-enactment thereof, The Landlord will comply with all obligations imposed in terms of said legislation and will exhibit his licence to The Agent in advance of The Property being let. It will be the responsibility of The Landlord to immediately notify The Agent of the expiry or withdrawal of the licence or refusal of a renewal application. Unless otherwise agreed in writing, The Agent will deal with the renewal of the HMO licence on behalf of The Landlord.
- 5.13** The Landlord confirms to The Agent that he is entitled to enter into this Agreement to let The Property and that he has obtained all necessary consents, delegated authority and licences and will continue to do so throughout the duration of this Agreement and that he is entitled to receive all revenue collected on The Property.

5.14 Energy Supplier

- 5.14.1** The Landlord hereby authorises Sandstone UK, as its Agent, to appoint OVO Gas Ltd, OVO (S) Gas Ltd and OVO Electricity Ltd (together "OVO Energy") as the electricity and/or gas supplier for The Property; however, this will not prevent the Landlord from changing to a different energy provider if desired.
- 5.14.2** The Landlord agrees that Sandstone UK may pass the Landlord's name and contact details to OVO Energy (and any member of the OVO Energy group of companies) for the purposes of:
- (a) registering the electricity and/or gas meters at The Property with OVO Energy, providing electricity and gas to The Property and administering the Landlord's account;
 - (b) registering the Landlord with the relevant local authority for the payment of council tax; and
 - (c) registering the Landlord with the incumbent water supplier to The Property. The water supplier may contact the Landlord in order to provide further information about its services and products and conclude an agreement with the Landlord for those services and products.
- 5.14.3** OVO Energy will use the Landlord's name and contact details only for the purposes set out above. OVO Energy will comply with its obligations as a data controller in the Data Protection Act 1998, the General Data Protection Regulation ((EU) 2016/679) and any other data protection legislation which is enacted in the UK and will handle the Landlord's data in the manner set out in OVO Energy's standard terms and conditions and/or privacy policy. OVO Energy will not share the Landlord's details with any third party other than the relevant local authority and incumbent water supplier, and will hold the Landlord's details for the duration of any contract with OVO. From 25 May 2018, the Landlord is reminded of their rights under the General Data Protection Regulations to access, rectification, erasure, restriction of processing and portability of their data. If the Landlord is dissatisfied with the manner in which OVO Energy handles their details they may lodge complaint with the Information Commissioner's Office. If the Landlord has any questions regarding the details or use of the Landlord's data held by OVO Energy, the Landlord may contact OVO Energy at 1 Rivergate, Temple Quay, Bristol, BS1 6ED or hello@ovoenergy.com.
- 5.15** In order to protect the mattresses and maintain hygiene standards within The Property, The Agent will supply and install (where necessary), mattress protectors, shower curtain and toilet brush. These will be replaced between each tenancy at The Landlord's expense. All costs relating to the implementation of this clause shall be borne by The Landlord and deducted from the rent, if possible, or paid within fourteen days of written demand. It is acknowledged that no liability will attach to The Agent should he omit to do so.
- 5.16** Upon receipt of a formal written request from The Tenant, The Landlord acknowledges that The Agent is obliged to provide The Tenant with The Landlord's name and address within 21 days.
- 5.17** Should The Landlord wish to prohibit The Tenant from installing cable or satellite media systems (including broadband) he must advise The Agent, in writing, before the commencement of the tenancy.
- 5.18** Should The Landlord fail to meet their legal obligations and refuse or unreasonably delay in complying with the law, The Agent will, as required by Paragraph 31 of the Letting Agent Code of Practice, withdraw from acting and inform the appropriate authorities that The Landlord is failing to meet their obligations.

NOTE:

Where The Landlord uses the services of The Agent to carry out Renovation Works to The Property (to HMO standards, if applicable) as defined in the Investment Summary and Property Schedule and to provide furnishings, white goods, window coverings and fire equipment as defined in the Interiors Estimate, to prepare The Property for the rental market, The Agent will ensure The Landlord is fully compliant with Clauses 5.2 to 5.12 inclusive prior to the commencement of the initial let. The cost of renewing safety certification to remain compliant with Clauses 5.3 to 5.10 shall be borne by The Landlord and deducted from the rent received, if possible, or paid by The Landlord within fourteen days of a written demand.

6. The Agent's Undertakings

- 6.1 The Agent will inform The Landlord or The Tenant (or both) promptly of any important issues or obligations on the use of The Property that The Agent becomes aware of, including, but not limited to, repairs or breach of the tenancy.
- 6.2 The Agent will inform The Landlord that The Landlord needs to obtain consent or delegated authority from all owners, mortgage lenders or relevant parties before letting The Property. The Agent will also inform The Landlord of the need to ensure relevant insurance cover is in place.
- 6.3 The Agent will advise The Landlord of the need to comply with the obligations and requirements of relevant Health and Safety legislation and regulations that apply to rented property. The Agent will verify the validity of the necessary certificates.
- 6.4 The Agent will advise The Landlord of the need to comply with the requirements of the Repairing Standard and, within reason, draw to their attention any obvious repairs or maintenance issues which appear necessary in preparation for the intended letting.
- 6.5 The Agent will inform The Landlord if The Agent becomes aware in the course of their business, that The Property does not meet appropriate letting standards (e.g. Repairing Standard, Houses in Multiple Occupation and Health and Safety Requirements).
- 6.6 If The Landlord is not already registered, The Agent will inform them of the landlord registration requirements under the Antisocial Behaviour etc. (Scotland) Act 2004 and, where necessary, the requirements under the Housing (Scotland) Act 2006 relating to houses in multiple occupation.
- 6.7 The Agent must give prospective tenants all relevant information about renting The Property including, but not limited to: the length and type of tenancy; the rent; the deposit; other financial obligations such as council tax; any guarantor requirements and what pre-tenancy checks will be required at the outset.
- 6.8 The Agent must inform The Landlord of the statutory requirements on tenancy deposits under the Housing (Scotland) Act 2006 and the Tenancy Deposit Schemes (Scotland) Regulations 2011 for all Scottish properties and Sections 212 to 215 of, and Schedule 10 to, the Housing Act 2004 (as amended) for all English properties.
- 6.9 The Agent will inform The Landlord in writing of the late payment of rent within 14 days of the rent falling due.

7. Property Insurance and Mortgages

- 7.1 If The Property is not covered by Buildings & Contents Insurance arranged through The Agent, The Landlord undertakes to maintain appropriate and adequate insurance for The Property and contents throughout the time it is let or unoccupied and to notify the insurers of the fact The Property is being let and of periods of non-occupation. If requested, The Landlord must provide The Agent with a copy of the Insurance Schedule. The Landlord is advised that if he does not notify the insurer that The Property is let or unoccupied then the policy may be void and any claim refused. It is recommended that The Landlord holds both buildings insurance to cover any claim for damage or a personal injury claim made by a Tenant or a visitor to The Property and contents insurance, even if The Property is not "furnished", to cover any damage to items such as white goods.
- 7.2 If The Property has a mortgage The Landlord shall:
 - 7.2.1 Notify the lender of the intention to let and obtain all necessary consents for letting in writing.
 - 7.2.2 Provide to The Agent, upon request, a copy of the written authority from the lender granting consent to let. The Landlord must inform The Agent, prior to the commencement of the tenancy, of any conditions imposed by the lender which need to be included in the tenancy agreement. The Agent reserves the right to seek confirmation of this consent if not provided within fourteen days of the commencement of the tenancy, however it is acknowledged that no liability whatsoever will attach to The Agent should he omit to do so.

8. Fees and payment

- 8.1** The Landlord agrees The Agent's fees as set out in the Schedule attached, shall be deducted from rent paid or if insufficient, the balance will be invoiced separately or deducted from future rent at The Agent's sole discretion. The Agent's fees will be subject to review from time to time. The new rates, which will be notified to the Landlord as soon as possible, will apply to work carried out after the review date. Rent will be paid to a Client Account of The Agent. After clearance, this will then be transferred to The Landlord's designated bank account by the 15th of every month, after deduction of management fees and any costs or outlays incurred.
- 8.2** The Agent will provide the Landlord with a monthly statement of income and expenditure. Within reason, The Agent will retain vouching for all payments made on behalf of The Landlord and copies will be provided to The Landlord upon request.
- 8.3** The Landlord agrees to reimburse and compensate The Agent for any claim, damage or liability suffered as a result of acting on The Landlord's behalf, unless it is due to the professional negligence or express breach of contract of The Agent or their employees.
- 8.4** The Landlord will reimburse and compensate The Agent in respect of all expenses, including (1) any legal expenses incurred by The Agent as a result of instructing solicitors to provide legal advice and/or take legal action on behalf of The Landlord and (2) all claims, liabilities and losses incurred by or imposed on The Agent in the performance of their obligations under this Agreement, unless the loss or liability arises through professional negligence or express breach of contract by The Agent.
- 8.5** The Agent shall be entitled to retain interest on any funds held in the Client Account.
- 8.6** The Agent shall be entitled to receive commission from contractors instructed by them. On the request of The Landlord, The Agent will provide a statement setting out details of the circumstances in which commission may be received.
- 8.7** Without prejudice to the obligations of The Landlord to pay any sums due within fourteen days of written demand, The Agent shall be entitled to deduct any amount due to them from any monies due to The Landlord, unless payment has been withheld because of professional negligence or express breach of contract.
- 8.8** Should The Agent be authorised to offer insurance products to The Landlord and The Tenant, related costs must be clearly explained and itemised on all relevant documents.

9. Tenancy Deposits

- 9.1** For Managed Lets (defined at Clause 17.1) deposits taken from the Tenants will be dealt with as follows:
- 9.1.1** For all Scottish properties, funds will be transferred to a scheme in terms of the Tenancy Deposit (Scotland) Regulations 2011 by The Agent. The Agent will hold the deposit until such time as it is transferred to a scheme of The Agent's choosing. The Agent shall be able to transfer the deposit to a different scheme at their sole discretion. The Landlord will not be entitled to any interest accrued whilst the deposit is held by The Agent. Once the deposit is transferred to a scheme any interest accrued will be taken by the scheme in terms of the said Regulations.
- 9.1.2** For all English properties, funds will be registered to a scheme in terms of Sections 212 to 215 of, and Schedule 10 to, the Housing Act 2004 (as amended) by the Agent. The Agent will hold the deposit for the duration of the tenancy agreement and register it to a scheme of The Agent's choosing. The Agent shall be able to transfer the deposit to a different scheme at their sole discretion. The Landlord will not be entitled to any interest accrued whilst the deposit is held by The Agent.
- 9.2** If The Agent is holding the tenancy deposit or such deposit is held by a registered Tenancy Deposit Scheme and The Landlord wishes it to be transferred to or registered with another approved Tenancy Deposit Scheme in Scotland or England and The Agent agrees (said agreement will not be unreasonably withheld), The Agent will as soon as practicable thereafter notify The Tenant and The Landlord of the details of said transfer. It is acknowledged that no liability whatsoever will attach to The Agent should he omit to do so.

- 9.3 For Managed Lets (defined at Clause 17.1) where a retention from the tenancy deposit is required at the end of the tenancy, and there is agreement between The Landlord and The Tenant, The Agent will apply to the scheme for division and return of the deposit as per the aforementioned agreement.
- 9.4 Any deductions to the deposit can only be made in accordance with the deposit clause in the lease and in terms of the Tenancy Deposit (Scotland) Regulations 2011 for all Scottish properties and Sections 212 to 215 of, and Schedule 10 to, the Housing Act 2004 (as amended) for all English properties and the rules of the scheme.
- 9.5 In the event that a dispute arises between The Landlord and The Tenant with regards to the distribution of the deposit, and the scheme refer the matter to their dispute resolution mechanism, The Agent can act on The Landlord's behalf.

10. HMRC

- 10.1 The Landlord will, at all times, be liable to abide by HM Revenue and Customs' rules including their rules for self-assessment. The Agent shall bear no responsibility for ensuring The Landlord pays the relevant tax and in this regard The Landlord should take advice from a qualified accountant or similar.
- 10.2 The Agent will give to HM Revenue and Customs such information regarding the letting as they are lawfully obliged to do. This may include full details of every landlord and the annual rental income, but The Agent shall not be responsible for preparing or submitting a Tax Return for The Landlord or dealing with any taxation or accounting matters.
- 10.3 If The Landlord appoints an accountant or other representative to handle his tax affairs, The Agent shall if requested provide to the representative copies of all rent statements and deductions, costs, etc.
- 10.4 In the event that The Landlord's usual place of abode for the purposes of HM Revenue & Customs is at any time during the term of the Contract outside the United Kingdom, the Landlord shall be responsible for obtaining a valid exemption certificate from HM Revenue & Customs together with a separate notice for The Agent (as Managing Agents named on the application) authorising us to pay rent to you without deducting tax. This can be obtained by registering under the Non-Residents Landlord Scheme (NRLS) and completing form NRL1 (individuals) or NRL2 (companies) online at <https://www.gov.uk/government/collections/non-resident-landlords-forms>. Our HMRC number is NA026757.
- 10.4.1 Unless a valid exemption certificate, as detailed in Condition 10.4 above, has been obtained by The Landlord, The Agent shall, in accordance with the terms of Sections 971 and 972 Income Tax Act 2007 and the Taxation of Income from Land (Non-Residents) Regulations 1995 SI 1995 No. 2902), deduct basic rate of tax from the income received.

11. Housing Benefit

Where The Tenant is entitled to housing benefit The Landlord agrees to compensate and reimburse The Agent for any amount received by The Landlord which is subsequently deemed by the Local Authority to be overpaid benefit and is "clawed back" by them from The Agent.

12. Insurance

- 12.1 If The Agent provides insurance products to The Landlord and/or The Tenant(s) as part of The Agent's services, The Agent will ensure all related costs are explained and itemised on all relevant documents.
- 12.2 The Agent will handle insurance claims where The Property is insured on The Agent's Block Policy. Substantial claims may incur an additional charge. This will be assessed on a case by case basis and agreed in writing. If The Landlord has arranged their own cover, any claims will have to be dealt with directly with their insurers.

13. Factors

The Landlord, not the Tenant, will be responsible for factoring fees.

14. Property Vacant

The Landlord is liable for any and all expenses incurred while The Property is vacant. The Agent will not be responsible for arranging any repair works required in respect of an unoccupied Property unless payment is made in advance to The Agent by The Landlord for all Repair Costs.

15. Money Protection Insurance

The Agent confirms that he holds Money Protection Insurance. Details of the cover are available on written request.

16. Professional Indemnity Insurance

The Agent confirms that he holds Professional Indemnity Insurance. Details of the cover are available on request.

17. Service

17.1 Managed Let – chargeable in accordance with the attached Schedule and includes advice on landlord registration, advice on attainable rental value and appraisal of The Property; advice on remedial or repair work; information on insurance; HMO advice (where appropriate); marketing The Property; conducting viewings; compiling (or instructing the compilation of) the inventory; referencing and credit checking prospective tenants; preparing the tenancy agreement and associated documents; arranging for tenants to take entry, property inspections; rent collection; managing tenant/neighbour complaints; reporting to you, check-out inspection for departing tenants.

17.2 This Agreement gives The Agent the right to sign tenancy documentation and notices on behalf of The Landlord. It is accepted that this will bind The Landlord to all legal obligations within the tenancy documentation or notices.

18. Inventory

18.1 The Agent shall be responsible for managing the check-in process and for preparation of an Inventory. The Inventory shall include a schedule of all of the items in The Property including furniture, white goods, bedding, tableware, cutlery etc and the condition of such items and a record of condition of The Property including its walls, carpets and other fixtures.

18.2 Where an inventory is produced, the Agent and The Tenant shall either (i) both sign the inventory confirming it is correct or (ii) have 7 days from the start date of the tenancy to ensure that the Inventory is correct or to be deemed satisfied with its terms.

18.3 Once the Inventory is agreed, it shall be retained by The Agent.

19. Marketing and Viewings

19.1 Notwithstanding Clause 2.2, on expiry of a tenancy, The Landlord must confirm to the The Agent if The Property is to be re-let and provide in writing permission for The Agent to arrange marketing (including the erection of a letting board), viewing and all necessary cleaning in order to find a suitable tenant as soon as is reasonably practicable after the former tenant's departure.

19.2 The Agent will ensure the keys to The Property are coded and kept secure and maintain detailed records of their use by staff. The Agent will take all reasonable steps to ensure The Property is left secure after viewings.

19.3 Subject to Clause 19.1, and unless advised to the contrary, The Agent may market The Property online. Any such advertisement will include the address of The Property, the rent, a description of The Property, availability of The Property and if appropriate photographs of The Property.

19.4 Unless otherwise agreed in writing, an employee of The Agent will accompany all prospective tenants to viewings of The Property. All viewings will be carried out in person.

19.5 The Agent will record feedback from viewings and pass this to The Landlord within a reasonable time, if requested.

20. References and Applications

- 20.1** The Agent shall obtain photographic proof of identity (passport, driving licence or ID card) from all prospective tenants to confirm the applicant's identity, together where possible with a previous tenancy reference and employment reference.
- 20.2** If the Property is in England, The Agent shall carry out Right to Rent checks as required by the Immigration Act 2016, on all prospective adult occupiers to include follow up checks where tenants satisfied initial checks using time limited ID.
- 20.3** The Agent shall inform The Landlord in writing of all applications by prospective tenants made on The Property, together with all relevant information about the application and the applicant(s). Applications by prospective tenants will be managed and approved on a first come first served basis, subject to suitable references in writing.
- 20.4** If a prospective tenant, with suitable references, agrees to occupy The Property up to 14 days after vacation of the existing Tenant or the date The Property was advertised as first available or the date of an untenanted property viewing (whichever is latest) The Agent may, at their sole discretion, accept the offer without deferring to The Landlord.
- 20.5** The first available date of entry for a prospective tenant is likely to be no less than ten working days following the expiry date of the previous tenancy. This ten-day window will be used to prepare for the incoming Tenant, including but not limited to; conducting move out inspections, preparing a new inventory for The Property and completing any required cleaning and maintenance. For the avoidance of doubt some maintenance and cleaning works may require more than ten working days and The Landlord will be advised if that is likely to be the case.
- 20.6** Notwithstanding suitable referencing, The Agent cannot guarantee the suitability of tenants, timely rent payments or vacant possession upon termination of a tenancy. No liability shall attach to The Agent for the actions or failings of The Tenant(s).

21. Tenancy Agreement

- 21.1** The Tenancy for all Scottish properties will be a Scottish Private Residential Tenancy with no minimum duration. If, however, the tenancy does not fall within the statutory definition of a SPRT it will be a contractual tenancy.
- 21.2** The Tenancy for all English properties will be an Assured Shorthold Tenancy with a fixed term duration.

22. Managed Let in detail

Beyond the services narrated above, The Agent will undertake the following:

- 22.1** The Agent may pay out of monies collected, all statutory and other charges which are payable by The Landlord for The Property provided The Landlord has arranged for all relevant invoices and demands to be sent to The Agent and sufficient funds are held in The Landlord's client account. If sufficient funds are not held and The Landlord fails to provide adequate funds The Agent cannot make a payment and will not be liable for any loss or other adverse consequences suffered by The Landlord.
- 22.2** The Agent will visit The Property no less than once every six months. Any visit is a "walk through" of The Property to identify any clearly visible repairs and maintenance and to find out from The Tenant any repairs that have come to his attention. It is not a survey or check of the inventory and/or statement of condition. The Agent will notify The Landlord of apparent and obvious defects but does not accept responsibility for reporting hidden or latent defects, unless failure to do so is due to The Agent's professional negligence or express breach of contract. If, in the opinion of The Agent, The Tenant is not taking proper care of The Property, The Agent will inform The Landlord and The Tenant. If The Agent is unable to secure access The Agent will report this to The Landlord within a reasonable time of such refusal.
- 22.3** The Agent will arrange, without reference to The Landlord, to carry out the following subject to this Agreement, to try to ensure The Landlord's compliance with The Landlord's statutory and contractual obligations:

- 22.3.1** Minor repairs which cost less than £150 inclusive of VAT unless otherwise agreed.
- 22.3.2** Emergency repairs, which are repairs or defects of such a nature that carry a risk of further damage to The Property, damage to adjoining property, personal injury or are a breach of The Landlord's statutory repairing obligations if left unattended. The Agent has sole discretion as to which contractors to instruct notwithstanding The Landlord may have preferred contractors or contractors on a retention arrangement.
- 22.3.3** Other works to The Property in circumstances where because of lack of time, or unusual/unforeseen circumstances, it is not reasonably practicable to obtain prior instructions from The Landlord. In these situations, if The Landlord is not easily contactable and prior instructions cannot be obtained it will be at the sole discretion of The Agent, taking into account all the known facts, whether or not to get competitive quotations for these repairs and which contractor is engaged. The Agent has sole discretion as to which contractors to instruct notwithstanding The Landlord may have preferred contractors or contractors on a retention arrangement.
- 22.3.4** At The Agent's sole discretion The Agent may spend any money necessary to keep The Property compliant with The Landlord's statutory and contractual obligations. This could include, but is not limited to, renewal of safety certification in respect of Clause 5.3 to 5.10 etc. The money spent will be deducted from the rent or if there are insufficient funds The Landlord will be invoiced accordingly.
- 22.3.5** If The Tenant is in breach of any condition in the tenancy agreement, The Agent will take all reasonable steps to enforce the terms of the tenancy agreement on behalf of The Landlord. If the tenancy is covered by legal protection or rent guarantee insurance, The Agent will take reasonable action to resolve the situation within the provisions of the policy. Otherwise, if legal action is required The Agent may instruct a solicitor to act. The Landlord will be responsible for the solicitor's fees, expenses and other charges. For the avoidance of doubt, The Agent must be made aware by The Landlord of any insurance or special arrangement in writing and The Agent will not be liable for any losses or costs arising where written intimation has not been given by The Landlord.
- 22.4** The Agent will try to arrange a mutually convenient time with The Tenant or obtain authorisation for access to be gained using keys for contractors attending The Property to undertake work on The Landlord's behalf. Where this is not possible, arrangements can be made by The Agent to meet the contractor at The Property.
- 22.5** The Agent will pay for repairs from rent monies held. If there is insufficient funds to meet the cost of the repairs, The Landlord will pay the balance due to The Agent within fourteen days of a written demand. The Agent may not carry out repairs if The Agent holds insufficient funds and in such circumstances The Agent will not be liable for any loss suffered or any deterioration to The Property due to any delay in repair when funds are not available, unless it is due to professional negligence or express breach of contract by The Agent.
- 22.6** The Agent will receive notices from The Tenant on behalf of The Landlord and, in such circumstances where The Tenant is to leave The Property, The Agent shall advise The Landlord as soon as possible.
- 22.7** The Agent will advise The Landlord on the likely achievable rent for The Property. Where appropriate The Agent will negotiate and agree the level of rent payable in terms of any rent review provision in the tenancy agreement or when the tenancy is renewed (subject to any rent review restrictions prescribed by law).
- 22.8** Upon written request from The Landlord, The Agent will prepare and serve notices on The Landlord's behalf, including a notice to regain repossession of The Property in the form of a Notice to Leave or a Notice to Quit and Section 33 Notice and/or a Form AT6 where appropriate for all Scottish properties and Section 21 Notice for all English properties. The Landlord should give The Agent at least 3 months' notice if The Landlord wishes to regain possession. The Agent cannot be held responsible for any delay in regaining possession if The Landlord fails to give sufficient written notice of the requirement to serve the Tenant with notice. If the Tenant fails to comply with any notice The Landlord may need to commence Court or Tribunal proceedings to obtain an order of possession. The Landlord (whether through The Agent or otherwise) may need to employ the services of a solicitor for the service of notices or to raise Court or Tribunal proceedings should The Tenant fail to vacate. The Agent will obtain The Landlord's authority to instruct a solicitor prior to doing so. Should it be necessary for The Agent to employ the services of a solicitor, The Landlord will be liable for the solicitor's fees.

- 22.9** At the date of vacation of The Property, The Agent will liaise with The Tenant to agree and effect the arrangements for return of The Property, advising The Landlord accordingly.
- 22.10** Where The Tenant does not vacate The Property on the due date, The Agent will take steps to ascertain The Tenant's intentions and advise The Landlord as soon as practicable. Where appropriate, The Agent will take steps to notify any legal protection or expenses insurer and co-operate fully and promptly with legal advisers acting for, or appointed on behalf of, The Landlord.
- 22.11** The Agent will check the statement of condition and the inventory at vacation of The Property and discuss the results with The Landlord. If The Property is to be re-let, The Agent will arrange, according to the provisions of this Agreement, any repairs or other works which are, in the opinion of The Agent, required to put The Property into a suitable condition for letting. All costs relating to the implementation of this clause shall be borne by The Landlord and deducted from the rent received, if possible, or paid by The Landlord within fourteen days of written demand.

23. Data Protection

The Agent is a data controller under Data Protection legislation. The Landlord hereby agrees to The Agent storing information relating to both The Property and The Landlord in paper and electronic format in terms of said legislation. Such information is held for the purposes of managing The Property and shall not be provided to third parties for any purpose unrelated to said management without The Landlord's prior written consent or by court order or as required by law. For the avoidance of doubt, The Agent will comply with their obligations under the Data Protection legislation and accepts no responsibility for any loss or damage experienced by The Landlord as a result of such compliance.

24. Exclusions

- 24.1** The Agent does not undertake to be responsible for redirecting The Landlord's mail delivered to The Property. It is recommended that arrangements are made prior to commencement of the tenancy, and for the duration of the tenancy, for it to be redirected by the Royal Mail.
- 24.2** The Agent's agreed attendance at any Rent Assessment Committee, Court or Tribunal, as appropriate, on behalf of The Landlord, or other work not specified as included within a particular service, may incur an additional charge. This will be assessed on a case by case basis.
- 24.3** The Agent will not be responsible for any loss or damage that The Landlord suffers through the act, fault or negligence of any third party which may arise other than through the professional negligence or breach of contract of The Agent.

25. Conflicts of Interest

The Agent hereby confirms that he is unaware of any actual or potential conflict of interest which may render The Agent unable to act for The Landlord. In the event that an actual or potential conflict arises, The Agent will notify The Landlord at the earliest opportunity. The Landlord also agrees to advise The Agent at the earliest opportunity if aware of any potential conflict of interest.

26. Procedures for Resolving Problems

- 26.1** The Agent aims to provide a quality service to The Landlord. The Landlord may contact The Agent at any time via normal methods of communication regarding the conduct and supervision of the work undertaken. The Agent will acknowledge any formal complaints within 3 working days. The Agent's full complaints procedure is attached as Appendix 1.
- 26.2** If the matter is not resolved to The Landlord's satisfaction, The Landlord may if appropriate apply to the First-tier Tribunal. Details of the First-tier Tribunal are available from The Agent on the request of The Landlord.
- 26.3** On receipt of a complaint, The Agent will undertake an investigation promptly. A formal written outcome of The Agent's investigation will be sent to The Landlord within 15 working days of sending the acknowledgement letter.

- 26.4** If the Landlord remains dissatisfied, The Agent must advise The Landlord as to how the complaint can be further pursued within The Agent's business. A review of the complaint by staff members not directly involved must be carried out and sent to The Landlord within 15 working days.
- 26.5** On conclusion of The Agent's investigation into a complaint, a written statement expressing The Agent's final view, and including any offer made, must be sent to The Landlord. The Landlord will have an opportunity to refer the matter to The Property Ombudsman within twelve months of the Agent's final review.

27. Termination

- 27.1** Please refer to clause 10 of the main investor / landlord agreement.

28. Cooling Off Period

- 28.1** Should this Agreement be signed in a place away from The Agent's business premises or online, The Landlord shall be entitled to cancel this Agreement within 14 calendar days of signing. To exercise the right to cancel, The Landlord must inform The Agent by clear statement in writing by post, fax or email, of their decision to cancel before expiry of the cancellation period.
- 28.2** Where Clause 28.1 applies, and The Landlord requires The Agent to carry out work before the end of the 14 day cancellation period, The Landlord hereby agrees to confirm this request, in writing, to The Agent.

28.3 Where Clause 28.2 applies, and The Agent wishes to recover costs for work undertaken during the cancellation period, The Landlord hereby consents to The Agent incurring these costs and agrees to reimburse The Agent for the reasonable cost in undertaking this work.

29. Changing the agreement

29.1 This Agreement may be changed at any time by way of written agreement between The Landlord and The Agent.

29.2 The Agent shall be responsible for preparing the revised written agreement.

29.3 Notwithstanding Clause 29.1, if the changes to the Agreement are at the sole request of The Landlord, The Agent shall be entitled to charge The Landlord in respect of all expenses, including legal expenses, reasonably incurred by The Agent as a result of preparing a revised written agreement.

30. Whole agreement

This Agreement and any annex thereto, together with the Schedule of costs accompanying it, constitute the whole agreement between The Landlord and The Agent.

We have read, understood and agree the Terms and Conditions stated herein and duly appoint The Agent.

Signature of Landlord (1):

Landlord Full Name (1):

Landlord Address (1):

Date:

Signature of Landlord (2):

Landlord Full Name (2):

Landlord Address (2):

Date:

Signature of Landlord's Agent:

Landlord's Agent Full Name: Sandstone UK Property Management Solutions Ltd

Landlord's Agent Address: 14 Coates Crescent, Edinburgh, EH3 7AF

Date:

SCHEDULE OF CHARGES

SERVICE

Managed Let **plus VAT** of the Monthly rent payable, when due and deductible from the rent.

ADDITIONAL CHARGES

New Lease Fee The Landlord shall pay the sum of £168 (including VAT) per tenant to cover the tenants' administration and referencing costs which shall be due at the commencement of each tenancy. Collection of this fee will be delayed until October and will be shown on your October statement.

Rent Negotiation Fee The Landlord shall pay the sum of £72 (including VAT) per tenant for properties currently let on a Private Residential Tenancy (PRT) agreement, in respect of negotiating a rental increase on The Landlord's behalf and dealing with the associated documentation, following the strict guidelines in place. This will be deducted from your October statement and will be reviewed every 12 months.

HMO Administration Fee The Landlord shall pay the sum of £354 (including VAT) to cover the administration in dealing with your HMO Licence which includes but is not limited to:

- Preparation and submission of application forms
- Preparing safety check documentation packs for the Council
- Displaying/removal of Site notice outside the property
- Issuing certificate of compliance to Council in respect of site notice
- Arranging/attending Joint Inspections with the Council
- Arranging works requested by the Council from Joint Inspection
- Arranging/attending re-inspection with the Council if required
- Attendance on your behalf at any Committee meetings if required
- Issuing neighbourhood notifications to all relevant parties once the HMO Licence has been granted
- Handling any neighbourhood complaints and meeting neighbours at their property
- Liaising with relevant Council staff regarding neighbour noise complaints

NOTE

Where applicable, all charges are inclusive of VAT and subject to the current rate of VAT in force at the time the charges were incurred.

All charges **exclude** third party costs and outlays i.e. legal fees, removal costs, survey and report fees, Landlord Registration fee, HMO Licence Fee, Factor fees, safety certification (except where stated), insurance premiums, repair costs, utilities etc.

In terms of Clause 8.1 these charges will be subject to review from time to time.



APPENDIX 1:

Sandstone UK Complaints Procedure

We are committed to providing a high-quality service to all our clients. When something goes wrong, we need you to tell us about it. This will help us to improve our standards.

If you have a complaint about our service, or about the service of a contractor or third party who we have instructed to provide goods or services in relation to a property owned by or occupied by you, please provide full details of your complaint including copies of any documentary evidence to support your complaint, if appropriate, and send to:

Diane Simpson, Associate Director of Property
Management Sandstone UK, 14 Coates Crescent,
Edinburgh, EH3 7AF diane.simpson@sandstoneuk.com
Registration Number: LARN2006006

On receipt of your complaint we will adhere to the following procedure: -

Stage 1

We will acknowledge receipt of your complaint in writing within 3 working days of receiving it, enclosing a copy of this procedure.

Stage 2

We will then investigate your complaint and will send you a detailed written reply, including suggestions for resolving the matter, within 15 working days of sending the acknowledgement letter.

There may occasionally be circumstances out with our control which prevent us from adhering to this timeframe. These include: -

- when the office is closed for public holidays;
- where adverse weather or sickness has led to staff shortages;
 - where we cannot respond in full without the input of a third party (e.g. contractor, landlord, tenant) who is not available;
 - where we cannot respond in full without visiting the rental property and the tenant is restricting access;
 - where we cannot respond in full without the input of a key member of staff who is not available.

We will contact you if we are unable to respond within this timeframe and let you know when we aim to respond by.

Stage 3

Upon receipt of our response under Stage 2 above, if you are still not satisfied, you can contact us again in writing and we will arrange for a senior manager to review the decision.

Stage 4

Our senior manager will write to you within 15 working days of us receiving your request for a review, confirming our final viewpoint on the matter and explaining our reasons.

Stage 5

You may apply to the First-tier Tribunal for Scotland (Housing & Property Chamber) if we have breached the Scottish Letting Agent Code of Practice and you remain dissatisfied once the above stages have been exhausted, or if we do not process your complaint within a reasonable timescale. You can contact the Housing & Property Chamber at: -

Tribunals Centre
20 York Street
Glasgow
G2 8GT
0141 302 5900

<https://www.housingandpropertychamber.scot/>

Sandstone UK is required to adhere to the Scottish Letting Agent Code of Practice which can be found at <http://www.legislation.gov.uk/ssi/2016/133/schedule/made>.

In accordance with the code we will retain (in electronic or paper form) all correspondence about a complaint for five years.

Other complaints procedures

Sandstone UK are also members of the organisations noted below. If you remain dissatisfied once stages 1-5 above have been exhausted, or we do not process your complaint within a reasonable timescale, they can be contacted to investigate further.

Council of Letting Agents (CLA) – www.counciloflettingagents.com

Address: Scottish Association of Landlords, Hopetoun Gate, 8b McDonald Road, Edinburgh, EH7 4LZ

Email: info@scottishlandlords.com

Telephone: 0131 564 0100

The Property Ombudsman (TPO) – www.tpos.co.uk

Address: Milford House, 43-55 Milford Street, Salisbury, Wiltshire, SP1 2BP

Email: admin@tpos.co.uk

Telephone: 01722 333306

NB: You will need to submit your complaint to TPO within 12 months of receiving our final viewpoint letter, including any evidence to support your case.

TPO requires that all complaints are addressed through this in-house complaints procedure, before being submitted for an independent review.