



Terms of Business

Issued June 2024

Valid from 1st August 2024



By signing this Agreement, you hereby agree to appoint H2MO Ltd to undertake all subsequent services as agreed on the above stated property, in accordance with the agreed terms as outlined in the subsequent full terms of business. Please ensure that you read fully our Terms of Business, which contain guidance, terms, conditions, and definitions. By signing this document, you agree that our Terms of Business, as amended and updated from time to time, shall apply to and form part of this agreement. You can request further copies at any time from any of our branches.

By signing this document, you agree that there is no adverse “Material Information”, as defined by The Consumer Protection from Unfair Trading Regulations 2008, which should be disclosed to prospective tenants. If there is material information that should be disclosed, you confirm that you will provide us with full details in writing prior to marketing commencement.

Severance Clause: if a clause of this Agreement is determined by any court or other competent authority to be unlawful and/or unenforceable, the other clauses of the Agreement will continue in effect.

1. Property and Landlord Details

These terms set out the Agreement between “You”, the Landlord and “Us” H2MO Ltd.

Property Address

Landlord Name(s) / Please include any silent owners

Landlord Address

Landlord Contact Number(s)

Landlord Email Address

2. Definitions

We/Us/Our/The Agent – means H2MO Ltd, also referred to as H2MO or our assignees.

You – means the Landlord/company or any party that has freehold or long-term leasehold of the property.

Owner – means the person with proprietary interest in the property subject to this agreement. By signing this agreement the party warrants that they have this interest.

The Property – means the premises that are subject to this agreement.

The Deposit – means any monetary sum collected from the tenant party to the Tenancy Agreement as prescribed in the Tenancy Agreement to cover any damage/excessive wear and tear and non-payment of rental during the term.

Tenant – means a person we introduce and with your instructions enter into an agreement with you.

Tenancy Agreement – means the document/agreement/contract between the Landlord and the Tenant, either verbal or in writing created by operation of law for the letting of your property.

Rent – means the money payable by the tenant in accordance with the Tenancy Agreement.

3. Signature(s)

I/We agree that I/we have fully read and understood the full Terms of Business document and that signing this Agreement will produce a legally binding contract between us and H2MO Ltd.

I/We declare that I/we are sole/joint owners of the property and have proprietary interest to allow me/us to enter into this contract.

I/We declare that we have obtained all necessary permissions to let the property from all interested parties including but not limited to my/our mortgage providers and building insurers.

I/We declare that we have read the safety section of the Terms of Business and I/we confirm that the property meets all of the safety requirements or I/we have taken all reasonable steps to ensure that all of the safety requirements are met.

I/We declare that all of the property, including the fixtures, fittings and services comply and will continue to comply with all statutory safety provisions.

I/We expressly agree to all Fees/Charges and terms as set out in the Terms of Business and agree to H2MO Ltd taking all reasonable steps in respect to letting the property on my/our behalf.

Irrespective of the above by signing this agreement the signee agrees to be personally responsible for all fees and charges due.

Authorised Signatories:

PRINT NAME:	SIGNED:	DATED:
PRINT NAME:	SIGNED:	DATED:

Service Required:

☐

Essential

☐

VIP

Bank details:

Name on Account	Account Number	Sort Code

Variation of Agreement

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4. Pre-tenancy

H2MO Ltd of 127 Chanterlands Avenue, Hull, HU5 3TG provide a range of tenant and property management services to owners/Landlords wishing to let their Student/Sharer property whether it is a Licensed or Unlicensed HMO (House of Multiple Occupation).

The letting out and managing of a HMO property requires a specialist agent to ensure the operation of the HMO and its management runs smoothly and complies with all current and upcoming legislation.

Below are details of the primary services that we can provide, suitable for Student Tenancies, Professional House Shares and Room by Room Tenancies, but please note that we are happy to put together a tailor-made package to suit specific Landlord needs.

H2MO Letting Department manage all aspects of the Tenancy, including sourcing of suitable tenants, move-in, move-out, inspections, Local Authority Licence Compliances and property maintenance, as well as ensuring best practices are followed to ensure you remain compliant with the law.

Please note that we do not offer a Tenant Find Service or Rent Collect Service for HMO Properties

4.1. Identification Documents

When taking instruction to market your property, for Anti-Money Laundering purposes we will require documents as proof of your identity. These will need to contain your photograph and address. We can accept photographic driver's licence or passport and a copy of a utility bill. If adequate ID has not been provided, we reserve the right to cease marketing your property/ies, however you, the Landlord, remain bound by the terms of this agreement.

We reserve the right to use a third-party company to verify ID/Property ownership at the landlord's cost (fees apply)

4.2. Permissions

The Landlord will need to notify any interested parties of their intention to let the property and ensure that they have the correct insurances in place. By signing this agreement, the Landlord confirms that they have the relevant permissions and can provide proof of permission to the agent.

The Landlord agrees to provide the agent if requested with confirmation of the permission from the mortgage company and any freehold (if applicable).

4.2.1. Overseas Landlords

The Non-Residents Landlords Scheme is a scheme operated by HM Revenue and Customs (HMRC) for taxing the UK income of non-residential Landlords. The scheme requires UK lettings agents to deduct basic rate tax from any rent collected. You are considered to be non-resident if your permanent address is outside of the UK, or you are absent from the UK for a period of more than six months.

Landlords can apply to HMRC for approval to receive rents without tax being deducted. If your application is successful then once we have received the written confirmation of HMRC's decision, we will pay the rent without deducting tax. Please note that the income still remains liable for UK tax and it must be included on your tax return. Where a non-resident Landlord does not obtain approval from HMRC we will provide quarterly submission to HMRC. (See Fee Scheduled)

H2MO must be provided with a UK residential address for service. If a UK address is not provided, we are obliged to assume that the Landlord is an overseas Landlord, and we will operate the non-residential scheme. Where H2MO Ltd does not deduct tax which should have been deducted under the scheme, we are entitled to

recover this money from the Landlord at a later date, along with any other costs imposed on H2MO Ltd by HMRC.

4.2.2. Leasehold

If the property is a leasehold property, H2MO Ltd will require any leasehold restrictions to be provided in order to ensure that they also form part of the tenancy agreement. H2MO Ltd will need to ensure that the property lease allows provisions for the property to be let to sharers and more specifically students, if this is the type of tenant the Landlord wishes to attract. By instructing H2MO Ltd on a sharer let basis, the Landlord is agreeing that they have the relevant permissions and take full responsibility for any repercussions for breaking any leasehold provisions.

4.2.3. Mortgages

Landlords will need to ensure that they have a Buy-to-Let mortgage or that they have notified and have permission from their mortgage company to rent the property (Consent-to-Let). By instructing H2MO Ltd on a sharer let basis, the Landlord is agreeing that they have the relevant permissions and take full responsibility for any repercussions for breaking any mortgage provisions.

4.2.4. Building Insurance

Landlords will be required to fully insure the property with buildings and contents insurance which includes public liability. H2MO Ltd will require proof of the insurance.

4.2.5. Contents and Public Liability Insurance

We highly recommend that Landlords have contents insurance to cover all fixtures, fittings and furniture. If the property is unfurnished this insurance will cover carpets, flooring, kitchens, bathrooms and any fixtures at the house. It will also ensure that the Landlord has a level of Public Liability Insurance.

4.2.6. Proof of Ownership

H2MO will require proof of ownership. This can be a copy of your title deeds. If a landlord is unable to supply the required deeds, H2MO Ltd will obtain these from the Land Registry and charge the Landlord. Please see Fees section.

4.2.7. Sole Lettings Rights

The Landlord agrees that H2MO Ltd has sole agency rights for a minimum of 12 months, unless the tenancy is terminated, or the relevant termination fees are paid. This agreement will be renewed automatically on its anniversary. Please see Fees section.

4.2.8. Data Protection

You give permission for us to use your data as detailed in the Privacy Policy at the end of this contract.

4.2.9. VAT

This contract details our fees and charges inclusive of VAT. It is expressly agreed that should VAT payable on our fees change for any reason whatsoever, you will pay the new rate in line with the government's announcement, as to date and amount, regardless of whether we have informed you of the change.

4.3. Houses of Multiple Occupation

4.3.1. Definitions

A property with three unrelated tenants or more is identified and managed as a HMO.

Properties with between three and four tenants is a HMO but it does not require a licence from the local authority.

It does however still need to comply and be managed in line with the HMO Management Regulations.

From the 1st October 2018, all properties with five or more unrelated tenants will require a HMO licence from the local authority, which is valid for five years. Licences cannot be transferred to a new property owner, but we can apply for a licence on your behalf for a fee if you are deemed a 'fit & proper person'. (See Fee Scheduled)

4.3.2. Article 4 Directive

Planning/Article 4 and HMO Licencing are treated separately and dealt with by separate Local Authority Departments. You can have a HMO licence granted by the council but not have the relevant planning permission. You will be required to have both if your property is within an area where Article 4 has been implemented.

The Article 4 Directives in Hull were introduced to minimise the impact of Houses of Multiple Occupation (HMO) It effectively removed the Permitted Development Rights to convert a Residential Property (C3) to a HMO property of 3 or more unrelated tenants (C4) without obtaining planning permission.

The directive does not discriminate against what type of tenant, so whether you have students, professional sharers or a Company Let, Article 4 will apply.

Furthermore, once a property is converted back to a residential property after this date it loses its Article 4 Status. It cannot then be rented to 3 or more sharers without applying for planning permission, should the Landlord wish to revert back to a sharer arrangement.

By signing this Agreement Landlords confirm that they have Article 4 planning and can provide proof of this. This would include proof of previous and continuous HMO Tenancy Agreements or a Certificate of Lawfulness.

For further information and to see the boundary for the Directives please visit <https://www.hull.gov.uk/planning-applications/article-4-directions/5>

4.3.3. HMO Licence

If you have a property requiring a HMO Licence, you agree that you have a licence in place for the property to be occupied and will provide full copies to us, including all associated paperwork and safety certificates. You also confirm that all conditions of the licence have been complied with or will be fully complied with prior to the commencement of the tenancy or gives H2MO Ltd permission to address these compliance issues on their behalf.

H2MO is permitted to apply for a licence or a renewal licence on behalf of a client. The fee for this service is detailed in the Fees section. This fee is applicable for new applications and renewal applications. The Landlord is liable for any costs related to the application including the application cost itself. The Landlord agrees that any conditions of the licence are complied with before the commencement of a tenancy or gives H2MO Ltd permission to address these compliance issues on their behalf.

Due to the legislation in place, as H2MO Ltd is registered as a Property Manager under the Councils HMO scheme, we are obligated to ensure that all aspects of the law relating to HMO properties and of managing HMO properties is adhered to. Due to the fines involved, we reserve the right to remove our Management Services, with immediate effect if any Landlord flaunts the legislation and refuses to undertake required works. We also reserve the right to organise any works that are a legal requirement under the HMO legislation, without gaining permission from the Landlord, even if the cost of the works is in excess of the limitations set within this Contract.

The Landlord agrees that he/she is solely liable for the costs of any necessary works undertaken, even without his/her expressed permission, as long as the works are to comply with current legislation. The Landlord will be liable for any fines incurred from the Local Authority in the name of H2MO Ltd, if the Landlord did not undertake works as advised by staff at H2MO Ltd.

4.3.4. HMO Consultation Reports

If you are looking to purchase or have purchased a HMO property, or if you are operating a HMO but unsure as to your obligations or the rental value, we are able to carry out a HMO consultation. This will assess the suitability of the property/ies, including The Housing Health and Safety Rating System (HHSRS) and Homes Fitness for Human Habitation Act requirements. We are able to give advice on the best way to maximise your income and return for your property (See Fee Scheduled)

4.4. Compliance

4.4.1. Gas Safety

It is a legal requirement that the property has a valid gas safety record, which should cover all gas appliances in the property including but not limited to boilers, cookers, hobs, fires and BBQs. New appliances and installations will also be required to have a valid Gas Safety Certificate. H2MO Ltd can organise. (See Fee Scheduled)

4.4.2. Electrical Safety

It is a legal requirement that the property has to be electrically safe. As per law, you are required to have a 'Satisfactory' EICR or equivalent completed by a qualified person before the tenancy begins. This will consist of an Electrical Installation Condition Report (EICR), also known as a Fixed Wiring Test, which must be provided to us before commencement of a Tenancy. If one is not provided we can organise the test on your behalf. An EICR is by law to be carried out every 5 years, however this can be more frequent if indicated by the qualified electrician. H2MO Ltd can organise this. (See Fee Scheduled)

4.4.3. Portable Appliance Testing (PAT)

It is a legal requirement that any electrical items must be legally safe. If appliances are left as part of the Tenancy we will require a valid Portable Appliance Test (PAT) to be provided before the commencement of a Tenancy, to show that all portable appliances are safe. A PAT test will need to be carried out periodically as stipulated by law. H2MO Ltd can organise this. (See Fee Scheduled)

4.4.4. Smoke Alarms

If a property has three or more unrelated tenants the Landlord must have the minimum of a Category D Smoke Alarm system, where all smoke detectors are interlinked and hardwired. The Landlord will need to provide an installation report or a service report for the alarm system before the commencement of a Tenancy. We can organise this on your behalf. (See Fee Scheduled)

The Smoke and Carbon Monoxide Alarm (England) Regulations 2015 enforce a legal requirement for any rental property to have a smoke alarm present on every level, including a ground floor entrance lobby of the property, and that they are tested prior to a tenant taking occupancy.

The Landlord should be aware that we cannot allow a tenant to take occupancy of the property without sufficient smoke alarms in place. Landlords are also obligated to maintain smoke detector systems. H2MO Ltd can organise this. (Fees apply)

4.4.5. Carbon Monoxide (CO) Detectors

As from the 1st October 2022 all properties must have a CO detector fitted in every room that is used partly or wholly as living accommodation and contains any appliance which burns, or is capable of burning, fuel. This includes gas boilers. Landlords are obligated to maintain any CO alarms and repair or replace if reported faulty. H2MO Ltd can organise this. (See Fee Scheduled)

4.4.6. Legionella

Under the Approved Code of Practice (ACOP) it is the responsibility of all Private Landlords to ensure that they have a suitable and sufficient Risk Assessment procedure carried out on the properties for which they are responsible. H2MO Ltd can organise this. (See Fee Scheduled)

4.4.7. Energy Performance Certificate (EPC)

As from the 1st October 2008 all rental properties are required to have an Energy Performance Certificate (EPC), which provides the property with an energy performance impact rating. This also provides recommended measures to increase the property's energy performance. We have an obligation to provide a copy of the EPC to any prospective tenant as part of marketing the property, on the day of move-in, and issued with any Section 21 notice. Under new regulations, as from 1st April 2018 Landlords are only able to offer for rent any property that has an EPC rating of E or higher or which holds a valid exemption certificate. We are able to advise Landlords on how to increase their EPC rating and also advise on grants and exemption certificates. H2MO Ltd can organise this at your cost.

4.4.8. Fire Safety

All licensable HMO properties are required to have a Fire Risk Assessment. H2MO Ltd can organise this on behalf of the Landlord via a specialised Third Party Company.

A fire blanket should be installed in each kitchen of the property, according to manufacturers instructions.

Depending on the size and layout of the property, smoke alarms or a fire alarm system will be required. The minimum requirement would typically be an LD2 system. We would recommend that the smoke alarm/fire alarm system is serviced every 6/12 months but this does depend on the findings of the Risk Assessment and the Licencing Conditions. The fire risk assessment will determine what design should be installed in the property. The alarm system should be tested every month as per the LACORS Guidance. H2MO Ltd can organise this at your cost

Currently, there is no legal requirement to have fire extinguishers installed in HMOs unless stated in the property's Fire Risk Assessment. If they are installed, then they will require servicing on a yearly basis. The cost of the service is payable by the Landlord. We recommend that fire extinguishers are removed as they can also introduce risks related to not providing adequate training to tenants on their use.

4.4.9. Emergency Lighting

Depending on the size and layout of the property emergency lighting may be required in the property. The Fire Risk Assessment will determine the emergency lighting requirements for your property. The emergency lighting should be serviced every 12 months. The cost of the service is payable by the Landlord. H2MO Ltd can organise this. (Fees apply)

4.4.10. Internal Locks

All locks in the property, including bedroom door locks should be able to be opened from the inside without a key under HMO amenity standards and Fire Safety Regulations. This is so that, in an emergency, the occupants of the property can escape the property safely and quickly. We highly recommend that you invest in a suitable master key system. We can obtain a quotation for this system.

4.4.11. Homes (Fitness for Human Habitation) Act 2019

As of 20th March 2019, the Fitness for Human Habitation Act came into force for tenancies in England. This legislation amended the Landlord and Tenant Act 1985 so that Landlords must ensure their property is fit for human habitation at the start of the tenancy and then maintain this standard throughout rest of the time the tenant lives in the property. The legislation defines a defect in the property as one that is so serious that a court considers the property to be unfit for a person to live in.

4.4.12. Housing Health and Safety Rating System (HHSRS)

The Housing Health and Safety Rating System (known as HHSRS) applies to all residential accommodation. It is the way in which local authorities set and enforce standards for residential accommodation. It is a risk-based enforcement tool which enables risks to be identified and addressed. There are 29 different categories of risk which are covered by HHSRS. For all properties under our Fully Managed Service we will periodically risk assess during inspections and highlight any concerns on our full report which will be sent to the Landlord via email. Landlords with properties under Rent Collect Services will need to periodically conduct the necessary risk assessments to ensure that the property meets the required standards and is free from the defined hazards.

4.4.13. The Furniture and Furnishings (Fire) (Safety) Regulations 1988 (1989 & 1993)

All upholstered furniture, permanent or loose fittings, soft furnishings, beds, mattresses, pillows and cushions supplied to a rental property and forming part of the Tenancy must comply with these regulations. Carpets and curtains are not covered in these regulations. Period and antique furniture manufactured before 1950 is exempt. New furniture manufactured since March 1989 and sold after March 1990 is required to carry compliance labels. Where there are no labels we have to assume that the item is not compliant and the items must be replaced or removed.

4.4.14. Asbestos

For all residential premises, whether houses or flats, a Landlord may, depending on the circumstances, be liable to be prosecuted if anyone such as a tenant, resident, workman or visitor, is put at risk of being exposed to asbestos or is actually exposed to it. The Landlord is under a duty to ensure that a risk assessment to assess the presence of asbestos and how to deal with it is carried out before any work, e.g. repairs, is undertaken. They can be prosecuted for failing to do so. As an agent we are also responsible to risk assess any areas in properties that may have asbestos and notify tenants and contractors accordingly or we may be prosecuted. If a property was built prior to 2000 there is a high chance that asbestos would be present and we would recommend a survey is carried out so all parties are aware.

If there are any issues raised, the Landlord will have to document that he/she did all that was reasonably practicable to ensure the health and safety of the tenants, residents or visitors. Consideration as to what is reasonably practical for the Landlord to do will be given by a court of law in the event of legal dispute. If the Landlord is aware of asbestos or a report identified asbestos the Landlord must choose a competent contractor to carry out any necessary works. Considering the potential serious consequences of exposure to asbestos it is the responsibility of the Landlord to satisfy himself/herself as to the competence of a contractor and measures must be taken to do so.

Landlords must also require a contractor to provide a description of the measures the contractor will use to avoid asbestos. The contractor needs to be aware from the outset that repair or works that necessitate the disturbance of asbestos need to involve a licenced asbestos contractor. The contractor should be able to demonstrate that he or she can distinguish between licenced and non-licenced work with asbestos.

4.4.15. Floor Plan

A floor plan will be required for any HMO. This is for marketing purposes but it is also required to apply for a HMO licence. We will organise this and fees will apply. (See Fee Scheduled)

4.4.16. Chimneys

Under Section 11 of the Landlord and Tenant Act 1985, the Landlord is legally responsible for ensuring the safety, working, and servicing of all heating and hot water installations. This includes open fires, Rayburns, Agas, coal and wood burning stoves. This responsibility includes all flues and ventilation; therefore, it is the Landlord's responsibility to have all chimneys swept annually in a rental property. We can organise at the landlord's cost.

4.4.17. Notice Board

As part of the Licencing conditions for a licenced HMO, a notice board must be put up in a communal area. The licence will indicate the types of information which must be displayed on the board. If not already present we will organise for one to be installed and fees will apply.

4.4.18. Key Safe

We will organise for an external key safe to be installed at the property. This allows contractors and us to easily access the property for repairs with a master key. We will ensure that the key safe is in a secure location and the code changed periodically. (See Fee Scheduled)

4.4.19. Cleaning

Properties must be deep cleaned to a professional standard before tenants take occupancy. This sets the standard for how tenants should leave the property when they vacate.

We recommend that HMO properties that house six or more unrelated tenants have a communal cleaner included in the rental amount. We will discuss this with Landlords on a case-by-case basis if this isn't already in place.

4.4.20. Tenant Fee Act 2019

Following the implementation of the Tenant Fee Act 2019, tenant fees are no longer liable for any fees apart from permitted fees which include rent, deposit, lost keys, and tenant changeover administration fees, variation of contract administration fees and surrender of tenancy administration fees. All other fees are capped or restricted. This legislation also capped deposit amounts to a maximum of five weeks' rent. Please see full government guidance or contact our office for more information. Please be aware of this in relation to references and deposits payable.

4.5. Marketing

We will undertake in-house marketing as a minimum for any property. Please be aware that for any additional marketing fees may apply, or marketing may be included in different levels of service. (See Fee Scheduled)

- An on-site market appraisal to advise on current market conditions, rental value and to ensure property meets minimum rental standards.
- The Landlord remains able to set the advertised rent as he/she sees fit.
- Marketing Photos & Video Tours – we will endeavour to take 'dressed' marketing photos and where suitable an in-house video tour. There are levels of marketing; please see Fees section.
- Advertising and promotion of the property on all main portals including www.Rightmove.co.uk and www.spareroom.co.uk as well as our own website www.H2MO.co.uk.
- Advertising and promotion of the property on our social media channels including but not limited to Facebook, Instagram, and TikTok
- Accompanied viewings with a H2MO Ltd member of staff or virtual viewings via video call.
- Contact with all prospective tenants by email, text or phone.
- Display of our 'To Let' board.
- Collating and vetting of application/offer forms from prospective tenants.
- An Energy Performance Certificate (EPC) must be available before the property is made available to let.
- H2MO Ltd retains any intellectual property rights including copyright to any marketing material produced including marketing photos, advertising copy etc. These may not be used by others without our express permission.

4.5.1.

We recommend that you do not mix types of tenants within a HMO/sharer property. Depending on the location of the HMO and the standard of property we can advise you on the best target market.

4.5.2.

Properties need to be presented well with quality furnishings, good quality carpets with underlay and modern décor. This will attract the best tenant for the best rental figure.

4.5.3.

We recommend that a property is staged before it is let where possible. Not only will this allow for excellent marketing materials, it also sells the property's vision to any potential tenant. Staging requires us to attend the property when empty and add soft furnishings to match the décor. (Fees may apply)

4.6. Keys

We must be supplied with a sufficient number of keys to include one set per tenant plus a 'management' set. H2MO Ltd reserves the right to have an additional set cut for any externally mounted key box located or affixed at the property to aid in the management of the property. Should a sufficient number of keys not be provided H2MO Ltd will have keys cut accordingly at the Landlord's cost. (Please see Fees section)

4.7. Securing a Let

4.7.1. Tenant Vetting

We will obtain references as well as tenant verification documents including proof of identity documents to establish a right to rent in the UK, to establish identity and for compliance with the Immigration Act 2014 as well as other supporting documents as deemed required.

We are obligated to carry out a reference on every tenant, and their guarantor if applicable. A minimum of a basic credit check is required to meet insurance criteria. Referencing of guarantors can take 5-7 days to complete.

In cases where the prospective tenant(s) do not have a guarantor, H2MO Ltd will act on instruction of the Landlord to grant or not to grant a tenancy. Please be aware that this will affect any rent guarantee products if applicable.

4.7.2. Tenancy Length

If the property is targeted for the student market, we shall aim to have a 51-week contract in place, with one week gap for changeover where cleaning, inventory and others small works will be carried out.

If the property is a professional HMO we would recommend 6 or 12-month tenancies but can discuss on a case-by-case basis.

4.7.3. Holding Deposit

We reserve the right to take a Holding Deposit from an Applicant when they apply to rent a property. The purpose of the Holding Deposit is to verify the Applicant's serious intent to proceed and is to protect us as the Agent against any administrative expenses that may be incurred should the Tenancy not proceed. The Landlord will not be entitled to any part of the Holding Deposit if the let does not go ahead and the Holding Deposit does not protect the Landlord against loss of rent due to the tenant deciding to withdraw or not being able to proceed due to unsuitable referencing.

Should the Landlord wish to withdraw from the tenancy prior to the signing of contracts then the Landlord will be liable for any administrative cost incurred by H2MO Ltd.

If the tenancy proceeds the holding deposit shall be credited against the first month's rent as per the Tenant Fee Act 2018.

4.7.4. Rent

Rent will be collected as per the Tenancy Agreement. Note that rent is payable to the landlord on the second and fourth Friday of each month.

For student joint tenancies, students and their guarantors will be invoiced individually (rent divided equally between tenants unless a different split is requested by them).

4.7.5. Inventory

To protect everyone's interests we will arrange an Inventory & Schedule of Condition to be carried out by our HMO Co-ordinator or Inventory Clerk. The document will be provided digitally to your tenants on move in. The fee for the Inventory will be deducted from the first month's rent. (See Fee Scheduled)

4.7.6. Deposits

If H2MO Ltd collects the deposit on behalf of the Landlord we will protect the deposit in accordance with the Housing Act 2004 and the provisions of the Deposit Protection Scheme (DPS) operated by The Deposit Protection Scheme (DPS). The deposit will be protected within 30 days and the Prescribed Information and Full Terms and Conditions supplied to the tenants as part of the Tenancy Agreement.

We reserve the right to use Mydeposits as an alternative to the DPS.

Please note that as from 1st June 2019 Landlords and Agents are only permitted to take a maximum of the equivalent of five weeks' rent as a deposit amount, under the Tenant fees Act 2019. This applies even if the tenants have a pet.

Under the DPS, undisputed deposits must be returned to the tenant within 14 days of the termination of the Tenancy. Full details can be found at www.depositprotection.com.

Where the Landlord wishes to be paid the deposit direct by the tenant, the Landlord will safeguard the deposit in accordance with the law, as above. The Landlord acknowledges that if the deposit is not protected correctly, the tenant can take court action against the Landlord, and the court can order the Landlord to return the deposit plus pay compensation of between one and three times the amount of the deposit.

If a Landlord fails to protect the deposit, the Landlord is unable to serve a Section 21 (6A Form) Notice on the tenant until the Landlord returns the full deposit to the tenant. If a Landlord fails to supply the tenants with the Deposit Prescribed Information as outlined, the Landlord cannot serve a Section 21 (6A Form) Notice until the Prescribed Information has been issued. This will not prevent the tenant taking action against the Landlord for late provision of the Prescribed Information and seeking a penalty reward.

H2MO takes no responsibility for the failure of a deposit being registered where held by a landlord or an alternative appointed agent.

The Landlord agrees that in the final month of a Tenancy H2MO Ltd reserve the right to retain a proportion the final month's rent to cover any costs incurred when a tenant vacates, such as cleaning etc. H2MO Ltd will endeavour to recoup all funds that are permitted and justifiable from the tenant's deposit. Landlords agree to pay for any works due at the property when a tenant vacates, to ensure contractors are paid in a timely fashion. H2MO Ltd will endeavour to recoup all relevant funds from the deposit to reimburse the Landlord.

4.7.7. FlatFair

Flatfair Limited ("Flatfair") provides deposit-replacement services (the "Flatfair Service") through www.flatfair.co.uk (the "Flatfair Portal").

H2MO uses Flatfair Limited to provide a Deposit replacement product (No Deposit). Flatfair's privacy policy can be found at <https://flatfair.co.uk/privacy-policy/>. In the event, you do not wish to accept potential tenants using the FlatFair No Deposit option please advise of this decision prior to marketing your property for let.

Where, following an introduction by H2MO Ltd the tenant purchases a Flatfair No Deposit, from Flatfair Limited, the Tenant maintains the No Deposit throughout the rental period in substitution of the Cash Deposit referred to in clause 4.6.6

H2MO shall be entitled to receive a commission payable by Flatfair.

The Landlord accepts that the Flatfair No Deposit will be subject to the Flatfair terms and conditions, which will be provided to the Landlord by Flatfair and is also available by contacting support@flatfair.co.uk ; and H2MO. & Co shall as soon as reasonably practicable inform the Landlord in the event the Flatfair No Deposit is cancelled, in which case H2MO Ltd shall, at the request of the Landlord, collect the Cash Deposit in full from the tenant.

4.7.8. Bills Inclusive Packages

H2MO reserves the right to offer tenants a range of utility packages from any such Company that H2MO Ltd chooses to engage with. This service gives tenants a set amount each month to pay to include varying utilities depending on the packages opted for by the tenant. If one of the packages is taken up by the tenant this will be a private arrangement between the tenant and the chosen company.

Please be aware that H2MO Ltd does receive a commission direct from the package provider for using these packages.

Landlords are able to include bills as part of the Tenancy; the Landlord will be responsible for these payments. Details must be provided to H2MO Ltd before marketing and H2MO Ltd reserve the right to charge for managing and paying the utilities.

4.7.9. Smart Systems

We do recommend that Landlords look to install an energy monitoring system such as an Inspire system. This will help tenants keep the house running in an environmentally friendly way whilst also ensuring they do not overuse their heating. We can obtain quotes on a Landlord's behalf.

The installing of Smart systems will have a positive impact on the properties Energy Efficiency Rating.

4.7.10. Internet

We do recommend that Landlords supply a HMO property with high speed WIFI. This can be factored in to the rent figure depending on the type of internet provided.

One of the main factors for a HMO property is internet speed, and this is becoming the most searched criteria when sharers are looking for a property. We can advise a landlord on a case-by-case basis.

4.7.11. Council Tax

If a property is rented on a joint and several basis, tenants will be liable for council tax. If the property is rented on a room-by-room basis, the Landlord will be liable for council tax and H2MO Ltd will deduct this from the monthly rent and pay on to Cornwall Council. If the tenants have student status they will be exempt from council tax until they lose their student status (generally when their course ends or they leave university).

4.7.12. Tenancy Agreements

Landlords agree to use our bespoke Tenancy Agreements which are in line with current legislation. Tenancy Agreements will be drawn up and issued to tenants and guarantors for digital signature.

We shall chase the Tenancy Agreement signatures and no tenants shall be able to take occupancy until all relevant parties have signed

The Landlord agrees to give H2MO Ltd and their employed staff the permission to sign the Tenancy Agreement on their behalf unless otherwise stipulated in writing.

4.7.13. Cancellation pre-tenancy

Should a Landlord wish to withdraw from a Tenancy prior to the signing of contracts then the Landlord shall be liable for any administrative costs incurred by H2MO Ltd. (Fees will apply)

4.8. Pre-Tenancy Property Preparation

4.8.1. Pre-tenancy Clean

We will insist on a pre-tenancy professional clean; this will set the standard of cleanliness for when the tenants vacate. If the Landlord organises their own, we will require proof of the clean for our files, e.g. the invoice.

We advise that all properties should have a full carpet clean where carpets are installed. This preserves the life of the carpet and allows for us to charge tenants for carpet cleaning when they vacate a property.

4.8.2. Gutters

Under HMO management regulations Landlords are responsible for maintaining the gutters. We will organise clearance at the Landlord's cost.

4.8.3. Windows

Under HMO management regulations Landlords are responsible for keeping the exterior of the windows clean.

4.8.4. Garden

Landlords are responsible for garden maintenance and upkeep as part of the HMO management regulations. Depending on the size and type of garden we will organise this at the Landlord's cost.

4.8.5. Bin Store/Bins

Under HMO management regulations tenants must be provided with appropriate bin receptacles. This is to limit rats and to keep the streets clean and tidy. We can recommend to a landlord the type of bin store or receptacle needed depending on size and type of property

4.8.6. Mattress Protectors

We will require each bed to be provided with a mattress protector. This is for hygiene and to preserve the life of the mattress itself. We can provide mattress protectors if none are provided (Fees will apply)

5. During a Tenancy

5.1. Rent Collection

The first month's rental will be collected prior to move in. Thereafter rent will be due on the anniversary of the tenancy start date of every month. Tenants will be invoiced via our Payprop system two/three days before rent is due and chased periodically.

For sharer tenancies, tenants and their guarantors' will be invoiced individually and rent will be divided equally between them unless they request a different split.

Where H2MO Ltd is instructed to collect the rent and if the rent has not been paid within 7 days after it falls due, H2MO Ltd will endeavour to notify the Landlord at the earliest possible opportunity. We will obtain payment from the tenant by means of telephone, email and written notices whilst acting in accordance with the Lettings Code of Conduct.

We are not responsible for any bank charges that you incur as a result of any delays in payment.

Where bank details are provided, we shall use the BACS system to make payments; we do not charge for this service. Where we are required to make payment by other means, we will pass on any cost incurred in doing this to you. This will also include any charges or exchange costs for making international payments.

5.2. Statements and Payprop App

H2MO uses Payprop software to manage Landlord accounts. Landlords will be sent an invitation to download the Payprop app where they can access their property accounts, download statements and see payments.

5.3. Arrears

If tenants do not make payment on time our arrears procedure will begin. Guarantors are copied in to all rent requests so they are aware. Tenants are notified by text and by email.

Once tenants go into arrears by more than one day, they will be chased daily. Under law we are only able to make contact with a tenant once a day by text and email. If a tenant goes seven days late with a rental payment they will receive a phone call from one of the team and their guarantor will also be contacted.

Once a tenant goes into 14 days of arrears, letters will be sent to the tenant and guarantor. If on a joint Tenancy, all parties named on the Tenancy will be contacted to be made aware of the situation. We will also notify the Landlord of the arrears.

During a fixed-term Tenancy Agreement we are unable to issue notice due to arrears unless the Tenancy is two full months in arrears. If arrears are persistent or more than one month, we shall advise the Landlord of their rights and available action.

Please be aware that our management commission is still payable even in the event of arrears. H2MO Ltd continues to manage the tenancy even if rent is not paid. As our commission is for the services as detailed in this contract, we reserve the right to invoice directly for any unpaid commission. We will endeavour to recoup all arrears. (Fees may apply)

If a tenant enters arrears, the landlord gives us express permission to chase the arrears as we see fit until payment is made. If the landlord does not wish to chase the arrears, they must notify us in writing which will enable us to write off the arrears and clear them from our rent system.

If a tenancy expires and is in arrears that is not resolved via the deposit the landlord will be required to take any small claims action or court action to recoup arrears and following H2MO Ltd providing a final rent statement, the arrears will be removed from our rent payment system.

We reserve the right to withdraw management if the landlord does not wish to pursue for the arrears or pursue eviction for persistent or constant arrears.

5.4. Landlord Rent Guarantee

H2MO will offer Landlords a rent guarantee policy through our provider of choice. A rent guarantee policy will require tenants to pass a basic reference as a minimum and the full terms of the policy will be detailed to the Landlord. We reserve the right to include a rent guarantee policy within certain levels of service. (See Fee Scheduled)

Please be aware that H2MO Ltd do earn commission from the referral of rent guarantee policies.

5.5. Maintenance

During the Tenancy, Landlords are able to allocate preferred contractors to undertake maintenance at their properties. However the preferred contractor must comply with our onboarding process which includes supplying H2MO Ltd with their relevant paperwork including a copy of their Public Liability Insurance. To adhere

to data protection laws, the chosen contractor must have an Information Commissioners Office registration number and privacy policy in order to be able to hold tenants details.

If a contractor does not comply with our onboarding process and cannot provide us with relevant paperwork or qualifications, our insurance does not allow us to instruct the contractor direct and the Landlord will take full responsibility for any work undertaken by the contractor.

We have a panel of pre-approved contractors who have complied with our onboarding process. All of our pre-approved contractors meet all minimum requirements.

Please be aware that we may earn commission from our pre-approved contractors by way of an administration fee payable by the contractor.

5.6. Maintenance Reporting

Landlords agree for tenants to be able to report maintenance via our 24-hour app called FixFlo. This allows tenants to report maintenance at any time of day and provide photos or video. This app will also troubleshoot issues to minimise call outs.

5.7. Out of Hours

H2MO do offer an out-of-hours service for tenants to report urgent maintenance within some of our management packages.

5.8. Maintenance Limitations

The Landlord agrees for H2MO Ltd to carry out necessary maintenance up to £500 without consulting with the Landlord. This is to ensure that tenants have a safe and compliant property. If the property is a licensable HMO the Landlord gives H2MO Ltd the authority to carry out any work that is required by the council to meet the terms of the licence.

5.9. Inspections

HMOs are required to be inspected monthly and we will also carry out "Full House Inspections" every four months to ensure continued compliance with regulations.

Please note that inspections are an important part of management, the inspections are to carry out a compliance risk assessment under the HMO regulations, HHSRS, and to test fire alarm systems to meet HMO management Laws. (See Fee Scheduled)

Tenants are legally obligated to be allowed quiet enjoyment of their rental property and can deny anyone access to the property. H2MO Ltd will keep strict audit trails of inspections to show full compliance with legislation.

5.10. Property Account Float

H2MO Ltd maintain the right to hold rental income in the property account to pay for outstanding contractor invoices or planned works. In some instances, a float will be held permanently to aid the process of appointing contractors for required works.

If a Landlord is based abroad the float may be higher; H2MO Ltd will discuss this on a case-by-case basis.

5.11. Management Fee

The monthly management fee charged by H2MO Ltd is payable monthly and due on rent due. Commission will be deducted from the incoming rent. If there is no rental income H2MO Ltd reserves the right to invoice the Landlord directly for the management fee. The management fee is payable as long as H2MO Ltd manage the Tenancy regardless of whether there are arrears or not. We reserve the right to deduct the due fees from any other property account owned by the same Landlord, if applicable.

5.12. Renewal Tenancies

A renewal tenancy is when the current tenants wish to stay at the property for a further fixed period. We will organise the renewal and conduct a rent review. If no party to the agreement is changing this will be a straight renewal. (See Fee Scheduled)

5.13. Renewal Tenancies with change of sharer

Renewal tenancy with a change of sharer is when the tenants wish to stay at the property for a further fixed term but wish to make changes to the named parties. We shall obtain the details of the replacement tenants and conduct referencing to ensure they are suitable. We will draw up the new Tenancy Agreement and chase signatures. We will collect and protect the deposit, making amendments to the deposit already held and reissue the appropriate paperwork in line with the Deregulation Act 2015. We will also conduct a rent review before issuing the new contract. (See Fee Scheduled)

5.14. Rent Review

H2MO will carry out rent reviews on the Tenancies. The first one will be after the initial fixed term and thereafter every 12 months dependant on length of Tenancy. We will assess the property, market conditions, and type of sharer and advise the landlord on the market rent value. (See Fee Scheduled)

5.15. Void Periods

H2MO cannot be held liable for the property during void periods unless we have been instructed to handle property changeover, i.e. preparing the property for a new tenant, or if the Landlord has instructed H2MO Ltd to carry out an empty property care service. (See Fee Scheduled)

5.16. Sale of Property

The Landlord agrees to notify H2MO Ltd of their intention to sell the property. H2MO Ltd will offer an off-market service to organise the sale of the property to any of the buy-to-let investors that are on our database. If a sale is achieved, H2MO Ltd will charge 2% including VAT of the sale price for packaging and brokering the purchase which is payable by the **buyer** no more than 7 days after the date of completion.

If the property is sold on the open market and not through H2MO Ltd and the new purchaser does not choose to use H2MO Ltd as the managing agents, the standard Management Cancellation Fees will apply. H2MO Ltd reserves the right to deduct this amount from any rental income.

6. Ending a Tenancy

6.1. Section 21 Notice

When the tenancy is due to end we will issue the correct statutory notice for the tenant to vacate, along with all relevant paperwork to comply with the Deregulation Act 2015. Notices will be emailed to the tenant in line with the clauses in the Tenancy Agreement and staff will complete a Serving Notice Form.

6.1.1. Section 8 notices

We shall advise Landlords in relation to Section 8 Notices. These notices are very specific and only applicable in some cases. We can undertake a Section 8 Notice Eviction. (See Fee Scheduled)

6.1.2. Possession Orders

If a tenant does not vacate we will advise clients on what further action can be taken. In some cases Landlords will be obligated to instruct their own solicitor. Costs can be covered within the Rent Guarantee and Legal Expenses Policies. Please see separate policy for more details.

6.1.3. Court Attendance

If the eviction proceeds to a court hearing a member of our team is able to attend on your behalf to give support, depending on the court and whether this is permitted. In most instances courts will only hear from a Landlord or their appointed solicitor. We can provide and collate paperwork. (See Fee Scheduled)

6.1.4. Check-out Inspections

H2MO will undertake a check-out inspection once a tenant vacates, a full report will be provided including photographs. This report will stand as the evidence for making any claims against the tenant's deposit. (See Fee Scheduled)

6.1.5. Post-tenancy Works

If any works are required following a checkout, such as cleaning, clearance or repairs, our team are able to arrange and facilitate the works via our bank of approved contractors. This is to get the property ready for the new tenants or to hand the property back to the Landlord.

6.1.6. Additional Management Tasks

If you instruct us, or if we are required to undertake tasks outside of our normal services, such as but not limited to court attendance, fair rent tribunals or additional debt collecting measures, the Landlord agrees to pay us an additional hourly rate as detailed within our fees to cover staff time and reasonable costs associated with the task. (See Fee Scheduled)

7. Commission Terms

7.1.

In the event that H2MO Ltd introduces a tenant who enters into an agreement to rent the Landlords property, then commission becomes payable to H2MO Ltd.

7.2.

The initial commission fee is payable on the commencement of the Tenancy.

7.3.

The initial commission fee is payable for any tenant introduced to the property by H2MO Ltd, whether or not the tenancy is finalised by H2MO Ltd.

7.4.

If a Tenancy Agreement is terminated in accordance with a break clause, H2MO Ltd will refund any commissions paid in advance for the remaining term of the Tenancy. The commission will be refunded within 14 days of the tenant vacating the property.

7.5.

If a tenant or Landlord terminates the Agreement before the end of a Tenancy term and the tenant vacates the property, H2MO Ltd will refund any commission paid in advance of the remaining term of the Tenancy to the Landlord.

7.6.

In the event that a tenant renews, extends or enters into a new Agreement for which rental income is received, commission becomes payable to H2MO Ltd.

7.7.

Renewal commission will be payable to H2MO Ltd whether or not the renewal, extension or new Agreement with the tenant is negotiated by H2MO Ltd.

7.8.

H2MO will deduct any due commission from the first month's rent paid directly to H2MO Ltd from the tenant. If any commissions or deductions exceed the first payment the balance will be deducted from subsequent payments. Any invoiced fees must be paid within 14 days of the invoice being received by bank transfer made payable to H2MO Ltd.

7.9.

Where Full Management is applicable, H2MO Ltd will collect rent in accordance with the Tenancy Agreement.

8. Services

8.1. Full Management Services

H2MO HMO Managed Services ensure that aspects of the lettings process is expertly dealt with on your behalf and you can avoid having to deal with any of the time-consuming and demanding issues that can arise from managing a HMO. This service is aimed at those Landlords who live busy lives and don't have the time for the day-to day management issues of running a HMO. Services that can be included depend on the package you wish to opt in to. Available services include. (See Fee Scheduled)

- Issue Tenants' acceptance letter and invoice for Holding Deposit.
- Carry out referencing including Credit Check & Right to Rent Check on proceedable/selected/agreed applicants and their guarantors (if applicable).
- Prepare tenancy agreement and issue via DocuSign to all tenants and guarantors for signing.
- On completion of a fully signed Tenancy Agreement issue invoice, collect and register deposit in relevant scheme.
- On registration of deposit issue Deposit Certificate, Prescribed Information and T&C's of relevant scheme within the legal time frame.
- Arrange inventory.
- Collect and process monthly rent via Payprop and provide an automated digital statement at the end of each month, and make payments due twice monthly.
- Chase any late payment of rent.
- Make invoice payments on your behalf, i.e. maintenance contracts, ground rent, services charges where applicable. All reasonable endeavours will be made to query any obvious discrepancies as we discover them, however, you authorise us to accept and pay on your behalf demands and accounts which appear to be correct at the time they are received.
- Carry out periodic visits to check on the condition of the property and assess the general condition and compliance of the property. Frequency of visits will depend on the type of HMO. Fees will apply.
- Arrange maintenance and repairs as necessary. We will endeavour to investigate as far as reasonably possible any defects which are reported to us or which become apparent and will meet repairing obligations under the Deregulation Act. Works costing up to £500 for any one item will be dealt with as they arise without further instruction from you, and the cost will be deducted from the next rental payment received or from the Property Account Float.
- Serving of Section 21 Notice to regain possession via email.
- Arrange and manage all annual/periodic certificates required for the property such as, but not limited to, Gas Safety Certificates, EICR's and Fire Safety Certificates, using pre-qualified, registered engineers.
- We will keep you informed of any new legislative responsibilities that affect the running and management of your property via direct email/telephone communication and/or social media. You agree by signing this Agreement to be added to our mailing list to receive periodic updates. You can opt out of this at any time.
- A full check-out report with photographic evidence will be carried out at the end of the tenancy. Dilapidations and deposit negotiations will be carried out at the end of the tenancy with the tenants.
- Other Additional Services are available at an additional cost. (See Fee Scheduled)

8.1.1. Monthly HMO Inspections

As part of our management we will carry out periodic inspections.

HMO properties are required to have communal areas inspected monthly, to ensure that the fire safety systems in place are functional and that the property meets the requirements of a HMO. We are obligated to give tenants quiet enjoyment of the property and on this basis rooms will be inspected only during Mid-term inspections.

Please consult the Fees section for further details on inspections. (See Fee Scheduled)

8.1.2. Mid-term Maintenance Inspections

Every 4 months each HMO property will have a full inspection. The purpose of this inspection is to identify any maintenance issues not reported to us and advise the Landlords of any improvements that would benefit the property. It is important for properties to stay in a good condition to ensure they achieve a tenancy each year and achieve the best possible rent. (See Fee Scheduled)

8.1.3. Council Inspections

HMO properties are subject to periodic council inspections which are conducted by a representative from the relevant council department. This is to ensure that the property meets HMO amenity standards and legislation regulations. H2MO Ltd will attend these inspections; using our knowledge on the HMO regulations we are able to negotiate and discuss case-by-case with the council any issues that they raise. This is to limit Landlord costs that may not be necessary. Our staff are trained in HMO inspections to ensure that we can handle any inspections properly and with the Landlord's best interests in mind. (See Fee Scheduled)

8.2. Additional Services

8.2.1. Project Management

H2MO offer property owners a comprehensive project management service from inception through to completion. This can range from upgrading a property to stripping out and refurbishing a whole property. This can involve anything from design meetings, quotation-gathering, contractor-sourcing, overseeing the works and problem-solving throughout a project. Fees will apply and a separate Property Management agreement can be created.

Our aim is to get the best from your asset and any refurbishment will have the aim to increase rental yield and ensure you get the best from your property. (See Fee Scheduled)

8.3. Buy-to-Let Advisory Service

H2MO offer client's advice on their investment to maximise the potential of a landlord's currently owned properties. Our team prides itself on its local knowledge and property market experience. We closely monitor the local market and this analysis on the local and wider market allows us to advise you on how to maximise the return on your investment.

We can undertake detailed research into any hidden costs such as ground rents, services charges or maintenance fees. This will allow us to detail your net rental yield. We have access to expert Buy-to-Let Mortgage Advisors who can review your current Buy-to-Let mortgage and see if potentially you are able to save money. (See Fee Scheduled)

8.4. Portfolio Review

If you have an existing portfolio of properties, our property experts can advise you how to maximise the potential of your existing portfolio. We can undertake rent reviews and implement rent increases to ensure your property is meeting market value. We can advise on upgrades or improvements which will maximise your income but stay within budgets to ensure it is financially viable.

We can assess the current portfolio to ensure that all properties meet current legislation standards, and that you as a landlord are fully compliant and meet all your requirements under the 170+ pieces of legislation with which you are required to comply. We can also assess the properties based on upcoming legislation and create a plan to ensure that your portfolio is future-proof and continues to be a valuable investment. (See Fee Scheduled)

8.5. Landlord Rescue Service

H2MO have a wealth of knowledge with regard to the lettings industry and property sector. Many self-managing Landlords have been overwhelmed with the obligations placed upon Landlords and fallen foul of legislation, leaving them in a vulnerable position.

With our knowledge and expertise, we are able to assist Landlords who have found themselves in a difficult position, whether that be a difficult tenant, rent arrears, eviction or compliance issues. We are able to advise and assist to help the Landlord achieve a favourable outcome. (See Fee Scheduled)

8.6. Property Sourcing

H2MO are able to offer active investment Landlords access to properties becoming available for purchase. This can be off-market properties, which means that our clients have first access to properties not available on the open market, or it may be properties that we source on the open market that we have found to be a good investment opportunity.

We are able to advise on rental value, research any potential costs such as upgrades and provide a rental yield achievable. We will only source properties that match an investor's requirement, whether that be property type, minimum rental yield or particular area.

A separate property-sourcing contract can be provided and discussed on a client-by-client basis.

8.7. Loan Equipment

N/A

8.8. High-level Marketing

We do offer all clients our standard marketing, however we can offer clients a higher level of marketing which will include full high resolution professional photographs taken by a third-party professional photographer. This will include a high resolution professional virtual tour of the property and a high-resolution 3D floor plan. Higher-level marketing has been proven a successful tool for clients aiming to achieve higher rent figures. It will make your property stand out online and also attract the most suitable tenants. (See Fee Scheduled)

8.9. Void Period Management

A void period is where a property is empty for more than seven days without pre-agreed arranged works. In these instances, we can offer an empty period management company, to check the property and ensure it is safe and secure. We would inspect the property once a month, be a key holder and deal with any maintenance. (See Fee Scheduled)

9. Cancellation of Services

9.1. Cancellation Pre-tenancy

If you wish to cancel pre-tenancy, i.e. after a tenancy has been agreed whether that be verbally or in writing and before a Tenancy Agreement is signed and executed, you will incur a cancellation cost to cover administration,

and all reasonable costs incurred by the company including marketing costs. You will also be liable to cover costs that you may have incurred such as for certification. You agree to pay this within seven days of the date of your withdrawal. (See Fee Scheduled)

9.2. Cancellation Mid-tenancy

If you wish to cancel our services mid-tenancy you will need to issue us with two months written notice and a cancellation fee will be payable to cover administration and all reasonable costs incurred by the company including marketing costs. You agree we can deduct this from any rental income received for the property. A minimum management term of six months from the start date of any new tenancy, relet or renewal applies. (See Fee Scheduled)

9.3. Cancellation due to the property being sold

You agree to pay a cancellation fee in line with the standard cancellation mid-tenancy policy. (See Fee Scheduled)

9.4. Commission Refunds

No refunds will be given where the term of the Tenancy ends before the end date as specified in the Tenancy Agreement. If/when you instruct us to relet the property normal fees will apply. (See Fee Scheduled)

10. Complaints Procedure

As an agent we shall strive to provide a professional service and follow guidelines from the law and industry professionals. However, it is recognised that there may be times when a client is not satisfied with the service provided. In the first instance we ask that you contact the branch, and our staff will endeavour to solve any issue that is concerning you. If, in this instance, your concern is not resolved, we would ask that you make a formal complaint in writing addressed to the Lettings Director who will respond within 7 working days. A full copy of our complaint's procedure can be provided upon request.

If, however, you have exhausted our internal complaints procedure, then we are a member and regulated by The Property Redress Scheme (PRS), who will respond to your formal complaint in writing. Details of this can be provided to you in branch.

11. General Terms

11.1.

H2MO Ltd reserves the right to amend or update our Terms of Business from time to time.

You will be notified in writing of any changes including the date that the change shall be implemented. Terms may need to be amended when legislation changes come into force.

11.2.

The Landlord accepts full liability without any limit of death or personal injury which is due to their negligence.

11.3.

We as the agent shall not be liable for any loss, injury or damage, or for legal expenses caused as a result of defects in the contents of the property itself or as a result of any act or omission by any person other than us.

11.4.

We shall not be liable for any third-party claims from any loss, damage, injury, or legal expenses.

11.5.

In no circumstances shall we be liable for any direct, indirect, or consequential loss, damage, cost, or expense of any kind.

11.6.

We shall be entitled to such fees that are fair and reasonable for any necessary work or management of an unusual nature not envisaged by these Terms of Business undertaken on your instruction.

11.7.

We hereby formally notify you and to avoid a conflict of interest, that Levels Properties Limited are owned by Jason Kay. I can confirm that Levels Properties Limited have satisfied our requirements to be an approved contractor with us and that we hold adequate insurance and accreditations for this company.

11.8.

H2MO Ltd hold a franchise agreement with Sourced Living Limited and use a number of their systems and services. We are an independent company but where Sourced Living Limited is shown, this will also apply to H2MO Ltd

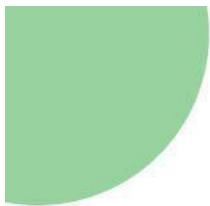
11.9.

We reserve the right to assign our rights and obligations under this agreement and/or vary this agreement upon giving you one month's written notice.

11.10.

We reserve the right to refer clients from time to time to affiliate companies offering services such as but not limited to mortgage and financial services and utility services. Please be aware that H2MO Ltd receive referral fees for this introduction and full transparency on referral fees received are available upon request.

12. Client Money Protection



Client money protection for landlords and tenants

This is to certify that

SOURCED LIVING LIMITED

is a member of Client Money Protect

Membership no: CMP012829

Date of issue: 26/02/2024

Expiry date: 25/02/2025

A handwritten signature in black ink, reading 'Eddie Hooker'.

Eddie Hooker

Client Money Protect

13. Fee Schedule

		ESSENTIAL	VIP
Lettings Management Fee		18% inc VAT	22% inc VAT
Homelet Eviction Cover		£30 inc VAT	£30 inc VAT
New Tenancy SET-UP FEES		£250.00 inc VAT	£50.00 inc VAT
Referencing & Right to Rent (*Set-up fee includes 2x tenants)		£30 inc VAT per additional tenant / guarantor	£15 inc VAT per additional tenant / guarantor
Rent Protection		From £46	From £46
Renewal of Tenancy Agreement (no changes)		£95 inc VAT	INCLUDED
Check-Out/Check-in Inspection		£55 inc VAT	£35 inc VAT
Deposit Protection Registration Fee		£30 inc VAT	INCLUDED
Overseas Landlord / NRL 1 Exemption		£30 inc VAT	INCLUDED
Cancellation of Management Service Fee inc. Selling following the minimum term.		2 months written notice plus 1 months' rent	2 months written notice plus 1 months' rent
Property Visits: HMO Monthly Inspections		£65 inc VAT	INCLUDED
Full House Mid Term Inspections		£145 inc VAT	£85 inc VAT
Landlord Withdrawal from Offer		Expenses to a max. £450 inc VAT	Expenses to a max. £450 inc VAT
Key Cutting		£25. inc VAT first key plus £10 per key thereafter	£25. inc VAT first key plus £10 per key thereafter
Key Safe Fitment		£65 inc VAT	£65 inc VAT
Serving Section 21 Notices		£65 inc VAT	INCLUDED
Serving Section 13 Rent Increase Notices		£45 inc VAT	INCLUDED
Court Attendance		£250 inc VAT per Day	£250 inc VAT per Day
Bailiff Attendance		£150 inc VAT plus cost of Court Appointed Bailiff	INCLUDED
Empty Property Management		£80 inc VAT per visit	INCLUDED

HMO Licence Application Admin Fee		£250 inc VAT	£250 inc VAT
HMO Renewal Admin Fee		£200 inc VAT	£200 inc VAT
Out of Hours Attendance		£50 inc VAT	£50 inc VAT
Land Registry Check		£12 inc VAT	INCLUDED
Providing Tenancy Documents / Statements After Management has ended		£25 inc VAT	INCLUDED
End of Year / Quarterly Statements		£25 inc VAT or free via Payprop Landlord App	INCLUDED
Weekly Fire Alarm Tests		£25 pw inc VAT	INCLUDED
Landlord Gas Safety Certs		£90 inc VAT	£90 inc VAT
Landlord Gas Safety Certs with Boiler Service		£125 inc VAT	£125 inc VAT
EICR		£200 inc VAT	£200 inc VAT
Legionnaires Risk Assessment		£90 inc VAT	£90 inc VAT
EPC		£90 inc VAT	£90 inc VAT
Portable Appliance Test		£85 inc VAT	£85 inc VAT
Supply and Fit CO Alarm		£65 inc VAT	INCLUDED
Emergency Lighting/Fire Alarm 6 Monthly Service		£125 inc VAT	£125 inc VAT
Floor Plan		From £140 inc VAT	£140 inc VAT
Fire Risk Assessment		£170 inc VAT	£170 inc VAT
Fire Door Inspection Report		From £35 inc VAT per door	From £35 inc VAT per door
HHSRS Assessment		£175 inc VAT	£175 inc VAT
Cleaning (Min 2 hrs)		£20ph inc VAT	£20ph inc VAT
Contractor Invoice Processing		£15 inc VAT per Invoice	£15 inc VAT per Invoice
Property Attendance Visits		£45 inc VAT	£45 inc VAT
In-House Maintenance		£55 inc VAT per hour	£55 inc VAT per hour
Staff Hourly Rates for work out of general scope of business		Staff = £50 per hour Management = £100 per hour Director = £200 per hour	
Off Market Sales Service		2% inc VAT of the agreed sale price	
Buy To Let Advisory Service		One to One Advice – from £250 inc VAT	
Project Management		10% of total works Cost minimum £300 inc VAT	
Landlord Rescue Service		Initial Advice - £300 inc VAT	
HMO consultation Report		Initial Advice - £300 inc VAT	

14. Consumer Contracts Regulations

The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013

The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 only apply to these Terms of Business when signed off-premises, not in the business of H2MO Ltd and by a consumer in the presence of a H2MO Ltd employee. Where these regulations apply you have fourteen days to cancel this contract. If you wish to cancel this contract you must do so in writing by delivering or sending, including by email, a cancellation notice to the named person at the address below. If you send the cancellation notice by post then we recommend that you send it by recorded delivery. Whilst we have provided a form below for your use, you do not have to use this form. Cancellation will be deemed to have been served as soon as it is posted or sent, therefore we may require proof of postage to be provided. If the cancellation notice is emailed the cancellation will be deemed to have occurred on the date of the email. If you make a personal visit to hand deliver the notice or letter the cancellation will be deemed to be the date of delivery.

Immediate Commencement of Services and Marketing within 14 day cancellation period.

I/We agree that I/we wish to begin immediately receiving services and marketing without delay.

I/We agree that if I/we cancel within the fourteen days that H2MO Ltd will charge an administration charge for work done by H2MO Ltd and third party costs incurred by H2MO Ltd, prior to cancellation.

This Administration charge only applies if you should cancel in the first fourteen days and is not charged should you give notice in accordance with this contract, after the fourteen days have lapsed.

I/We agree that if I/we decide to cancel the contract within fourteen days, I will pay the full cost of the service, agency fee, commission and any other charges detailed in this contract, if it has been provided as per this contract prior to the date of the cancellation or at any point thereafter with my/our agreement.

Authorised Signatories

PRINT NAME:	SIGNED:	DATED:
PRINT NAME:	SIGNED:	DATED:

COMPLETE AND DETACH THIS FORM ONLY IF YOU WISH TO AND ARE ABLE TO CANCEL THIS CONTRACT.

SEND THE COMPLETED FORM TO:

Jason Kay
127 Chanterlands Avenue
Hull
HU5 3TG
hello@h2mo.co.uk

I/We hereby give you notice that I/we wish to cancel my/our contract with H2MO Ltd and agree to pay an administration charge, as detailed in the Terms of Business I/we have signed. Please provide a detailed invoice that I/we agree to settle within fourteen days of invoice date.

I/We agree that I/we will pay the full cost of the service, agency fee, commission and any other charges detailed in this contract, if it has been provided as per the contract prior to the date of this cancellation notice or at any point thereafter with my/our agreement.

Address of property(s) to which the contract applies

Print Name:	Signed	Date
Print Name:	Signed	Date