

DANDARA JERSEY LIMITED

TERMS AND CONDITIONS

Effective from 1 July 2005

NB: In these Terms and Conditions “we” means Dandara Jersey Limited, “you” and “client” mean the Licensor or prospective Licensor; “he” may mean he, she, it or they depending on the context; and words in the singular import the plural and vice versa as demanded. We may assign or subcontract our right and/or responsibilities under this contract to another party.

NB: Presently there is no VAT in Jersey.

NB: Please read all sections of these Terms and Conditions carefully. Should you require our tenant introduction and rent collection only, please ignore the Section enumerated 2 below.

SERVICES AVAILABLE

LETTING OF RESIDENTIAL PROPERTY

When we receive your instructions to act as your agent for the purpose of arranging the letting of your residential property (“the Property”) we shall: view the property and prepare particulars, seek out a prospective tenant; arrange for him to view the property; negotiate with him the terms for his occupation of the Property which are acceptable to you as the Licensor (“the Licensor”) and in consideration thereof you shall pay us a fee (“the Rental Commission”). When agreement in principle is reached on a letting with a prospective tenant we shall:

If the prospective tenant is an individual apply for two references for you to review and satisfy yourself as to the suitability of the prospective Licensee (“the Licensee”).

If the prospective tenant is a limited company we shall obtain a reference from the prospective tenant relating to its employee who will occupy the Property for you to review and satisfy yourself as to the suitability of the prospective Licensee (“the Licensee”).

MANAGEMENT SERVICES

When we receive your instructions to manage your Property we shall provide the services specified within point 2. In consideration you shall pay us the commission referred to at point 2.2 (“Management Commission”). You shall be entitled to terminate our management upon providing us with 2 months written notice. For the avoidance of doubt, any Rental Commission payable by you shall remain payable notwithstanding the termination of our management.

1. CONDITIONS FOR THE LETTING OF RESIDENTIAL PROPERTY

1.1 COMMISSIONS PAYABLE

- (a) Subject always to the provisions of this clause 1.1, the Rental Commission is calculated and payable at the rate of 7.5% of the gross rent payable throughout the term of the Licence Agreement.

- (b) Our Rental Commission will be payable in advance on the commencement date stated in the Licence Agreement entered into between you and the Licensee introduced by us ("the Licence Agreement"). Our Rental Commission is also payable on each and every renewal or extension of the term of the Licence Agreement whether negotiated by us or not. For each and every renewal or extension an invoice will be rendered on the date of renewal or extension or as soon as practicable thereafter and will be payable immediately. For the avoidance of doubt our Rental Commission is payable as stated in this paragraph.
- (c) If monies are paid to you in error you agree to return those monies to us immediately. In the event you fail to return the monies within 7 days of receipt of the funds by you interest shall accrue on a day a day-to-day basis on the sum due to us at the rate of 4% above the base rate of the Bank of England.
- (d) In the event the Rental Commission is not paid to us within 30 days of the due date interest shall accrue on a day to day basis on the sum due to us at the rate of 4% above the base rate of the Bank of England from the date the Rental Commission fell due until the date payment is made in full.
- (e) For the purposes of these Terms and Conditions, the term or duration of any letting shall be that stated in the Licence Agreement and shall include any extension or renewal to the original Licence Agreement but any options to terminate shall be disregarded. Rental Commission is payable to us by you in respect of any extension to the original Licence Agreement in return for our company serving the relevant notices, contacting the Licensee on your behalf and negotiating and agreeing all the terms for the renewals in terms of the rent payable and the length of the renewal period. If the Licensor does not require us to renegotiate the renewal and wishes to do so yourself renewal fees will still be payable for the initial introduction and its continuing benefit. Whether you have subsequently disposed of your interest in the Property and regardless of whether the extension or renewal is to the same Licensee or to an associate, nominee or relative of the Licensee or a party introduced by the Licensee or in the case of a company let to an associate of the occupier or the Licensee or subsidiary of the Licensee.
- (f) In the event of our securing a Premium Licence Agreement ("the Licence Agreement"), namely where the rent for the duration of the lease is paid in advance, we will be entitled to deduct our Rental Commission for the full term of the Licence Agreement from the premium payment. For the purpose of this clause the Rental Commission will be calculated and payable at a rate of 10% of the premium payable under the terms of the Licence Agreement and any extensions or renewals thereof upon the basis set out in point 1.1(e) above.
- (g) We will provide you with all the reasonable assistance in resolving a dispute with the Licensee or to recover arrears of rent, but in giving us our instructions to arrange the letting of the property, you expressly undertake to indemnify us in full for all reasonable costs and expenses we may incur in providing such assistance at an hourly rate of £50.00. You also agree to pay all disbursements including any legal costs incurred by us.
- (h) In the event that the Licensee or any other person (or associate, nominee or relative of any such person) introduced to you by us whether in the character of a potential purchaser or Licensee exchanges contracts to purchase the property you shall pay to us a commission of 1% of the purchase price (hereafter called the "Sale Commission"). For the avoidance of doubt the Sale Commission will be due upon signing of agreements. However it is our practice to accept payment of the Sale Commission upon completion of the purchase provided we receive an undertaking from your solicitors immediately on signing of agreements confirming they will pay to us the Sale Commission from the completion monies. In the event that our Sale Commission is not paid to us within 30

days of the due date interest shall accrue on a day to day basis on the sum due to us at the rate of 4% above the base rate of the Bank of England from the date the Sale Commission fell due until the date payment is made in full.

- (i) In the event that you sell or pass on the title of a property which is subject to a Licence Agreement which was arranged by us and which is to continue, our Rental Commission remains payable to us for however long the same Licence Agreement lasts irrespective of by whom any extensions are negotiated. In your own interests you must therefore ensure that the purchaser agrees to pay any commission due to us after completion of the sale by obtaining the purchaser's written agreement to be bound by our Terms and Conditions at signing of agreements. A copy of our Terms and Conditions will be provided to your solicitor for this purpose on request. Please note should the purchaser fail to pay our Rental Commission you will be liable to pay it even though you no longer receive the rent.

1.2 LEASEHOLD PROPERTIES

If the property owned by you is subject to a superior lease containing certain restrictive covenants, it is your responsibility to inform us of the existence of those restrictive covenants and to provide us with a copy of the said superior lease. We will then send a copy to the Tenant. If you fail to provide a copy of the superior lease we do not accept any liability whatsoever if you are in breach of your obligations under it because of the tenant's actions.

1.3 INSURANCE

It is your obligation as the Licensor to make certain that the property and its fixtures, fittings and contents are at all times properly and adequately insured. You should also notify your insurer that the Property is let. You should notify (and obtain permission from if appropriate) your insurer if the property is to be vacant for a period of time and ensure that you comply with your insurance policy requirements for vacant properties. Failure to do so could result in your insurance cover being voided.

1.4 COMMISSIONS FROM THIRD PARTIES

It is possible that in the normal course of business we will be offered commissions by third parties to whom we might introduce our client's business. We wish to make it clear that we do not solicit such commissions and that we select such third parties on the positive basis of what we know of their competence and/or availability and not because of their willingness to offer us inducements to deal with them. If, however, they do offer us a commission or other form of remuneration and we are satisfied that the service they provide is as good and/or no more expensive than others with whom they compete, and that our client's interests are therefore not adversely affected, then we may accept such commissions for our own benefit and not account for them to our clients.

1.5 KEYS

We recommend that if there are any lost or unaccounted keys to the property the locks be changed before a new Licence Agreement begins. We cannot accept any responsibility for lost or unaccounted keys. If you wish for us to arrange for keys to be cut for a property we will make an administration charge of £25.00 per full set of keys in addition to the invoice for the cost of cutting the keys. In the case of cutting copies of security keys and key fobs you must provide us with the appropriate letter of authority.

1.6 EXCLUSION OF LIABILITY AND INDEMNITY

- (a) We accept no liability or responsibility whatsoever for any damage to any property, its fixtures, fittings or contents, or for any losses which may be suffered by you as a result of the Licensee or yourself failing to comply with:

(i) The obligations contained in the Licence Agreement;

or

(ii) Any statute or other enactment of Parliament.

(b) Further we accept no liability or responsibility for failure to pay outgoings on behalf of the Licensor.

(c) We accept no liability or responsibility whatsoever for any damage to any property, fixtures, fittings or contents or for any losses whatsoever and however arising, which may be suffered by you in respect of any repairs or other work undertaken by any contractor to whom you are introduced by us and/or recommended by you, nor do we warrant the services of any contractor. Your use of any such contractor is undertaken at your own risk and you should make your own enquiries as to the suitability of any such contractor.

(d) You accept that it is not part of our duties to actively inspect the Property nor supervise the activities of the Licensee, unless you choose to opt for our Property Management Service.

(e) In the event that you give us instructions which we follow in good faith and which instructions turn out to be unlawful or result in an unlawful act or otherwise give rise to any kind of claim or action being made against us you will provide us with a full indemnity for all penalties, damages, costs, expenses and losses whatsoever which we may incur as the result of following those instructions.

(f) You also specifically undertake to provide us with a full indemnity on the same basis as above in respect of any claim or action brought against us whether alone or jointly with you arising from our obligations to you in relation to the property whether that claim or action is being brought by the Licensee or any third party.

(g) It is a term of the agreement between us that we carry out the above services with reasonable care and skill. However, we are unable to guarantee the suitability of a Licensee, the accuracy of the information contained in the references obtained, timely rental payments or vacant possession at the end of a tenancy and accordingly we do not accept liability should these or other problems arise

1.7 LICENSOR STATUTORY OBLIGATIONS

The responsibility for compliance with the following regulations or any re-enactment of the same is and remains the personal obligation of the Licensor – i.e. you. By accepting these terms and conditions of business you warrant that:-

(i) All upholstered furniture, soft furnishings, beds, mattresses, pillows and cushions supplied to the property and forming part of the proposed letting (including any later replacements) do and will comply with the Furniture and Furnishings (Fire) (safety) regulations 1988 and the Furniture and Furnishings (Fire) (Safety) (Amendment) Regulations 1993.

(ii) All electrical installations and appliances within the property comply with the electrical Equipment (safety) Regulations 1994

1.8 ABORTIVE TRANSACTIONS

If you instruct us to proceed with the proposed Licence Agreement, and subsequently withdraw these instructions, you agree to meet our fees for the time spent upon the abortive instructions (i.e. including but not limited to finalising the Licence Agreement details, collecting references and preparing the Licence Agreement) at a rate of £25.00 per hour. However, you shall not be responsible for such costs if the references on the proposed Licensee prove to be unsuitable or if the Licensee withdraws from the transaction prior to completion.

2. CONDITIONS FOR THE MANAGEMENT OF RESIDENTIAL PROPERTY

2.1 In the event you instruct us to manage the property this section will apply in addition to section 1.

2.2 COMMISSION PAYABLE

- (a) A commission of 5% of the gross rent is payable in advance on the commencement date stated in the Licence Agreement. For each and every renewal or extension of the term contained in the Licence Agreement an invoice will be rendered on the date of the renewal or extension or as soon as possible thereafter and will be payable immediately. Our Management Commission is payable in addition to any Rental Commission.
- (b) In the event the Management Commission is not paid to us within 30 days of the due date interest shall accrue on a day to day basis on the sum due to us at the rate of the Bank of England from the date the Management Commission fell due until the date payment is made in full.

2.3 SERVICES PROVIDED

(a) UTILITIES

The Management Commission covers arranging for the transfer of utilities on your behalf, However it is your obligation to provide details of your utility providers. We will not be responsible for settling any utility bills during void periods. When the Tenant terminates the tenancy all utilities will be transferred into your name and sent to your correspondence address for payment.

(b) CLEANING

If the lettings negotiator considers it necessary, we will arrange for a contract cleaner to clean the property before each Licence Agreement. The cost of the cleaner will be charged as a disbursement to you direct. If the property needs cleaning subsequently we will arrange this as required from time to time. The cost of the cleaning on subsequent occasions will be your responsibility as well.

(c) REPAIRS

If taking our Property Management Service, you will be contacted with a quote if it is necessary to arrange for any routine repairs or maintenance that are necessary either to the property or to its fixtures, fitting and contents to be carried out.

(i) in the event of an emergency (for example, but not limited to, dealing with burst pipes, broken heating systems or the effects of a fire) we have absolute discretion, subject to our having tried and being unable to contact either you, or your designated agent at the telephone number(s) you have given us. We will recover any disbursements incurred by submitting any relevant invoices to you for immediate payment.

(ii) The words “repairs” and “maintenance” shall be construed as those items that we consider reasonably necessary to maintain the property and your fixtures, fittings and contents in good condition.

(iii) Repairs and Maintenance will be carried out subject to the availability of suitable contractors. We will be happy to use contractors recommended by you subject to the immediate availability but will accept no responsibility or liability for any contractor.

(iv) While all reasonable steps will be taken to procure the services of competent contractors, we do not accept any liability whatsoever for any loss or damage of any kind caused by those contractors howsoever it arises.

(d) CORRESPONDENCE

We will handle all normal correspondence with your Licensee and also with third parties on matters relating to the Management and internal maintenance of the property. It will not include the active prosecution or defence on your behalf of any issue which for whatever reason has developed beyond a mere difference of opinion into what we regard as a dispute with the Licensee or any third party.

(e) PROPERTY VISIT

If you ask us to, we will arrange for the Property to be visited prior to the Licensee moving in or during the course of a Licence Agreement at an additional charge of £50.00 for managed and non-managed properties. For the purposes of this clause a “visit” will consist of a visit to the Property and the appliances therein but, for the avoidance of doubt, we shall bear no responsibility if such appliances are not in good working order nor shall we provide no guarantee or warranty that the said appliances are in good working order. During the visit we will look at non-structural defects that come to our notice or are clearly and adequately brought to our attention by the Licensee. This will extend only to apparent and obvious defects and will not amount in any way to a structural survey of the Property nor will such a visit refer to the inventory nor will it amount to a safety check. We cannot accept any responsibility for hidden or latent defects or for failure to notice anything concealed from our employees, representatives or agents.

(f) SITTERS

In the event that a contractor (for example a Jersey Electricity Co. employee) is required to attend the Property and the Licensee is unable to present, a person appointed by us will attend the Property for security reasons on your behalf and their time including travelling time will be charged to you at £25.00 per hour.

(g) LEGAL ADVICE, LEGAL ACTION, ARBITRATION AND RENT ASSESSMENTS

If we are required by you and on your behalf to seek legal advice, undertake legal action or arbitration to include liaising with solicitors, arbitrators, barristers, attending conferences and appearances before any Rent Assessment Commission or any other Court or Tribunal our fee is £25.00 per hour plus any disbursements incurred. The legal costs remain your responsibility.

(h) CLEANING

In the event it is necessary for us to arrange a contract cleaner on your behalf, the cost of the clean will be your responsibility and this will be invoiced separately. We do not employ cleaners and cannot accept any liability for their actions.

2.4 INSURANCE

The responsibility for ensuring that the cover is adequate and suitable lies exclusively with you. You should check, before entering into any letting of your Property, that any insurance cover in place is not affected by the fact that the Property is either unoccupied or tenanted (see 1.3).

2.5 EXCLUSIONS OF LIABILITY AND INDEMNITY

Please refer to point 1.7 above and the specific exclusions contained in this section 2.

3. EXTRAORDINARY MANAGEMENT

We are pleased to offer at our discretion the following optional services to our clients that are not covered under our Letting & Management terms at section 1 and 2 above at fees to be agreed. These include:

(a) Liaising with Superior Licensors and Freeholders.

(b) We can make insurance claims on your behalf in accordance with Clause 2.4 Our services will include:

(i) Liaising with loss adjusters

(ii) Obtaining estimates with builders and trades people

(iii) Assisting in resolving disputes with a Licensee and recovering arrears of rent, to include attendance at any hearing (see 1.1(g)).

4. INTERIOR DESIGN SERVICES

We can arrange for the redecoration and/or refurbishing of your Property as required to bring it up to or maintain it in good letting condition. Please contact our rental department for more information.

5. PROPER LAW AND JURISDICTION

5.1 This Contract shall be governed by Jersey Law and shall be deemed to have been made in Jersey.

5.2 Any proceedings arising out of or in connection with this Contract may be brought in any court of competent jurisdiction in Jersey whose Courts shall have exclusive jurisdiction.

6. CONTRACT

6.1 No variation to these terms will be effective unless agreed in writing by a Manager/Director of Dandara Jersey Limited trading as Heritage Homes prior to the introduction of any Licensee.

6.2 Please complete and sign the attached Licence Agreement clearly indicating the level of service you require, and return it to us as confirmation of your instructions.

6.3 In the event of our letting the Property on verbal instructions we will withhold the balance of monies due to you until such time as you return the attached Agency Agreement duly signed.

7. UTILITIES

If advised of the utility providers, we can arrange for the transfer of electricity accounts into the Licensee's name with effect from the date the Licensee occupies the property.

8. DOCUMENT DELIVERY

If we use couriers for the delivery of documents on your behalf, there will be an additional charge of £20.00 for each courier.

9. GENERAL

Historic problems evident or known to you prior to the letting or works and/or repairs required by the Licensee prior to the letting fall outside routine management responsibilities and will be charged for on the basis of Extraordinary Management (see point 3).

10. ADDITIONAL SERVICES AND CHARGES APPLICABLE TO BOTH SECTIONS 1 AND 2

NB: Unless otherwise stated below, all fees payable for the provision of additional services are payable immediately upon demand.

(a) INVENTORY

It is essential to prepare an inventory of all fixtures, furniture and effects at the property ("the inventory"). This should be carried out by a member of our rental department team. It is also essential to seek the Licensee's agreement to the inventory before he moves in. When the Licensee moves, it is also essential to consider the state and condition of the Property and the items listed in the inventory in the Licensee's presence. The inventory should be kept in a safe place ready for reference at the end of the Licence Agreement

DANDARA JERSEY LIMITED
AGENCY AGREEMENT
(To be completed by the Licensor)

I/We

Confirm that we are the sole/joint owner of the property known as:

Of

(FULL names must be supplied. If the property is jointly owned both names must appear on this form and on the Licence Agreement. If the property is corporately owned the company's full name and registered office must appear on this form and on the Licence Agreement and must be signed hereunder and on the Licence Agreement by two signatories unless the company's constitution allows the company to be committed by one authorised signatory.)

I/We confirm that we have read, understood and accept the Terms and Conditions to which this Agency Agreement forms an attachment and hereby instruct you to undertake the following services:

Please tick box as appropriate

Letting of Residential Property 7.5%

Property Management (as above plus 5%)

Signed by:

Please print name:

Date:

Signed by:

Please print name:

Date:

Please detach this page and return to Dandara Jersey Limited, 16 Gloucester Street, St Helier, Jersey, JE2 3QR.