

SELLER AUCTION CONDITIONS

This document forms part of SDL's seller terms. You must read this carefully before you sign an agreement for us to sell your property at auction because it contains terms that will bind you once a bid is accepted.

1. AUCTION CONDITIONS

- 1.1 The following terms apply to the sale following the acceptance of a Bid at Auction or pre- or post-Auction (both for online auctions and in-room auctions). By signing this Agreement, you agree to be bound by the following terms. We've included here the terms that impose obligations on you. To see all of the terms that Buyers are bound by, visit our website and click on Buyer Terms.
- 1.2 **Financial charges.** You must discharge financial charges over the Property before completion of the sale.
- 1.3 **Notices etc.** The lot is sold subject to the following; to avoid disputes, you must inform us of any:
- (a) Matters registered or capable of being registered by any competent authority;
 - (b) Matters registered or capable of registration as local land charges;
 - (c) Notices, orders, demands, proposals and requirements of any competent authority;
 - (d) Charges, notices, orders, restrictions, agreements and other matters relating to town and country planning, highways or public health;
 - (e) Rights, easements, quasi-easements, and wayleaves;
 - (f) Outgoings and other liabilities; and
 - (g) Any interest which overrides under the Land Registration Act 2002
- 1.4 You must notify the Buyer of any notices, orders, demands, proposals, and requirements of any competent authority of which you learn after a Bid is accepted and the Buyer is required to comply with them and keep you indemnified.
- 1.5 **Tenant's and trade fixtures and fittings.** The lot won't include any tenant's or trade fixtures or fittings unless you specify in the special conditions that chattels are included. If chattels are included:
- (a) The Buyer takes them as they are at completion and you are not liable if they are not fit for use, and
 - (b) You must leave them at the lot.
- 1.6 **Between contract and completion.** You must insure the Property in accordance with this Agreement up to the point of sale. Once the contract of sale is signed, the Buyer bears all risk of loss or damage to the Property unless:
- (a) The lot is sold subject to a tenancy that requires you to insure the lot or
 - (b) The special conditions require you to insure the lot.
- 1.7 **Title.** The Buyer accepts your title to the lot at the date of the contract of sale and cannot raise any requisition or objection to any of the documents made available before the Auction. If the lot is registered land you must give the Buyer, within 5 business days of the contract date, an official copy of the entries on the register and title plan and, where noted on the register, all documents subject to which the lot is being sold, unless you have already provided this prior to Auction as part of the Legal Pack. If the lot is not registered land you must give to the Buyer, within 5 business days of the contract date, an abstract of the title starting from the root of title and produce the appropriate original documents. If title is in the course of registration, you must provide to the Buyer, within 5 business days, certified copies of the application for registration of title, evidence that all applicable Stamp Duty Land Tax relating to the application has been paid, and a letter under which you or your solicitor/conveyancer agrees to use all reasonable endeavours to answer any requisitions raised by the Land Registry and to instruct the Land Registry to send the completed registration documents to the Buyer.
- 1.8 **Transfer.** Unless a form of transfer is set out in the special conditions of sale, the Buyer must supply to you a draft transfer at least 10 business days before the agreed completion date and the engrossment (signed as a deed by the Buyer if necessary) 5 business days before that date or (if later) 2 business days after the draft has been approved by you, and you must approve or revise the draft transfer within 5 business days of receiving it.
- 1.9 **New lease.** Where the special conditions of sale state that you are to grant a new lease to the Buyer, you are to produce, at least 5 business days before the agreed completion date, the engrossed counterpart lease, which the Buyer is to sign and deliver to you on completion.
- 1.10 **Completion.** Completion is to take place at the offices of your solicitor/conveyancer on the agreed completion date unless you and the Buyer agree otherwise.
- 1.11 **Notice to complete.** You or the Buyer may, on or after the agreed completion date, but before completion, give the other notice to complete within 10 business days making time of the essence. The person giving the notice must be ready, willing and able to complete. If the Buyer fails to comply with a notice to complete you may terminate the contract, claim the deposit and any interest on it, forfeit the lot, and claim damages from the Buyer. If you fail to comply with a notice to complete the Buyer may terminate the contract and recover the deposit and any interest on it from us, you, or your solicitor/conveyancer.
- 1.12 **Termination of the contract of sale.** If the contract is brought to an end, the Buyer must return all documents to you and appoint you as its agent to cancel any registration of the contract and you must return the deposit and any interest on it to the Buyer (or the Buyer may claim it from the stakeholder) unless you are entitled to keep the deposit under the terms of this Agreement or the Buyer's Terms.

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- 1.13 **Landlord licence.** If your lot includes leasehold land and licence to assign or sublet is required then the contract of sale is conditional on that licence being obtained. The agreed completion date is not to be earlier than 5 business days after you have given notice to the Buyer that the licence has been obtained. You must:
- (a) Use all reasonable endeavours to obtain the licence at your expense; and
 - (b) Enter into any Authorised Guarantee Agreement properly required.
- 1.14 **Interest.** If the actual completion date is after the agreed completion date for any reason other than your default, the Buyer must pay interest at 5% above the base rate of HSBC on the money due for the period starting on the agreed completion date and ending on the actual completion date.
- 1.15 **Apportionment.** Income and outgoings are to be apportioned at the actual completion date unless the amount is not known at completion, in which case apportionment is to be made by reasonable estimate with a further payment being made by you or the Buyer as appropriate within 5 business days of the date when the amount is known.
- 1.16 **Management.** Where the lot is sold subject to tenancies, you must manage the lot in accordance with its standard management policies between Auction and completion. You must consult the Buyer on all management issues that would affect the Buyer after completion and comply with the Buyer's reasonable requirements unless to do so would expose you to a liability that you would not otherwise have (in which case, you may act reasonably in such a way as to avoid that liability). If you give the Buyer notice of your intended management act and they don't respond in 5 business days, you can act as you intended.
- 1.17 **Rent deposits.** If there's a relevant assured shorthold tenancy, you and the Buyer must comply with your respective legal duties in relation to tenancy deposit protection. You have to demonstrate to each other in writing that you have complied, if requested. If you hold a deposit, you must assign it to the Buyer or, if this is not possible, hold it on trust for the Buyer from the completion date.
- 1.18 **Sale as a going concern.** If the special conditions of sale state that the lot is to be sold as a going concern, you confirm that the Legal Owner is registered for VAT and has made a VAT option that remains valid and will not be revoked before completion. If, after completion, it is found that the sale of the lot is not a transfer of a going concern then your solicitor/conveyancer is to notify the Buyer's solicitor/conveyancer of that finding and provide a VAT invoice in respect of the sale of the lot.
- 1.19 **Capital allowances.** If the special conditions state that there are capital allowances available in respect of the lot, you must promptly supply to the Buyer all information reasonably required by the Buyer in connection with the Buyer's claim for capital allowances. You and the Buyer agree to make an election on completion under s198 of the Capital Allowances Act 2001 to give effect to the capital allowance and to submit the value specified in the special conditions to HMRC for the purposes of your respective capital allowance computations.
- 1.20 **Maintenance agreements.** You must use reasonable endeavours to transfer to the Buyer, at the Buyer's cost, the benefit of any maintenance agreements specified in the special conditions of sale.
- 1.21 **TUPE.** If the special conditions of sale state that TUPE doesn't apply, this is a warranty by you that TUPE does not apply. If the special conditions of sale don't state that TUPE doesn't apply, you must notify the Buyer of relevant employees whose contracts of employment will transfer to the Buyer on completion not less than 14 days before completion. You and the Buyer acknowledge that pursuant to TUPE the relevant contracts of employment will transfer to the Buyer on completion.
- 1.22 **Service charge.** If a lot is sold subject to tenancies that include a service charge, no apportionment is to be made at completion in respect of service charges. Within 2 months of completion you must provide to the Buyer a detailed service charge account for the current service charge year showing the service charge attributable to each tenancy, payments on account of service charge received from each tenant, any amounts outstanding, and any service charge expenditure that is not attributable to any tenancy and so is irrecoverable. If the service charge accounts show over-contributions, you must pay to the Buyer an amount equal to those overcontributions. In respect of irrecoverable sums, you must pay the expenditure incurred in respect of the period before completion, and the Buyer must pay any expenditure incurred after that date.
- 1.23 **Rent reviews.** If the lot is sold subject to a tenancy under which a rent review is due on or before the completion date, you may continue negotiations up to the completion date but may not agree the level of revised rent without the written consent of the Buyer. You must promptly give to the Buyer full details of rent review proceedings and carry out all reasonable measures to substitute the Buyer for yourself in the proceedings following completion. You are to bear your own costs in relation to rent review proceedings.
- 1.24 **Tenancy renewals.** If you receive a notice under part ii of the Landlord and Tenant Act 1954 (as amended) you must send a copy to the Buyer within 5 business days and act as the Buyer reasonably directs in relation to it. You are to bear your own costs in relation to tenancy renewals.
- 1.25 **Warranties.** If warranties are listed in the special conditions of sale, you must assign that warranty to the Buyer wherever possible or hold the warranty on trust for the Buyer.
- 1.26 **Your release from covenants in leases.** With regard to the Landlord and Tenant (Covenants) Act 1995, you may, up to the date of completion, serve notice on any tenant in accordance with the 1995 Act requesting a complete release from future liability under the covenants contained in any relevant tenancies. If you serve any such notice you must use reasonable endeavours to obtain that release without being obliged to apply to Court for a declaration and the Buyer agrees to provide you with the necessary information to show the tenant or the Court that it is reasonable to release you from the covenants.