

BUYER TERMS OF SDL AUCTIONS LIMITED (SDL) TERMS AND CONDITIONS FOR BIDDING AND BUYING AT AUCTION

The following Terms and Conditions govern the conduct of our auctions. If you bid on a property, it is on the basis that you accept these terms and conditions.

SDL operates three types of auction sale:

1. Unconditional with Fixed Fee
2. Unconditional with Variable Fee
3. Conditional with Reservation Fee

These Terms and Conditions apply to all three types of auction sale and therefore cover all properties offered for auction by SDL.

TERMS AND CONDITIONS:

1. ABOUT THESE TERMS

1.1 **What these terms cover.** These are the terms and conditions on which we offer properties for sale in our auctions (both online and in-room). If you bid on a property, whether in-room, online, or pre- or post- auction, you are bound by these terms and conditions

1.2 **Why you must read them.** Please read these terms carefully before bidding on a property at auction. These terms tell you who we are and the rules that apply to bidding at auction. If you have a question about these terms or think that there is a mistake in these terms, please contact us.

2. INFORMATION ABOUT US AND HOW TO CONTACT US

2.1 We are SDL Auctions Limited, a company registered in England and Wales. Our Company Number is 07719474 and our registered address is 17 Regan Way, Chetwynd Business Park, Chilwell, Beeston, Nottingham, England, NG9 6RZ.

2.2 You can contact us by telephoning us on 0800 304 7879, by writing to us at our registered address, or by emailing us at enquiries@sdlauctions.co.uk.

3. INTERPRETATION

3.1 In these terms and conditions 'lot' means the land or property that is up for sale at auction. Each lot is given a number on the website or in the catalogue.

3.2 References in these terms to legislation are references to it as amended or replaced from time to time.

3.3 We reserve the right to change our terms and conditions at any time.

4. TYPES OF SALE

4.1 SDL offers three types of sale at auction, listed at the start of these terms.

4.2 Each lot offered at auction is labelled with the type of sale that applies to it.

4.3 By bidding on a lot, you agree to the relevant terms below which relate to the applicable type of sale. **It is important that you take note of what type of sale is offered before bidding on a lot.**

4.4 Terms 5-7 apply only to the type of sale listed. All of the other terms apply to all lots.

5. TERMS THAT APPLY TO UNCONDITIONAL WITH FIXED FEE LOTS

5.1 If you are the highest bidder, you must:

- 5.1.1 exchange legally binding contracts for the sale of the property immediately;
- 5.1.2 pay a non-refundable deposit equal to 10% of the purchase price, subject to a minimum of £5,000. This deposit contributes towards the purchase price (although note we can deduct fees owing to us from the deposit);
- 5.1.3 pay an auction fee ('Buyer's Fee'). This is usually £1,074 (including VAT) however, sometimes a different fee applies and will be listed on the lot - make sure you check the information relating to each individual lot. The auction fee does not contribute towards the purchase price; and
- 5.1.4 complete the sale within 20 business days unless the special conditions of sale state otherwise.

5.2 If you fail to complete the sale, the seller can bring a claim against you personally for losses suffered and we may pursue you for unpaid auction fees.

6. TERMS THAT APPLY TO UNCONDITIONAL WITH VARIABLE FEE LOTS

6.1 If you are the highest bidder, you must:

- 6.1.1 exchange legally binding contracts for the sale of the property immediately;
- 6.1.2 pay a non-refundable deposit equal to 5% of the purchase price, subject to a minimum of £5,000. This deposit contributes towards the purchase price (although note we can deduct fees owing to us from the deposit);
- 6.1.3 pay an auction fee ('Buyer's Fee') equal to 4.8% (including VAT) of the sale price of the property, or 4.2% (including VAT) of the sale price if the property is in London, subject always to a minimum of £6,000

(including VAT) **The Buyer's Fee does not contribute towards the purchase price;** and

6.1.4 exchange contracts and complete the sale within 20 business days unless the special conditions of Sale state otherwise.

6.2 If you fail to complete the sale, the seller can bring a claim against you personally for losses suffered and we may pursue you for unpaid auction fees.

7. TERMS THAT APPLY TO CONDITIONAL WITH RESERVATION FEE LOTS

7.1 If you are the highest bidder, you must:

- 7.1.1 sign a reservation agreement in relation to the property;
- 7.1.2 pay a non-refundable fee ('Reservation Fee') equal to 4.8% (including VAT) of the purchase price, or 4.2% (including VAT) of the purchase price if the property is in London, subject always to a minimum of £6,000 (including VAT) **The Reservation Fee does not contribute to the purchase price;** and
- 7.1.3 exchange contracts and complete the sale within 40 business days.

Worked example for variable fees: If the final agreed sale price of the Property was £250,000, the Reservation Fee/Variable Buyer's Fee would be £12,000 if the Property was outside London. If the Property was in London with the same final agreed sale price, the Reservation Fee/Variable Buyer's Fee would be £10,500. If the final agreed sale price was £110,000 the Reservation Fee/Variable Buyer's Fee would be £6,000 as 4.8% of that final agreed sale price would give a Reservation Fee/Variable Buyer's Fee of £5,200 which is less than the minimum £6,000 (examples inclusive of VAT).

TERMS THAT APPLY TO ALL LOTS

8. WHAT YOU SHOULD DO BEFORE BIDDING

8.1 If you are the highest bidder, you are legally bound to buy the property and there are financial consequences of withdrawing from the sale, both in terms of non-refundable Buyer's Fees and Reservation Fees, and non-refundable deposits (depending on the type of lot, see clauses 5-7 above) as well as the possibility of legal action being taken against you.

8.2 It is strongly advised that before bidding for a property you:

- 8.2.1 Take professional advice from a solicitor/conveyancer, Chartered Surveyor, and accountant;
- 8.2.2 Inspect the legal pack for the property and have the legal pack inspected by a solicitor/conveyancer;
- 8.2.3 Organise any necessary finance for the purchase;
- 8.2.4 Ensure that you have the funds available to pay any applicable Reservation Fees, Buyer's Fees, and deposits, as well as the purchase price;
- 8.2.5 Carry out the necessary searches and make the necessary enquiries (seek guidance from a solicitor/conveyancer on what searches and enquiries are necessary);
- 8.2.6 Commission appropriate surveys for the property by a Chartered Surveyor;
- 8.2.7 Check the contents of all applicable documents relating to the property, including leases, restrictions, and covenants;
- 8.2.8 Check that the information you have received or seen about the property is accurate;
- 8.2.9 Organise and attend a viewing of the property (unless the lot is marked external inspection only);
- 8.2.10 Commission appropriate reports for the property, such as structural reports, building reports, water and drainage reports, etc;
- 8.2.11 Check the VAT, stamp duty, and other tax consequences of the sale;
- 8.2.12 Familiarise yourself with all terms and conditions relating to our auctions; and
- 8.2.13 Take all other action necessary to satisfy yourself as to the condition of the property in order to be able to determine the price you are willing to pay for the property.

8.3 **If you fail to take any of the above measures, you do so at your own risk. You will not be able to withdraw from the sale once your bid has been accepted without incurring financial consequences. When you bid, you are deemed to have taken all the measures listed in clause 8.2 above and to have acted as a prudent buyer would act.**

8.4 The guide price of the property is not an indication of its market value or its minimum value or worth. It is merely the price at which the seller has decided to advertise the property. It offers no guarantee whatsoever as to the condition of the property or the value of the property.

9. OUR ROLE

9.1 We act as agents for sellers. We have authority to:

- 9.1.1 Prepare the auction catalogue and advertisements for the lots;

- 9.1.2 Offer each lot for sale and combine or divide lots;
- 9.1.3 Receive and hold deposits;
- 9.1.4 Receive auction fees including a Buyer's Fee;
- 9.1.5 Receive Reservation Fees;
- 9.1.6 Accept bids for the lots (including pre- or post-auction);
- 9.1.7 Decline bids for the lot at our discretion;
- 9.1.8 Change the type of sale for a lot at our discretion;
- 9.1.9 Regulate bidding increments and the order of lots;
- 9.1.10 Accept proxy bids;
- 9.1.11 Resolve bidding disputes;
- 9.1.12 Re-offer a lot for sale following bidding disputes;
- 9.1.13 Bid on behalf of the seller up to the reserve price;
- 9.1.14 Sign reservation agreements on behalf of the seller;
- 9.1.15 Sign the contract of sale on behalf of the seller;
- 9.1.16 Sign the memorandum of sale on behalf of the seller;
- 9.1.17 Carry out the exchange of contracts;
- 9.1.18 Repudiate a contract between the seller and buyer;
- 9.1.19 Change the date or time of the auction at our discretion;
- 9.1.20 End the auction early or cancel the auction without giving a reason; and
- 9.1.21 Withdraw lots from auction at our discretion.

9.2 By bidding on a property, you confirm your agreement to be bound by these terms. Under these terms, you give us authority to:

- 9.2.1 Receive and hold deposits;
- 9.2.2 Receive auction fees (including a Buyers' Fee);
- 9.2.3 Receive Reservation Fees;
- 9.2.4 Accept your bid for the lot;
- 9.2.5 Sign a contract of sale on your behalf when you are the highest bidder;
- 9.2.6 Sign a reservation agreement on your behalf when you are the highest bidder; and
- 9.2.7 Repudiate a contract between you and the seller.

10. RESERVE PRICE

10.1 Unless otherwise stated, all lots are subject to a reserve price.

10.2 **The reserve price is the price which must be reached before a lot will be sold.** It can be changed at any time up to the time of the auction.

10.3 The reserve price is confidential, but it will be at or below the top band of the guide price (if the guide price is a range) or within 10% of the guide price (if the guide price is a single figure).

10.4 The seller can bid up to the reserve price but is not allowed to make a bid equal to or exceeding the reserve price. You accept and acknowledge that bids below the reserve price may be made by or on behalf of the seller.

10.5 The seller can choose to sell below the reserve price prior to auction.

11. GUIDE PRICE

11.1 **The guide price is the marketing price or advertised price for the lot.**

11.2 The guide price is not a guarantee or an indication of minimum value. The guide price is not necessarily the market value of the lot.

11.3 The guide price is not set with the help of a Chartered Surveyor and you must engage your own reports and surveys to satisfy yourself of the value of the property before you bid.

11.4 The guide price can change at any time up to the start of the auction.

11.5 The sale price can exceed the guide price. Sometimes, the sale price is lower than the guide price.

12. CHECKING FOR UPDATES

12.1 Lots of information can be changed up to the time of the auction, including the property details, reserve price, and guide price. You must make sure you check for updates before you bid for a property.

12.2 **If you fail to check for updates, you do so at your own risk.**

12.3 You can check for updates by:

- 12.3.1 Checking the webpage for the lot;
- 12.3.2 Re-downloading the legal pack on the day of the auction;
- 12.3.3 Checking any late announcements and addendum documents (online or in-room); and
- 12.3.4 Listening carefully to the auctioneer introducing the auction and the property.

12.4 When you bid, you are taken to have read any late amendments, addendums, or updates even if you have not done so. You are deemed to have full knowledge of any changes made to the information provided about the lot (including the legal pack).

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- 12.5 The auctioneer will make announcements at the start of the auction and it is important that you listen carefully (as well as taking the steps listed in 12.3). After the initial announcements, the auction will proceed without delay and the auctioneer will not describe the properties in detail nor read out the special conditions or amendments.
- 13. TAX**
- 13.1 Stamp Duty Land Tax, Land and Buildings Transaction Tax, VAT, or other charges may apply to some sales. These costs will not be confirmed in the legal pack.
- 13.2 It is your responsibility to make your own enquiries and seek appropriate advice as to the possible tax consequences of the sale before you bid.
- 13.3 If you withdraw from the sale after you have won the lot because of tax consequences, you will lose any deposits or fees paid and the seller may take legal action against you.
- 14. THE LOT**
- 14.11 All the statements contained in particulars of sale or descriptions of the lots in documentation or given by our employees or agents are made without responsibility and you must not rely on them as statements or representations of fact. They do not represent any warranties whatsoever in relation to the lots. You must satisfy yourself as to the accuracy of the particulars before bidding.
- 14.12 Any suggested rental incomes and yields may be subject to any necessary energy efficiency improvements. If the property is currently let and being sold with an EPC (energy performance certificate) rating of G or F it will require immediate energy efficiency improvements to meet the minimum standards. If the particulars of sale state that the property is suitable for investment it will be for the buyer to ensure that the relevant EPC requirements are met.
- 14.2 The lot is sold subject to any tenancies disclosed in the legal pack or lot description.
- 14.3 The lot is sold subject to any special conditions set out in the property description or associated documentation but otherwise is sold with vacant possession on completion.
- 14.4 All measurements quoted in descriptions of the lot are approximate. You must verify the measurements yourself by visiting the property and/or commissioning a professional report or survey.
- 14.5 All location plans published in the particulars of sale are subject to copyright and are only provided to enable prospective purchasers to locate the property. The plans are not to scale and are not intended to depict the interest to be sold. The boundary lines and numbers on the plans or photographs are provided only to allow purchasers to locate the lot and do not depict the interest to be sold. You must visit the lot and commission the relevant searches and reports.
- 14.6 When you bid on a lot you are deemed to have relied only upon your own knowledge or the advice of your own professionals or advisors, and not on the particulars of sale or description or photographs of the lot.
- 14.7 All Ordnance Survey maps are reproduced with the sanction of the Controller of HM Stationery Office (Crown Copyright Reserved Licence No LIG0183).
- 14.8 The services, kitchen and sanitary ware, electrical appliances and fittings, plumbing and heating installations (if any) have not been tested by us or by the seller. Before you bid on a property, you must undertake your own investigations, reports and surveys to clarify the suitability and condition of any such services.
- 14.9 The lot is also sold subject to the following, whether or not they are disclosed by the seller or are apparent from inspection of the lot or from the documents provided or from the legal pack or would have been obvious had you acted as a prudent buyer:
- 14.9.1 Matters registered or capable of registration as local land charges;
- 14.9.2 Matters registered or capable of registration by any competent authority or under the provisions of any statute;
- 14.9.3 Notices, orders, demands, proposals, and requirements of any competent authority;
- 14.9.4 Charges, notices, orders, restrictions, agreements and other matters relating to town and country planning, highways, or public health;
- 14.9.5 Rights, easements, quasi-easements, and wayleaves;
- 14.9.6 Outgoings and other liabilities;
- 14.9.7 Any interest which overrides under the Land Registration Act 2002;
- 14.9.8 Matters that ought to be disclosed by the searches and enquiries a prudent buyer would make, whether or not you have made them; and
- 14.9.9 Anything the seller does not and could not reasonably know about.
- 14.10 Where anything subject to which the lot is sold would expose the seller to liability you are to comply with it and indemnify the seller against that liability.
- 14.11 The seller must notify you of any notices, orders, demands, proposals, and requirements of any competent authority of which it learns after the contract date, but you must comply with them and keep the seller indemnified.
- 14.12 The lot does not include any tenant's or trade fixtures or fittings. If the special conditions state that chattels are included, you take them as they are at completion and the seller is not liable if they are not fit for use.
- 14.13 You buy with full knowledge of the documents relating to the lot (whether or not you have read them) and the condition of the lot (whether or not you have inspected it and commissioned appropriate reports and surveys). This is why it is important that you take the steps set out in 8.2.
- 14.14 You admit that you are not relying on the information contained in the particulars of sale or on any representations made by or on behalf of the seller, except that you may rely on the seller's solicitor/conveyancer's written replies to written enquiries to the extent stated in those replies.
- 14.15 The seller cannot be required to transfer the lot to anyone other than the buyer.
- 15. SPECIAL CONDITIONS**
- 15.1 The lots are sold subject to any special conditions of sale, which are available for inspection at the office of the seller's solicitor/conveyancer, our office, in the auction room, and on our website.
- 15.2 You must view and take into account the special conditions before bidding.
- 15.3 When you bid, you are taken to have read and accepted the special conditions, even if you have not done so.
- 16. SALE BEFORE OR AFTER AUCTION**
- 16.1 Lots may be sold before the auction.
- 16.2 **If you submit a bid before or after auction and it is accepted, the same fee and deposit rules apply as if the lot had been sold at auction.**
- 16.3 To submit a pre-auction bid, you must submit a formal written offer to us.
- 16.4 You cannot withdraw a pre or post-auction bid once a reservation contract has been signed or contracts of sale have exchanged.
- 16.5 If you submit a pre or post-auction bid, you are taken to have undertaken all measures that a prudent buyer would undertake, including all of the measures listed in Clause 8.2. If you fail to take appropriate measures before bidding, you do so at your own risk. You cannot later withdraw from the sale without incurring financial consequences.
- 16.6 We will relay your pre or post-auction bid to the seller, but we give no guarantees or warranties regarding the timing of relaying the offer.
- 16.7 We are not responsible for any of your costs or losses if a lot you were interested in buying is sold or withdrawn before auction.
- 16.8 If your pre or post-auction bid is accepted you may be asked to pay a 'closed bid' online, with the remainder of the monies owed being paid over the phone or by bank transfer. We will advise you of the method of payment required at our discretion.
- 16.9 If a pre or post-auction bid is accepted by the seller, you become liable to pay our fees and any applicable deposit when a reservation agreement or contract of sale is signed.
- 16.10 If a pre or post-auction bid is accepted by the seller, you must instruct solicitor/conveyancer within 7 days otherwise we (as agent for the seller) can treat the contract as at an end or sign the appropriate documentation (including a contract of sale or memorandum of sale) on your behalf. The seller may pursue you for losses and we may take action against you in respect of unpaid auction fees.
- 16.11 All the other usual terms of sale apply where the lot is sold before or after auction.
- 17. BIDDING**
- 17.1 All bids are made in pounds sterling and are exclusive of any applicable VAT or other taxes.
- 17.2 We may refuse to accept a bid without giving a reason.
- 17.3 You cannot withdraw a bid.
- 17.4 By placing a bid, you become personally liable to fulfil the obligations of the winning bidder as set out in these terms and conditions, even if you bid as agent on behalf of somebody else.
- 17.5 If you bid on behalf of a company, you warrant that the company is properly constituted and has the necessary funds to and is able to purchase the property.
- 17.6 By placing a bid, you warrant that you have the necessary funds (or necessary finance) to pay the purchase price for the property along with the applicable Buyer's Fee and Reservation Fee. If you withdraw from the sale due to lack of funds, you will lose your Reservation Fee, Buyer's Fee, and deposit (if applicable).
- 18. THE WINNING BID**
- 18.1 For in-room auctions, as soon as the auctioneer's gavel falls on a bid, the successful bidder is under a binding contract to purchase the relevant property.
- 18.2 For online auctions as soon as the auction for that lot comes to an end, the successful bidder is under a binding contract to purchase the relevant property.
- 18.3 As soon as the events mentioned in 18.1 and 18.2 (as appropriate) occur, you are immediately liable for the applicable fees and to pay the deposit (if applicable). You immediately become responsible for insuring the property - the property is at your risk from the moment that you win the bid.
- 18.4 For in-room auctions, as soon as the auctioneer's gavel falls on your bid, you must immediately present to us your name and address and, if appropriate, the name and address of the person or company on whose behalf you were bidding.
- 18.5 If you attend an in-room auction and wish to continue bidding on further lots having won the highest bid on a lot, you must give to us a form of ID to hold as security (e.g. passport or driving licence).
- 18.6 You will not be entitled to take possession of the property or have keys to the property until completion of the sale.
- 19. LEGAL PACK**
- 19.1 You must view the legal pack for a lot and it is strongly recommended that you instruct a qualified professional to review this and raise any necessary enquiries before bidding.
- 19.2 The legal pack can change at any time up until the auction starts so you must check the most recent version of the legal pack and the addendum before bidding on the property. **Failure to check for changes to the legal pack will not be a valid reason for withdrawing from the sale.**
- 19.3 The legal pack is not prepared by SDL and we are not responsible for and give no guarantee or assurance as to the accuracy of its contents. We shall not have any liability to you for any inaccuracies contained in the legal pack. Where we display or provide documents provided or created by third parties, we do so only on the basis that we are not responsible for the accuracy of the information contained in that document.
- 20. YOUR OBLIGATIONS TO US**
- 20.1 You must:
- 20.1.1 Familiarise yourself with these terms in their entirety before bidding;
- 20.1.2 Provide all information we reasonably need to be able to complete a reservation agreement, memorandum of sale, or contract of sale when you are the winning bidder (we may sign on your behalf);
- 20.1.3 Sign the necessary documents including a reservation agreement, memorandum of sale, or contract of sale when you are the winning bidder (we may sign on your behalf);
- 20.1.4 Pay the applicable Reservation Fee (if any) detailed in clauses 5-7;
- 20.1.5 Pay the applicable Buyer's Fee (if any) detailed in clauses 5-7;
- 20.1.6 Pay the applicable deposit (if any) detailed in clauses 5-7;
- 20.1.7 Complete the sale within the timeframes set out in clauses 5-7; and
- 20.1.8 Provide all necessary identification documentation to allow us to comply with our legal obligations.
- 21. OBLIGATIONS UNDER A RESERVATION AGREEMENT**
- 21.1 If you buy a conditional auction lot, you will sign (or we will sign on your behalf) a reservation agreement.
- 21.2 The reservation agreement contains legally binding conditions. **It is recommended that you seek legal advice concerning the terms of the reservation agreement before you bid on a property.** A copy is available at www.sdlauctions.co.uk.
- 21.3 Under the reservation agreement, you are required to:
- 21.3.1 Use all reasonable endeavours to proceed to a formal exchange of contracts within the exclusivity period;
- 21.3.2 Immediately instruct solicitor/conveyancer to do any work required to enable contracts for the purchase of the property to be exchanged within the exclusivity period;
- 21.3.3 Complete all necessary work and documentation for any finance arrangements needed to pay the full purchase price of the property;
- 21.3.4 Keep the seller and us up to date with the progression of the sale; and
- 21.3.5 Use all reasonable endeavours to complete the purchase of the property within 40 business days of the reservation agreement.
- 21.4 Under the reservation agreement, the seller is required to:
- 21.4.1 Refrain from agreeing to another reservation or sale of the property;
- 21.4.2 Refrain from allowing third parties to view the property with a view to buying it;
- 21.4.3 Refrain from encumbering the property;

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- 214.4 Refrain from sending or giving instruction to send a contract of sale to any other person in relation to the property;
- 214.5 Use all reasonable endeavours to proceed to a formal exchange of contracts within the exclusivity period; and
- 214.6 Supply all documentation and information necessary to enable the completion of the sale within the exclusivity period.
- 22. OBLIGATIONS UNDER A CONTRACT OF SALE**
- 221 As soon as your bid is accepted at the close of the auction of an unconditional lot, a contract of sale is entered into.
- 222 Under the contract of sale, you must:
- 222.1 Provide all necessary information reasonably required to complete the formal contract of sale;
- 222.2 Provide all necessary identification and proof of address documentation;
- 222.3 Take all necessary measures to complete the sale within 20 business days (or as otherwise stated in the special conditions);
- 222.4 Sign a formal written contract if requested to do so;
- 222.5 Pay any applicable Buyer's Fee (see clauses 5-7);
- 222.6 Pay a deposit (see clauses 5-7); and
- 222.7 Complete the sale (and pay the full purchase price) within 20 business days (or as otherwise specified in the special conditions).
- 223 If you fail to comply with the conditions set out above, we may (as agent for the seller) treat you as being in repudiatory breach of the contract of sale and so treat that contract as at an end. This means we can re-offer the property for sale. You will not be able to recover your deposit or Buyer's Fee and the seller will have a claim against you for breach of contract.
- 23. DEPOSITS**
- 231 If you pay a deposit (see clauses 5-7), we will hold that deposit as stakeholder for the seller (subject to clause 23.6).
- 232 The deposit is non-refundable. If you withdraw from the sale, you will not get your deposit back. We will pay the deposit to the seller's solicitor/conveyancer.
- 233 If the seller withdraws from the sale, we will return the deposit to you or your solicitor/conveyancer.
- 234 When the sale completes, we will pass the deposit to the seller's solicitor/conveyancer and it will be deducted from the purchase price of the property.
- 235 We may retain the sale memorandum or contract of sale signed by or on behalf of the seller until the deposit has been received in cleared funds.
- 236 If you pay the deposit but do not pay your Buyer's Fee on time, we may deduct the amount of the outstanding fees from the deposit. This means that the amount passed to the seller's solicitor/conveyancer will be the deposit less any fees that have been deducted and you will need to make up this difference when you pay the full purchase price.
- 237 Interest earned on the deposit (if any) will be passed to whoever the deposit is passed to.
- 24. PAYMENT**
- 241 Fees and deposits must be paid via the online bidding system in the case of online auctions, and via debit card in the case of in-room auctions.
- 242 We do not accept cheques.
- 243 You cannot use a credit card or cash to pay any part of the deposit.
- 244 If you attend an in-room auction, you must pay the appropriate fees and deposits before leaving the auction.
- 245 If you fail to pay fees or the deposit before exiting the online bidding system or before leaving the auction venue, we can (as agent for the seller) treat the contract of sale or reservation agreement as repudiated (terminated) and re-offer the lot; if we do this, the seller may take legal action against you. Alternatively, we may sign the appropriate documents (memorandum of sale, contract of sale, or reservation agreement) on your behalf.
- 246 We may refer unpaid debts to debt collection agents. We may share your information with agents for this purpose. We may pass on the cost of recovering the debt to you.
- 25. BETWEEN THE END OF THE AUCTION AND COMPLETION**
- 251 From the date of the contract of sale the seller does not have a responsibility to insure the lot and you bear all risks of loss or damage unless the lot is sold subject to a tenancy that requires the seller to insure the lot or the special conditions require the seller to insure the lot.
- 252 If the seller is required to insure the lot, then the seller:
- 252.1 Must show you, on request, all relevant insurance details;
- 252.2 Must use reasonable endeavours to maintain the policy;
- 252.3 Gives no warranty as to the adequacy of the insurance;
- 252.4 Must, at your request, use reasonable endeavours to have your interest noted on the policy if it does not cover a contracting purchaser; and
- 252.5 Must hold on trust for you any insurance pay outs made under the policy, and you must, on completion, reimburse the seller for the cost of that insurance policy.
- 253 No damage or destruction of the lot, nor any deterioration in its condition, however caused, entitles the buyer to any reduction in price or to delay completion or to refuse to complete.
- 254 You have no right to enter into occupation of the lot before completion.
- 26. PROOF OF IDENTITY AND RESIDENCE**
- 261 We may ask you for proof of identification and documents evidencing residence in order to comply with our legal obligations.
- 262 If we ask you for proof of identification and residence before the auction and you do not provide the necessary documentation, we may prevent you from bidding and we will not be liable to you for any losses suffered as a result.
- 263 If you refuse to provide such identification, the sale will not go ahead, and you will lose any deposit, Buyer's Fee, or Reservation Fee that you have paid.
- 264 We may share your identification information with third party referencing providers. The third party referencing provider will run a check using your personal data, but it will not affect your credit rating.
- 265 Where the deposit or fees are paid from a bank account in someone else's name, we may require that person to provide us with appropriate identification.
- 266 Where there is more than one buyer, we require all buyers to provide appropriate identification.
- 267 If you are bidding as agent for someone else, we require form of authority signed by the potential buyer for you to bid on their behalf together with appropriate identification from both you as agent and the principal.
- 27. CONFLICTS OF INTEREST**
- 271 We are legally required to disclose to you any conflict of interest that we may have with the seller, and we are required to disclose to the seller any conflict of interest we may have with you.
- 272 If you think you might have a conflict of interest with us (for instance, because you or a family member works for SDL), please let us know as soon as possible so that we can comply with our obligation to notify the seller.
- 273 If we know of a potential conflict of interest between us and the seller, we will include it in the information about the property. Sometimes, we do not find out about potential conflicts straight away, so always check the property information again before bidding.
- 28. WITHDRAWING FROM THE SALE**
- 281 If you are the winning bidder, you are legally obliged to buy the property.
- 282 If you withdraw from the sale before completion, there will be several consequences:
- 282.1 You will lose any non-refundable deposit that you have paid;
- 282.2 You will lose any non-refundable Buyer's Fee that you have paid;
- 282.3 You will lose any non-refundable Reservation Fee that you have paid;
- 282.4 You will remain liable for any fees or deposits that are due from you but have not yet been paid (and we may take legal action against you to recover those fees or deposits); and
- 282.5 The seller may take legal action against you for breach of contract.
- 283 If you fail to complete the sale by the completion date, the seller may serve Notice to Complete (in accordance with 29.10) and once the contract has been rescinded we can re-offer the property for sale without any obligation owed to you and you will lose your non-refundable fees and deposits.
- 29. CONDITIONS OF SALE**
- 291 The following conditions apply to all buyers and sellers at auction (both in-room and online as well as pre- and post-auction bids). By bidding, you (as buyer) agree to be bound by these terms.
- 292 **Title.** You accept the title of the seller to the lot at the auction date and you cannot raise a requisition or objection to any of the documents made available before the auction or any other matter as to title until after the contract date.
- 293 **Provision of registration documents.** If the lot is registered land the seller must give to you, within 5 business days of the auction, an official copy of the entries on the Land Registry and the title plan unless these documents have already been made available to you prior to sale. If the lot is not registered, the seller must give you, within 5 business days of the auction, an abstract of title starting from the root of title and must give you the original or an examined copy of every relevant document. If the title is in the course of registration, the seller must give you certified copies of the application for registration, evidence that all applicable Stamp Duty Land Tax relating to the application has been paid, and a letter under which the seller agrees to use all reasonable endeavours to answer any requisitions and to send the completed registration documents to you. You have no right to object to or make requisitions on any title information more than 7 business days after that information has been given to you.
- 294 **Full title guarantee.** Unless otherwise stated in the special conditions of sale, the seller sells to you with full title guarantee except that:
- (a) The covenant in s3 of the Law of Property (Miscellaneous Provisions) Act 1994 shall not extend to matters recorded in registers open to public inspection - those are to be treated as within your actual knowledge; and
- (b) The covenant set out in s4(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall not extend to any condition or tenant's obligation relating to the state or condition of the lot where the lot is leasehold property.
- 295 **Transfer.** Unless a form of transfer is prescribed in the special conditions, you must supply a draft transfer document to the seller at least 10 business days before the agreed completion date and the engrossment (signed as a deed if necessary) 5 business days before that date or, if later, 2 business days after the draft has been approved by the seller. The seller must approve or revise the draft within 5 business days of receiving it from you.
- 296 **Indemnity.** If the seller has any liability (other than to you) in relation to the lot or a tenancy relating to the lot following completion, you must covenant in the transfer document to indemnify the seller against that liability.
- 297 **Transfer to other parties.** The seller cannot be required to transfer the lot to anyone other than the buyer, or by more than one transfer.
- 298 **New lease.** Where the special conditions state that the seller is to grant a new lease to you, the conditions are to be read so that the transfer refers to the new lease, the seller to the proposed landlord, and the buyer to the proposed tenant. The form of new lease is that described by the special conditions. The seller must produce, at least 5 business days before the agreed completion date, the counterpart lease which you are to sign and deliver to the seller on completion.
- 299 **Completion.** Completion is to take place at the offices of the seller's solicitor/conveyancer unless otherwise agreed. The amount payable on completion is the balance of the sale price adjusted to take account of apportionments plus VAT (if any) and interest together with any sums due in accordance with the special conditions of sale less any deposit already paid. Payment must be made in pounds sterling by direct transfer to the seller's solicitor/conveyancer.
- 2910 **Notice to complete.** Either you or the seller may on or after the agreed completion date 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 you fail to comply with a notice to complete the seller may, without affecting any other remedy it has, rescind the contract, claim the deposit and any interest on it, forfeit the deposit and any interest on it, resell the lot, and claim damages from the buyer. If the seller fails to comply with a notice to complete from you, you may (without affecting your other remedies) rescind the contract and recover the deposit and any interest on it.
- 2911 **Contract brought to an end.** If the contract of sale is brought to an end, you must return all papers to the seller and appoint the seller as your agent to cancel any registration of the contract and the seller must return the deposit and any interest on it to you unless it is entitled to forfeit the deposit.
- 2912 **Landlord's licence.** Where a lot is or includes leasehold land and a licence to assign or sublet is required, the contract of sale is conditional on that licence being obtained, by way of formal licence. The agreed completion date is not to be earlier than the date 5 business days after the seller has given notice to you that the licence has been obtained. The seller must use all reasonable endeavours to obtain the licence at its expense and enter into any Authorised Guarantee Agreement properly required. You must promptly provide references and other relevant information and comply with the landlord's lawful requirements. If within 3 months of the contract date the seller has not given licence notice to you, the seller or you may by notice to the other terminate the contract at any time before the seller has given licence notice, without prejudice to the claims of either you or the seller for breach of this term.
- 2913 **Interest.** If the completion date is after the agreed completion date for any reason (other than the seller's default), you must

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- pay interest at 5% above the base rate from time to time of Barclays Bank on the money due at completion for the period starting on the agreed completion date and ending on the actual completion date.
- 29.14 **Apportionment.** The seller is not obliged to apportion any sum at completion unless the seller has received that sum in cleared funds. The seller must promptly pay to you after completion any sum to which you are entitled that the seller subsequently receives in cleared funds. Income and outgoings are to be apportioned at the time of actual completion unless you are liable to pay interest and the seller has given you notice at any time up to completion requiring apportionment on the date from which interest becomes payable by you.
- 29.15 **Calculating apportionments.** Apportionments are to be calculated on the basis that the seller receives income and is liable for outgoings for the whole of the day on which apportionment is due to be made. Annual income and expenditure accrue at an equal daily rate. Where the amount to be apportioned is not known at completion, apportionment is to be made by reference to a reasonable estimate and further payment is to be made by you or the seller as appropriate within 5 business days of the date when the amount is calculated. If a payment due from you to the seller on or after completion is not paid by the due date, you must pay interest to the seller at 4% above the base rate of Barclays Bank on that payment.
- 29.16 **Arrears.** If the lot is sold subject to tenancies and at completion there are arrears of current rent (payable on the most recent payment date or within 4 months preceding completion) you must pay them, regardless of whether or not details of those arrears are given in the special conditions. Where the special conditions give notice of arrears, you must pay, on completion, an amount equal to all arrears which are set out in the special conditions. If the arrears are not 'new tenancies' under the applicable law, the seller has to assign to you all rights that the seller has to recover those arrears.
- 29.17 **Arrears that you do not pay for.** Where the special conditions state that this section applies, or give no details of any arrears, you must:
- Try to collect the arrears in the ordinary course of management (you need not take legal proceedings or forfeit the tenancy);
 - Pay the arrears to the seller within 5 business days of receipt in cleared funds;
 - On request, at the cost of the seller, assign to the seller the right to demand and sue for old arrears, such assignment to be in such form as the seller reasonably requires;
 - If reasonably required, allow the seller's solicitor/conveyancer to have on loan the counterpart of any tenancy against an undertaking to hold it to your order;
 - Not without the consent of the seller release any tenant or guarantor from liability to pay arrears or accept a surrender of or forfeit any tenancy under which arrears are due; and
 - If you sell or transfer the lot prior to recovery, obtain from your successor in title a covenant in favour of the seller in similar form to this Clause.
- 29.18 **Management.** Where the lot is sold subject to tenancies, the seller must manage the lot in accordance with its standard management policies pending completion. The seller must consult you on all management issues that would affect you after completion and comply with your reasonable requirements unless to do so would expose the seller to a liability that the seller would not already have. If the seller gives you notice of their intended act and you do not object within 5 business days giving reasons for the objection, the seller may act as the seller intends. You must indemnify the seller against all loss or liability the seller incurs through acting as you require or by reason of delay caused by you.
- 29.19 **Rent deposits.** Where a tenancy is an assured shorthold tenancy, you and the seller must comply with your statutory duties in relation to the protection of the tenants' deposits and demonstrate in writing to the other that you have complied. If the seller is holding or entitled to money by way of rent deposit, the seller must assign this to you or hold the rent deposit on trust for you subject to the terms of the relevant rent deposit deed and comply with your lawful instructions. When the seller assigns its interest in the deposit to you, you covenant with the seller to observe and perform the seller's covenants and conditions in the relevant documentation and indemnify the seller in respect of any breach, give notice of assignment to the tenant, and give such direct covenant to the tenant as may be required by the relevant documentation.
- 29.20 **VAT.** Where a sale condition requires money to be paid or other consideration to be given, the payer must also pay any VAT that is chargeable on that money or consideration if given a valid VAT invoice.
- 29.21 **Transfer as a going concern.** Where the special conditions so state, the seller and buyer intend, and will take all reasonable steps to procure, that the sale is treated as a transfer of a going concern. If such is specified in the special conditions, the seller confirms that the seller is registered for VAT and has made in relation to the lot a VAT option that remains valid and will not be revoked before completion. The buyer confirms that the buyer is registered for VAT and has made, or will make before completion, a VAT option in relation to the lot and will not revoke it before or within three months after completion, that article 5(2B) of the VAT (Special Provisions) Order 1995 does not apply to it, and it is not buying the lot as nominee for another person.
- The buyer is to give to the seller as early as possible before the agreed completion date evidence of the buyer's VAT registration, that the buyer has made a VAT option, and that the VAT option has been notified in writing to HMRC, and if it does not produce the relevant evidence at least 5 business days before the agreed completion date. Clause 31.20 applies.
- 29.22 **Capital allowances.** If the special conditions state that there are capital allowances available in respect of the lot, the seller must promptly supply to the buyer all information reasonably required by the buyer in connection with the buyer's claim for capital allowances. The value attributed to those items on which capital allowances can be claimed should be set out in the special conditions. The seller and buyer agree to make an election on completion under the applicable law to give effect to the capital allowance and to submit the value specified in the special conditions to HMRC for the purposes of their respective capital allowance calculations.
- 29.23 **Maintenance agreements.** The seller must take all reasonable measures to transfer to the buyer, at the buyer's cost, the benefit of any maintenance agreements specified in the special conditions. The buyer must assume, and indemnify the seller in respect of, all liability under such agreements from completion date.
- 29.24 **TUPE (Transfer of Undertakings and Protection of Employment Regulations 2006).** If the special conditions state that there are no employees to which TUPE will apply, this is a warranty by the seller to this effect. If the special conditions do not state as such, then the seller must notify the buyer of any employees whose contract of employment will transfer to the buyer no later than 14 days before completion. The buyer confirms that it will comply with its obligations under TUPE and any of the special conditions. The buyer and seller acknowledge that the contracts of employment of the transferring employees will transfer to the buyer. The buyer must keep the seller indemnified against all liability for the transferring employees from completion.
- 29.25 **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 that service charge. Within two months of completion, the seller must provide the buyer with a service charge account for the current year including service charges attributable to each tenancy, any amounts due from tenants that have not been paid, any service charge expenditure that is not recoverable, and any amounts received from tenants in advance. If there are excess monies received on account, the seller must account for those monies to the buyer. If the seller's expenditure exceeds monies so far recovered, the buyer must take reasonable measures to recover the shortfall from the tenant and pay that amount to the seller.
- 29.26 **Service charge which cannot be recovered.** If service charge expenditure cannot be recovered from tenants, the seller is responsible for the cost of such expenditure before completion and the buyer is responsible for such costs after completion.
- 29.27 **Service charge reserve fund.** If the seller holds a reserve fund or sinking fund in respect of future service charge expenditure, or a depreciation fund, the seller must pay it, and any interest earned on it, to the buyer on completion. The buyer must covenant with the seller to hold it in accordance with the terms of the applicable leases or transfer documents and indemnify the seller in the event that it fails to comply with the requirements of the leases or transfer documents.
- 29.28 **Rent reviews.** If a lot is sold subject to a tenancy under which a rent review due on or before the completion date has not been agreed, the seller may continue negotiations or proceedings up to the actual completion date but may not agree the level of the revised rent without the buyer's written consent. Following completion, the buyer must complete rent review negotiations or proceedings as soon as practicable but may not agree to a revised rent without the seller's written consent. The seller must promptly give the buyer full details of rent review proceedings and take all reasonable measures to substitute the buyer for the seller in any rent review proceedings.
- 29.29 **Rent reviews: accounting.** When the rent review has been agreed, the buyer must account to the seller for any increased rent recovered from the tenant that relates to the seller's ownership of the property within 5 business days of receiving the rent. If a rent review is agreed before completion but the increased rent recoverable has not been received by completion, the amount recoverable will be treated as arrears.
- 29.30 **Tenancy renewals.** If a tenant under a tenancy has the right to remain in occupation under part 2 of the Landlord and Tenant Act 1954 (as amended), without exposing the seller to liability, the seller must not (without the written consent of the buyer) serve or respond to any notice or begin or continue any proceedings.
- 29.31 **Tenancy renewal notices.** If the seller receives a notice under the applicable law the seller must send a copy to the buyer within 5 business days.
- 29.32 **Tenancy renewals substitution.** Following completion, the buyer must take all reasonable measures to substitute itself as a party to any proceedings, conclude any proceedings or negotiations, and, if increased rent is recovered, account to the seller for the part of the increase that relates to the seller's period of ownership within 5 business days of receipt.
- 29.33 **Warranties.** Warranties are listed in the special conditions. Where a warranty is assignable the seller must assign it to the buyer on completion, give notice to the issuer of the warranty and apply for any necessary consent to assign. Once the necessary consent is given, the seller must assign the warranty within 5 business days.
- 29.34 **Non-assignable warranties.** If the warranty cannot be assigned, the seller must, after completion, hold the warranty on trust for the buyer and comply with all reasonable instructions of the buyer in relation to the warranty.
- 29.35 **Registration with Land Registry.** If sale of a lot triggers first registration or is a registrable disposition, the buyer must, as soon as reasonably possible, take steps to become the registered proprietor of the lot and procure that all applicable rights granted and reserved are noted against the appropriate titles and provide the seller with an official copy of the register.
- 29.36 **Landlord and Tenant Act 1987.** If the 1987 Act applies and the residents have appointed a nominee, the seller will inform the buyer as soon as possible. If the nominee elects to purchase the lot under the Act, the seller will repay any deposit paid by the buyer and the contract of sale shall have effect as if the nominee had entered into it and the agreement with the buyer shall be null and void. The buyer must take all necessary steps to cancel any registrations at the Land Registry entered in respect of the contract of sale. Completion of the sale to the nominee shall take place within 22 business days and the nominee shall immediately pay the auction fees due on the sale.
- 29.37 **Release of seller from covenants.** Regarding the Landlord and Tenant (Covenants) Act 1995, the seller may, up to completion, serve notice on any tenant of the lot in accordance with the law, requesting a complete release of the seller from future liability under lessor covenants. If the seller serves such a notice, it shall use reasonable endeavours to obtain release without needing to apply to Court. If the seller fails to obtain any release from the covenants by completion, the buyer shall covenant with the seller to serve notice on the seller within 5 business days after completion. Until such time that the seller is released from the covenants, the buyer will obtain a covenant from its transferee in favour of the seller in a similar form to this Clause.

30. OUR LIABILITIES

- 30.1 In marketing and auctioning property, we act only as agent for the seller of that property, we do not act on our own behalf.
- 30.2 We offer no guarantees or representations as to the condition or specifications of any property that we offer for sale.
- 30.3 We offer no guarantee or representation that the seller will complete the sale within the required period.
- 30.4 We shall not be liable to either party if the buyer or seller withdraws from an agreement to sell and thereby causes loss to the other party.
- 30.5 You acknowledge that to the extent permitted by law we owe you no duty of care and you have no claim against us for any loss.
- 30.6 We do not exclude our liability for anything that we cannot legally exclude liability for, including death or personal injury and fraudulent misrepresentation.

31. JURISDICTION

- 31.1 These terms are governed by English law and are subject to the exclusive jurisdiction of the courts of England and Wales.

32. RESOLUTION OF COMPLAINTS

- 32.1 Our complaints handling policy can be found at: www.sdlauctions.co.uk/complaints-handling-procedure/

33. DATA PROTECTION

- 33.1 We will process your personal data in accordance with our data protection policy; www.sdlauctions.co.uk/privacy-policy/.

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