

CONTRACT OF SALE

THIS IS A LEGALLY BINDING CONTRACT.

Date:

ADDRESS OF LOT (the Property)

Address:
 Postcode:

SELLER

Name:
Address:
 Postcode:

BUYER

Name:
Address:
 Postcode:

PURCHASE PRICE

DEPOSIT RECEIVED

BALANCE PAYABLE ON COMPLETION

COMPLETION DATE

(PLUS ANY SUMS DUE IN ACCORDANCE WITH THE SPECIAL CONDITIONS OF SALE)

SDL Property Auctions acknowledges receipt of the deposit listed above.

Signature

THE BUYER'S SOLICITOR/CONVEYANCER

Company Name:
Reference:
Address:

Postcode:
Email:
Telephone:

THE SELLER'S SOLICITOR/CONVEYANCER

Company Name:
Reference:
Address:

Postcode:
Email:
Telephone:



CONTRACT OF SALE

The seller agrees to sell and the buyer agrees to buy the Property for the price stated above. This contract is subject to our SDL Property Auctions: Auction Conditions so far as they apply to the sale.

SIGNED BY OR ON BEHALF OF THE BUYER OR BY SDL AUCTIONS LIMITED AS AGENT FOR THE BUYER:

Name

Signature

Where the Buyer is a company, you warrant by signing this contract that you are duly authorised to act on behalf of that company.

SIGNED BY SDL AUCTIONS LIMITED AS AGENT FOR THE SELLER:

Name

Signature

SDL PROPERTY AUCTIONS: AUCTION CONDITIONS

1. AUCTION CONDITIONS

- 1.1 The following terms apply to unconditional sales following the acceptance of a bid at auction or pre- or post-auction (both for Timed Auctions and Auction Events). By signing a contract of sale at auction, bidding on a lot at auction, or submitting an offer pre- or post auction, you agree to be bound by the following terms.
- 1.2 References to legislation are references to the legislation as amended or replaced from time to time.
- 1.3 **Requirement to buy and sell:** the Buyer is obliged to buy the Property at the price bid (exclusive of VAT and other charges) (price listed above) and the Seller is obliged to sell the Property at the price bid (exclusive of VAT and other charges).
- 1.4 **Tenancies:** the lot is sold subject to any tenancies or occupancies disclosed in the special conditions but otherwise is sold with vacant possession.
- 1.5 **Financial charges.** The Seller must discharge financial charges over the Property before completion of the sale.
- 1.6 **Notices etc.** The lot is sold subject to the following (regardless of whether they arise before or after the date of this contract), even if they are not disclosed by the Seller and even if they are not apparent from inspection of the lot or relevant documents prior to sale:
- (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
- 1.7 The Seller must notify the Buyer of any notices, orders, demands, proposals, and requirements of any competent authority of which the Seller learns after a Bid is accepted and the Buyer is required to comply with them and keep the Seller indemnified.
- 1.8 **Tenant's and trade fixtures and fittings.** The lot will not include any tenant's or trade fixtures or fittings unless the Seller specifies in the special conditions that chattels are included. If chattels are included:
- (a) The Buyer takes them as they are at completion and the Seller is not liable if they are not fit for use, and
 - (b) The Seller must leave them at the lot.
- 1.9 **Acting as prudent buyer.** The Buyer buys with deemed knowledge of all documents related to the lot, the physical condition of the lot, the size of the lot, the specifications of the lot, and all other material matters in relation to the lot regardless of whether or not the Buyer actually behaved as a prudent buyer.
- 1.10 **Reliance.** The Buyer confirms that it is not relying on any information contained in the particulars of sale, any other description of the Property, or any representations made by the Auctioneer or the Seller in relation to the Property other than written replies to enquiries by the Seller's solicitor/conveyancer to the extent that those replies state that reliance may be made.
- 1.11 **Between contract and completion.** The Seller must insure the Property in accordance with this contract up to the date of this contract. Once the contract for 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 the Seller to insure the lot; or
 - (b) The special conditions require the Seller to insure the Property.
- 1.12 **Damage to Property after this contract is signed:** If any damage or destruction happens to the Property between the date of this contract and completion, the Buyer will not be entitled to a reduction in sale price and will not be entitled to withdraw from this contract without being in breach of contract because the Property is at the risk of the Buyer from the date of this contract.
- 1.13 **Insurance by the Seller:** If the special conditions require the Seller to insure the Property then the Seller must give to the Buyer all relevant documentation relating to that insurance, use reasonable endeavours to note the Buyer's interest on that policy if requested, and use reasonable endeavours to maintain that insurance but does not give any warranty as to the adequacy of the insurance. The Seller will hold any insurance payments in relation to the Property on trust for the Buyer. The Seller will cancel the insurance on completion. On completion, the Buyer will reimburse the Seller for the cost of the insurance from the date of this contract to completion.
- 1.14 **Title.** The Buyer accepts the Seller's 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 the Seller 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 the Seller has already provided this prior to auction as part of the legal pack. If the lot is not registered land the Seller 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, the Seller must provide to the Buyer, within 5 business days, with 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 the Seller or the Seller's 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.
- 1.15 **Title guarantee.** Unless otherwise stated in the special conditions of sale, the Seller sells with full title guarantee, except that the covenant in s3 Law of Property (Miscellaneous Provisions) Act 1994 shall not extend to matters recorded in registers open to public inspection, which are to be treated as within the actual knowledge of the Buyer (even if they were not in fact in the Buyer's knowledge). S4(1)(b) of the Act shall not extend to any condition or tenant's obligation relating to the condition of the Property if the Property is leasehold property.
- 1.16 **Transfer.** Unless a form of transfer is set out in the special conditions of sale, the Buyer must supply to the Seller 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 the Seller, and the Seller must approve or revise the draft transfer within 5 business days of receiving it.
- 1.17 **Indemnity on transfer.** If the Seller has liability to a third party in relation to the Property or a tenancy of the Property after completion, the Buyer shall specifically covenant in the transfer to indemnify the Seller against that liability.
- 1.18 **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.
- 1.19 **New lease.** Where the special conditions of sale state that the Seller is to grant a new lease to the Buyer, the Seller is 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 the Seller on completion.
- 1.20 **Completion.** Completion is to take place at the offices of the Seller's solicitor/conveyancer on the agreed completion date unless the Seller and the Buyer agree otherwise.
- 1.21 **Notice to complete.** The Seller 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 the Seller may rescind the contract, claim the deposit and any interest on it, forfeit the lot, and claim damages from the Buyer. If the Seller fails to comply with a notice to complete the Buyer may rescind the contract and recover the deposit and any interest on it from SDL Property Auctions, the Seller, or the Seller's conveyancers.
- 1.22 **Rescission of the contract of sale.** If this contract is brought to an end, the Buyer must return all documents to the Seller and appoint the Seller as

SDL PROPERTY AUCTIONS: AUCTION CONDITIONS

- its agent to cancel any registration of the contract and the Seller must return the deposit and any interest on it to the Buyer (or the Buyer may claim it from the stakeholder) unless the Seller is entitled to keep the deposit under the terms of this contract or the Buyer's Terms.
- 1.23 **Occupation.** The Buyer has no right to enter into occupation of the Property until completion (unless they are already in occupation at the date of this contract).
- 1.24 **Landlord licence.** If the Seller's 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 the Seller has given notice to the Buyer that the licence has been obtained. The Seller must:
- Use all reasonable endeavours to obtain the licence at the Seller's expense; and
 - Enter into any Authorised Guarantee Agreement properly required.
- 1.25 **Interest.** If the actual completion date is after the agreed completion date for any reason other than the Seller's 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.
- 1.26 **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 the Seller or the Buyer as appropriate within 5 business days of the date when the amount is known.
- 1.27 **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.
- 1.28 **Management.** Where the Property is sold subject to tenancies, the Seller must manage the Property in accordance with its standard management policies between auction and completion. The Seller 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 the Seller to a liability that the Seller would not otherwise have (in which case, the Seller may act reasonably in such a way as to avoid that liability). If the Seller gives the Buyer notice of its intended management act and the Buyer does not respond in 5 business days, the Seller can act as intended.
- 1.29 **Rent deposits.** If there is a relevant assured shorthold tenancy in relation to the Property, the Seller and the Buyer must comply with their respective legal duties in relation to tenancy deposit protection. The parties must demonstrate to each other in writing that they have complied, if requested. If the Seller holds a deposit, the Seller must assign it to the Buyer or, if this is not possible, hold it on trust for the Buyer from the completion date.
- 1.30 **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.
- 1.31 **Sale as a going concern.** If the special conditions of sale state that the lot is to be sold as a going concern, the Seller and Buyer confirm that they are registered for VAT and the Seller confirms that the legal owner has made a VAT option that remains valid and will not be revoked before completion. The Buyer confirms that it has made or will make a VAT option in relation to the Property that remains valid and will not be revoked before completion. The Buyer confirms that it intends to manage the Property as a continuing business and collect rent due under any relevant tenancies. If, after completion, it is found that the sale of the Property is not a transfer of a going concern then the Seller's solicitor/ conveyancer is to notify the Buyer's conveyancer of that finding and provide a VAT invoice in respect of the sale of the lot.
- 1.32 **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 Seller 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 their respective capital allowance computations.
- 1.33 **Maintenance agreements.** The Seller 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. The Buyer assumes all liability under such agreements from completion date and indemnifies the seller in respect of that liability.
- 1.34 **TUPE.** If the special conditions of sale state that The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) does not apply, this is a warranty by the Seller that TUPE does not apply. If the special conditions of sale do not state that TUPE does not apply, the Seller 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. The Seller and the Buyer acknowledge that pursuant to TUPE the relevant contracts of employment will transfer to the Buyer on completion.
- 1.35 **Service charge.** If the Property 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 the Seller 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, the Seller must pay to the Buyer an amount equal to those over-contributions. In respect of irrecoverable sums, the Seller must pay the expenditure incurred in respect of the period before completion, and the Buyer must pay any expenditure incurred after that date.
- 1.36 **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.
- 1.37 **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.
- 1.38 **Arrears relating to most recent payment or four weeks before completion.** If there are any rent arrears that relate to the most recent payment date or the four weeks preceding completion, the Buyer must pay the arrears to the Seller on completion, even if the Buyer was not notified of the arrears before the sale.
- 1.39 **Arrears listed in special conditions.** The Buyer must pay to the Seller on completion all arrears listed in the special conditions. The Seller must assign to the Buyer all rights that the Seller has to take action to recover payment for those arrears.
- 1.40 **Arrears that do not relate to most recent payment or four weeks before completion and are not listed in special conditions.** The Buyer must attempt to collect the arrears in the ordinary course of managing the tenancy but need not take legal proceedings or forfeit the tenancy. Where arrears are recovered, the Buyer must pay them to the Seller within five business days of receipt. If the Seller requests, the Buyer

SDL PROPERTY AUCTIONS: AUCTION CONDITIONS

- must assign its right to recover these arrears to the Seller. The Buyer must allow the Seller to have a copy of the tenancy, held to the Buyer's order. The Buyer must not release any tenant from the requirement to pay arrears without the Seller's permission. If the Buyer sells the Property before they have recovered the arrears, they must obtain a covenant from the new buyer's solicitor/conveyancer in a form similar to this one.
- 1.41 **Arrears where Seller has right to pursue.** If the Seller has the right to pursue arrears from any tenant of the Property, it must not commence insolvency proceedings or attempt to recover property from the tenant at the Property without the consent of the Buyer.
- 1.42 **Rent reviews.** If the Property is sold subject to a tenancy under which a rent review is due on or before the completion date, the Seller may continue negotiations up to the completion date but may not agree the level of revised rent without the written consent of the Buyer. The Seller must promptly give to the Buyer full details of rent review proceedings and carry out all reasonable measures to substitute the Buyer for the Seller in the proceedings following completion. Following completion, the Buyer must complete the rent review proceedings as soon as possible but cannot agree the level of revised rent without the consent of the Seller (not to be unreasonably withheld or delayed). When the rent review has been finalised, the Buyer must account to the Seller for any funds received in respect of higher rent that relates to a period when the Seller was entitled to the rent from the Property. The Seller and Buyer are to bear their own costs in relation to rent review proceedings.
- 1.43 **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.
- 1.44 **Tenancy renewals.** If the Seller receives a notice under part ii of the Landlord and Tenant Act 1954 (as amended) the Seller must send a copy to the Buyer within 5 business days and act as the Buyer reasonably directs in relation to it. After completion the Buyer must take immediate steps to substitute itself as a party to any proceedings, use all reasonable endeavours to conclude proceedings as soon as reasonably practicable, and account to the Seller for any increased rent that relates to a period where the Seller was entitled to the rent. The Seller and Buyer are to bear their own costs in relation to tenancy renewals.
- 1.45 **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.
- 1.46 **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.
- 1.47 **Warranties.** If warranties are listed in the special conditions of sale, the Seller must assign that warranty to the Buyer wherever possible or hold the warranty on trust for the Buyer.
- 1.48 **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.
- 1.49 **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.
- 1.50 **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.
- 1.51 **The Seller's release from covenants in leases.** With regard to the Landlord and Tenant (Covenants) Act 1995, the Seller 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 the Seller serves any such notice the Seller must use reasonable endeavours to obtain that release without being obliged to apply to court for a declaration and the Buyer agrees to provide the Seller with the necessary information to show the tenant or the court that it is reasonable to release the Seller from the covenants. If the Seller fails to achieve any such release, the Buyer shall covenant with the Seller to serve notice in writing on the Seller on completion or within five business days after completion by the Buyer to any transferee and procure that any transferee enters into a covenant similar to the one in this clause.
- 1.52 **Sale by an insolvency practitioner.** If the Seller is an insolvency practitioner, the Seller warrants that the Seller has been duly appointed and has authority to sell the Property. Neither the individual insolvency practitioner nor the company they work for has any personal liability under this contract and the transfer should include an exclusion of personal liability. The Property is sold with no title guarantee. The insolvency practitioner must produce evidence of appointment and authority where necessary.
- 1.53 **Right of enfranchisement etc.** If the provisions of the Landlord and Tenant Act 1987 or the Housing Act 1996 apply to the sale of the Property and qualifying tenants have served all relevant notices under those Acts with a view to exercising their legal option to purchase the Property, the Seller will inform the Buyer as soon as possible. The nominee may elect to take over the benefit and burden of this contract and purchase the Property. If the nominee elects to take over the sale, the Seller will return to the Buyer any deposit already paid by the Buyer and this contract will take effect as if it were between the Seller and the nominee. The Buyer must cancel any relevant registrations with the Land Registry in relation to this sale. Sale to the nominee shall take place 22 business days after the day on which the nominee takes over this contract. The nominee shall immediately pay to SDL Auctions Limited the Buyer's Fee detailed in the Buyer's Terms (available at www.sdlauctions.co.uk). If the nominee withdraws from the sale, the Buyer and Seller shall complete within ten business days of that withdrawal.
- 1.54 **Payment.** Payment on completion must be made in GBP (£) and only by direct transfer to the Seller's solicitor/conveyancer.
- 1.55 **Registration.** Where the sale triggers first registration or is a registrable disposition, the Buyer must ensure that it is registered as the proprietor of the Property at the Land Registry and that, if applicable, all rights granted or reserved under the applicable lease are noted on affected titles. The Buyer must provide the Seller with evidence that it has been registered as proprietor of the Property if requested.
- 1.56 **Surviving clauses.** Where appropriate, this contract will remain in force after completion.
- 1.57 **Assignment.** The Buyer must not assign, mortgage or otherwise transfer any part of its interest under this contract.
- 1.58 **Third parties.** Other than the Buyer and the Seller listed on this contract, nobody is intended to have any benefit under this contract under the Contracts (Rights of Third Parties) Act 1999 (as amended).
- 1.59 **Jurisdiction.** This agreement shall be governed by English law and subject to the exclusive jurisdiction of the courts of England and Wales.