

TERMS OF ENGAGEMENT

Date: 2nd June 2016
Property: Unit 5 (Ground Floor, 48 Aston Road)

PART 1 FEES & CHARGES

1 DISPOSALS

There is an initial administrative charge (minimum £250 plus VAT) payable when instructions are confirmed. This includes board costs and internet marketing subscriptions, but excludes other agreed disbursements and Rightmove Commercial.

(a) Lettings/Leasehold Assignments/Leasehold Surrenders

- i) Sole Agency 10% of one year's rent or, where a progressive rent is agreed, 10% of the average annual rent during the first rent review period (minimum of three years) excluding any rent free or rent reduced periods or other discounts.
- ii) Multiple Agency 12½% of one year's rent or, where a progressive rent is agreed, 12½% of the average annual rent during the first rent review period (minimum of three years) excluding any rent free or rent reduced periods or other discounts.
- iii) In addition to the above, 3% of any premium paid, which includes any consideration in respect of goodwill and/or fixtures and fittings.

(b) Freehold/Ground Leasehold/Long Leasehold Sales

- i) Sole Agency 2% of the price realised plus 10% of the annual rent (where appropriate).
- ii) Multiple Agency 3% of the price realised plus 10% of the annual rent (where appropriate).
- iii) Sole Selling Rights 1½% of the price realised plus 10% of the annual rent (where appropriate).

2 ACQUISITIONS

- (a) Leasehold 10% of one year's rent or, where a progressive rent is agreed, 10% of the average annual rent during the first rent review period (minimum of three years) excluding any rent free or rent reduced periods or other discounts, plus 3% of any premium paid, which includes any consideration in respect of goodwill and/or fixtures and fittings.
- (b) Freehold/Ground Leasehold/Long Leasehold 1½% of the purchase price plus 10% of the annual rent (where appropriate).

3 OTHER CHARGES

- (a) Minimum Fee All fees, unless indicated to the contrary, are subject to a minimum of £1,500 plus VAT.
- (b) Hourly Rate Where we act in dealing with a matter not directly involved in the disposal, a fee will be charged on an hourly basis based on 10% of our current minimum fee or as otherwise agreed and confirmed in writing.
- (c) Serviced and Unserviced Accommodation let on a casual basis. By negotiation and agreed in writing, but subject to our current minimum fee.
- (d) Joint Agency Instructions These are undertaken on the basis of 1½ times the appropriate rate for that type of property. The fee will be shared between us and our Joint Agents at a percentage agreed between the agents.
- (e) Short Term Licence In instances where we agree a short term occupation of less than twelve months, our fee will be equivalent to a proportional reduction in our usual fees as defined above, but subject to a minimum of 50% of our current minimum fee. Where the premises are occupied for a period of one year (or more) to the same occupier, a further fee will be due to equate to the balance of a full fee as previously defined and will become payable on the first anniversary of the occupancy.
- (f) Interim Accounts In cases of prolonged duration or complexity or where agreed beforehand, interim accounts will be submitted in respect of disbursements and fees (calculated on a quantum meruit basis).
- (g) Administrative Expenses on Disbursements A fee based on 10% of the total net cost will be charged to cover administrative expenses incurred in dealing with any such costs on your behalf.

- (h) **Clients Account** Whereas interest on money held in the Clients Account belongs to the client, it is hereby expressly agreed that any interest accrued upon such money will be used to offset the running costs of the account and all such interest shall be transferred to the firm's Business Account at the end of each month.
- (i) **V.A.T.** All fees and expenses recovered are subject to V.A.T. at the appropriate rate, subject to any exception or modifications that may exist or occur.
- (j) **Disbursements**
- i) All costs or estimates on advertising expenditure are based on quoted media prices and any discounts, except settlement discount, will be passed on to you. Where a client's monies have been advanced to us in respect of an agreed marketing budget, in the event of any part of the agreed expenditure not having been committed prior to the disposal of the property, the remainder of the monies advanced will be offset against our fees or disbursements made on your behalf.
 - ii) **Agency Boards** These costs will be charged for the erect/collect services as detailed below:

4 x 3 flat	£104.00		
4 x 3 'V'	£174.00	Each slip from	£20.00
5 x 4 flat	£110.00		
5 x 4 'V'	£186.00	All prices subject to VAT	
 - iii) **Marketing Expenses** (e.g. printing, postage, stationery, photographs, etc) Where appropriate we will make a charge subject to prior agreement with you.
- (k) **Chattels** In addition to the above, where disposal or acquisition of chattels is involved in the transaction, an additional fee of 15% of the amount realised or paid (as the case may be) is payable, subject to a minimum fee of £100.00.

PART 2 GENERAL TERMS

- 1 **AGENCY BASIS** Unless you instruct us in writing to the contrary, we are acting on the basis of being your Sole Agent, and a Sole Agency fee will be charged. In the event of other agents being instructed by you, you hereby undertake to inform us.
- 2 **INTRODUCTIONS** Introductions are made both directly and indirectly including by way of an agency board, sticker or poster or by any other method of advertising and marketing of the property, irrespective of whether or not our instructions have subsequently been terminated.
- 3 **SOLE AGENCY and JOINT AGENCY** You will be liable to pay remuneration to us, in addition to any other costs or charges agreed, if at any time unconditional contracts for the sale, letting or disposal (as the case may be) of the property are exchanged with a purchaser/tenant/assignee/licensee introduced by us during the period of our Sole Agency or Joint Agency, or with whom we have had negotiations about that property during that period, or with a purchaser/tenant/assignee/licensee introduced by another agent during that period. This provision will equally apply if the transaction does not involve an exchange of contracts but is concluded by (a) the completion of a conveyance/transfer/assignment/licence (as the case may be) in favour of such a purchaser/tenant/assignee/licensee or (b) by such a purchaser/tenant/assignee/licensee taking up occupation of the property.
- 4 **MULTIPLE AGENCY** You will be liable to pay remuneration to us, in addition to any other costs or charges agreed, if at any time unconditional contracts for the sale, letting or disposal (as the case may be) of the property are exchanged with a purchaser/tenant/assignee/licensee introduced by us. This provision will equally apply if the transaction does not involve an exchange of contracts but is concluded by (a) the completion of a conveyance/transfer/assignment/licence (as the case may be) in favour of such a purchaser/tenant/assignee/licensee or (b) by such a purchaser/tenant/assignee/licensee taking up occupation of the property.
- 5 **SOLE SELLING RIGHTS** You will be liable to pay remuneration to us, in addition to any other costs or charges agreed, in each of the following circumstances. Firstly, if unconditional contracts for the sale, letting or disposal (as the case may be) of the property are exchanged with a purchaser/tenant/assignee/licensee in the period during which we have Sole Selling Rights, even if the purchaser/tenant/assignee/licensee was not found by us, but by another agent or by any other person, including yourself. Secondly, if unconditional contracts for the sale, letting or disposal (as the case may be) of the property are exchanged after the expiry of the period during which we have Sole Selling Rights but to a purchaser/tenant/assignee/licensee who was introduced to you during that period or with whom we had negotiations about the property during that period. This provision will equally apply if the transaction does not involve an exchange of contracts but is concluded by (a) the completion of a conveyance/transfer/assignment/licence in favour of such a purchaser/tenant/assignee/licensee or (b) by such a purchaser/tenant/assignee/licensee taking up occupation of the property.
- 6 **SUB-AGENCY INSTRUCTIONS** We reserve the right to sub-instruct other agents or any other party that we feel may assist us on your behalf. We confirm that no additional fee will be required unless previously agreed with you.
- 7 **TERMINATION OF INSTRUCTIONS** Our instructions will terminate, without prejudice to our right to recover any

outstanding fees and disbursements, on the occurrence of any of the following events:

- a) The completion of the letting or disposal (as the case may be).
- b) When you have given us written notice. In the case of Sole Selling Rights we require four weeks notice.
- c) When we have given you written notice.
- d) When we are unable to obtain adequate instructions to fulfil our duty to you.

- 8 **PROPERTY TRANSFERS** Fees will be calculated on the total consideration for the transfer of the ownership of an interest in property whether effected by part exchange or the sale of a company or other means.
- 9 **AGENCY DETAILS & PUBLICITY** We reserve the right to retain in accordance with the Data Protection Act 1998 information on the property transaction(s) and publicize this information in any newspaper, journal or circular and at our sole discretion to issue detailed information on the property and transaction in the course of marketing.
- 10 **INFORMATION** It is important that you provide us with information which is neither false, inaccurate or misleading and thus enable us to provide appropriate information to interested parties. It may be necessary for us to clarify and obtain information through your solicitor and similar professional sources and this may involve you in some charges which will be your sole responsibility. You should notify us immediately of any changes in respect of information supplied to us which you become aware of. Before marketing, we require your confirmation that our particulars are accurate and do not contain any false, misleading or inaccurate information.
- 11 **INSPECTIONS** It is your sole responsibility to ensure that your property is adequately maintained and insured to enable us and other interested parties to enter the property for the purposes of inspecting, measuring, surveying, etc. Should we hold **keys** for your property, we are hereby authorised to release them to prospective applicants and other interested parties as necessary, without liability to ourselves in respect of any consequential loss or damage howsoever arising as a direct or indirect result thereof. We are not, unless specifically agreed, acting as your nominated keyholder, and you should make specific arrangements with the security services (see clause 19).
- 12 **UNOCCUPIED PREMISES** It is advisable that you take due precautions if the property is to be unoccupied and it is your responsibility to satisfy yourself as to safety, security and maintenance. Please note, it may be advisable to drain down water systems, turn off and/or disconnect the services and notify your insurers, rating and other statutory authorities, e.g. gas, electric, water, telephone company, police, etc. and you should notify the emergency authorities of your nominated key holder.
- 13 **PERSONAL INTERESTS** If you are or become aware of any personal, family or business relationship between this firm and its employees and yourself, it is your duty to notify us.
- 14 **OTHER SERVICES** We and/or a connected person(s) or firm(s) may offer or provide to prospective purchasers of your property any or all of the services listed below. Similarly some other person(s) or some other organisation(s) may do so in circumstances in which we or the connected person(s)/firm(s) benefits financially from the provision of the service.
 - a) Valuation and/or estate agency services in respect of another property upon which their purchase is dependent.
 - b) Provision of banking, insurance and financial assistance, including life insurance, pensions or other financial services.
- 15 **PERSONAL LIABILITY** In instructing an individual within this firm (whether it be a partner, employee, agent or otherwise), the client expressly accepts that any duty of care which that individual would otherwise owe to the client is excluded on the basis that the client is entirely relying on the duties owed to it by the firm as a whole.
- 16 **BOARDS**
 - a) Our agency board(s) will only be erected if authorised by you.
 - b) Once our agency board(s) have been erected on your property, you will not then permit another agents board(s) to be erected, thus causing an infringement of planning laws, but accept liability for and will fully indemnify us against any costs incurred by us in that event.
 - c) The erection and collection of our board(s) must be by our contractor. The board(s) remain our property and you will be charged for the replacement cost if they are removed, lost or damaged.

- 17 **ACQUISITIONS** Where we are authorised or instructed to assist you in the location of suitable property, you will be liable to pay remuneration to us in the event of our providing you with any information or details about a particular property you subsequently acquire, whether or not this firm has become in any way further involved in surveying, valuing, inspecting or providing any other additional services to you.
- 18 **MANAGEMENT AND EMERGENCIES** Unless otherwise agreed with you, we will have no management role or responsibility for the property. Should you instruct us to act in any management role whilst acting as your agent, our fee will be payable on an hourly rate of 15% of our current minimum fee. If we are required to attend an emergency (where no other local key holder can be contacted), our management fee will apply and by this contract we are authorised as your agent to commission any works we consider necessary to remedy the emergency, and our decision will be binding upon you. You will be notified as soon as possible of any such situation.
- 19 **ABORTIVE FEES** In the event of our instructions being terminated prior to an unconditional exchange of contracts or (if there is no contract) completion, all disbursements made by us on your behalf, e.g. in the erection of agency boards, advertising, photographs, postal charges and obtaining information, will be recoverable from you. In addition, we charge an abortive fee calculated on a quantum meruit basis but subject to a minimum of £750 plus VAT.
- 20 **PAYMENT**
- a) Payment is due on the earliest of the following events to occur (a) completion (b) 28 days from exchange of unconditional contracts (c) you or your purchaser/tenant/assignee/licensee (as the case may be) taking up occupation of the property.
 - b) You hereby provide irrevocable authority for your solicitors or other representatives to discharge our fees and expenses when payment is due from any funds then or thereafter in their control in respect of the transaction, including any proceeds of sale from the property.
 - c) Any account that remains outstanding for more than seven days will attract interest at 3% above the base lending rate of Lloyds Bank PLC, calculated from the date of invoice.
 - d) You will be responsible for any additional costs incurred by us in the event of this firm having to use a third party to recover any sums due to us following a formal request served upon you by due course of post sent to your registered office or last known address.
- 21 **VARIATION OF TERMS** These must be agreed in writing.
- 22 **COMPLAINTS** Should you wish to make a complaint, please do not hesitate to contact Clive Garner for further details about the firm's complaints handling procedure and redress scheme, details are set out below:

Garner Wood Ltd
Atlantic House
114 Kingston Crescent
Portsmouth
PO2 8AL

Clive M Garner Tel: 023 9262 9000
Fax: 023 9262 9001

I/We agree the above Terms of Engagement.

YOUR NAME AND ADDRESS

SIGNED:

DATED:

PLEASE RETURN A SIGNED COPY TO: GARNER WOOD, ATLANTIC HOUSE, 114 KINGSTON CRESCENT,
PORTSMOUTH PO2 8AL

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