

26 November 2007

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savills

Mr & Mrs Alan Renfrew

Edinburgh
Midlothian

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Edinburgh EH3 6DH

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Also By Email:

Dear Alan & Margaret,

[REDACTED] New Town, Edinburgh

I refer to our meeting earlier today and write to summarise what we discussed.

Timing

You are keen for us to contact a number of known buyers on our database in order to try and effect a sale as soon as possible. Should this not prove fruitful in the next week, you will re-launch on the ESPC until a full-scale re-launch onto the open market in 2008.

Price

As agreed, we will market the property at **Offers in the region of £850,000.**

Fees

As your agents with sole selling rights (please see paragraph 2 of our Terms of Business for a precise explanation of this term) our fee will be calculated on **1%** of the sale price. Please note that VAT is chargeable in addition and that this fee is exclusive of all agreed marketing charges.

Terms of Business

I enclose a leaflet which sets out Savills' standard Terms of Business. The leaflet should be read in conjunction with this letter. As you are probably aware, under the Estate Agents Act 1979 and Estate Agents Regulations 1991, all estate agents are required by law to set out their fees and terms of business very explicitly in writing.

Before we introduce your property to prospective purchasers we would be grateful if you could both agree our fees and terms of business by email, as well as in writing in due course. By opening our agreement you do not authorise us to incur marketing charges on your behalf without your specific instructions to do so. We will obtain further instructions from you prior to booking any advertisements.

Yours sincerely

[REDACTED]

[REDACTED]

Sales Negotiator

Offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

Savills (UK) Limited, Chartered Surveyors. A subsidiary of Savills plc. Registered in England No. 005138.
Registered office: 20 Grosvenor Hill, London W1K 34Q.

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I / We acknowledge receipt of Savills Terms of Business leaflet attached and confirm my / our instructions to Savills to proceed with the sale and marketing of [REDACTED] in accordance with this letter and the Terms of Business.

Signed: Date:

Signed: Date:

Terms of business for residential sales – Scotland

The Estate Agents Act 1979 requires agents' fees and terms of business to be confirmed in writing. Savills (L&P) Limited's standard terms of business are set out below. The accompanying letter (the Letter) may vary these terms and will explain how our sale fee is calculated and detail other costs and charges and the Letter and these terms will form an entire agreement between us.

To instruct us to act, you must sign and return a copy of the Letter to signify agreement to our fees, costs, charges and terms of business and confirm authority to proceed with the sale of the property. In this agreement, any reference to "we", "us" or "our" is to Savills (L&P) Limited and any joint agent, and reference to 'you' is to the Client as identified in paragraph 1.0 below.

1.0 Responsibility for payment of fees, costs & charges

1.1 The person to whom the Letter is addressed (ie you the Client) is personally responsible for and guarantees payment of our fees, costs and charges even if the property is held by a different person. If more than one party is to be responsible, the Letter should be signed by all relevant parties and their liability will be joint and several.

1.2 Where the property is owned by a company, the client is the company and in addition to accepting liability on behalf of the company each person signing the Letter personally guarantees payment by the company of our fees, costs and charges.

2.0 Sale fees

We will act as your agents with sole selling rights, or jointly with another firm also with sole selling rights. This means you will be liable to pay us a sale fee (in addition to any other charges or costs which we have agreed with you) in the following circumstances (which are defined in The Estate Agents Act 1979):

- (i) If unconditional missives for the sale of the property are concluded during the period during which we have sole selling rights, even if the purchaser was not found by us but by another agent or by any other person, including you.
- (ii) If our appointment as your agent has been terminated by you in accordance with clause 3, we will remain entitled to our fees if during the following 6 months unconditional missives are concluded for the sale of the property to a purchaser who was introduced to you during the period of our agency or with whom we had negotiations about the property during that period. You agree to notify us in these circumstances.

3.0 Termination of agency

You or we may at any time terminate the agency by giving not less than 28 days' written notice. *Notice by either side does not detract from our right to charge fees under clauses 2 and 5.*

4.0 Timing of payment of sale fee

4.1 Successful settlement - Where the sale of the property settles successfully, the sale fee is due and payable on the date of settlement.

4.2 You agree to instruct your solicitors to pay properly payable outstanding invoices, relating to the sale fee, out of the settlement monies.

4.3 Failed settlement - If following conclusion of unconditional missives for the sale of the property, the sale of the property does not settle successfully, any sale fee becomes due and payable on the date on which settlement was due to take place or, if earlier, the date of notification of failed settlement. You agree to instruct your solicitors to pay any properly payable outstanding invoices out of any deposit monies which are or become available in respect of the sale

4.4 Delayed settlement - If settlement is delayed for more than 3 months after missives have been concluded, we reserve the right to invoice you for any properly payable sale fee 3 months after missives have been concluded. Any such fee will become payable on the date stated in the invoice.

5.0 How our fees are calculated

5.1 Our fees will be calculated by reference to the sale proceeds. In the event of an exchange or part exchange the sale proceeds or part thereof will be the value attributed to your property.

5.2 For the avoidance of doubt, this includes any extra allowance for curtains, carpets, furniture, fixtures, fittings, machinery, growing crops, livestock, all quotas and entitlements and any other ingoing valuations, any rights in relation to leases and any other items of whatever nature which were sold by you to the purchaser.

6.0 VAT

All our fees, costs and charges are subject to Value Added Tax at the appropriate rate regardless of your domicile.

7.0 Interest and recovery of fees

7.1 Interest will be payable at 4% above our banker's base rate on any invoice that remains unpaid for 14 days after payment is due.

7.2 If we find it necessary to use solicitors or other parties to successfully recover agreed fees, costs or charges, you agree to pay any reasonable costs incurred by us

8.0 Marketing charges and other costs

8.1 In addition to the sale fees, you are responsible for all agreed charges for marketing and other costs as set out in the Letter.

8.2 Until we receive written authority to proceed and payment of the agreed charges and costs, we reserve the right not to proceed with the marketing of the property. Unless otherwise agreed, all marketing charges are payable immediately upon receipt of invoice.

8.3 In providing such marketing services we will act as principal not as agent for you and we reserve the right to retain or share the benefits of any marketing or other discounts or commissions. We may make a charge for the preparation of brochures, plans, photography and placing of advertisements etc and this will be quoted in the price quoted to you.

9.0 Sub-agents

We may instruct sub-agents on your behalf where we consider such a step to be in your best interests and you give permission for this. This will not involve you in any extra charge unless previously agreed with you.

10.0 Verification of Information

10.1 Under the Property Misdescriptions Act 1991 it is a criminal offence for an agent to make inaccurate or misleading statements about property whether in sale



particulars, adverts, photographs, or verbal statement. This includes making statements that might give the wrong impression about a property and includes omitting facts. You will be asked to verify certain information and must assist to the best of your knowledge.

10.2 Sales particulars will be submitted to you in draft. You are required to check them carefully and return them, signed, to us signifying approval and confirming their accuracy to the best of your knowledge and belief, having made reasonable enquiries where necessary. It is important to ensure accuracy with regard to such matters as length of lease, service charge, boundaries, unusual restrictions over the use of the property, any rights of access in or over the property, room sizes, acreage, condition, planning consents, tenancies etc.

10.3 You agree to notify us immediately of any relevant changes which occur during the course of the sale process; in particular any changes which occur after approval of the sales particulars which may affect their accuracy

11.0 Related services

11.1 It is possible that a purchaser may wish to instruct us with regard to a property related service and such services may be offered by us to the purchaser. The services might include:

- (a) the sale or purchase of another property
- (b) the rental or management of property
- (c) survey or valuation of property
- (d) provision of financial services through another member of our group of companies

In such instances we or an employee may earn some form of remuneration.

11.2 Savills (L&P) limited is authorised and regulated by the Financial Services Authority in respect of insurance mediation activities and is therefore able to provide insurance services if required. Should such services be required additional Terms of Business will be agreed.

12.0 Compliance.

Under the Money Laundering Regulations 2003 we are required to obtain evidence of your identity and proof of address. We will require to see and have a copy of your passport and of a utility bill addressed to you at your current address (or other suitable documents) which we are required to hold on file for 5 years.

13.0 Disclosable interests

13.1 The Estate Agents Act requires an agent to disclose promptly, both to you and a purchaser, any connection that we or any of our employees or associates may have with either party, whether directly or indirectly, or with any member of their respective families. Should we become aware of any such interests, we will advise you promptly in writing. Should you be aware of any such connection with us you must advise us as soon as it becomes known.

13.2 It may be that Prime Purchase Ltd, which acts as a wholly-owned subsidiary company of Savills, is engaged to search for, advise upon and negotiate for a client who may become interested in your property. We will advise you promptly should this arise

14.0 Data protection

14.1 You agree that we may pass information about you to Savills plc (our parent company) to assist us and/or others in:
(i) fulfilling the contract set out in the Letter; (ii) supplying information about services we think may be of interest to you; and (iii) for related marketing purposes. This information will include contact details, information about work undertaken for you, other Savills' contacts known to you and details of Savills Group services.

14.2 In addition you agree that we and/or Savills plc may pass the same information about you for the same purposes to other members of the Savills Group (who each control the information they hold about you) and/or the Group's contractors which may be, or may have employees located, outside the European Economic Area.

14.3 This does not affect your statutory rights under the Data Protection Acts 1984 and 1998. For more details regarding our data protection policy, you may contact the Company Secretary at 20 Grosvenor Hill, Berkeley Square, London W1K 3HQ.

15.0 Dispute resolution

15.1 In accordance with the Royal Institution of Chartered Surveyors' Rules of Conduct, we operate a formal procedure to deal with complaints from clients and others. Details of this procedure are available from the Company Secretary.

15.2 We are also members of the Ombudsman for Estate Agents and subscribe to their code of practice. Should the complaint not be satisfactorily resolved between the two parties, the procedure provides for complaints to be resolved by the independent Ombudsman. Your right to pursue any dispute through the courts is not affected by the option to resolve a dispute through the complaints procedure or arbitration.

16.0 Applicable law and jurisdiction

Whether or not the property is situated outside the UK, the Laws of Scotland shall apply to these Terms of Business and the Scottish courts shall have jurisdiction.

17.0 Unoccupied property

We are not responsible for the management, maintenance or repair of any property unless we have agreed to be. That agreement must be recorded in writing and an additional fee charged. It is your responsibility to ensure that where property is unoccupied the property is adequately secured, mains services are turned off, water and heating systems professionally drained and the insurers of the property notified.

June 2007