

Our ref: 2015/xxx/xxx
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Confidential

Dear Sir/Madam

Appointment letter – Sale of _____

Thank you for involving Kai Legal in this matter. This letter discloses our costs, and is an offer to negotiate and enter into a costs agreement with Kai Legal.

You may accept this costs agreement and disclosure statement either by returning to us a signed copy of this document, or by continuing to give us instructions in this matter.

1 Our Role

Kai Legal will be acting for [*] in this matter.

The work we are to do is the conveyancing of [*]. The estimate provided in this letter assumes that the sale will be a Standard Transaction, and will not involve disputes with the other side, or any attempt to cancel the sale contract (see clause 5 below for more details).

The scope of the work may expand beyond this at your request, but the estimate of total legal costs given below assumes it will not.

2 Our Legal Costs

We provide fixed cost quotes when we can realistically scope the extent of the matter at the outset. For your matter, we estimate the total legal costs to be **approximately \$[*] (including GST)**. This comprises:

- Fixed **legal fees of \$[*] (plus \$[*] GST)**; and
- Disbursements of approximately \$[*] (plus \$[*] GST) in respect of title searches, water rate searches, land tax searches, council rate inquiries, owners' corporation certificates, settlement fees and similar costs. This is an estimate only and is not binding on us. Disbursements are explained in more detail in the next section.

If you have any questions regarding our legal costs, please contact Lucy Dong on +61 3 9041 7733.

3 Disbursements

In providing legal services to you, we will incur other fees, expenses and charges including government fees, property or company search fees, settlement fees, postage or courier fees. These are referred to as disbursements.

We will charge you at cost for any disbursements we incur on your behalf. You must pay reasonable disbursements including GST incurred by Kai Legal on your behalf in accordance with our bills.

4 Bills and interest

You have a right to receive a bill. For your matter, we will issue our first bill once we prepare the contract of sale and the section 32 vendor's statement, and a second bill for the balance of legal costs after the sale of the property is completed.

Our invoices are payable within 21 days of the invoice date.

If a bill remains unpaid 30 days after you receive it, we may charge you interest at a rate not exceeding 5%. We may also be entitled to exercise a common law right known as a solicitor's lien. The lien allows us to retain your documents until our bill is paid.

5 Standard Transaction

For the purposes of this agreement, 'Standard Transaction' means all work usually involved in the conveyance of one Torrens or Strata Title of residential property in the Melbourne metropolitan area, namely:

- a) Preparation of a contract of sale;
- b) Preparation of a section 32 vendor's statement;
- c) Ordering and reviewing necessary searches and enquiries for preparing the vendor's statement;
- d) Negotiating up to three amendments to the contract of sale with prospective purchasers;
- e) Exchanging signed contracts;
- f) Working with you to respond to requisitions on title (if any);
- g) Arranging a section 27 early release of deposit request;
- h) All work usually involved in working with a mortgagee to arrange a discharge of one mortgage for the property;
- i) Reviewing the purchaser's settlement adjustments calculations;

- j) Attending settlement in the Melbourne CBD, or instructing a settlement agency to attend on our behalf.

Without limiting the generality of the above, the estimate provided in this letter does not cover additional work required should any of the following occur:

- a) Either party seeks to cancel the contract of sale;
- b) Either party seeks to amend the sale contract after it is signed, for example, to arrange early access to carry out works;
- c) The land is under general law title, a company share flat, a stratum title or a cluster title (each of which is now very rare in metropolitan Melbourne);
- d) Disputes with the other party;
- e) The final inspection is unsatisfactory to the purchaser, and you require us to correspond with the purchaser or purchaser's solicitor;
- f) You are not able to or sign the necessary legal forms or contracts, and require us to prepare a power of attorney or make other alternate arrangements;
- g) Mistakes made by anyone other than us that require additional work to remedy (for example, either party providing incorrect details on forms);
- h) We are required to review or re-calculate settlement adjustments due to the delay of settlement for any reason; or
- i) We are required to carry out any other work not within the definition of a Standard Transaction above.

6 If we cease to act for you or you stop using Kai Legal

You may end our engagement by written notice at any time.

Circumstances may also arise that make it impossible for us to continue to act for you. We may cease acting for you if:

- we become aware of a conflict of interest in continuing to act for you;
- you do not accept reasonable advice we give you relating to your matter;
- you fail to give us instructions as required; or
- you fail to provide us with payment in advance of Kai Legal incurring a disbursement on your behalf when requested.

We will notify you immediately if any of the above matters arise.

If we cease to act for you:

- we will take steps to remove our name from the court record in any court proceedings;

- you will receive a final account which will include all outstanding legal costs;
- you must pay our legal costs up until the date we cease to act; and
- we may retain your file and keep your documents until we are paid under a common law lien, subject to any other statutory requirements.

7 Confidentiality

We will respect the confidentiality of all non-public information we receive in the course of acting for you. Our confidentiality obligations will not apply to information which must be disclosed by law.

8 Law Governing this Matter

The law of Victoria applies to legal costs in relation to this matter.

We look forward to working with you.

Yours sincerely

Kai Legal