

**CONDITIONS OF ENGAGEMENT FOR VALUATIONS OF RESIDENTIAL
COMMERCIAL AND INDUSTRIAL PREMISES AND DEVELOPMENT SITES
(Where no secured lending is provided)**

Our valuation will be undertaken in accordance with the terms of the R.I.C.S. Valuation Manual. A superficial inspection of the property will be undertaken and a general description of the property will be given, together with our opinion as to its open market value/rental value of the relevant interest. The definition of 'open market value' is the best price at which the sale of an interest in the property might reasonably be expected to have been completed unconditionally for cash consideration at the date of the valuation assuming:

- (a) A willing seller.
- (b) That prior to the date of valuation there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms and for the completion of the sale.
- (c) That the state of the market, level of values and other circumstances were on any earlier assumed date of exchange of contracts the same as on the date of valuation.
- (d) That no account is taken of any additional bid by a prospective purchaser with a special interest, and
- (e) That both parties to the transaction had acted knowledgeably, prudently and without compulsion.

Our valuation will include those fixtures and fittings and plant and machinery normally regarded as part of the land and buildings. These items will be specifically referred to in the report.

Generally any goodwill will be expressly excluded from our valuation. However, where the property is designed or adapted for a particular use which invariably change hands in the open market at prices based directly on trading potential, then the property will be valued equipped as an operational entity having regard to trading potential.

Our valuation figure is net of any Value Added Tax which may be payable.

The valuation inspection does not purport to be a Building or Structural Survey, it will be as detailed as necessary to determine the property's value. No inspection of the sub-floor spaces or other areas of the construction, not readily accessible, will be undertaken. No inspection of woodwork or other parts of the structure which are covered, unexposed or inaccessible will be undertaken. The report will not purport to express an opinion about, or to advise upon, the condition of uninspected parts and should not be taken as making any implied representation or statement about such parts. We will describe the services available to the property, although no test or detailed report will be given of any of the services or installations. We recommend you obtain a full Building Survey upon the property prior to committing yourself to a purchase. Where the property is prewar, a specialist damp and timber report is recommended. It is always prudent to obtain a test of the services.

We will not arrange for any investigation to be undertaken to determine whether high alumina cement concrete or calcium chloride additive or any other potentially deleterious material has been incorporated into the construction of the building. We are therefore unable to report the property is free from risk in this respect. For the purposes of our valuation, we will assume that such investigation would not disclose the presence of any adverse conditions.

It may not be possible to establish from our valuation inspection whether the property conforms to current fire regulations or whether a Fire Risk Assessment exists.

We will provide you with our assessment of the current cost of rebuilding the premises for insurance purposes. It should be borne in mind, however, that this figure is based upon current building costs and bears no relation to its market value. The insurance figure will include the costs of clearance and professional fees but exclude VAT (except on fees), loss of rent and/or the cost of alternative accommodation for the reinstatement period. It is prudent to index link this figure. All properties should be fully insured for subsidence, settlement, landslip, flooding and heave.

Where we consider it appropriate, we will make enquiries to establish whether the property's value will be affected by any present or proposed works under the Town and Country Planning Acts, building regulations, fire precaution acts or other statutory or environmental matters. It is not possible to make exhaustive enquiries within the time limits set out for the preparation of a valuation report, however, and it is important that our enquiries are verified by you, in writing, with the appropriate authorities and, where applicable, with adequate pre-contract enquiries of the Vendor before committing yourself to a purchase etc.

We will not inspect the wall ties within external cavity walls of buildings and our report will assume that these are in sound condition unless stated expressly to the contrary in our valuation report.

The report will be confidential to you, your professional advisers where applicable and where stated to be the case, and any other persons expressly stated in our valuation report. We accept responsibility to you alone, that the report will be prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor. We accept no responsibility whatsoever to any person or parties other than yourself, for the content of all or any part of the report. Neither the whole or any part of this report or any reference to it may be included in any published document, circular or statement without Blackman Surveyor LLP's prior written approval.

When making our report the following assumptions will be made:

1. The property is not subject to any unusual or specially onerous restrictions, encumbrances or outgoing and that good title can be shown.
2. The property and its value would be unaffected by any matters which would be revealed by local searches and replies by usual enquiries or any statutory notice and that neither the property nor its condition or its use, nor its intended use, is or will be unlawful.
3. That any alterations in the form of material development already carried out to the property have, where required, been granted all relevant Local Authority approvals.
4. That inspection of those parts which have been inspected would neither reveal material defects nor cause us to alter the valuation materially.

Our valuation will take into consideration whether the property is freehold or leasehold. Unless we advise you to the contrary in our report, all comments upon leases, tenancies, legal restrictions, licences, certificates, agreements, trading accounts, or other relevant matters, will be based upon information gathered verbally from the client, occupier or other persons stated within the report. Within the constraints of a valuation report it is unlikely that this information can be verified in writing.

The report will not identify the existence of contamination of the site unless, by agreement with the client, reports thereon from others have been obtained and made available to us, who will have no liability in respect thereof. If, however, we, in the course of our inspection, conclude that there may be material contamination, we will advise you of this in our valuation report.

In undertaking our work we will assume that no contaminative or potentially contaminative uses have ever been carried out on the property. Should it, however, be established subsequently that contamination exists at the property or on any neighbouring land or that the premises have been or are being put to any contaminative use then this might reduce the values we give in our report.

We would draw your attention to comments made both within the initial letter confirming our valuation instructions, together with comments in the valuation report, in that there may be areas where conditions stated here are altered or amended. Thus, these conditions must be read in conjunction with our report and form an integral part thereof. Where there are any differences, the relevant comments within the report should be taken as correct.

Our fee quoted for this report is based upon the description and details of the property we have available. You will pay to us the fee initially agreed between us, or any amendment thereto to be agreed if our instructions are subsequently modified. In addition, if appropriate, you will pay the cost of all reasonable disbursements. Our account is to be paid within 14 days of the issue of the fee account. Interest at the rate of 2% per month will be charged to overdue accounts.

This firm complies with and operates the R.I.C.S. Mandatory Complaints' Handling Procedure and a copy of this is available upon request.

These Conditions of Engagement are not suitable where the property to be valued is for secured lending purposes.

The client will inform the surveyor if there is already an agreed or proposed price for the property; and if there are any particular concerns which the client may have about the property.

The client agrees to pay the fee and any other charges agreed in writing.

The client will be entitled to cancel this contract by notifying Blackman Surveyors LLP at the relevant office at any time before the day of the inspection. The surveyor will not proceed with the provision of the service (and will so report promptly to the client) if, after arriving at the property, he or she concludes:

- (a) that it is of a type of construction of which he or she has insufficient specialist knowledge to be able to provide the service satisfactorily; or
- (b) that it would be in the typical client's best interest to be provided with a different form of survey or valuation;

In case of cancellation, Blackman Surveyors LLP will refund any money paid by the client for the service, except for expenses reasonably incurred. In the case of cancellation by the surveyor, the reason will be explained to the client.

01.04.2010