

# TERMS OF ENGAGEMENT FOR A VALUATION REPORT

- 1 IDENTITY AND STATUS OF VALUER** A firm regulated by RICS: #019557
- Registered Valuers:  
Afra RAYMOND #0092771  
Ian BRATHWAITE #0093969  
David BALLY #1235531
- Declaration of independence and objectivity:  
We will act as an independent external valuer and have the skills, understanding and current local knowledge of the particular market to undertake this valuation competently and objectively and without bias.
- 2 VALUATION DATE** This is the date of inspection or a date to be specified and agreed.
- 3 BASES OF VALUE** Market Value – The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after property marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
- Market Rent - The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after property marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
- 4 ASSUMPTIONS**
- (a) Good and marketable title;
  - (b) Planning permission and other statutory approvals for the existing building, extensions or alterations and use have been granted;
  - (c) There are no deleterious or hazardous materials;
  - (d) There is no contamination;
  - (e) There are no unusual or onerous outgoings and restrictive covenants;
  - (f) There are no encumbrances or encroachments;
  - (g) All parts of the property which are covered, unexposed or inaccessible are in satisfactory repair and condition and an inspection of those parts which have not been inspected, or a survey inspection carried out would not reveal material defects or cause the valuer to alter the valuation materially;
  - (h) There are rights to use the communal amenities, utilities, infrastructure and facilities;
  - (i) No account has been taken of an additional bid by a prospective purchaser with a special interest;
  - (j) All information, data, title documents and plans provided and which were relied upon were true and correct;
  - (k) There are no outstanding taxes, rates or charges associated with the property;
  - (l) The services and any associated controls or software are in working order or free from defect;
  - (m) Where the property is part of a building/development (e.g. townhouses and apartment):
    - There are no breaches of the lessee's covenants to warrant a determination of the lease;
    - There is a properly formed and operated management company;
    - The cost of repairs and maintenance to the building and grounds are shared equitably;
    - The leases of all the properties in the building/development are materially the same and there are suitable, enforceable covenants between all leaseholders; and
    - There are no substantial defects, or other matters requiring expenditure (in excess of the current amount or assumed amount of service charge payable

- on an annual basis), expected to result in charges to the leaseholder;
- (n) Where the subject property forms part of a mixed residential/commercial building/development, there will be no significant changes in the existing pattern of use;

**5 SPECIAL ASSUMPTIONS**

Vacant possession is available.

The proposed building or work will be completed in accordance with the plans and specifications supplied – *where applicable*

Planning permissions and statutory requirements have been, or will be granted for the proposed building or work – *where applicable*

*Note: Other applicable assumptions may be required and if so, must be agreed to in writing prior to completion of the Report.*

**6 EXTENT OF INVESTIGATION**

- (a) A visual inspection of the property which is visible at various floor levels will be carried out and not a structural survey;
- (b) Any covered, unexposed or inaccessible parts will not be inspected and services will not be tested;
- (c) A land survey will not be undertaken. Therefore, we cannot determine the legal boundaries and size of the site;
- (d) A soil survey into the type and stability of the soil will not be undertaken;
- (e) The basis of our measurement of buildings would be in accordance with the International Property Measurement Standards (IPMS) or the RICS Code of Measuring Practice 6<sup>th</sup> Edition for retail-type properties;;
- (f) No investigation will be undertaken with the land registry, regional corporations, public utilities, town planning department or any other statutory body in preparation of this report;

**7 SOURCES OF INFORMATION (where applicable)**

We require a copy of the title document, sale agreement, leases, building plans, quantity surveyor's report, builders' estimate, statutory approvals, cadastral survey plan, licences, any recent transaction and information on all parties with interest in the property (in the case of commercial buildings: a statement of outgoing);

**8 RESTRICTION ON USE**

The valuation report is not a Court document and is not to be used in any Court proceedings. On acceptance of these terms of engagement, the Client have accepted that no representative of this firm will give testimony or appear in Court by reason of having prepared a valuation of the property.

**9 THIRD PARTY LIABILITY**

Our valuation is provided for your benefit alone and solely for the purposes of the instruction to which it relates. Our valuation may not, without our written consent, be used or relied upon by any third party, even if that third party pays all or part of our fees, or is permitted to see a copy of our valuation report. If we do provide written consent to a third party relying on our valuation, any such third party is deemed to have accepted the terms of our engagement;

**10 COMPLIANCE**

The valuation will be undertaken in accordance with the RICS Valuation – Global Standards 2017, which incorporates the International Valuation Standards (IVS). Compliance with these standards may be monitored under RICS' conduct and disciplinary regulations.

**11 DESCRIPTION OF REPORT**

- The valuation report will conform with the requirements of IVS 103 Reporting;
- (a) Standard residential properties for mortgage purposes will be completed using the ISTT's Standard Residential Mortgage Valuation Report;
- (b) Non-standard residential/commercial/industrial properties will be completed using VR2001
- (c) Exclusive insurance advice will be completed using IR1001
- The report will not contain sales and rent comparables; capitalisation rates; and the calculation of the value.

**12 CONFIDENTIALITY** The valuation report will be confidential to the client and it or any part thereof may not be disclosed or included in any published document or statement without our previous written permission.

**13 LOCALITY** Valuation assignments may not be undertaken in dangerous and/or remote localities.

**14 INSURANCE RECOMMENDATION (where applicable)**

We will include in a report for mortgage purposes and when required, a replacement cost as new of the building only as follows: the calculation of the cost to replace the building excluding retaining walls, boundary walls, fences, swimming pools and other water features, professional fees, site clearance and VAT;
For the specific purpose of insurance, we will recommend a replacement cost as new of the building and site improvements as follows: the calculation of the cost to replace the building including boundary walls, fences, swimming pools and other water features, professional fees and site clearance but exclusive of the cost to replace retaining walls and VAT;

**15 DELIVERY** Once all documents, requirements and access are provided, delivery would be within 10-15 working days, however, rural and commercial valuations would be within 15-20 working days.

To be collected by:	Client/Agent
To be collected at:	Port of Spain office/Chaguanas office/San Fernando office

**16 FEES**

The fees for a this valuation would be at a rate of 1/3 of 1% for the first million of the market value and thereafter 1/4 of 1% plus VAT subject to a minimum fee.
The fees for an opinion of market rent would be at a rate of 1/3 of estimated monthly market rent plus VAT subject to a minimum fee.
The fees for our insurance recommendation would be at a rate of 1/3 of 1% of the first million of the total insurance cover and thereafter 1/4 of 1% plus VAT subject to a minimum fee.
Fees for values estimated to be \$5.0M and over would be determined by a Director.

**17 TERMS OF BUSINESS**

- (a) **Full settlement of our fees is due upon collection of the report.**
- (b) Settlement is due within 30 days of notification of completion of the report. Thereafter, interest at a rate of 2% per month will be charged on the outstanding balance.
- (c) Values will not be disclosed nor will the reports be released or delivered until settlement of our fees.
- (d) A full refund (via cheque) is only applicable where no work has been undertaken. Receipts issued for deposits/payments are to be returned.
- (e) An allowance is applicable on re-valuations at the discretion of a director.
- (f) No new work would be undertaken pending settlement of all outstanding fees.
- (g) Any variation in the scope of works will result in an appropriate alterations in fees.
- (h) An additional fee for split inspections may be incurred.
- (i) In the event of termination of our engagement prior to the completion of the valuation but after the execution of this Agreement, the deposit or part thereof is forfeitable at the discretion of the firm as being reasonable compensation for work done as at that date.

**18 AMENDMENT** This Agreement may be amended only by an instrument in writing signed by duly authorised representatives of each of the parties.

**19 INVALIDITY OF ANY PROVISION** If any of the provisions of this Agreement is or becomes invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired. The parties shall nevertheless negotiate in good faith in order to agree the terms of a mutually satisfactory provision, achieving as nearly as possible, the same commercial effect, to be substituted for the provision so found to be void or unenforceable.

**20 LIABILITY** Any liability on the part of the Company for breach of any provisions of this Agreement, giving rise to liability or forming any cause of action whatsoever shall be limited to the Client's actual direct, provable damages in an amount not to exceed the total amount paid to the Company in respect of Fees. The Client agrees that in no event will the Company be liable for damages in respect of incidental, punitive, exemplary, indirect, special or consequential damages, including but not limited to loss of business revenue, lost profits, failure to realise expected savings, or loss of business opportunity. The Client further agrees that in no event will the Company's directors, officers, or employees be liable for any damages arising out of or related to this Agreement. The Clients have confirmed that they have sought their own legal advice as regards this provision and they are satisfied that this provision is fair and reasonable.

**21 COMPLAINTS HANDLING PROCEDURE (CHP)** The Complaints Review Period: In the event of a dispute arising out of or related to this Agreement, the Client must complete and submit the Complaints Form, a copy of which can be provided upon request. Alternatively, the Form can be completed online at <http://raymondandpierre.com/contactus.htm>. Henceforth, the complaint will receive the attention of a Director who will respond within five (5) working days.

If the issue is not resolved via the Complaints Review Period, either of the Parties to this Agreement shall submit the dispute to non-binding mediation using the services provided by the Trinidad and Tobago Dispute Resolution Centre (DRC) and shall make a good-faith effort to resolve the dispute through the mediation process in accordance with the rules of the DRC. Each party shall bear its own costs in respect of the mediation.

In the event the Parties are unable to resolve their dispute through mediation after 14 days from the reference to mediation or such further period as the Parties may mutually agree in writing, such dispute shall be settled exclusively and finally by binding arbitration by an arbitrator to be jointly appointed by the Parties

In the event either Party fails to agree to the appointment of an arbitrator, such arbitrator shall be appointed upon application by the interested Party by the DRC.

The award of the arbitrator shall be final and shall not be subject to any appeal or challenge whatsoever. The arbitrator will not be required to file his award with any body or authority whatsoever. In the event arbitration proceedings are initiated under this arbitration clause, pending such proceedings and until a final award is rendered pursuant thereto, any subsequent controversy arising between the Parties shall be exclusively submitted for final decision by the arbitrator in the arbitration proceedings already pending.

The arbitration proceedings shall be conducted in accordance with the Arbitration Act Chapter 5:01 of the laws of the Republic of Trinidad and Tobago or a statutory modification thereof.