

## TERMS OF ENGAGEMENT FOR A VALUATION REPORT

- 1 **IDENTITY AND STATUS OF THE VALUER** Raymond & Pierre Limited is regulated by RICS (#019557) for the provision of surveying services. This means we agree to uphold the RICS Rules of Conduct for Firms and all other applicable mandatory professional practice requirements of RICS, which can be found at rics.org. As an RICS regulated firm we have committed to cooperating with RICS in ensuring compliance with its standards. The firm's nominated RICS Responsible Principal is Mr. Afra Raymond FRICS, Managing Director 623-4945.
- Registered Valuers:  
Afra Raymond *FRICS* #0092771; Ian Brathwaite *MRICS* #0093969; Neil Romany *MRICS* #1128849; Abraham Derry *MRICS* #5863471
- 2 **VALUER'S STATEMENT** We will act as an independent external valuer and have sufficient skills, understanding and current local knowledge of the particular market to undertake this valuation competently, objectively and without bias.
- 3 **VALUATION DATE** This is the date on which the opinion of value applies. It is the date of inspection/date specified by the client;
- 4 **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 proper 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;
- 5 **ASSUMPTIONS**
- (a) Good and marketable title;
  - (b) Vacant possession is available (this would be a special assumption if the property is occupied);
  - (c) Planning permission and statutory requirements for the existing building, extensions or alterations and use have been granted;
  - (d) There are no deleterious or hazardous materials;
  - (e) There is no contamination;
  - (f) There are no unusual or onerous outgoings and restrictive covenants;
  - (g) There are no encumbrances or encroachments;
  - (h) 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;
  - (i) There are rights to use the communal amenities, utilities, infrastructure

- and facilities;
- (j) No account has been taken of an additional bid by a prospective purchaser with a special interest;
- (k) All information, data, title documents and plans provided and which were relied upon are true and correct;
- (l) There are no outstanding taxes, rates or charges associated with the property;
- (m) The services and any associated controls or software are in working order or free from defect;
- (n) Where the property is part of a building/development (e.g. townhouses and apartment):
  - o There are no breaches of the lessee's covenants to warrant a determination of the lease;
  - o There is a properly formed and operated management company;
  - o The cost of repairs and maintenance to the building and grounds are shared equitably;
  - o The leases of all the properties in the building/development are materially the same and there are suitable, enforceable covenants between all leaseholders; and
  - o 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;
- (o) 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;

6 SPECIAL ASSUMPTIONS

- (a) The proposed building or work will be completed in accordance with the plans and specifications supplied;
- (b) Planning permissions and statutory requirements have been, or will be granted for the proposed building or work;
- (c) Vacant possession;
- (d) Planning permissions and other statutory requirements have been, or will be granted for the change of use;
- (e) No material change to the physical attributes of the property and the area in which it is situated described in our previous valuation report;
- (f) The tenants' improvements will be disregarded;
- (g) The covenant preventing the sale will be disregarded;
- (h) The building and site improvements will be disregarded.

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

7 EXTENT OF INVESTIGATION

- (a) A visual inspection of the property which is visible at the 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 is the International Property Measurement Standards (IPMS) and the RICS Property Measurement 2<sup>nd</sup> Edition, January 2018;

(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;

- 8 SOURCES OF INFORMATION 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 outgoings). We shall assume that all the documents and information that is provided and relied upon are true and correct;
- 9 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.
- 10 THIRD PARTY LIABILITY Our valuation report may not be used or relied upon by any third party, even if that third party pays all or part of our fees. If we do provide written consent to a third party relying on our valuation, any such third party is deemed to have accepted this terms of our engagement;
- 11 COMPLIANCE The valuation will be undertaken in accordance with the RICS Valuation – Global Standards 2021, which incorporates the International Valuation Standards (IVS). Compliance with these standards may be monitored under RICS' conduct and disciplinary regulations;
- 12 DESCRIPTION OF REPORT The valuation report will conform with the requirements of IVS 103 Reporting and will be completed using the prescribed form.  
  
The report will not contain sales and rent comparables; capitalisation rates; and the calculation of the value(s);
- 13 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;
- 14 LOCALITY Valuation assignments may not be undertaken in dangerous and/or remote localities;
- 15 DATA Data and confidential information derived from the valuation assignment will be used by us in our professional work and shared on a confidential basis with other valuation professionals but not given to other parties;
- 16 INSURANCE RECOMMENDATION (where applicable) (a) 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; or  
  
(b) For the specific purpose 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 VAT;

- 17 DELIVERY Once all documents, requirements and access are provided delivery would be within 10 working days. However, for rural and commercial valuations, this would be 15 working days.
- 18 FEES
- (a) The fees for a 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;
  - (b) The fees for an opinion of market rent would be at a rate of 1/3 of the monthly market rent plus VAT subject to a minimum fee;
  - (c) 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; and
  - (d) Fees for values estimated to be over TT\$5M may be determined by a Director.
- 19 TERMS OF BUSINESS
- (a) Full settlement of our fees is due upon completion 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 and the reports will not 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 will be undertaken pending settlement of all outstanding fees.
  - (g) Any variation in the scope of works will result in an appropriate alterations in fees and deposit.
  - (h) An additional fee for split inspections may apply subject to a maximum fee of TT\$1,000 per inspection. This will occur when a client re-schedules an inspection after the time of the schedule inspection or when more than one inspection is required to conduct an 'adequate inspection' of the property as a result of not being provided with proper access.
  - (i) An additional fee at a rate of TT\$1,500 plus VAT per hour or part thereof will be incurred for formal post-valuation meetings with the client and/or the client's advisors.
  - (j) 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;
  - (k) If all required documents are not provided within six (6) months after submission the deposit will be forfeited as administrative and inspection costs.
- 20 AMENDMENT This Agreement may be amended only by an instrument in writing signed by duly authorised representatives of each of the parties;

- 21      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;
- 22      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;
- 23      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 Dialogue Solutions, #15 Wainwright Street, St. Clair, Port-of-Spain <https://dialoguesolutions.org/> and shall make a good-faith effort to resolve the dispute through the mediation process in accordance with the rules of Dialogue Solutions. 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 Dialogue Solutions.
- 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 Trinidad and Tobago or any statutory modification thereof.