

Holt Commercial Limited

VALUATION TERMS OF BUSINESS

Holt Commercial Limited aims to provide a first class service as a leading regional firm of chartered surveyors and property consultants and will perform its services with all reasonable care and skill and will act in good faith at all times.

1.0 PRELIMINARY

- 1.1 *Holt Commercial Limited (Holt Commercial) undertakes all services only on the basis of these terms of business and on the terms of the letter of acceptance of instructions from Holt Commercial to the Client. These shall apply to the exclusion of any other terms and conditions which the Client may seek to impose.
- 1.2 No variation of these terms shall be binding unless agreed in writing between an authorised representative of Holt Commercial and the Client.
- 1.3 The purpose for which the Advice is required shall be as agreed between the Client and Holt Commercial.
- 1.4 Holt Commercial shall advise the Client in writing as to the opinion of value of the relevant interests specified by the Client in the subject property.

2.0 CHARGES

- 2.1 Fees will be charged at the rate set out in the letter of acceptance of instructions and will be payable if the objectives of the Client are met by any means during the continuance of Holt Commercial's instructions. In the event of a material change in the scope of its instructions, Holt Commercial reserves the right to charge an additional fee.
- 2.2 In addition to such fees, the Client shall pay to Holt Commercial all reasonable out-of-pocket expenses incurred in the performance of its instructions.
- 2.3 Holt Commercial may receive and retain usual commissions and discounts on orders for goods and services placed on the client's behalf.
- 2.4 VAT shall be payable, where applicable, in addition to all fees, disbursements and other amounts due from the Client to Holt Commercial.
- 2.5 In the event of Holt Commercial's instructions being terminated by either party for any reason, Holt Commercial shall be entitled to charge a fee on one of the following bases:
 - 2.5.1 a quantum meruit for the work undertaken or
 - 2.5.2 time spent at Holt Commercial's standard hourly rates from time to time or
 - 2.5.3 a fair and reasonable proportion of the fee to which Holt Commercial would have been entitled if the matter had been successfully completed on the terms agreed between Holt Commercial and the Client prior to such termination.

3.0 PAYMENT

- 3.1 Holt Commercial will invoice the Client for fees due as set out in the letter of acceptance of instructions.
- 3.2 Accounts for disbursements and out-of-pocket expenses may be submitted at the time when such expenditure is incurred.
- 3.3 Invoices are due for payment upon presentation and in the event of settlement not having been made in full within 28 days of presentation, Holt Commercial reserves the right to charge interest at the rate of 4% above the base lending rate of Barclays Bank Plc calculated on a daily basis from the date of presentation of the invoice to the date of settlement, or 1% per calendar month (or part of a calendar month) from the date of presentation, whichever is the greater.
- 3.4 Without prejudice to any other rights it may have, in the event that any sum due from the Client to Holt Commercial remains unpaid for more than 28 days Holt Commercial shall be entitled to suspend all further work for the Client until such time as the relevant payment is made and Holt Commercial shall not be liable for any delays, losses, costs or expenses occasioned by such suspension.

4.0 CLIENT'S WARRANTY AND INDEMNITY

- 4.1 The Client hereby represents and undertakes to Holt Commercial that all information provided by the Client and/or its professional advisers regarding the Property is complete and correct, that the Property and its use complies with all relevant statutory requirements and that there are no other material facts known to the Client relating to the Property which may be relevant to Holt Commercial in carrying out its instructions.
- 4.2 The Client hereby undertakes to indemnify Holt Commercial and keep Holt Commercial indemnified against all losses, damages, costs and expenses, including legal fees on a solicitor and own client basis, arising out of or by virtue of the Client's instructions to Holt Commercial other than any losses, damages, costs and expenses arising by virtue of the default or negligence of Holt Commercial.

5.0 EXCLUSION CLAUSES

- 5.1 Any Report, Valuation or Advice provided by Holt Commercial in connection with the client's instructions may be subject to exclusions relevant to the particular Report, Valuation or recommendation in which such exclusions would be specified. The general principles adopted in the preparation of Valuations and Reports are printed overleaf.

6.0 DOCUMENTS

- 6.1 The copyright of all Reports, forecasts, drawings, accounts and other documents originated by Holt Commercial in relation to its instructions remains the property of Holt Commercial.

7.0 TERMINATION

- 7.1 The termination of Holt Commercial's appointment shall not affect any rights accrued by either party prior to that date.
- 7.2 Either party may terminate Holt Commercial's appointment immediately by giving written notice if the other party:
 - 7.2.1 has a receiver, administrative receiver or administrator appointed over all or any part of its assets or undertaking by;
 - 7.2.2 passes a resolution to wind up or has a liquidator appointed or
 - 7.2.3 ceases or threatens to cease trading.
- 7.3 Holt Commercial shall be entitled to terminate its appointment by the Client in the event that the Client:
 - 7.3.1 fails to pay any sum due to Holt Commercial within 90 days of the due date or
 - 7.3.2 in the reasonable opinion of Holt Commercial refuses or neglects to provide the co-operation necessary for Holt Commercial to carry out its instructions or the conduct of the Client otherwise renders the performance of Holt Commercial's instructions impracticable.

8.0 COMPLAINTS HANDLING PROCEDURE

- 8.1 In accordance with the RICS Rules of Conduct, Holt Commercial operate a complaints handling procedure, a copy of which is available on request.
- 8.2 If a complaint is not resolved between a client and the relevant Director, the complaint will be referred to the RICS Dispute Resolution Service or Ombudsman Services: Property

9.0 GENERAL

These conditions are subject to English Law and the parties irrevocably submit to the exclusive jurisdiction of the English Courts for the resolution of all disputes arising between the parties save as this clause is for the exclusive benefit of Holt Commercial, it shall retain the right to bring proceedings against the Client in any court which has jurisdiction under the 1968 Brussels Convention.

Holt Commercial Limited

GENERAL PRINCIPLES ADOPTED IN THE PREPARATION OF VALUATIONS AND REPORTS

We list below the general principles upon which valuations and reports are normally prepared and they shall apply unless specifically mentioned other in the foregoing.

1 RICS Valuation Standards

All Valuations are carried out in accordance with the Valuation Standards published by the Royal Institution of Chartered Surveyors and are undertaken by appropriately qualified registered valuers as defined therein.

2 Valuation Basis

All valuations are made on the appropriate basis as agreed with the client in accordance with the provisions and definitions of the RICS Valuation Standards unless otherwise specifically agreed and stated.

The specific basis of valuation adopted in relation to a particular instruction and the definition thereof is detailed in the body of the report to which this document forms an Appendix.

No allowances are made in our valuations for any expenses of realisation, or to reflect the balance of any outstanding mortgages, either in respect of capital or interest accrued thereon.

It should be noted that our valuations are based upon the facts and evidence available at the date of valuation. It is therefore recommended that valuations be periodically reviewed.

3 Information Supplied

We accept as being complete and correct the information provided to us by the sources detailed in our report, relating to items such as tenure, tenancies, tenants' improvements and other relevant matters.

4 Documentation and Title

We do not normally read documents of title. Where title documentation or leases are provided to us, we recommend that reliance should not be placed on our interpretation thereof without prior verification by your legal advisors.

Unless notified to the contrary, we assume that each property has a good and marketable title and is free from any pending litigation. We further assume that all documentation is satisfactorily drawn and that there are no unusual or onerous restrictions, easements, covenants or other outgoing which would adversely affect the value of the relevant interest(s).

5 Tenancies

It is assumed that, except where otherwise stated, all properties are subject to normal outgoing and that tenants are responsible for all repairs, the cost of insurance and payment of rates and other unusual outgoing, either directly or by means of service charge provisions.

Unless otherwise stated, it is further assumed that rent reviews are on an upward only basis and that neither the landlord nor the tenant may terminate the contract prematurely.

6 Tenants' Covenant Strength

Unless specifically requested, we do not make detailed enquiries into the covenant strength of occupational tenants but rely on our judgement of the market's perception of them. Any comments on covenant strength should therefore be read in this context. Furthermore, we assume, unless otherwise advised, that the tenant is capable of meeting its financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

7 Inspections

We undertake such inspections and conduct investigations as are, in our opinion, correct in our professional judgement, appropriate and possible in the particular circumstances.

8 Measurements

All property measurement is carried out in accordance with the Valuation Standards issued by The Royal Institution of Chartered Surveyors, unless we specifically state that we have relied upon another source of information or method.

Unless specifically requested, we do not undertake a measured site survey but calculate site areas by reference to the identified boundaries of the property and the appropriate Ordnance Survey Plan.

9 Town Planning and Other Statutory Regulations

Wherever possible, we undertake direct oral enquiries to obtain town planning and highway information from the relevant Local Authority. If specifically instructed, we will undertake to obtain written verification of the position as stated in our Report.

Our Valuations are prepared on the assumption that the premises comply with all relevant statutory enactments and Building Regulations and that a valid and up-to-date Fire Certificate has been issued. We also assume that all necessary consents and authorisations for the use of the property and the process carried out therein have been obtained and will continue to subsist and are not subject to any onerous conditions.

We further assume that there are no outstanding obligations or liabilities arising out of the provisions of the Defective Premises Act 1972.

10 Structural Surveys

Unless expressly instructed, we do not undertake structural surveys, nor do we inspect those parts that are covered, unexposed or inaccessible, or test any of the electrical, heating, or other services. Any readily apparent defects or items or disrepair noted during our inspection will be reflected in our Valuations, but no assurance is given that any property is free from defect. We assume that those parts which have not been inspected would not reveal material defects which would cause us to alter our Report and Valuations.

11 Deleterious Materials

Unless expressly instructed, we do not carry out investigations to ascertain whether any building has been constructed or altered using deleterious materials or methods. Unless specifically notified, our valuations assume that no such materials or methods have been used. Common examples include high alumina cement concrete, calcium chloride, asbestos and wood wool as permanent shuttering.

12 Site Conditions

Unless specifically requested, we do not carry out investigations on site in order to determine the suitability of ground conditions and services, nor do we undertake environmental, archaeological, or geotechnical surveys. Unless notified to the contrary, our Valuations are on the basis that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas, or other noxious substances.

In the case of properties which may have redevelopment potential, we assume that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems. Furthermore, we assume in such circumstances that no unusual costs will be incurred in the demolition and removal of any existing structures on the property.

13 Environmental Contamination

In preparing our Valuations we have assumed that no contaminative or potentially contaminative use is, or has ever been, carried out at the property. Unless specifically instructed, we do not undertake any investigation into the past or present uses of either the property or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists.

Should it, however, be subsequently established that such contamination exists at any of the properties or on any adjoining land or that any premises have been or are being put to contaminative use, this may be found to have a detrimental effect on the value reported.

In preparing our Valuations, we have assumed that all necessary consents and authorisations for the use of the property and the processes carried out at the property are in existence, will continue to subsist and are not subject to any onerous conditions.

14 Plant and Machinery

Our Valuations include items usually regarded as forming part of the building and comprising landlord's fixtures, such as boilers, heating, lighting, sprinklers and ventilation systems but generally exclude operational plant and machinery and those fixtures and fittings normally considered to be the property of the tenant.

15 Taxation

In preparing our Valuations, no allowances are made for any liability which may arise for payment of Corporation Tax or Capital Gains Tax, or any other property related tax, whether existing or which may arise on development or disposal, deemed or otherwise. We also specifically draw your attention to the fact that our Valuations are exclusive of any VAT liability which may be incurred.

16 Government Grants

All Valuations are given without any adjustment for capital based Government grants received or potentially receivable, at the date of the valuation.

17 Special Purchaser Value

Unless otherwise stated our Valuations do not reflect any element of marriage value or special purchaser value which could possibly be realised by a merger of interests or by a sale to an owner or occupier of an adjoining property, other than in so far as this would be reflected in offers made in the open market by prospective purchasers apart from the purchaser with a special interest.

18 Aggregation

In the valuation of portfolios, each property is valued separately and not as part of the portfolio. Accordingly, no allowance, either positive or negative, is made in the aggregate value reported to reflect the possibility of the whole or part of the property being put on the market at any one time.

19 Confidentiality

Our Valuations and Reports are strictly confidential to the party to whom they are addressed, or their other professional advisors, for the specific purpose to which they refer and no responsibility whatsoever is accepted to any third parties for the whole or part of their contents.

20 Publication

Neither the whole nor any part of our Reports, or any reference thereto, may be included in any published document, circular or statement, or published in any way or disclosed orally to a third party, without our written approval of the form and context of such publication or disclosure. Such approval is required whether or not Holt Commercial are referred to by name and whether or not the Reports are combined with others.