GENERAL TERMS AND CONDITIONS FOR PROFESSIONAL BUSINESS

1. VALUATION

For a valuation of a freehold or leasehold interest in the property, the fee payable (subject in each instance to the minimum fee) will be :-

1.1 Freehold Property
0.25% of total valuation, subject to a minimum fee of £150.00 for letter reports and £250.00 for full format reports.

1.2 Leasehold Property
0.25% of the premium plus 2.5% of the current annual rent under the terms of the lease with minimum fees as 1.1above.

1.3 Goodwill, Fixtures and Fittings, Stock and Chattels, Plant and Machinery 5% on the first £1,000 and 2.5% on the residue of the valuation with minimum fees as 1.1 above.

1.4 Conditions of Valuation
The purpose and basis of the valuation will be conferred in the valuation report. The following conditions will apply to all valuations whether done orally or in writing unless varied in writing by us:-

1.4.1 Valuations of leasehold or freehold property will be carried out on the basis of vacant possession, unless otherwise stated.
1.4.2 All valuations are undertaken on the assumptions referred to below unless specifically agreed to the contrary:-
(a) There will be a willing vendor/landlord and a willing purchaser/tenant.
(b) A reasonable period will be given in which to negotiate the sale or letting taking into account the nature of the property and the state of the market.
(c) Values will remain static during that period.
(d) The property will be freely exposed to the market in what we deem the most favourable manner.
(e) No account will be taken of any higher price or rent that may be paid by a person or lessee with a special interest.
(f) Unless specifically otherwise stated any valuation of property will not include a valuation of plant, machinery, fixtures, fittings or equipment upon the property.
(g) Unless specifically referred to in the valuation report the valuation will not take into account any matters concerning the consideration or the incidence of taxation whether in the nature of stamp duty, capital gains tax, income tax, corporation tax, development land tax, value added tax or any other tax or levy (whether national or local) that may arise or be taken into account on any transaction. Nor will the valuation have regard to any expense or realisation or incidental cost which might arise on a disposal.
1.4.3 We will not carry out a Building Survey of any part of the property nor will we undertake any chemical analysis or technical testing nor give any warranty with regards to quality or suitability of the building materials used in the construction, improvement or alteration of any of the building nor as to whether any deleterious or hazardous material or techniques have been used for the purpose of the valuation. We will assume that such investigation will not disclose the presence of any such material in any adverse condition. We will not inspect the woodwork nor those parts of the structure which are covered, unexposed or not immediately accessible, nor shall we inspect roof voids. These areas will be assumed to be in good repair and condition. We will be unable to say that those parts are free from rot, beetle or any other defects of a similar nature. Neither will we be able to say that such areas are free from any other material or construction defects. The report should not be taken as making any implied representation or statement about such areas.
1.4.4 No allowance will be made for rights, obligations or liabilities arising under the Defective Premises Act 1972 or any statutory amendments thereof. We will assume for the purpose of our valuation that the property complies with all statutory requirements of the Factories Act 1961 and Office, Shops and Railway Premises Act 1963, the Health and Safety at Work Act 1974 and all other statutes governing the use of the property. The reference to these Acts includes any statutory modification or re-enactment thereof.
1.4.5 The examination and testing of the electrical, gas, oil or other fuel or energy supplies and the installations to include all wiring, cable, piping and conduit switches, plugs, fuses and taps and water and drainage systems and plumbing, heating and ventilation installations are outside our instructions and consequently no opinion nor assurance nor guarantee as to their existence, condition or suitability will be made.
1.4.6 We will not carry out nor commission a site investigation, environmental nor geotechnical survey and therefore will give no opinion nor assurance nor guarantee that the ground has sufficient load bearing strength to support the existing construction that may be erected upon in the future. We will not give any opinion nor assurance nor guarantee that there are no noxious mineral or other workings or methane gas and other noxious substances beneath the site to in its vicinity nor that there is any fault or disability underground which could or might affect the property or any construction thereon.
1.4.7 Neither the whole nor part of the valuation nor any reference thereto may be included in any published document, circular or statement nor published in any way without prior written approval of the form and context in which it may appear.
1.4.8 The valuation report will be provided strictly for the purposes stated and for the sole use of the client and his professional advisors and no responsibility will be accepted to any third party for the whole or any part of its contents. This valuation should only be used within the context of the instructions under which it is prepared.
1.4.9 Some of the information upon which the valuation will be based will be obtained from the client and some from Local, Public or Statutory Authorities. We will assume that this information supplied in good faith is accurate but if subsequently we are advised that any part of it is incorrect and we believe it to be material to the valuation, the valuation will be withdrawn. If the valuation is withdrawn we reserve the right either to refund the valuation fee or prepare a revised valuation taking into account the correct information.
1.4.10 We will not examine the deeds or any documents, with the exception of the lease relating to the property in question, assuming them to be made available to us. We will therefore assume that the deeds do not contain any restrictive covenants or conditions nor place any onerous liabilities nor on the other hand confer any major benefits, unless these are specifically referred to within the valuation. We will further assume that there are no planning restrictions, unless specifically referred to within the valuation. If any of these assumptions are subsequently proved to be incorrect and in our opinion material to the valuation, then the valuation will be withdrawn. If the valuation is withdrawn, we reserve the right either to refund the valuation fee or to prepare a revised valuation taking into account the correct information.
1.4.11 Asbestos was widely used in the construction of buildings between 1900 and 1999 when it was banned. There is therefore the possibility of asbestos containing materials (ACMs) in the property. The Control of Asbestos at Work Regulations impose obligations on the owner/occupier to identify ACMs and ensure that there is an effective Health and Safety Policy involving ongoing annual management.. Failure to comply with regulations is an offence. Our valuation assumes that compliance with regulations will not require a cost factor which might significantly affect value. ACMs should be handled and worked with great care, as Asbestos is a hazardous material. Any suggestion of deterioration of such materials may require sealing or removal, which is a specialist task and expensive.

2. RENT REVIEWS

For acting on behalf of the landlord we will firstly provide a 'Open Market Rental Valuation report' for a fee to be agreed in writing – determined upon the scale and complexity of the property. If instructed to act thereafter, the fee will be calculated on 25% of the uplift in rent agreed, subject to a minimum fee of £750.00.

For acting on behalf of the tenant we will firstly provide an appraisal on the landlord's proposal for a fee to be agreed in writing – determined on the scale and complexity of the property. If instructed to act thereafter the fee will be calculated on a quantum merit basis, based on 50% of the saving, (measured over one year, or the average annual saving if an escalating rent is agreed), based on the landlord's initial proposal, subject to a minimum fee of £750.00.

If the matter is referred to arbitration or a Court an additional fee will become payable calculated on an hourly basis by agreement whether the rent is agreed prior to Arbitration or Court decision or not.

3. LEASE RENEWALS

For acting on behalf of the landlord the fee will be calculated on 7.5% of the agreed rent or average thereof, disregarding rent free periods or discounted allowances, subject to a minimum fee of £750.00.

For acting on behalf of the tenant the fee will be fixed by agreement, (calculated depending upon anticipated time required to complete), subject to a minimum fee of £750, PLUS a fee equal to 25% of the saving in rent, based on the landlord's original proposal.

If this matter is referred to arbitration or Court, an additional fee will become payable calculated on an hourly basis by agreement whether the rent is agreed prior to Arbitration or Court decision or not.

4. RATING

All fees for work associated with rating will be calculated on 25% of the saving generated.

5. BUILDING SURVEYING

Details of fees and charges which is available upon application will be discussed and agreed prior to our formal appointment.

6. COMPULSORY ACQUISITION

Fees will be by prior agreement with the client.

7. VALUATION FOR TAXATION PURPOSES

Fees will be by prior agreement with the client according to the number of hours spent by our executive and staff.

8. FIRE INSURANCE

Fee for assessing the current replacement cost of buildings where adequate drawings for the purposes are available will be calculated in accordance with the following scale.

Assessment Current Cost	Fee
Up to £350,000	£350
£350.000 - £500.000	£475
£500,000 - £3,000.000	£500 + 0.025% on balance over £500,000
over £3,000,000	By agreement

Fees will be calculated on the assessed current cost (i.e. base value) for replacement purposes including allowances for demolition and site clearance but excluding inflation allowance and professional fees.

9. DILAPIDATIONS

Fees and charges will be calculated as follows: For preparing a Schedule on behalf of the landlord or tenant or for checking a schedule received on behalf of the tenant, the fee will be quoted on a case by case basis, dependant on the scale of instruction. After our initial instruction has been completed any further input will be charged on an hourly rate, with all of the above to be agreed in writing with the client prior to the commencement of works.

10. PLANNING

Fees in respect of Town and Country planning work (including development appraisal and written or personal representation) will be prior agreement with the client.

11. PROPERTY ACQUISITIONS

For obtaining on the instructions of the client for the acquisition of a property, the fee payable will be 0.75% of the value of the property, subject to a minimum fee of £750.

12. PROPERTY MANAGEMENT

Fees will be payable by prior agreement with the client.

13. CONSULTANCY WORK AND OTHER INSTRUCTIONS

Fees will be charged at the hourly rate applicable to the Member(s) of staff employed, available on request.

14. OUT OF POCKET EXPENSES

Out of pocket expenses to be charged will be by prior agreement with the client.

15. ABORTIVE WORK

If instructions are withdrawn, a fee on the basis of quantum meruit will be charged.

16. HOURLY RATE

Time will be charged at an hourly rate according to the professional status and qualifications of the staff concerned and the circumstances of the job. Details of our hourly rates will be provided on request.

17. MULTIPLE INSTRUCTIONS

The above scales relate to work in respect of single properties. Charges for multiple instructions or involving a portfolio of properties will be by arrangement.

18. VAT

All fees quoted above are subject to VAT at the prevailing rate at the time the invoice is raised.

19. PAYMENT

19.1 Fees for Valuations and other Written Reports will be payable prior to the release of the Written Report.

19.2 Fees on all professional work other than valuations will be payable on completion of the instructions.

19.3 Our charges will be subject in each instance to a minimum fee of £100.00 or otherwise by agreement in writing with the client.

19.4 An abortive work charge following the withdrawal of instructions will be payable immediately upon the withdrawal of the instructions.

19.5 Out of pockets expenses will be payable whether or not instructions are completed and will be in addition to any abortive fee charged.

19.6 We retain the right to submit interim accounts.

19.7 All fees and out of pocket are exclusive of Value Added Tax and Value Added Tax at the appropriate rate will be added to all accounts.

19.8 We reserve the right to charge interest on late payment in line with the Late Payment of Commercial Debt (Interest) Act 1998, that is 8% above the prevailing Bank of England Base Rate, calculated on a daily basis.

19.9 If after all reasonable attempts to recover payment fail, we reserve the right to pass any outstanding invoice(s) to a third party, who will be authorised to collect outstanding debts on behalf of RMA. Debts passed to a third party will be subject to additional recovery charges, all of which will be payable by the client.

RORY MACK
ASSOCIATES