TERMS OF ENGAGEMENT

HOMEBUYER SURVEY & VALUATION

Thank you for requesting information concerning an RICS/ISVA HOMEBUYER Survey & Valuation (“the service”) for the property named above.

We confirm that we shall be pleased to undertake this Service on the following terms:

1. The enclosed Standard Terms of Engagement and Description of HOMEBUYERS Service will apply. You are asked to study these, together with the accompanying information on the Service, in order to make sure this is the kind of survey which you require.

2. If you wish to amend the standard Service in any way, please advise us as soon as possible, preferably by telephone but alternatively on the Instructions to Proceed form which accompanies this letter. Where we inspect a property before we receive signed instructions and any variations please note that the Description of the HOMEBUYER Service will apply without amendment.

3. Our fees will be payable in full before we submit our Report. Please note that fee quoted may have to be revised if you require any amendment to the Service, or if we find on arrival at the property that it is substantially different to what has been described to us. In either such case we will advise you promptly and will await your further instructions before proceeding.

Please note that it is a requirement of the RICS that we your consent to these terms of engagement before we release our report.
STANDARD TERMS OF ENGAGEMENT

PART 1:
GENERAL

1 The Service. The standard HOMEBUYER Survey & Valuation Service ("the Service") which is described in Part 2 of these Terms ("the Description") applies unless an addition to the Service is agreed in writing before the Inspection. (An example of such an addition is reporting upon parts, which are not normally inspected, such as the opening of all windows.)

2 The Surveyor who provides the Service will be a Chartered Surveyor, or a Fellow or Associate of the Incorporated Society of Valuers and Auctioneers, who is competent to survey, value and report upon the Property which is the subject of these Terms.

3 Before the Inspection. The Client will inform the Surveyor of the agreed price for the Property and of any particular concerns (such as plans for extension) which he or she may have about the Property.

4 Terms of payment. The Client agrees to pay the fee and any other charges agreed in writing.

5 Cancellation. The Client will be entitled to cancel this contract by notifying the Surveyor's office at any time before the day of the Inspection. The Surveyor will be entitled not to 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:

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
that it would be in the typical Client's best interests to be provided with a Building Survey, plus valuation, rather than the HOMEBUYER Service.

In case of cancellation, the Surveyor 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.

6 Liability. The Report provided is solely for the use of the Client and the Client's professional advisers, and no liability to anyone else is accepted. Should the Client not act upon specific, reasonable advice contained in the Report, no responsibility is accepted for the consequences.

PART 2:
DESCRIPTION OF THE HOMEBUYER SERVICE overleaf
STANDARD TERMS OF ENGAGEMENT

A The Service

A1 The HOMEBUYER Service comprises:
- an Inspection of the Property (Section B below)
- a concise Report based on the Inspection (Section C)
- the Valuation, which is part of the Report (Section D)

A2 The Surveyor's main objective in the HOMEBUYER Service is to give Clients considering buying a particular Property the professional advice which will assist them:
- to make a reasoned and informed judgement on whether or not to proceed with the purchase
- to assess whether or not the Property is a reasonable purchase at the agreed price
- to be clear what decisions and actions should be taken before contracts are exchanged.

A3 The HOMEBUYER Service therefore covers the general condition of the Property and particular features which affect its present value and may affect its future resale. The Report focuses on what the Surveyor judges to be urgent or significant matters. Significant matters are those which, typically, in negotiations over price would be reflected in the amount Finally agreed

B The Inspection

B1 The Inspection is a general surface examination of those parts of the Property which are accessible: in other words, visible and readily available for examination from ground and floor levels, without risk of causing damage to the Property or injury to the Surveyor. Due care is therefore exercised throughout the Inspection regarding safety, practicality and the constraints of being a visitor to the Property (which may be occupied). So furniture, nor coverings and other contents are not moved or lifted; and no part is forced or laid open to make it accessible.

B2 The services are inspected (except, in the case of flats, for drainage, lifts and security systems), but the Surveyor does not test or assess the efficiency of electrical, gas, plumbing, heating or drainage installations, or compliance with current regulations, or the internal condition of any chimney, boiler or other flue. Also the Surveyor does not research the presence (or possible consequences) of contamination by any harmful substance. However, if a problem is suspected in any of these areas, advice is given on what action should be taken.

B3 Where necessary, parts of the Inspection are made from adjoining public property. Such equipment as a damp-meter, binoculars and torch may be used. A ladder is used for hatches and also for flat roofs not more than three metres above ground level. Leisure facilities and non-permanent outbuildings (such as pools and timber sheds) are noted but not examined. In the case of flats, exterior surfaces of the building containing the Property, as well as its access areas, are examined in order to assess their general condition; roof spaces are inspected if there is a hatch within the flat.

C The Report

C1 The Report provides the Surveyor's opinion of those matters which are urgent or significant and need action or evaluation by the Client before contracts are exchanged. It includes some or all of the following:
- urgent repairs (e.g. gas leak; defective chimney stacks) - for which the Client should obtain quotations where appropriate
- significant matters requiring further investigation where essential (e.g. suspected subsidence) - for which the Client should obtain (and may have to pay for) reports and quotations from suitable contractors
- significant but not urgent repairs and renewals (e.g. new covering for flat roof before long)
- other significant considerations (e.g. some potential source of inconvenience) which the Surveyor wishes to draw to the attention of the Client
- legal matters (e.g. a possible right of way) which the Client should instruct the Legal Advisers to include in their inquiries.

C2 Matters assessed as not urgent or not significant are outside the scope of the HOMEBUYER Service and are generally not reported; however, other matters (such as safety) are reported where the Surveyor judges this to be helpful and constructive. If a part or area normally examined is found to be not accessible during the Inspection, this is reported; if a problem is suspected, advice is given on what action should be taken.

C3 The Report is in a standard format arranged in the following sequence: Introduction & Overall Opinion; The Property & Location; The Building; The Services & Site; Legal & Other Matters; Summary; Valuation. In the case of leaseholds, the Report is accompanied by a standard appendix called Leasehold Properties.

D The Valuation and Reinstatement Cost

D1 The last section of the Report contains the Surveyor's opinion both of the Open Market Value of the Property and of the Reinstatement Cost, as defined below.

D2 "Open Market Value" is the best Price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of valuation. In arriving at the opinion of the Open Market Value, the Surveyor also makes various standard assumptions covering, for example: vacant possession; tenure and other legal considerations; contamination and hazardous materials; the condition of uninspected parts; the right to use mains services; and the exclusion of curtains, carpets, etc., from the valuation. (If required, details are available from the Surveyor.) Any additional assumption, or any found not to apply, is reported.

D3 "Reinstatement Cost" is an estimate for insurance purposes of the current cost of rebuilding the Property in its present form, unless otherwise stated. This includes the cost of rebuilding the garage and permanent out-buildings, site clearance and professional fees, but excludes VAT (except on fees).