Box 18.5.3

Member letterhead

Date

Client Address

RE: LETTER OF ENGAGEMENT FOR THE PROPERTY IDENTIFIED AS: Property Address

Further to your request on (date) to hire (Member name) to complete (describe service) of the above-referenced property, this letter of engagement is intended to outline the terms of the assignment.

CLIENT: Identify client by name (e.g. “Bank A”)

PURPOSE OF REPORT: To estimate (type of value, current, retrospective, prospective, update) market value

INTENDED USE: The report can be relied upon for (state intended use “first mortgage financing only”).

INTENDED USER: Identify the intended user by name if different than client; if the same, identify the intended by name along with the client above. (e.g. “Bank A”)

TERMS OF REFERENCE OF THE ASSIGNMENT: Describe the terms.

INTERESTS CONSIDERED: Define interests appraised such as “Fee Simple”

DATE OF VALUATION: Effective date of the appraisal will be (date).

ACCESS TO PROPERTY: Describe if there are any limitations.

HYPOTHETICAL CONDITIONS, EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS: Define any specifics conditions, assumptions and limitations driven by the terms of the assignment. .

CLIENT RESPONSIBILITIES: Outline client responsibilities. For example, the client is to provide the author with the following data, provide access to the property, building plans, written consent from occupant for photographs and personal information, etc.

SCOPE OF THE ASSIGNMENT: The Scope of the appraisal encompasses the due diligence by the author (consistent with the terms of reference from the client, the purpose and intended use of the report) and the necessary research and analysis to prepare a report in accordance with the Canadian Uniform Standards of Professional Practice of the Appraisal Institute of Canada. The following describe the extent of the process of collecting, confirming and reporting data and its analysis, describe relevant procedures and reasoning details supporting the analysis, and provide the reason for the exclusion of any valuation procedures: (Describe the scope).

TYPE OF REPORT: Form, short narrative, comprehensive

FEE/RETAINER: The fee for this report is $X plus (applicable taxes). Add any terms such as for example “Due to the scope of the work involved for this assignment, X% of the fee (that being $XX plus applicable taxes) is payable on signing this letter, the balance due before final report is released (or as defined).”

TIME FOR DELIVERY OF REPORT: (State time frame) from receiving this signed Letter of Engagement.

DELIVERY FORMAT: Number of paper copies, where final report is to be delivered, etc.

AMENDMENTS: Provisions for contract amendments, reliance letters, litigation, etc.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Member name and designation

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Client name