
KITTRELL APPRAISALS

DEFINITION OF VALUES

FAIR MARKET VALUE "AS IS"

The price at which the property would change hands between a willing buyer and a willing seller, neither being under the compulsion to buy or the compulsion to sell and both having a reasonable knowledge of relevant facts.

Concept of Time: Sale can be an unlimited time period. It is assumed buyer will move property.

FAIR MARKET VALUE-IN-PLACE

The price at which the property would change hands between a willing buyer and a willing seller, neither being under the compulsion to buy or the compulsion to sell and both having a reasonable knowledge of relevant facts.

Concept of Time: Sale can be an unlimited time period. It is assumed property will be sold In-Place and not moved.

US TREASURY DEFINITIONS

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from the seller to buyer under conditions whereby:

FAIR MARKET VALUE RAW LAND AND PERMANENT BUILDINGS

- 1) Buyer and seller are typically motivated;
- 2) Both parties are well informed or well advised, and acting in what they consider their own best interest.
- 3) A reasonable time is allowed for exposure in the open market;
- 4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements similar thereto; and
- 5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

ORDERLY LIQUIDATION VALUE

The orderly liquidation value scenario assumes that time is allowed for a sale as a whole at a discounted price or as separate piecemeal negotiated sales. Such conditions exist in that all items must be disposed of within a reasonable, but limited marketing time. The time associated with orderly liquidation value depends upon the nature of the asset(s) as well as the scope of the project and is stated within the report. This concept carries with it the assumption that a knowledgeable seller and or agent would be able to properly advertise and merchandise the listed asset(s) in order to stimulate a reasonable response, which creates the consummated sale(s). This value must take into consideration physical location, marketability, physical condition and overall appearance. It assumes that the asset(s), with buyers buying all items in bulk in place.

Concept of Time: Sale time 90 to 180 days. However, properties of this type may take up to 1 year.

LIQUIDATION VALUE

The estimated gross dollar amount that could be typically realized at a limited advertised public sale held under forced sale conditions, with a sense of immediacy. The asset would be offered in an "as is, where is" condition and location, with the buyer assuming any cost to dismantle and remove. A financial condition exists.

Concept of Time: A sale generally is considered to take place within under forced conditions with limited time to market.

REPLACEMENT VALUE

(New) Actual cost of replacing the property destroyed when the loss occurs. ACTUAL CASH VALUE - Similar to the U.S. Treasury Fair market value definition. (Sound Value) for insurance purposes. REPLACEMENT COSTS LESS DEPRECIATION - New costs at today's costs less depreciation to date.

ESTATE VALUE

Defined same as The Fair Market Value "AS-IS" at a specific point in time in relation to the estate. Gifting Purposes is very close to estate value – however, replacement costs or acquisition costs are reviewed in addition to the fair market value of used items.

*** Note definitions are general terms some have preferred definitions of value that may be stated differently.*