

## APPRAISAL ASSIGNMENT INFORMATION AND FORMS PACKAGE

**To follow is a complete description of our Appraisal Services, an explanation of what you can expect, plus an online form to get started if you so desire. You must give final approval before we begin.**

The information to follow will apply to USPAP Complaint Field and Desktop Appraisals. Due to Covid-19 plus other environmental factors, it is highly recommended that consideration be given to obtaining a USPAP Compliant Aircraft Desktop Appraisal instead if possible. We have been providing them for years, well before thoughts of a pandemic and now over seventy percent are USPAP Compliant Desktop Appraisals. The primary difference is that a Desktop Appraisal is performed from the office, usually with third-party assistance, otherwise desktop and field appraisals are almost identical.

Regardless of who orders or pays for a USPAP Compliant Appraisal Report (identified as the Client) the appraisal will be prepared for the named Intended User and is for the sole exclusive use by the Intended User, The client who purchased the report may also be named as an Intended User. We request that you obtain our written authorization before releasing the report, or any part thereof, to any other party, as it may contain certain privileged information or “trade secrets relating to certain financial information”.

In order to determine and identify the required Scope of Work, the Intended Use of the Appraisal Report must be stated. There are many Intended Use possibilities, such as, for a Collateral Loan, Refinance, Purchase and Sale, IRS 8283 Qualified Donation, Litigation, Estate Settlement or Property Division, Insurance, etc. There may be others.

The purpose of this report is to provide an accurate and credible Value Opinion of the subject property. The Value Type or Value Types must also be identified. Market Value definition is used on most USPAP Appraisals, but Fair Market Value definition is used for IRS Qualified Charitable Donation Appraisals. Often a Hypothetical Condition may exist requiring a value or additional value based upon satisfaction of a known condition (Hypothetical Condition) that could greatly affect value until satisfied. Other value types are Diminution in Value, Retrospective Value, Orderly Liquidation Value, Forced Liquidation Value, Scrap Value.

Once the Scope of Work is determined, the Appraiser can determine if credible results can be provided and may accept the assignment. The appraisal will be developed, and the report will be prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and any specific Supplemental Laws and Regulations pertaining to this assignment as of the effective date of the appraisal. Attached to this letter you will find a copy of our Statement of Limiting Conditions and Appraiser’s Certifications which are attached to all of our appraisal reports. Please review each attached page and return the executed copy to us indicating your acceptance and approval of the Limiting Conditions and Appraiser’s Certifications. If applicable, a copy of the appraiser’s privacy policy is also attached for your review.

We specifically request that you provide us with your additional requirements necessary to satisfactorily complete this assignment. Again, we request that you provide your specific definition of market value for the development of this appraisal. The estimated completion date of a USPAP Compliant Appraisal Report is within ten business days unless expedited delivery is agreed upon. We will furnish you with the appraisal report digitally and accessible by download. The entire report, plus all available records and documents, digital photos, etc. will be included in the optionally downloadable workfiles.

We do not make any warranties or guarantees of any kind regarding the condition of the property, sufficiency of title, mechanical conditions, quality of refurbishments or upgrades, and with the agreement that the appraisal represents the appraiser’s opinion of value only, without any warranty that the property will actually sell for the appraised value.

We will proceed with the development of this appraisal only upon your final approval. The pages that follow will describe what you should expect in an Appraisal Report, the Appraiser’s Code of Ethics, the Appraiser’s Professional Declaration and Qualifications Statement with certifications, followed by online forms in which you may input the necessary appraisal and aircraft information. If any questions you may contact us by phone, email or text messaging. Thank you for allowing us the opportunity explain our services.



## Appraisal reports shall include, at a minimum:

- The identity of the client
- The identity of any intended users of the report
- The intended use of the report
- The type or types of Value or Values to be determined within the report
- A statement as to whether the appraisal report is a
  - UAPAP Compliant Desktop Appraisal Report
  - USPAP Compliant Restricted Desktop Appraisal Report
  - USPAP Compliant Field Appraisal Report
  - USPAP Compliant Restricted Appraisal Report
- The identity of the subject property (aircraft) including its physical and economic property characteristics as relevant to the assignment
- High Quality Digital Photos
- A statement as to the property interest being valued
- An identification of the type and definition of the type of value being used as well as the source of the definition
- The effective date of the appraisal and the date of the report
- A disclosure of the "scope of work," i.e., a statement of the appraisal procedures used; the extent of inspection and the extent of research and analysis performed
- The approach to value employed as well as those discarded
- The market or market level explored
- Any extraordinary assumptions made or limiting conditions encountered including a statement that their use might have affected the assignment results
- Disclosure of any Hypothetical Conditions known that could affect value
- In-depth research including comparable aircraft that are for sale or have recently sold.
- Full review of all available maintenance documents, plus review of FAA Airworthiness and Registration documents that are included with the optionally downloadable workfiles.
- Summary of overall make and model trends, exposure time and historical facts
- Input into commercial valuation software when available
- Analysis of all data input into our own proprietary valuation software
- The final value opinions with explanation
- A signed USPAP statement of compliancy

## Appraiser's Code of Ethics

- SHALL always conduct himself or herself in a responsible and professional manner and use fair and equitable business practices when rendering appraisal services.
- SHALL encourage and promote the highest level of ethical and professional conduct within the appraisal profession.
- SHALL strive to maintain proficiency by updating his or her appraisal knowledge and skills as required to professionally perform as an appraiser of personal property.
- SHALL not perform unethical acts which would discredit the profession, the Association or any of its members.
- SHALL recognize and discharge his or her responsibility to uphold all laws and regulations including those governing the policies and activities of the appraisal profession and the appraisal assignment at hand.
- SHALL not engage in criminal conduct.
- SHALL offer opinions which are objective, impartial and unbiased.
- SHALL decline those assignments in which the appraiser has a bias towards the client or towards the property being appraised.
- SHALL undertake only those assignments for which he or she is competent by virtue of his or her knowledge, training and experience.
- SHALL engage or advise the engagement of such specialists as are required to enable him or her to complete assignments competently.
- SHALL have no undisclosed past, present or contemplated future financial interest in the property that is the subject of the appraisal report, and no undisclosed personal interest with respect to the parties involved.
- SHALL protect to the fullest extent possible, consistent with the well-being of the public, any information given in confidence by a client.
- SHALL not accept an assignment that includes the reporting of predetermined opinions or conclusions.
- SHALL not advocate the cause or interest of any party or issue.
- SHALL not communicate assignment results with the intent to mislead or to defraud or permit others to do so.
- SHALL not accept a fee that is contingent on his or her opinion of value.
- SHALL not communicate assignment results in a misleading or fraudulent manner.
- SHALL not misrepresent his or her role when providing valuation services that are outside of appraisal practice.
- SHALL write appraisal reports in conformance with The Appraisal Foundation's Uniform Standard of Professional Appraisal Practice (USPAP) and the AOA Report Writing Standards.

## **PROFESSIONAL DECLARATION AND QUALIFICATIONS STATEMENT**

- I regularly prepare aircraft appraisals and valuations.
- I am qualified to make appraisals of the items which are subject of the report.
- I hold the top accreditation level within my two professional appraisal associations.
- I am a Certified Accredited Appraiser with the Appraisers National Association (ANA)
- I am a Senior Professional Appraiser with the National Association of Professional Appraisers (NAPA)
- I am a Certified Member of the Association of Online Appraisers (AOA)
- I have been a licensed aircraft dealer in good standing since 1986
- I have purchased, sold, brokered, managed and appraised aircraft for over 25 years.
- I am a member of the NBAA
- I am listed as a Certified ADN Dealer
- I am USPAP (Uniform Standards of Professional Appraisal Practice) Current
- I have experience with the type aircraft that is subject of this report.
- My Field and Desktop Appraisal Reports are Compliant with USPAP



*Appraisers National Association*  
Certifies That

*J. Paul Barnett C.A.A.*

IS A CERTIFIED PERSONAL PROPERTY APPRAISER  
SWORN TO ADHERE TO THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL  
PRACTICE AND IS SANCTIONED TO APPRAISE BY THIS ORGANIZATION



*Timothy D. Hill*  
ANA PRESIDENT

Paul Barnett Aircraft Dealer, Broker, Appraiser  
(Certified Member) CM  
Sylacauga, Alabama

