



Appraisal Interview Questionnaire

The following are discussion topics to assist within the valuation process – Please review and provide commentary either prior to our arrival, or during our site visit. If appropriate, use this form as a guide and provide answers directly within this document.

Should you have any questions, please call our Senior Appraiser, *Joel D. Gonja, ASA* directly on his cell: 502 235-0727

Machinery & Equipment

Description of Major Assets:

Major Assets include:

Description of Major / significant assets and systems

The following asset specific data is typically used by an appraiser to employ recognized methods and techniques necessary to produce a credible appraisal – Please provide data via Excel spreadsheet to include:

1. Original Purchase Price
2. Date of Purchase
3. Complete Description
 - a. Type of Asset
 - b. Make, Model, Serial, Age
 - c. Capacity
 - d. Features
 - e. Operating Condition
 - f. Usage
 - g. Customization
4. Installation Costs

Subject equipment utilization:

Provide explanation of manufacturing process and overall asset utilization

Omissions / Exemptions / Exclusions:

Identify any assets or procedures that will not be part of this Project

Preventive maintenance:

Provide explanation of maintenance procedures

- *Manual / automatic tracking*
 - o *If software is used, provide Name and current version*

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- Preventive maintenance procedures
- Predictive maintenance procedures
- Maintenance staff training / certification

Overhaul and Rebuild data:

Overhauls and Rebuilds will extend the useful life of an asset, thus may affect the potential value. We need to consider this data within our analyses!! Please provide the following as appropriate:

- Identify which assets have been overhauled or rebuilt
- Date work was completed
- Extent of work (100%; 50%; etc...)
- Who did the work
- Was the work "certified"
- Was a warranty provided

Quality Assurance / Manufacturing Environment:

Explanation of Internal procedures, or are procedures certified and in compliance with external standards similar to the ISO 9000 Program

- Provide Type of Program and Certification Date
- Describe Process
- Provide Name of External entity that provided certification
- Provide Date of initial certification

Typical Use:

Describe typical work day / cycle – How many hours of actual use

Under / Over Utility – Describe actual use as a % of optimum: Example – 70% based on 24/7 operation

Useful Life:

We need to determine the typical Useful Life for the assets – Market data and data published within various manuals may not accurately reflect your assets and operations. Please provide your internal useful life estimate based on actual experience. We also need Costs and useful life for ALL custom / proprietary equipment

Hazardous Materials:

Describe and list various acids, chemicals, solutions, solvents, and wastewater used or generated within your facilities, that have been designated either "hazardous" or require a permit from the state and as required by the EPA. (We will use this data to determine what machines may require an additional expense to "clean" prior to any transaction.)

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Absorption – If the equipment was for sale now, what is the likelihood it would sell, what time frame and where?

You know your assets better than anyone – In your opinion, provide an understanding of the following assets within the current market:

- Customized designed and / or engineered processes
- Proprietary design and / or processes
- Typical Machine Tools and Equipment

How does subject equipment compare to what is typically available?

In your opinion, provide an analysis of the market and comparable equipment currently in use, either general knowledge or specific competitors – Where do Subject assets lie within the market

Specifically for an “In Continued Use” valuation, is we also need the following data pertaining to Installation costs:

- Engineering / Design Fees (production flow, plant layout, etc.)
- Procurement Costs (labor, travel)
- Transportation (from manufacturer / distributor / supplier to facility)
- Site Improvements (anything necessary for equipment to operate – reinforced foundations, pits, drainage ponds, transformer pads, etc.)
- Millwright Fees / Rigging (labor, equipment rental to move equipment from loading dock into position within facility)
- Plant Process Piping (labor and material – iron pipe, schedule 80 PVC pipe, schedule 40 PVC pipe, schedule 35 PVC pipe, copper pipe) (Gas, Water, Air, Steam, Etc.)
- Electrical power feed panels and wiring (from sub-station into and throughout plant – pads, buss duct, conduit, wire, transformers, panels, fuses, disconnects)
- Start-Up (technician and operator training, de-bugging of equipment, overhead during down-time)
- Permits / Licenses / EPA regulatory compliance (fees, consultants, training)
- Quality Assurance Program (certification – labor, fees, travel, training)
- Maintenance (classes, certifications – labor, fees, travel)

State any significant factors increasing or decreasing marketability and value whether real or perceived.

We want to consider all tangible and intangible attributes that may not otherwise be public knowledge – Please provide a statement for each of the following:

- Overall operating condition
- Maintenance procedures
- Quality / efficiencies within manufacturing processes

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- *Scarcity of assets (supply and demand)*
- *Scarcity of product (supply and demand)*
- *Location of business*
- *Business market share*
- *Popularity of product*
- *Longevity of business*

List anything relative to this appraisal that a potential purchaser of this equipment should know: *Let us know if there is anything else we need to consider !!!*

Please attach any supporting documentation as appropriate.

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INVENTORY

Specifically regarding Subject INVENTORY, please provide the following data:

1. **Total Inventory in stock:** (Total qty of items / Total line items / Total printed pages)
2. **Initial Price:** The total “(price, cost, value)” of the inventory is \$
3. **Reported Value:** (Represents Owner’s estimate of Market Value) tracked by accounting / inventory software (May or may not be appropriate!)
4. **Item Disbursement:** (FIFO (First in, First out)) and as required
5. **Average Turn-over duration:** (months / days / years)
6. **Average Shelf Life:** (months / days / years)
7. **Average Age:** Median age is (months / days / years)
8. **Product Mix:** (Most common manufacturers and types of items)
9. **Obsolescence:** (How is obsolescence computed / is it at all?)
10. **Locations of Inventory items:** (Where is the Inventory physically located)
11. **Date of most recent Physical Audit:** (Who did it / When was it done / Where was it done / % verified)
12. **Customer Base:** (Who are they / What type of businesses / Where are they located)
13. **Inventory Accounting:** (Manual / Automatic – If automatic, need Name, Mfg. and version of software)
14. **Audit Procedures**
15. **Accounting / Tracking Procedures:** (Complete description of how items are tracked and accounted for, including a full description of the software, if used)

Real Estate

Specifically regarding Subject Real Estate, please provide the following data:

1. **SITE**
 - a. Information Sources:
 - b. Total Site Size:
 - c. Usable Site Size:
 - d. Site Shape:
 - e. Road Frontage/Access:
 - f. Site Topography:
 - g. Utilities:
 - h. Site Improvements:

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- i. Flood Zone:
- j. Easements/Encroachments:
- k. Zoning:
- l. Other:
- m. Site Comments:

2. IMPROVEMENTS

- a. Property Type:
- b. Construction:
- c. Year Built:
- d. Condition:
- e. Size:
 - i. Gross Building Area: GBA
 - ii. Net Leasable Area: NLA

- f. Space Allocation: i. (Above Grade) 1. Use / Area / Percent
 - ii. (Below Grade) 1. Use / Area / Percent

3. FOUNDATION, FRAME & EXTERIOR

- a. Foundation/Basement:
- b. Foundation/Frame:
- c. Exterior:
- d. Roof:
- e. Service Access/Loading Docks:
- f. Elevators:
- g. Other:

4. INTERIOR

- a. Interior Finish:
- b. Ceilings & Ceiling Height:
- c. Partitions/Interior Framing:
- d. Floor Cover:
- e. Doors:
- f. Restrooms:
- g. Kitchens:
- h. Interior Parking:
- i. Other:
- j. Other:

5. MECHANICAL SYSTEMS

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- a. Heating/HVAC:
- b. Cooling/Air Conditioning:
- c. Hot Water:
- d. Electrical:
- e. Plumbing:
- f. Sprinkler:
- g. Other:
- h. Other:

6. SITE IMPROVEMENTS

- a. Parking:
- b. Lighting:
- c. Drainage:
- d. Landscaping:
- e. Other:
- f. Other:

For further information, or to discuss questions regarding your project, please contact our Senior Appraiser directly:

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