

VALUATION:

Estimated present day fair market value* of the vessel as of September 25, 2013, as is, where is, inclusive of all equipment: \$85,000.00

Estimated fair market value upon completion of rudder and transmission repairs and completion of the above recommendations: \$97,000.00

*The Appraisal Foundation definition of Market Value is as follows:

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 specific date and the passing of title from seller to buyer under conditions whereby:

- 1. buyer and seller are typically motivated;*
- 2. both parties are well-informed or well advised, and acting in what they consider their best interest;*
- 3. a reasonable time is allowed for exposure in the open market;*
- 4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and*
- 5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by any one associated with a sale.*

The determination of the fair market value of this vessel was based on the conditions reported above, plus results of comparative sales.