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| KEY TERMS FOR THIS APPRAISAL REPORT | |
| **APPRAISAL REPORT** | The content of an Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum: (i) state the identity of the client and any intended users, by name or type; (ii) state the intended use of the appraisal; (iii) summarize information sufficient to identify the real estate involved in the appraisal, including the physical, legal, and economic property characteristics relevant to the assignment; (iv) state the real property interest appraised; (v) state the type and definition of value and cite the source of the definition; (vi) state the effective date of the appraisal and the date of the report; (vii) summarize the scope of work used to develop the appraisal; (viii) summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained; (ix) state the use of the real estate existing as of the date of value and the use of the real estate reflected in the appraisal; (x) when an opinion of highest and best use was developed by the appraiser, summarize the support and rationale for that opinion; (xi) clearly and conspicuously:  state all extraordinary assumptions and hypothetical conditions; and state that their use might have affected the assignment results; and (xii) include a signed certification in accordance with Standards Rule 2-3. |
| **PURPOSE OF THE APPRAISAL** | The purpose of this appraisal assignment is to provide a supportable opinion of the market value of the Leased Fee interest in the subject property in its current “as is” condition. |
| **PROPERTY RIGHTS APPRAISED** | **Leased Fee.** *An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms and contained within the lease.[[1]](#footnote-1)* |
| **DEFINITION OF MARKET VALUE** | The most probable price which a property should bring in a competitive and open market. Conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale whereby: 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 interests; (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 arrangement 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 anyone associated with the sale.[[2]](#footnote-2) |

**VALUE** Retrospective Fair Market Value.

**PERSPECTIVE**

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| **FAIR MARKET VALUE** | The fair market value of the land is the price as of the valuation date for the highest and best use of the property which a vendor, willing by not obligated to sell, would accept for the property, and which a purchaser, willing but not obligated to buy would pay for the property if the property was not subject to any restriction imposed under this subtitle.  ***Source: Annotated Code of Maryland, Agricultural Article, Section 2-511(1)*** |
| **EXPOSURE AND MARKETING TIME** | Exposure time as used in this appraisal report is defined as:  **Exposure time.** *The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.*  Based upon the market data from the sales of comparable properties in the market my conclusion of exposure time follows:  Conclusion:  Exposure Time [ENTER TIME HERE]  **Marketing time.** *The time it takes an interest in real property to sell on the market subsequent to the date of appraisal.*  Based upon the market data from the sales of comparable properties in the market my conclusion of exposure time follows:  Conclusion:  Marketing Time [ENTER TIME HERE] |

1. Source: The Dictionary of Real Estate Appraisal, Appraisal Institute, Sixth Edition, 2015 [↑](#footnote-ref-1)
2. Source: FIRREA [↑](#footnote-ref-2)