

REQUEST FOR DOCUMENTS & INFORMATION

APPRAISAL ASSIGNMENT:

DATE OF REQUEST:

REQUEST SENT BY:

REQUEST MADE TO:

1. **Financial Statements:** Copies of the full set of financial statements for the five most recently completed accounting years. In addition, if available, the financial statements for any interim period since the end of the most recent full year, together with a copy of the financial statements for the same interim period portion of the prior year. (Remember, the date of the most recent financial statement will be the effective date of the appraisal.)
 - 1.1. Supporting Schedules: Each of the financial statements should include a schedule of:
 - 1.1.1. For the balance sheet: a) other assets; b) any investment type assets; c) deposits and prepaids if significant; and d) "other liabilities."
 - 1.1.2. For the income statement: a) cost of sales; b) any other income; c) any other expenses; and d) the more common schedules: general, administrative and selling expenses.
2. **Accumulated Depreciation:** Unlike the schedules under 1.1, we need this schedule only as of the most recent balance sheet. A schedule of the accumulated depreciation broken down by category of depreciating assets with the aggregate equal to the total of the accumulated depreciation on the balance sheet. (This request is not satisfied by simply providing the depreciation schedule.)
3. **Related Party Activities:** A copy of any loans, leases or other agreements between the business and any of the owners/shareholder(s) or entities in which any shareholder(s) are principals.
4. **Past Transactions in Ownership Interests:** A copy of the purchase and sale agreements from any sales or purchases of interests in the business.
5. **Other Appraisals:** Copies of any other appraisals of the business or its assets.
6. **Ownership Agreements:** Copies of any agreements among or between the owners/shareholders of the business, or between owners/shareholder(s) and nonowner/shareholders. Including, but not limited to, buy-sell agreements, options, and rights of first refusal.
7. **Owner Compensation:** Schedule of the salaries/bonuses/dividends/perks, etc., the business paid to or for the benefit of the owners/shareholders, including their spouses and relatives, this is needed for each of the years for which financial statements are provided under number one above (Also include any related or specially favored employees who either do less work than they are paid for, or are paid an amount in excess of what the business to pay to an employee hired in arms-length employment.)
8. **Operating Agreements:** Copies of any operating agreements; including, but not limited to: (i) franchise/licensing agreements; (ii) leases on buildings, fixtures, equipment or vehicles; (iii) distributorship/dealership agreements; (iv) flooring financing; (v) other loan agreements that contain any special conditions limiting the rights of the owners/shareholders to operate the business as they wish; (vi) agreements with customers or suppliers obligating either to purchase or sell a certain quantity of goods or services; (vii) an overview of any profit

sharing/pension type plans ,including who is covered, whether the amount paid is voluntary or obligatory, and if unfunded pension amounts are due, management’s plan for paying same; (viii) a schedule of life insurance policies for which the business pays the premium (exclude life insurance portions of group insurance plans) include the face amount of the policy, who is the owners, who is the beneficiary and its cash surrender value; (ix) any employment contracts with employees; and (x) details on any collective bargaining union agreements, including, but not limited to, union, term, expiration, past history of renewals with or without strikes/lock-outs and prospects for renewal at expiration and portion of the work force represented.

9. **Depreciation Schedule:** A copy of your accountant’s depreciation schedule.
10. **Aging Reports on Receivables and Payables:** As with the above schedules, this should be as of the appraisal date or the closest date prior to the appraisal date.
11. **Nonoperating Assets:** A schedule of nonoperating assets. These are not assets that are in disrepair or malfunction but assets owned by the business that are not necessary to its operation. Assets that could be removed without disadvantaging the business, as they do not contribute to the generation of sales or profits.
12. **Conflicts:** An explanation, including copies where appropriate, of any current or pending conflicts; including but not limited to, litigation, licensure, regulatory compliance (OSHA, EPA, IRS, etc.) and contractual breach or interference. If litigation, have your attorney prepare an assessment of the case for you to include.
13. **Intellectual Assets:** Explanation of any: (i) intangible assets owned by the business; and (ii) any intellectual assets, including but not limited to, patents, copyrights, etc. For any intellectual assets please include copies of the patent/copyright registration, cost for you to create and a schedule of any income, expenses and profits directly attributable to the item.
14. **Questionnaire:** Our standard questionnaire completed as of the appraisal date.
15. **Industry Data:** Any data your company has relative to growth expectations for the industry, anticipated competitive or regulatory changes, etc.
16. **Forecasts:** A copy of any internal forecasting done by your firm relative to its growth and operations going forward, together with a copy of any forecasting as prepared for the prior five years.
17. **Other:** Any other information with which we should be familiar.

Unless the documents provided stipulate to the contrary, we will deduce the business is in full regulatory compliance, in all respects, at all levels, and that there are no legal, tax or contractual entanglements or restrictions on transferability. In addition, that the answer to any of the above not otherwise answered is “none”, whether or not so stated. It is possible, following our review of the above; we may need to request some additional information. Following our receipt and review of the above, we will contact you to arrange an appointment to tour the business and interview management.

Should you have any questions, please call us.