



AERONUVO
The Aircraft Appraisal and Valuation Company
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Broadlands, Virginia 20148

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December 1, 2018

Engagement and Agreement Letter

Mr. John Doe
First National Bank, Inc.
100 Loan Street
Anytown, USA 90000

Dear Mr. Doe,

Pursuant to your request, the following agreement is proposed for appraisal of the aircraft located at:

The Airport
10000 Main Street
Anytown, USA 90001

Aircraft Make: Aerocraft Industries
Aircraft Model: Skycraft
Aircraft Registered as: N700AI
Manufacturer's Serial Number: AI700001

APPRAISAL PURPOSE AND OVERVIEW

The purpose of this report is to provide an accurate and credible opinion of **Fair Market Value** of the subject aircraft. **Fair Market Value** is the amount expressed in money, as of a certain date, that may reasonably be expected for the aircraft in exchange between a willing buyer and a willing seller with equity to both, neither under any compulsion to buy or sell and both fully aware of all relevant facts. The aircraft will be valued using current market data as of December 1, 2018.

The appraisal will be prepared in accordance with the Uniform Standard of Professional Appraisal Practice (USPAP) and as a National Association of Aircraft Appraisers (NAAA) Certified Report.

The estimated completion date of the appraisal is January 15, 2019. AERONUVO can only complete the appraisal by this date if we receive from you in a timely manner any relevant information needed for access to the aircraft or

for the preparation of the report. In order to complete this appraisal, the following information will be needed for the report:

Your Client's Name: John Smith

Your Client's Address: 100 Oak Street

Your Client's City, State, Zip Code: Anycity, USA, 80000

Location of Aircraft when we inspect it: The Regional Airport, Anycity, USA

Contact Person to arrange visit: John Smith

Contact Telephone: 888 888-8888

Intended Users of the appraisal:

- 1) John Smith, private party and aircraft owner
- 2) John Doe, President, First National Bank

Any special circumstances regarding this aircraft or appraisal:

- 1) Keys to aircraft N700AI at airport manager's office.
- 2) Combination lock to hangar A-1 is 5-3-4-4.

We will furnish you with one (1) copies of the aircraft appraisal report. Our fee for this appraisal will be \$500.00. This fee (does/does not) include the cost of certain expenses that may be incurred in the preparation of the report (If expenses are not included). A bill for these expenses will be provided to you upon completion of the report.

A retainer in the amount of \$ _____ must be paid to this office before we can commence the preparation of this report.

(Or)

A bill for the \$ 500.00 appraisal fee will be presented and immediate payment will be requested at the time the report is completed.

(Or)

A bill for the appraisal fee of \$ _____ along with any other expenses incurred will be presented to you along with the completed report.

(Or)

Payment of the \$ _____ appraisal fee is expected at the time the airplane is inspected.

AERONUVO specifically requests that you provide us with your additional requirements necessary to satisfactorily complete this assignment.

We will proceed with the preparations for inspecting the aircraft once we receive a signed copy of this letter.

WHEN APPRAISER'S OBLIGATIONS ARE COMPLETE

AERONUVO's Aircraft Appraiser obligations pursuant to this Agreement are complete when the Appraisal Report in the form specified in this Agreement is delivered to Client pursuant to this Agreement. The Appraiser agrees to be responsive to Client's legitimate inquiries regarding the contents of the report after delivery.

CONFIDENTIALITY

The AERONUVO's Aircraft Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement to, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice (USPAP).

The aircraft appraisal will be prepared for Mr. John Doe, First National Bank and is for the sole exclusive use by the previously named client. We request that you obtain AERONUVO's written authorization before releasing the report, or any part thereof, to any other party, as it may contain certain privileged information.

This aircraft appraisal should not be used for any other purpose, nor should the value represented be considered current beyond the expiration date expressed in the report.

USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS

AERONUVO, may use employees or independent contractors at our discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Appraiser shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

SERVICES NOT PROVIDED

The fees set forth in this Agreement apply to the aircraft appraisal services rendered by AERONUVO as set forth in this Agreement. Unless otherwise specified herein, Appraiser's services for which the fees in this Agreement apply shall not include meetings with persons other than Client or Client's agents or professional advisors; Appraiser's deposition(s) or testimony before judicial, arbitration or administrative tribunals; or any preparation associated with such depositions or testimony. Any additional services performed by Appraiser not set forth in this Agreement will be performed on terms and conditions set forth in an amendment to this Agreement, or in a separate agreement.

TESTIMONY AT COURT OR OTHER PROCEEDINGS

Unless otherwise stated in this Agreement, Client agrees that AERONUVO's Appraiser's assignment pursuant to this Agreement shall not include Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery; sworn testimony in a judicial, arbitration or administrative proceeding; or attendance at any judicial, arbitration or administrative proceeding relating to this assignment.

CHANGES TO AGREEMENT

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the Client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

CANCELLATION

Client may cancel this Agreement at any time prior to Appraiser's delivery of the Appraisal Report upon written notification to Appraiser. Client shall pay Appraiser for work completed on assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by the law of the state in which Appraiser's office as specified in this Agreement is located, exclusive of that state's choice of law rules. The parties agree that any legal proceeding brought by either party to interpret or enforce this Agreement, or to enforce an arbitration award entered pursuant to this Agreement, shall be brought in a state or federal court having jurisdiction over the location of Appraiser's office as specified in this Agreement, and the parties hereby waive any objections to the personal jurisdiction of said court.

APPRAISER INDEPENDENCE

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot ensure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective of Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

NOTICES

Any notice or request required or permitted to be given to any party shall be given in writing and shall be delivered to the receiving party by: a) registered or certified mail, postage prepaid; (b) overnight courier, such as Federal Express, United Parcel Service or equivalent; or (c) hand delivery. The address for delivery of any notice shall be the address for the party as specified in this Agreement, or at such other address as party may designate by written notice to the other party in conformance with this paragraph. Unless otherwise specified herein, notice shall be effective the date it is postmarked or given to a third party for delivery to the receiving party, whether or not the receiving party signs for or accepts delivery of such notice.

NO THIRD-PARTY BENEFICIARIES

Nothing in this Agreement shall create a contractual relationship between Appraiser or Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

MEDIATION & ARBITRATION

In the event of a dispute concerning the subject matter of this Agreement, the parties shall in good faith attempt to resolve such dispute by negotiation between the parties' principals, or, if such negotiation is unsuccessful, by mediation conducted by a third-party mediator. If such mediation results in an impasse, the parties shall submit their dispute to binding arbitration. Such mediation or, if necessary, binding arbitration shall be conducted pursuant to the mediation procedures or the commercial arbitration rules of the American Arbitration Association. Any arbitration shall be conducted in the city in which Appraiser's office as specified herein is located. The parties shall share equally the costs of any mediation. In the event of binding arbitration, the arbitrators shall, in addition to any relief appropriate to be awarded to the prevailing party, enter an award in favor of the prevailing party for that party's costs of the arbitration, including the party's reasonable attorneys' fees and arbitration expenses.

incurred in prosecuting or defending the arbitration proceeding. Subject to the right of the prevailing party to recover its share of the costs of the arbitration services pursuant to the arbitrator's award, the costs of the arbitration services shall be borne equally by the parties. If the prevailing party seeks judicial confirmation of any arbitration award entered pursuant to this Agreement, the court shall, in addition to any other appropriate relief, enter an award to the prevailing party in such confirmation proceeding for its reasonable attorneys' fees and litigation expenses incurred in confirming or successfully opposing the confirmation of such an award.

SPECIAL OR CONSEQUENTIAL DAMAGES

Neither party shall under any circumstances be liable to the other party for special, exemplary, punitive or consequential damages, including, without limitation, loss of profits or damages proximately caused by loss of use of any property, whether arising from either party's negligence, breach of the Agreement or otherwise, whether or not a party was advised, or knew, of the possibility of such damages, or such possibility was foreseeable by that party. In no event shall Appraiser be liable to Client for any amounts that exceed the fees and costs paid by Client to Appraiser pursuant to this Agreement.

ASSIGNMENT

Neither party may assign this Agreement to a third party without the express written consent of the other party, which the non-assigning party may withhold in its sole discretion. In the event this Agreement is assigned by mutual consent of the parties, it shall become binding on the assigning party's permitted assigns.

SEVERABILITY

In the event any provision of this Agreement shall be determined to be void or unenforceable by any court of competent jurisdiction, then such determination shall not affect any other provision of this Agreement and all such other provisions shall remain in full force and effect.

CLIENT'S DUTY TO INDEMNIFY APPRAISER

Client agrees to defend, indemnify and hold harmless Appraiser from any damages, losses or expenses, including attorneys' fees and litigation expenses at trial or on appeal, arising from allegations asserted against Appraiser by any third party that if proven to be true would constitute a breach by Client of any of Client's obligations, representations or warranties made in this Agreement, or any violation by Client of any federal, state or local law, ordinance or regulation, or common law (a "Claim"). In the event of a Claim, Appraiser shall promptly notify Client of such Claim, and shall cooperate with Client in the defense or settlement of any Claim. Client shall have the right to select legal counsel to defend any Claim, provided that Appraiser shall have the right to engage independent counsel at Appraiser's expense to monitor the defense or settlement of any Claim. Client shall have the right to settle any Claim, provided that Appraiser shall have the right to approve any settlement that results in any modification of Appraiser's rights under this Agreement, which approval will not be unreasonably withheld, delayed or conditioned.

CLIENT'S REPRESENTATIONS AND WARRANTIES

Client represents and warrants to Appraiser that (1) Client has all right, power and authority to enter into this Agreement; (2) Client's duties and obligations under this Agreement do not conflict with any other duties or obligations assumed by Client under any agreement between Client and any other party; and (3) Client has not engaged Appraiser, nor will Client use Appraiser's Appraisal Report, for any purposes that violate any federal, state or local law, regulation or ordinance or common law.

EXTENT OF AGREEMENT

This Agreement represents the entire and integrated agreement between the Client and Appraiser and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both Client and Appraiser.

EXPIRATION OF AGREEMENT

This Agreement is valid only if signed by both Appraiser and Client within XX days of the Date of Agreement specified.

John Doe

12/10/18

John Brown

12/01/18

(Authorized signatory)

Date

Date

First National Bank, Inc.
John Doe – President

AERONUVO, LLC
John Brown – President

AERONUVO SAMPLE DOCUMENT