

Certified Automotive Retail Value Appraisal

By: The Auto Appraiser, Multiple Certified Master Automotive Appraisers

The purpose of this appraisal is to determine the retail fair market value of the appraised vehicle for legal & financial purposes.



1965 Ford Mustang K-Code Convertible

02/10/2023 Retail Value: \$95,717

Date of Vehicle Inspection: Abstract From Documentation
Location of Vehicle: With Owner of Record

Post Office Box 429, Prather, CA 93651-0429
Phone: 559.299.0429 • Fax: 559.299.0437

Certificate Of Appraisal & Limiting Conditions

This appraisal report is prepared for the information of Client and may only be used in its entirety with this Certificate of Limiting Conditions attached.

1. A physical inspection of the vehicle **was not made and was not required.**
2. There is no undisclosed interest, either past, present or contemplated in the future, in the vehicle appraised or the proceeds to be derived there from.
3. Neither the employment nor the compensation for this report is contingent upon the value estimated herein.
4. To the best of my knowledge and belief, the statements in this report are correct and the opinions stated are based on a full and fair consideration of all the available facts represented by the client and other additional sources.
5. The findings reported herein will not be revealed to anyone other than the named recipient without permission of until required to do so by due process of the law.
6. In the event this Appraiser is needed in any action, such as but not limited to, court action, contact with a public agency, or involvement in an arbitration process (appraisal clause hearing), it will first require the consent of this Appraiser. Should the Appraiser be required to appear in connection with this report, an additional minimum fee starting at \$850.00 (*Eight Hundred Fifty US Dollars*) will be charged and is **due prior to service**. Any umpire fee is also due prior to any arbitration hearing. Due to the complex nature of this service and the number of parties involved, this Appraiser does not accept responsibility for delays incurred. For travel outside Fresno County Region, separate and additional fees will be charged for any car, airline and additional travel expense. Additionally, all consultation, negotiation or time related to or in lieu of an appearance will be billed at my \$350.00 (*Three Hundred Fifty US Dollars*) per hour fee.

Date of Inspection: N/A

Vehicle: 1965 Ford Mustang K-Code 4-Speed Convertible

Vehicle Owner: Mr. JF

02/10/2023 Actual Cash Evaluation: \$95,717.00

Provisions & Stipulations

Unless noted and acknowledged elsewhere, this vehicle valuation and/or physical damage report describes the condition of the appraised vehicle as it was at the time of the inspection or as described by the owner of record or agent thereof, at the time of the valuation.

This report is reflective of only the areas that could be physically viewed of the vehicle, when an inspection actually takes place, and of the parts and equipment that are described herein.

No disassembly of any areas for the vehicle, take place. No hidden damages or areas of damage are noted within this report.

All specialized considerations that are deemed correct and relevant in the reporting for the noted motor vehicle were taken. This information only reflects on the reported and obtained information, pursuant to professional industry guidelines.

The Auto Appraiser

Multiple Certified International Master Automotive Appraisers

The Auto Appraiser.com[®]

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February 28, 2023

Mr. JF
9592 FHC S
G, TN

RE: Fraction Motors
65' Ford Mustang Conv
LSC #2-260A-22

Motor Vehicle Description & Equipment

1965 Ford Mustang K-Code 4-Spd Convertible

Vehicle Identification Number: 5R08K133254

License Number:

Odometer Reading: 00,014 Miles

Exterior/Interior Colors: Rangoon Red/Red – White Top

Equipment listing for vehicle; all standard manufacturer fitted equipment including a “K” Code 289 cu.in. (4.7L) V8 Engine, 4-speed manual transmission, power assisted steering, power disc brakes, power convertible top, heater, AM radio, styled chrome steel wheels.

It was noted that the vehicle was in excellent condition and was reported to be fully serviced, being up-to-date in all respects at the time of this valuation. *It is also noted that the vehicle was reported to have been professionally restored by Gary Thomas to Concours d’Elegance show standards. Some minor surface suspension parts rust is visible.*

Exterior Condition: Excellent, No Major Exceptions Noted.

Interior Condition: Excellent, Major Exceptions Noted.

Mechanical Condition: Excellent-Very Good, No Major Exceptions Noted.

The overall condition of this vehicle is deemed to be Excellent-Very Good/Original/Professionally Restored to Concours standards. This equates to the general industry condition rating of a #1- unit.

General Industry Vehicle Conditions

- 1.) **EXCELLENT:** Professionally restored to current maximum expert standards of quality in every area, or perfect original with all components operating and appearing as new or better! A 85 – 95 and plus point concours d’elegance showcar that is not driven or raced.
- 2.) **VERY GOOD:** Well-restored, or a combination of superior restoration and excellent original. Also an *extremely* well maintained original showing very minimal wear and use. This condition is commonly referred to as “*an immaculate street vehicle*”.
- 3.) **GOOD:** Completely operable original condition vehicle or “*older restoration*” vehicle showing normal wear. Also, a good amateur restoration, all presentable and serviceable inside and out. Plus, combinations of well-done restoration and good operable components, or a partially restored Vehicle with all parts necessary to complete it and/or valuable NOS (new-old-stock) parts. *Most normal transportation vehicles that are used for commuting or general travel fall into this category.*
- 4.) **AVERAGE:** A driveable vehicle needing no or only minor work to be functional. Also, a deteriorated restoration or a very poor amateur restoration. All components may need restoration to be “excellent”, but the vehicle is mostly useable “as is”.
- 5.) **FAIR/RESTORABLE:** Needs *complete* restoration of body, chassis, interior and mechanical components. May or may not be running, but is not weathered, wrecked or stripped to the point of being useful only for parts.
- 6.) **PARTS VEHICLE:** May or may not be running, but is weathered, wrecked and/or stripped to the point of being useful primarily for parts. The vehicle is incomplete to various degrees.

Price Guide Values (for reference only)

Kelley Blue Book: N/A
Cars of Particular Interest: N/A
N.A.D.A. Appraisal Guide: N/A
Old Cars Price Guide: N/A
Classic Car Value Guide: N/A

Mr. JF 1965 Ford Mustang Convertible Evaluation

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Definitions

Methodology of the Appraisal Report

Market Approach: Appraisal based on the compilation of information with the value being determined by comparison of similar vehicles recently sold, currently being offered for sale or verifiable expert opinions from qualified dealers, auction house authorities, or experts in the automotive vehicle field. *This is in compliance with all state, federal and international regulations, pertaining to valuing a motor vehicle for legal purposes.*

Kinds of Value

There are eight basic types of value. In practice, the market value of a vehicle for any particular time is based on actual conditions existing at a specific time and place.

Fair Market Value: A legal term meaning the highest cash or equivalent price estimated in terms of money which property would bring if exposed for sale in the open market place, with reasonable time allowed in which to find a purchaser buying with full know-ledge of its uses and purposes to which it is adapted and to which it is capable of being used, and neither buyer or seller being under any compulsion to buy or sell. The most probable buy-sell price would be its insurable value.

Actual Cash Value (ACV): An insurance term that usually means the sum of money required at the time of loss, to acquire a similar vehicle, as the property destroyed, less any appropriate depreciation for previous use. This is also considered the **retail fair market value.**

Liquidation Value: An impending sale with limited conditions. An orderly liquidation is planned disposal with price consideration. A forced liquidation is immediate disposal without price consideration. An absolute auction has no reserve price.

Replacement Value: A term used when describing the cost to replace an automobile in the exact or equivalent condition and with the same components, less any depreciation due to use or deterioration. This would include cost of custom fabrication, upgrading and any modification cost to duplicate the appraised automobile.

Salvage Value: Parts value without consideration of the specific vehicle the parts came from or the value of the damaged vehicle as is.

Hypothetical Value: The value of stolen or damaged vehicles, which are not always available for physical inspection, based on assumed conditions, sometimes contrary to fact, with limiting conditions.

Reconstructive Value: A vehicle's value in pre-accident condition is estimated, based on it's post-accident condition with applicable limiting conditions.

Provenance or Historical Value: An additional value assigned to a vehicle above it's market value due to proven ownership, association, publication, manufacture, show and/or racing history.

The Value of The Ford Mustang K-Code Convertible At Hand

ACTUAL CASH VALUE/FAIR MARKET VALUE* is the price at which the property would change hands between a willing buyer and willing seller, neither being under any compulsion to buy or sell. Both parties to the sale having reasonable knowledge of relevant facts ... in the most common market. Fair market value for the purpose of this appraisal is defined as the highest price in terms of a *single cash payment of money*, which the vehicle will bring if offered for sale on the retail open market place. A reasonable time is assumed to buy said vehicle, with full knowledge of all the adapted and potential best uses and possessing a specific purpose in mind to justify the investment. The relationship of both buyer and seller shall be at arms length. The market value estimated, and the costs used, is as of the date of a loss or other stated date of value.

Comparable Ford Mustang K-Code Analysis Sheet

Verifying Retail Market Value:

When calculating the Retail Fair Market Value of the appraised Ford vehicle, adjustments are made for differences in the vehicle model (if any), mileage reading and affixed equipment that varies between the appraised vehicle and the listed comparable Ford vehicles used in establishing a corrected valuation. Only comparable Ford vehicles listed in this evaluation report were used to determine the Retail Fair Market Value of the appraised Ford vehicle. All adjustment amounts listed within this analysis sheet utilize values from *Kelley Blue Book Market Report* ©, *N.A.D.A. Official Used Car Guide* © and/or automotive appraisal industry standards.

Calculation For Retail Market Valuation:

Any and all adjustments to the comparable Ford Mustang Convertible vehicles listed, are in whole rounded up dollar amounts or are shown as included (Incl) when there is no adjustment amount.

Equipment & Adjustment Options	Comparable 1 √ **	Comparable 2 √ **	Comparable 3 √ **
Advertised/Sold Price	\$110,000	\$95,700	\$84,700
Sub-Model	Same	Same	Same
Odometer	-	-	-
Engine	Same	Same	Same
Transmission	Same	Same	Same
***	***	***	***
All	Incl	Incl	Incl
Standard	Incl	Incl	Incl
Factory	Incl	Incl	Incl
Fitted	Incl	Incl	Incl
Equipment	Incl	Incl	Incl
***	***	***	***
A/C	-\$1,850	-	-
AM/8-Track	-\$500	-	-
Luggage Rack	-\$150	-	-
Tri-Power	-	-	-\$750
***	***	***	***
Upgraded	-	-	-
Equipment	Page 5	Page 5	Page 5
Listing	-	-	-
***	***	***	***
Adjusted Price To Appraised Vehicle	\$107,500	\$95,700	\$83,950

Average of Three (3) Comparable Vehicles = \$95,717

Value Adjustment Listing For Appraised Ford Mustang*

* = Adjustment values are attributed to conditions & equipment that are not noted as being affixed or represented on the listed and noted comparable vehicles contained within this report. In cases where only 1 comparable is not compliant with equipment or condition, the adjustment value is divided by the number of comparables used in the averaging for the base value.

<u>Description</u>	<u>Added Enhancement Value</u>
<u>Exterior Condition:</u>	+\$000.00
<u>Interior Condition:</u>	+\$000.00
<u>Mechanical Condition:</u>	+\$000.00
<u>Engine Performance Upgrades:</u>	+\$000.00
<u>Historical Significance:</u>	+\$000.00
<u>Sub Total Added Adjustment Value 1</u>	+\$0000.00

<u>Description</u>	<u>Subtraction In Value</u>
<u>Exterior Condition:</u>	-\$000.00
<u>Interior Condition:</u>	-\$000.00
<u>Mechanical Condition:</u>	-\$000.00
<u>Old Damage As Noted:</u>	-\$000.00
<u>Sub Total Detraction Adjustment Value 2</u>	-\$0000.00

Grand Total of Adjustments: **+\$0000.00**

Adjustment values are reflective of industry standards for values and are noted as being compliant with the Uniform Standards for Automotive Appraisal Procedure (USAAP) published by International Automotive Appraisers Association and the All Auto Appraisal Industry Conference in addition to the Uniform Standards of Professional Appraisal Practice (USPAP) published by the Appraisal Institute of America, in Washington, D.C.

Where applicable, the Kelley Blue Book Market Report or N.A.D.A. Factory Equipment values were used.

Methodology Of Vehicle Evaluation

The actual cash value of this 1965 Ford Mustang Convertible as of February 10, 2023, is based solely upon the analysis of the vehicles advertised for sale in numerous automotive publications available in the retail marketplace and/or retail dealers that were contacted and queried as to their prospective of value for the vehicle with all pertinent equipment and condition facts relayed.

The values listed in the guidebooks, are a compilation of dealer sales asking prices.

It is further noted that this vehicle was evaluated as an excellent to very good overall condition vehicle that is original and has been professionally restored.

*This evaluation is based upon comparable vehicles found on the open market to be or have been advertised for retail sale, with allowances made for additions or deductions based on comparable equipment and conditions set forth by advertisers and by this vehicle's owner of record. Any deductions from value are discernible, measurable, itemized and specified in dollar amount in compliance with sections 790.03 (H) (4), 710.03 (H) (3), 1872.4, and title 10, chapter 5, subchapter 7.5, section 2695.8 of the Insurance Code and Federal Insurance Statutes. **This appraisal was completed by following the Uniform Standards for Professional Appraisal Practice (USPAP) set forth by the Appraisal Institute of America (AIA).***

*A listing of comparable vehicles found during the research segment of this evaluation, can be found attached to this report. **The average base value of this vehicle from the comparables is \$95,717 √**. No adjustment value as noted and detailed on page five (5) of this report, was adjusted within this evaluation.***

Actual Cash Evaluation: \$95,717.00

Submitted & Certified Under Authority,

Lance S. Coren SCR

Lance S. Coren, MBA, C.A.A., C.M.A.

Lic. #174278

I.A.A.A. #100427

ORDINEX #2544

Comparable 1965 Ford Mustang Convertibles Advertised For Sale/Sold

√ ** (1) 1965 Ford Mustang K-Code Convertible, Wimbledon White/Blue, 4-Speed, Dealer Installed factory-type climate control, AM-8-Track, dealer installed luggage rack, Factory Tachometer, chrome sport wheels, VIN: 5F08K278952. Sold, \$110,000, Barrett-Jackson Scottsdale Auction 01/29/22' Lot #1255

<https://www.barrett-jackson.com/Events/Event/Details/1965-FORD-MUSTANG-K-CODE-CONVERTIBLE-253236>



√ ** (2) 1965 Ford Mustang K-Code Convertible, Twilight Turquoise Green/Black, 4-Speed, Odometer reads 17,365 miles, comprehensive restoration using original parts, 3.50 standard rear axle, S/S exhaust system, chrome styled steel wheels, 1 of 181 Produced. Sold, \$95,700, 01/13/2023 Mecum Auctions, Kissimmee, FL Lot #F192.1 VIN: 5R08K173383

<https://www.mecum.com/lots/FL0123-539563/>



√ ** (3) 1965 Ford Mustang K-Code Convertible, Dynasty Green/Black, Black Top, 4-Speed, recently restored to factory condition, matching numbers 289/271hp High-Performance V8 engine, Tri-Power intake, 9-inch differential, styled steel wheels, front disc brakes, 2017 full restoration, full binder included! VIN: 5R08K175786 Sold \$84,700, Barrett-Jackson Las Vegas, NV 07/02/2022 Lot #675.1

<https://www.barrett-jackson.com/Events/Event/Details/1965-FORD-MUSTANG-K-CODE-CONVERTIBLE-259119>



Additional Mustang K-Codes For Comparison

1965 Ford Mustang GT K-Code Convertible, Wimbledon White/Deluxe Red Pony interior, Tri-Power Cobra Kit, Highly Optioned GT K-Code car, full and correct restoration, listed in the Hi-Po Registry! VIN: 5R08K777151 Sold 04/09/2022, \$80,300 Lot # 669.1 Barrett-Jackson Auction, Werst Palm Beach, FL

<https://www.barrett-jackson.com/Events/Event/Details/1965-FORD-MUSTANG-GT-K-CODE-CONVERTIBLE-256735>



1965 Ford Mustang K-Code Convertible, 83,199 miles, Rangoon Red/Parchment White w/White Top, Paxton Supercharger, 5-speed, factory K-Code, GT equipment package, Pony interior, Rally Pac gauges, AM/FM radio, styled steel wheels, period correct Paxton supercharger, Tremec 5-speed, VIN: 5T08K337291 High Bid \$78,750, Mecum Auctions Kissimmee, FL 01/07/23 Lot #K198



1965 Ford Mustang Convertible, Arcadian Blue/Blue w/white top, 289/4-speed, 2-Tone Pony interior, 289 A code engine dress-up kit, GT exhaust, styled steel wheels, console, wood steering wheel, AACA National First Prize. \$61,600 VIN: 5F08A290210 Sold, Mecum Auctions 01/07/23' Kissimmee, FL Lot #K197

<https://www.mecum.com/lots/FL0123-539161/>



USAAP Departure Rules
Appraisal of Motor Vehicle Value Outside Local Market Area

They are noted in the USAAP's (Uniform Standards For Automotive Appraisal Procedure) published by the International Automotive Appraisers Association (IAAA) and registered with the Appraisal Standards Board in Washington, D.C.

Departure Rule 108(a): When appraising a motor vehicle that is "special/rare/limited production/collectible/desirable" in the way of total numbers produced or availability within the retail marketplace, comparable vehicles may be used in the methodology of performing the vehicle valuation that are located anywhere within the Continental United States. This "departure rule" is compliant with guidelines set forth to establish retail values of a subject motor vehicle for the purpose of using proper comparable vehicles within the restriction of a local marketplace search only.

Comparable vehicles located in Canada or Mexico may also be used, with the premise that all asking or selling prices used, be properly converted to current (or historical) U.S. Dollar rates for the time period required.

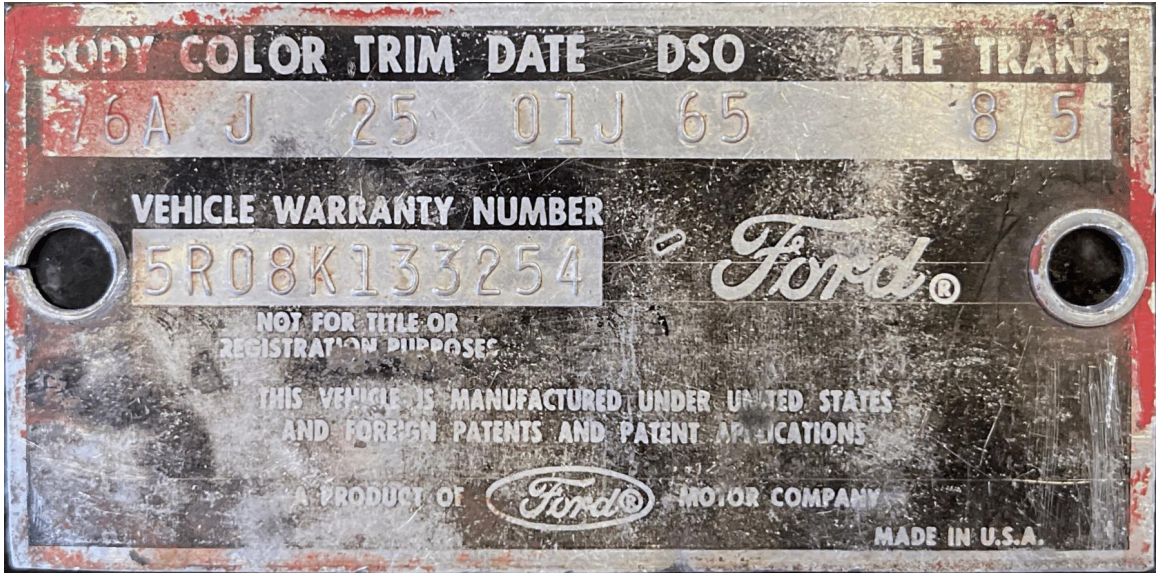












BODY COLOR TRIM DATE DSO AXLE TRANS

76A J 25 01J 65 8 5

VEHICLE WARRANTY NUMBER

5R08K133254

Ford®

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REGISTRATION PURPOSES

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