

Sample Appraisal

J. D. Balsarini & Associates, Inc.
Summary Appraisal Report
ABC Construction Co., Inc.
February 29, 2015

TABLE OF CONTENTS

	Page
Cover Letter.....	1
Definitions, Approach, Conditions, Summary.....	2-3
Equipment Summary.....	4
Equipment Descriptions	5
Appraisal Methodology	6
Valuation Methodology.....	7
Certification.....	8
References	9
Credentials	10

PHOTOGRAPHS



J.D. Balsarini & Associates, Inc.

1370 Langport Dr.
Pittsburgh, PA 15241
412-221-1097
Fax: 412-221-7658

February 29, 2015

John Doe, Vice President
ABC Construction Co., Inc.
123 Number Lane
Your City, USA 11111

**RE: FAIR MARKET VALUE AND ORDERLY LIQUIDATION VALUE SUMMARY APPRAISAL
OF CERTAIN EQUIPMENT AT ABC CONSTRUCTION CO., INC.**

Dear John:

Following is our opinion on the value of the equipment referenced above. Our figures are based on the findings of the personal inspection of this equipment and our experience as appraisers, auctioneers, contractors and dealers. Our credentials are enclosed. The intention of this appraisal report is to determine the Fair Market Value and Orderly Liquidation Value of these equipment assets. The conclusion of this report, within the limiting and qualifying conditions expressed in the body of the appraisal, is:

TOTAL ESTIMATED FAIR MARKET VALUE	\$000,000.00
TOTAL ESTIMATED ORDERLY LIQUIDATION VALUE	\$000,000.00

We have retained a copy of this report and the original notes from which it was made. This information will be kept confidential and will only be released after confirmation from you.

If you have any questions regarding this report please contact us. The appraisal report and photographs follow. We have collaborated on this appraisal and feel it has been completed to the best of our ability.

Sincerely,

J. D. BALSARINI & ASSOCIATES, INC.

James D. Balsarini, CSA
Equipment Appraisers Association of North America

This appraisal has been undertaken to determine the Fair Market Value and Orderly Liquidation Value of the equipment assets in question for the purpose of collateral based financial lending. The following definitions of value shall apply:

FAIR MARKET VALUE: The price at which goods would exchange hands, in their most common market, between a willing buyer and a willing seller, neither under any compulsion to buy or sell and both knowledgeable of all relevant facts as of a specific date.

ORDERLY LIQUIDATION VALUE: The estimated gross selling price that can be realized from a well advertised, public, orderly negotiated sale held within a ninety (90) day time frame, considering a sale of all assets, as-is where-is, and all sales made free and clear of all liens and encumbrances with the cost of dismantlement to be that of the purchaser.

The definitions above are J. D. Balsarini & Associates, Inc. interpretation of the Fair Market Value as defined by the Internal Revenue Service, Publication 561, Rev. April 2007, Catalog No. 15109Q, Page 2, further defined based on the intention and purpose of this appraisal.

The values in this appraisal are based on the facts of our personal inspection on the majority of these assets and comparables from a current worldwide review and are effective the date of this appraisal, February 29, 2015. No opinion is being made as to any past or future values. Current hours and miles are listed when available but the age of the equipment and the application it works in is always a dominant evaluation factor. Equipment "down for repairs that are in progress" is valued as an operational unit. Equipment "parked and in need of repairs not in progress, or idle" is valued as is-where is. The equipment inspected was in general good in appearance and was operational unless noted otherwise in our descriptions.

It should be kept in mind that the values contained in this report represent only the listed assets without any consideration given to land ownership or leases, current contracts or values in use as an ongoing turnkey operation.

The values provided are gross US dollars with no provision for the cost of advertising, appraisal, auctioneer or broker commissions, freight, handling, insurance and refurbishment. These costs should be taken into consideration to fully understand the potential net return to the equipment owner. We estimate the cost of disposition today at approximately fifteen percent (15%) of the stated values.

No change of any item in the appraisal report shall be made by anyone other than the appraiser and the appraiser shall have no responsibility for any such unauthorized change. The appraised values are the opinions of the appraiser, not guarantees. Along with our own experience, we collaborated with others in the industry who we consider to be knowledgeable in the field in forming our opinion. Also, various guides and publications used and accepted in the industry were reviewed to help determine value.

Following is a descriptive listing of the items. Year of manufacture is taken from current serial number guides and may reflect the year of purchase or year put into service. Again, the age and application of the equipment is always considered. Statements on appearance or general condition (undercarriage or tires) are along the following guidelines:

Very Good:	Limited service or close to new in appearance.
Good:	Normal use, regular wear and tear.
Fair:	More than normal wear and tear, operational.
Rough:	Well used, shows considerable wear and tear.
Salvage:	Parts only.

A physical inspection of the equipment was made on February 25 and 25, 2015. The inspection was conducted by the writer and Ted Vargo, both members in good standing of the Equipment Appraisers Association of North America. Equipment photographs were taken by our photographer Kristen Dotterway. These photographs are attached and identified to verify appearance at the time of our inspection. Any item not inspected is marked "did not view" and has been discussed to identify condition, description and options. This method is used and accepted in the industry to expedite the report and contain costs. Please review our individual descriptions.

This appraisal has been completed, to the best of our ability, in accordance with standard appraisal practices and the Uniform Standards of Professional Appraisal Practice as promulgated by The Appraisal Foundation and reflects the best judgment of the appraiser. The market approach to value was used in this appraisal. New and used equipment dealers have been consulted for comparable prices and catalogs, trade publications and comparative results of auction sales have been utilized. The cost approach to value using replacement cost depreciated was considered and used as a guideline. In situations where few, if any, sales comparables are available, cost becomes a more dominant factor. However, our values for the most part remain driven by the market approach especially for the purpose of this appraisal. The income approach to value was not considered applicable as there was no isolation of income attributable to these equipment assets.

Use of this report by others is not intended by the appraiser, nor is the report intended for any other use. We have no present or contemplated future interest in these assets. Please be advised that neither the employment to make the appraisal nor the compensation for it are contingent upon the appraised value of the assets.

Thank you for your confidence in our firm. It has been our pleasure to serve you.

EQUIPMENT SUMMARY

	<u>Fair Market Value</u>	<u>Orderly Liquidation Value</u>
Aggregate Equipment	\$ 00,000.00	\$ 00,000.00
Construction Equipment	00,000.00	00,000.00
Forestry Equipment	00,000.00	00,000.00
Lifting Equipment	00,000.00	00,000.00
Mining Equipment	00,000.00	00,000.00
Transportation Equipment	00,000.00	00,000.00
Miscellaneous Equipment	00,000.00	00,000.00

Total Estimated Fair Market Value: \$000,000.00

Total Estimated Orderly Liquidation Value: \$000,000.00

EQUIPMENT DESCRIPTIONS

Aggregate Equipment:

<u>Item #</u>	<u>Co. #</u>	<u>Description</u>	<u>FMV</u>	<u>OLV</u>
1.	A-1	2006 Metso LT-106 Track Mounted Portable Jaw Crusher, S/N 10002; CAT C9 diesel power, 8 yd. charging hopper, 13'x8"x3'7" feeder, Nordberg C106 28"x42" jaw crusher, extended discharge conveyor, 20" triple bar grouser pads x 14'6" crawlers, very good appearance, operational, 2,350 hours. Photo #1	\$ 00,000.00	\$ 00,000.00

Construction Equipment:

1.	C-1	1999 John Deere 410E 4x2 Loader Backhoe, S/N To410EX800005; John Deere diesel power, collarshift transmission, 92" wide GP loader bucket, EROPS cab, standard hoe plumbed for attachment, 24" hoe dipper, 12.5/80 front and 21Lx24 rear tires, good appearance and tires, operational, 4,393 hours. Photo #2	00,000.00	00,000.00
----	-----	--	-----------	-----------

Forestry Equipment:

1.	F-3	1993 Hydro AX621E, S/N 5759; Cummins diesel power, 4WD, 621E brush cutter, EROPS cab, winch, 28L26 tires, good appearance and very good tires, operational, 7,250 hours. Photo #3	00,000.00	00,000.00
----	-----	---	-----------	-----------

Lifting Equipment:

1.	L-1	2008 Link-Belt HTC-8690 90 Ton Telescopic Boom Hydraulic Truck Crane, S/N N4K9-8866HTCN4474; CAT C-13 12.5L 445 HP Tier III diesel power, ZF automated 12-speed transmission, 8x4 carrier, two (2) main hoists w/730' cable capacity, five (5) section 38' to 140' boom w/optional swing-a-way jib to 182', two (2) 16' built-in lattice boom sections to 214', a/c in both cabs, hoist monitors and safety systems, very good/like new appearance, operational, 380 hours and 1,273 miles. Photo #4	00,000.00	00,000.00
----	-----	--	-----------	-----------

Mining Equipment:

1.	M2	1997 P&H 4100A Electric Hard Rock Front Loading Shovel, S/N FT5265; electric power, Esco 56 cu. yard dipper on a standard loading front, 60" pads x 42'5" crawlers, good appearance and undercarriage, operational, 50,410 hours recorded on the meter and in the maintenance records. Photo #5	00,000.00	00,000.00
----	----	---	-----------	-----------

Transportation Equipment:

1.	T1	1994 Mack CH613 Tandem Axle Truck Tractor, VIN 1M1AA14X3SU00005; Mack 350 diesel power, Fuller 8LL transmission, wet line, sliding 5 th wheel, 12,000# front and 38,000# rear axles, 11R22.5 tires, aluminum budd wheels, good appearance and tires, operational, 329,500 miles. Photo #6	00,000.00	00,000.00
----	----	--	-----------	-----------

EQUIPMENT DESCRIPTIONS**Transportation Equipment continued:**

<u>Item #</u>	<u>Co. #</u>	<u>Description</u>	<u>FMV</u>	<u>OLV</u>
2.	T-12	1994 Talbert TDW-50-HRG-1-T1 Tri-Axle Lowboy 50 Ton Equipment Trailer, VIN 40FW5338S100000; detachable gooseneck, non-ground bearing, 24' deck, 12' over axles, 4 th flip axle, air ride, 255/70R15 tires, good appearance and tires, operational. Photo #6	\$ 00,000.00	\$ 00,000.00

Miscellaneous Equipment:

1.	ML1	1997 CAT D11R Crawler Tractor, S/N 8ZR75007 (certified CAT rebuild in September 2005); CAT diesel power, powershift, U-blade, twin tilt, EROPS cab/canopy, 27" single bar grouser pads, 4 BBL single shank ripper w/hydraulic pin puller, described as good appearance and undercarriage, operational, approximately 14,000 hours recorded and 4,500 hours since rebuild. Did Not View, Customer provided Photo #7	000,000.00	000,000.00
2.	ML2	1985 CAT D3B Crawler Tractor, S/N 27Y02075; CAT power, powershift, 6-way blade, OROPS canopy, drawbar, 16" single bar grouser pads, good appearance and undercarriage, 17,537 hours, parked for repairs in progress. Photo #8 (Shows D4 Decal)	000,000.00	000,000.00
3.	ML3	Nine (9) 1986 CAT D9L Pull Tractors, S/N's all 14Y prefix; no dozer blades, EROPS cab/canopies, hydraulic packages, 30" pads, all good appearance and undercarriage, average 16,000 hours each. Valued at an average FMV of \$00,000.00 each and OLV of \$0,000.00 each. Value is for all nine (9) units. Photo #9	000,000.00	000,000.00
4.	ML4	Shop and Service Fleet Equipment Including: all hand held tools in shop and on service trucks, twelve (12) column mounted cantilevered high lift application jib hoists each with a 3 ton electric hoist and all other miscellaneous shop equipment; a 47 page inventory was reviewed, items were observed during our inspection, all looked good and operational. Bulk value for all of the above is conservative. Photo #10	000,000.00	000,000.00

Total Estimated Fair Market Value: \$000,000.00

Total Estimated Orderly Liquidation Value: \$000,000.00

PHOTOGRAPHS



Photo #1



Photo #2



Photo #3



Photo #4



Photo #5



Photo #6



Photo #7



Photo #8



Photo #9

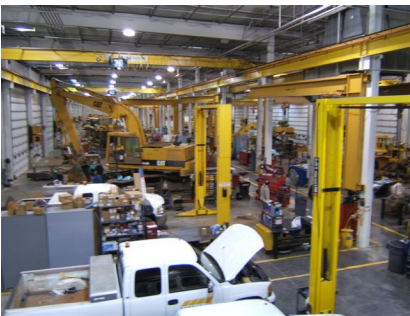


Photo #10