

Prepared for:

XYZ Construction Company

2009
Certified
Appraisal



Prepared by :

CAGA
CERTIFIED
APPRAISER

Bryan **BROOKS**
& associates, inc.

APPRAISAL REPORT

**John Doe
XYZ Construction Company
123 Main Street
Anywhere, CO 00000**

PREPARED BY:

**Bryan Brooks & Associates, Inc.
5267 Wheaton Drive
Fort Collins, Colorado 80525**

Member: Certified Appraisers Guild of America

**CAGA
CERTIFIED
APPRAISER**

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SUMMARY

In January 2009, we personally inspected the assets of XYZ Construction Company and are pleased to submit the enclosed evaluation. Our figures are based on the findings of Bryan Brooks and my associate Scott Tuel and our experience as appraisers, auctioneers, and dealers. Our credentials are attached. The values shown represent the Orderly Liquidation (Auction) Value or the Fair Market Value of these equipment assets. The conclusion of this report, within the limiting and qualifying condition expressed in the body of the evaluation is:

VALUE

Orderly Liquidation Value

The Liquidation Value for the property in total is:

OR

Fair Market Value

The Fair Market Value for the property in total is
\$000.000.00

The values provided are gross dollars with no provision for the cost of advertising, appraisal, auctioneer or broker commissions, freight, handling, insurance and refurbishment, and assuming all equipment to be functioning as intended. These costs should be taken into consideration to fully understand the potential net return to the seller.

No change of any item in the evaluation 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 consulted with others in the industry who are considered to be knowledgeable in the field. Various guides and publications used and accepted in the industry were referenced as well.

Attached is a descriptive listing of the items with values for each individual item. Year of manufacture has been verified with current serial number guides. For items not listed in current serial number guides, we included the year provided on your equipment records. Items not physically inspected are indicated with an asterisk (*).

Photos are enclosed to verify appearance at the time of inspection. We found this equipment for the most part to be in good to very good condition.

Neither the employment to conduct the evaluation nor the compensation for it is contingent upon the appraised value of the equipment. We have no present or contemplated future interest in the equipment.

All details of our inspection and research along with photo negatives remain on file in our office. This evaluation is for your use only, and we will only discuss or release information with your consent.

ANALYSIS

CONDITION

The condition of the assets is operable, and to the best of this appraiser's knowledge appear to be maintained.

MARKETABILITY

The equipment of XYZ Construction Company is primarily Caterpillar construction equipment, crushing equipment, asphalt paving equipment, trucks, and trailers. It is further noted that the assets will have great demand if placed on the open market.

CONDITION OF APPRAISAL

The value stated in this Appraisal Report is based on the best judgment of the appraiser given the facts and conditions available at the date of the valuation.

The use of the report is limited to the purpose of determining the value of personal property for Loan Collateral purposes.

Any additional research or testimony required by the client or the court will be billed at the current rates.

Disclosure of the contents of the report is governed by the Standards and Practices of the Certified Appraisers Guild of America.

CERTIFICATION OF REPORT

Neither Bryan Brooks, Bryan Brooks & Associates, Inc. nor any of its employees have any present or future interest in the subject property. No prohibited fee was assessed for this report.

Bryan Brooks has successfully completed the personal property appraiser certification program with the Certified Appraisers Guild of America and is a member in good standing. This report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice and with the Standards and Practices of the Certified Appraisers Guild of America, which has review authority of this report.

Bryan Brooks has personally examined the subject property. The statements of fact contained in this report are true and correct to the best knowledge and belief of the appraiser.

By: Bryan Brooks, CAGA
Bryan Brooks & Associates, Inc.

PURPOSE OF THE REPORT

The purpose of this report is to determine the value of the equipment assets of XYZ Construction Company. Values are based on the date of this report. No opinion is being made as to any past or future values.

METHOD OF VALUATION

The method of valuation used for this appraisal is the Orderly Liquidation Value or the Fair Market Value.

DEFINITION OF VALUE

ORDERLY LIQUIDATION VALUE

Orderly Liquidation value is defined as:

The estimated gross selling price that can be realized from a well advertised, public auction conducted by a reputable Auction Company within a reasonable period of time (typically 60 to 90 days), considering a sale of all assets, as-is, where-is, properly prepared and functioning as intended, and all sales made free and clear of all liens and encumbrances with the cost of dismantling to be that of the purchaser.

FAIR MARKET VALUE

Under the United States Treasury regulation 1.170-1c Fair Market Value is defined as:

The price at which the property would change hands between a willing buyer and a willing seller, neither being under compulsion to buy or compulsion to sell and both having reasonable knowledge.

BASIS OF APPRAISAL

VALUATION DATE

The date of valuation for determining the value estimation is January, 2009.

DATE APPRAISAL CONDUCTED

This appraisal was conducted in January, 2009.

LIMITATIONS OF PROPERTY

There were no limitations on use of disposition of this property.

DESCRIPTION

An itemized list with descriptions is in Appendix A.

**Bryan Brooks, Appraiser
Bryan Brooks & Associates, Inc.
5267 Wheaton Drive
Fort Collins, Colorado 80525**

Professional Membership

Certified Appraisers Guild of America
Associate member of Colorado Contractors Association
Associate member of Wyoming Contractors Association

Professional Designation

CAGA

Experience

Bryan Brooks & Associates, Inc., Fort Collins, Colorado 2001 to present
Own and operate construction equipment Appraisal Company. Provide reliable high quality unencumbered Certified Appraisals to construction contractors and financial institutions for the purpose of determining real fleet value only. Sales of used construction equipment.

Ritchie Brothers Auctioneers, Denver, Colorado 2 years
Territory Manager. Responsible for consigning equipment to scheduled auctions in western United States. Prepared construction machinery appraisals for financial institutions and contractors. Inspect equipment for guarantees and purchases.

Forke Auctioneers, Lincoln, Nebraska 13 years
Rocky Mountain Regional Manager. Responsible for hiring and supervising field representatives in western United States, conducted heavy equipment Auctions, conducted construction equipment appraisals, inspected equipment for purchases and guarantees.

Miller & Miller Auctioneers, Fort Worth, Texas 2 years
District Manager. Responsible for negotiating Auction agreements and conducting appraisals of construction equipment in western United States territory.

Wagner Equipment Company, Grand Junction, Colorado 7 years
Territory Salesman. Responsible for sales of new and used Caterpillar construction equipment. Conducted appraisals of equipment for trade in. Organized demonstrations.

Power Equipment Company, Denver, Colorado 4 years
Territory Salesman. Responsible for sales of new and used construction equipment. Conducted appraisals of equipment for trade in.

**Scott Tuel, Associate Appraiser
Bryan Brooks & Associates, Inc.
5267 Wheaton Drive
Fort Collins, Colorado 80525**

Professional Membership

Certified Appraisers Guild of America.
Associate member of The Equipment Appraisers Association of North America.

Professional Designation

CAGA

Experience

Tuel Tractor Company, Denver, Colorado 1993 to present

Own and operate used equipment business. Buy, refurbish, and sell used equipment. Perform certified local, national, and international appraisals for construction contractors.

Miscellaneous consulting for various international clients.

Green International, Inc. Denver, Colorado 8 years

Equipment Manager. Responsible for all purchasing, maintenance scheduling, and disposition of \$35 million equipment fleet. Also performed all equipment appraisals.

Argee Corporation, Denver, Colorado 3 years

Equipment Manager. Responsible for all management and maintenance of \$12 million equipment fleet at nine locations in the western United States. Performed all fleet appraisals, established operating rates, and managed cost reporting.

Summit Construction Company, Rapid City, South Dakota 4 years

Equipment Superintendent. Directed maintenance and repair of heavy equipment fleet. Also performed annual appraisals of all equipment in Rocky Mountain District.

DEFINITION OF CONDITION TERMS

The following is an explanation of the conditions used in describing the Equipment.

EXCELLENT – Recently purchased. Limited use. Probably shows some evidence of handling and use, but in practically new mechanical condition.

VERY GOOD – In exceptionally good mechanical condition. May have been overhauled or may never have been used enough to require overhaul.

GOOD – No known mechanical defects except any that may be described. In operating condition, but may have some worn parts that will need repair or replacement soon.

FAIR – Has seen considerable service and may require general overhaul soon. May be old or may have suffered hard use.

POOR – Has seen hard service. Is worn and needs repair.

VALUE LISTINGS

(APPENDIX A)

Co. No.

Description

Evaluation



M-183	2001 Broce RC350 Broom, SN 401188, diesel engine, cab, 1,968 hours. Good condition.	17,000
M-184	2003 Waldon 250 Sweepmaster Broom, SN SM250-27083010, diesel engine, ac cab.*	18,000
M-185	2001 Broce RC350 Broom, SN 401187, diesel engine, ac cab.*	17,000
N-200	1996 Cat 613CII Elevating Scraper, SN 8LJ01332, ac cab, 23.5-25 tires, 7,237 hours. Good condition, good front, fair rear tires.	50,000



N-201	1997 Cat 613CII Elevating Scraper, SN 8LJ01441, ac cab, 23.5-25 tires, 1,018 hours. Good condition, good tires.	54,000
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Co. No.**Description****Evaluation**

- | | | |
|-------|--|---------|
| L-310 | 1996 Cat 966FII Loader, SN 1SL01853, 4.9-yard bucket with bolt on edge, ride control option, fast oil change, ac cab, Michelin 26.5-R25 tires, approximately 21,000 hours. Good condition, good tires. | 75,000 |
| L-311 | 1998 Cat 980G Loader, SN 2KR02134, 7-yard bucket with teeth, ride control option, fast oil change, ac cab, Michelin 29.5-25 tires, approximately 19,000 hours. Good condition, good tires. | 115,000 |
| L-317 | 2000 Volvo L150C Wheel Loader, SN L150CV61785, gp bucket, ac cab, comfort drive control, boom suspension, 26.5x25 Michelin tires, extra work lights front and rear, 8,680 hours. Good condition, fair tires. | 57,000 |



- | | | |
|-------|---|--------|
| L-318 | 2001 Cat 950G Wheel Loader, SN 3JW02101, ac cab, gp bucket, 23.5R25 tires, approximately 6,615 hours. Good condition, fair tires. | 82,500 |
|-------|---|--------|

Co. No.

Description

Evaluation



267

2006 Cat 930G Wheel Loader, SN TWR01009, AC cab, high lift boom, quick coupler, gp bucket, forks, 26.5R25 tires, 2,946 hours. Good condition, good tires.

93,000



268

2005 Cat CP433E Vibratory Compactor, SN ASN00383, canopy, leveling blade, 1,926 hours. Good condition.

70,000

270

2006 Multi Quip Rammax P35K2B Vibratory Compactor, SN 536659, canopy, leveling blade, 856 hours. Good condition.

30,000

Co. No.

Description

Evaluation



229

1983 Cat D8L Crawler Tractor, SN 53Y02116, ac cab, SU dozer, multi-shank ripper, 3,000 hours on engine and transmission, 15,851 hours. Good condition, good undercarriage.

70,000



233

2003 Cat 420DIT 4x4 Loader Backhoe, SN BLN05997, ac cab, automatic transmission, bucket and forks, extendahoe, quick coupler, 12" and 24" buckets, 4,556 hours. Good condition, good tires.

46,000

Co. No.

Description

Evaluation



CR15-2 2001 JCI 6202-32LP 6'x20' 2-Deck Portable Screen Plant, SN 01LP02F32, 48"x30' rear discharge conveyor, 24"x16' side discharge conveyor, mounted on tandem carrier. Good condition.

87,500



CR15-3 2000 Thor T36-500 36"x160' Portable Telescopic Radial Stacking Conveyor, SN 1603, hydraulic raise, power travel, computer controls. Good condition.

130,000

CR16 2001 Cat 3412/600 KW Portable Generator, SN AGE00335, SR4 generator, switch gear, control panel, mounted in Great Dane 48' tandem van trailer (CR17). Good condition.

84,000