

Description of Assignment

Hockaday's Heavy Equipment Appraisals. was retained by _____ to determine the Auction Value of the vehicles/equipment contained in the E-mail of this report. The equipment appraisal was prepared for value recommendations for financial reporting purposes. This appraisal included all available units, as noted in the E-mail. Our analysis assumes that the unit is in good operating condition, based on the information provided in the E-mail and industry accepted maintenance practices.

We assumed the year acquired to be the model year, except where we have verified otherwise, as referenced from industry accepted serial guides. We also assumed that all standard attachments purchased with a basic unit/machine are part of the original cost and have been appraised as such at this time.

We considered the following two primary valuation theories in preparing the equipment appraisal.

Cost Approach – The cost approach is a valuation technique that uses the concept of replacement as a value indicator. This approach is based upon the principle of substitution, which dictates that an individual would not pay more for an asset for which he could replace the asset new. This valuation technique adjusts the asset's value for various factors (e.g. depreciation, cost to replace new, obsolescence, etc.).

Market Approach – The market approach is a valuation technique in which fair market value is estimated on the basis of market prices in actual transactions. This technique consists of studying available market comparable information such as described in the Documentary Resource section and adjusting for comparability differences. Fair market value is primarily determined by use of the market approach.

Auction Value

Year:
Make:
Model:
S/N:
Your Unit #:

Based on our analysis and the details provided on www.Whatsitgoingfor.com and subject to the assumptions and limiting conditions presented herein, the Auction Value of the specified assets is

In today's market, Auction Value by in large defines the Fair Market Value of construction equipment based upon the increased numbers of participating buyers, and the larger volume of units sold today through worldwide public auctions.

One definition of Fair Market Value is that given in the Internal Revenue code of 1954 and repeated in Revenue Ruling 56-60:

Fair Market Value is the price at which the property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts. Court decisions frequently state, in addition, that the hypothetical buyer and seller are assumed to be able, as well as willing, to tackle and to be well informed about the property, and concerning the market for such property.

Assumptions and Limiting Conditions

This appraisal is subject to the following and limiting conditions:

- Information estimates and opinions contained in this report are obtained from sources considered reliable, however, no liability for such sources is assumed by the appraiser.
- Possession of this report, or a copy thereof does not carry with it the right of publication of all or part of it, nor may it be used for any purpose by anyone but the client without the previous written consent of the appraiser or the client, in any event, only with proper attribution.
- Appraiser is not required to give testimony in court, or be in attendance during any hearing or depositions, with reference to the company being appraised, unless previous arrangements have been made.

Certification

- I have no present or prospective interest in the equipment of contents that are subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on any action or event resulting from the analysis, opinions, or conclusions in, or the use of, this report.

Mark E. Hockaday

Mark E. Hockaday, Auctioneer

Date: _____

Auctioneer License
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