

INVITITION FOR BID
FOR
2002 International 4900 (Refuse Collection Truck)
BID NUMBER 010517
FOR
CITY OF SOCORRO, NEW MEXICO



City of Socorro
111 School of Mines Rd.
Socorro, New Mexico 87801

ISSUE DATE: December 22, 2016

DUE DATE: January 5, 2017

Overview

The City of Socorro hereby invites competitive sealed bids for the sale of a 2002 INTERNATIONAL 4900 (refuse collection truck). The minimum bid to be accepted will be \$27,000.00.

Procurement

Sealed bids will be accepted until bid opening at 3:00 p.m. January 5, 2017 in the City Hall Council Chambers, 111 School of Mines Rd. Socorro, New Mexico. At that time bids will be opened publicly and recorded. The City of Socorro reserves the right to reject any or all bids and to accept the bid which in its judgment is most advantageous to the City.

Any bids received after the above date and/or time will be returned unopened. All bids must be clearly marked Bid No. 010517 on the lower left corner of the envelope. The bidder shall assume full responsibility for the timely delivery of bid. Any bid not clearly marked Bid No. 010517 will be disqualified.

The envelope shall be addressed to:

City of Socorro
Leopoldo (Polo) Pineda, Jr.
Chief Procurement Officer
Post Office Drawer K
Socorro, New Mexico 87801

Specification can be obtained from Leopoldo (Polo) Pineda, Jr. at (575) 835-0240 or email ppineda@socorronm.gov.

Any questions related to this IFB should be addressed to Tony Montoya, Vehicle Fleet Manager at (505) 507-3305.

Certified Commercial Vehicle Appraisal



2002 INTERNATIONAL 4900 (refuse collection truck)
VIN: 1HTSDAAR02H532341

LOCATED IN:
Socorro, New Mexico

FOR:
City of Socorro
P.O. Drawer K
Socorro, NM 87801

AS OF:
September 7th 2016

BY:
Kevin Flanigan, MCMEA, CEB, SBA, MMS
AI#552705

The logo for Fidelity Appraisals, featuring a blue square with a white dollar sign inside a circle, followed by the word "Fidelity" in a bold, sans-serif font, and "Appraisals" in a smaller, regular font below it.



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9-7-2016

Mr. Tony Montoya
Vehicle Fleet Manager
City of Socorro
P.O. Drawer K
Socorro, NM 87801

Vehicle: 2002 INTERNATIONAL 4900 (refuse collection truck)
VIN: 1HTSDAAR02H532341

Mr. Montoya,

I have researched the resale market for the above referenced commercial use vehicle, and have determined its current fair market value effective September 7th 2016.

The qualified value opinion shown below is set forth in accordance with The Appraisal Foundation Uniform Standards of Professional Appraisal Practices (USPAP). It is based on a sales comparison approach of comparable units for sale or recently sold, with adjustments for differences and current economic market conditions.

\$27,000 Fair Market Value

Support for this value opinion is summarized herein.

Regards,

Kevin Flanigan

Kevin Flanigan, MCMEA, CEB, SBA, MMS
Fidelity Appraisals, LLC
888-285-3014 direct

Vehicle Description and Value Adjustments



Subject Vehicle: 2002 INTERNATIONAL 4900 (refuse collection truck)
VIN: 1HTSDAAR02H532341
License Plate: G 52217 NM
Cab Type: standard
Truck Body: rear collection refuse compactor
Manufactured in: USA
GVW: 36,220
Engine: Navistar DT466E 7.6L L6 diesel
Transmission: Alison 6-speed
PTO: yes
Drive: 4x2 single-rear-axle
Color: white
Mileage: 75,000 (estimated, gauge cluster replaced)

Condition: Body – fair
Paint – fair
Interior – good
Mechanical – good
Tires – fair

Equipment: In addition to the equipment noted above, it has steel fuel tanks, steel wheels, vinyl seats, and air brakes.

Comments: The subject vehicle is reported in good mechanical condition with no recent refurbishments. There is front impact damage to fiberglass hood body (below grille) and to front painted bumper (see photos). Minor rust on truck body and front bumper. Minor dent to right upper truck compactor body. Compactor body paint appears moderately oxidized. Tires overall are fair, left front tire is poor.

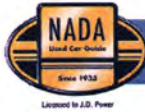
Refuse collection trucks are not tracked in the customary value guides. The NADA Commercial Guide retail value for the chassis only is \$14,806.

Comparable units selected for analysis were most closely matching in terms of year, make, model, build and functionality. Most have comparable horsepower and equipment with the exception of the number of rear axles and automatic transmissions. Six of the eight comparable units had tandem rear axles and three had automatic transmissions. All comparable are reported in good or excellent condition and have photos demonstrating visually to be in good or excellent condition.

Asking prices for the available comparable units range from \$17,250 to \$39,950. Average asking price before adjustments for year, make, model, axle, horsepower and other equipment is \$32,150. Average fully adjusted asking price is \$28,584.

This fair market value analysis considered all reasonably available information and indications of value. As this is a summary report, and as is customary with summary reports, additional documentation and value adjustments not shown herein are contained in the appraisal file. The fair market value conclusion shown below is based on a sale comparison approach to value, fully adjusted for any significant differences, with a reported value effective September 7th 2016.

Value Summary:	\$28,584	Fully Adjusted Asking Price Average
	- 1,550	weighted selling price adjustment
	\$27,034	Indicated Value
	\$27,000	Fair Market Value Opinion



Fidelity Appraisals LLC

Vehicle Information

Vehicle: 2002 International 4900 4900 Regular Cab
 Period: September 7, 2016
 VIN: 1HTSDAAR02H532341
 Mileage: 75,000
 Base MSRP: \$47,997
 GVW: 25,500
 GCW: 0



No Image Available

NADA Commercial Trucks Values

	Base	Mileage Adj.	Option Adj.	Adjusted Value
Wholesale	\$6,925	\$1,731	\$2,925	\$11,581
Loan	\$6,250	\$1,731	\$2,925	\$10,906
Retail	\$9,725	\$1,731	\$2,925	\$14,806 *

Selected Options

	Wholesale/Loan	Retail
6 Cyl Diesel Engine > 229 HP	\$2,075	\$2,325
Air Brakes	\$1,375	\$1,550
Reinf/Double Frame	\$1,300	\$1,300
W/out Auto. Trans.	-\$1,825	-\$1,825

***CHASSIS ONLY. DOES NOT INCLUDE REAR LOAD COMPACTOR TRUCK BODY.**



SUBJECT VEHICLE PHOTOS

(ON PAGES FOLLOWING)













COMPARABLE VEHICLES

(ON PAGES FOLLOWING)

2001 INTERNATIONAL 4900

For Sale Price: USD \$39,950



Contact Information

COOPERSBURG
KENWORTH/LIBERTY KENWORTH

Coopersburg, Pennsylvania

Phone: +1 888-319-4619

or +1 888-319-4621

Contact: SALES STAFF

Description

18 Yd Leach Alpha Rear Load Body, Only 73,585 Miles, 1 Owner Local Municipality, 3 Man Cab, PS, Air Brake, 35,000 GVWR, Full Double frame, Comes w/ Power Angle Plow, Very Good Condition

Specifications

Quantity	1	Stock Number	16P136
Year	2001	Manufacturer	INTERNATIONAL
Model	4900	Location	Coopersburg, Pennsylvania
Condition	Used	Engine Manufacturer	International
Engine Type	DT-466E	Horsepower	230
Mileage	73,585 mi	Transmission	Automatic
Fuel Type	Diesel	Overdrive	Yes
Suspension	Spring	Ratio	6.14
Tires	11R22.5	Wheels	Steel Disc
Wheelbase	195 in	Number of Rear Axles	Single
VIN	1HTSDAAR81H283317	Gross Vehicle Weight	35,000 lb
Rear Axle Weight	26,000 lb	Front Axle Weight	12,000 lb
Drive Side	Left Hand Drive		

2002 INTERNATIONAL 4900



For Sale Price: USD \$39,900

Contact Information

TOM'S TRUCK SALES

MANASSAS, Virginia

Phone: +1 703-392-7900

Fax: +1 703-361-5342

Contact: Truck Sales

Description

MD 3500 transmission

25YD McNeilus Packer

Specifications

Quantity	1	Stock Number	4742
Year	2002	Manufacturer	INTERNATIONAL
Model	4900	Location	MANASSAS, Virginia
Condition	Used	Mileage	171,538 mi
Rear Axle Weight	40,000 lb	Front Axle Weight	16,000 lb
Drive Side	Left Hand Drive		

2000 INTERNATIONAL 4900



For Sale Price: USD \$35,500

Contact Information

MTO

Mission, Texas

Phone: +1 956-432-7379

or +1 956-227-6284

Contact: Call Max

Description

Compaction System Pak Mor 25 Yards , New Paint , Pistons in excellent condition, tires in good condition , Automatic transmission, 124.880 miles. Ready to work.

Sistema de Compactacion Pak Mor 25 Yardas, Pintura Nueva, Pistones en Excelentes condiciones, Llantas en buenas condiciones, Transmisión Automática, 124,880 millas. Listo para Trabajar.

Specifications

Quantity	1	Stock Number	GU1224
Year	2000	Manufacturer	INTERNATIONAL
Model	4900	Location	Mission, Texas
Condition	Used	Mileage	124,880 mi
Transmission	Automatic	VIN	1HTSHADTOYH683586
Drive Side	Right Hand Drive		

2001 INTERNATIONAL 4900



For Sale Price: USD \$34,900

Contact Information

TOM'S TRUCK SALES

MANASSAS, Virginia

Phone: +1 703-392-7900

Fax: +1 703-361-5342

Contact: Truck Sales

Description

Allison transmission

25YD McNeilus

Specifications

Quantity	1	Stock Number	3515
Year	2001	Manufacturer	INTERNATIONAL
Model	4900	Location	MANASSAS, Virginia
Condition	Used	Engine Manufacturer	International
Engine Type	DT 466	Horsepower	275
Mileage	109,884 mi	Rear Axle Weight	40,000 lb
Front Axle Weight	16,000 lb	Drive Side	Left Hand Drive

2002 INTERNATIONAL 4900



For Sale Price: USD \$29,900

Contact Information

TOM'S TRUCK SALES

MANASSAS, Virginia

Phone: +1 703-392-7900

Fax: +1 703-361-5342

Contact: Truck Sales

Description

25YD McNeilus
Allison Transmission

Gross Vehicle Weight: 53,220

Specifications

Quantity	1	Stock Number	3792
Year	2002	Manufacturer	INTERNATIONAL
Model	4900	Location	MANASSAS, Virginia
Condition	Used	Engine Manufacturer	International
Engine Type	DT 466	Horsepower	250
Mileage	383,329 mi	Gross Vehicle Weight	53,220 lb
Rear Axle Weight	40,000 lb	Front Axle Weight	13,220 lb
Drive Side	Left Hand Drive		

2001 INTERNATIONAL 4900



For Sale Price: USD \$29,900

Contact Information

TOM'S TRUCK SALES

MANASSAS, Virginia

Phone: +1 703-392-7900

Fax: +1 703-361-5342

Contact: Truck Sales

Description

Body Make EZPack

Body Capacity 20 YD

Transmission Type Allison Auto

Specifications

Quantity	1	Stock Number	4589
Year	2001	Manufacturer	INTERNATIONAL
Model	4900	Location	MANASSAS, Virginia
Condition	Used	Engine Manufacturer	International
Engine Type	DT 466	Horsepower	250
Mileage	25,849 mi	Gross Vehicle Weight	35,000 lb
Rear Axle Weight	23,000 lb	Front Axle Weight	12,000 lb
Drive Side	Left Hand Drive		

2000 INTERNATIONAL 4900



For Sale Price: USD \$29,900

Contact Information

TOM'S TRUCK SALES

MANASSAS, Virginia

Phone: +1 703-392-7900

Fax: +1 703-361-5342

Contact: Truck Sales

Description

Body Make Dempster

Body Capacity 25YD

Transmission Type 653 Allison

Specifications

Quantity	1	Stock Number	4582
Year	2000	Manufacturer	INTERNATIONAL
Model	4900	Location	MANASSAS, Virginia
Condition	Used	Engine Manufacturer	International
Engine Type	DT 466	Mileage	125,831 mi
Gross Vehicle Weight	56,000 lb	Rear Axle Weight	40,000 lb
Front Axle Weight	16,000 lb	Drive Side	Left Hand Drive

2000 INTERNATIONAL 4900



For Sale Price: USD \$17,250

Contact Information

TRUCK COMPONENT SERVICES

Strafford, Missouri

Phone: +1 888-546-0082

Contact: Truck Sales

Description

Year: 2000 Price: \$17,250 VIN: 1HTSHAAR4YH686452 Stock Number: YH686452 Truck Specifications: Class: Heavy - Class 8 Subclass: Refuse - Rear Loader Mileage: 124,404 Hours: 17,350 Engine Make: International (S#: 1880494G4) Engine Model: DT466/250HP Fuel Tanks: One 75 gallon tank mounted on the passenger's side Transmission: Allison Automatic World 6 Speed Rear Axle: International Axle Ratio: 4:77 Suspension: Spring Wheelbase: 224 Front Wheels: Steel Rear Wheels: Steel (Inner & Outer) Fifth Wheel: No Jake Brake: Yes Cab: Basic/standard interior style Interior: Power steering; bench seating; AC/heat; vinyl interior material; manual locks & windows; cruise control Interior Color: Black, Gray & Beige Exterior Color: White Chassis/Yellow Body Tire Size: 11R22.5 GVWR: 50,000 FA #'s: 12,000 RA #'s: 38,000 Body: 2000 Heil Formula 5000 25 Yd. Rear Loader PTO Kick bar Other Info: Air cleaner is under the hood Vertically mounted exhaust - behind passenger Steel frame Steel bumper Power divider for axles 6x4 What We Know: Replaced instrument cluster. The body has rust that needs to be cut out, but it does not get into the body. The hopper and walls all appear to be in good condition. Floor needs attention. Power Steering, Cruise Control; 6x4

Specifications

Quantity 1 |
Stock Number YH686452 |
Year 2000 |
Manufacturer INTERNATIONAL |
Model 4900 |
Location Strafford, Missouri |
Condition Used |
Engine Manufacturer International |
Engine Type DT466 |
Horsepower 250 |
Mileage 124,404 mi |
Transmission 6 Spd |
Fuel Type Diesel |
Suspension Spring |
Ratio 4:77 |
Tires 11R22.5 |
Wheels All Steel |
Wheelbase 224 in |
Number of Rear Axles Tandem |
VIN 1HTSHAAR4YH686452 |

ADDENDA

- General Information
- Intended Users
- Confidentiality and Privacy
- Overall Condition
- Intended Use
- Property Interest Appraised
- Statement of Limiting Conditions
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General Information

An appraisal is a type of investigation into the law of probabilities with respect to valuation. Through the appraiser's experience, training, and integrity, we are able to project the activities of buyers and sellers in the marketplace into an estimation of value. In reaching a conclusion, comparison of assets usually involves adjustments due to the individuality and uniqueness of each asset. Transactions are often influenced by sentiment, bias, specific needs, politics, familiarity, lack of understanding, and other conditions not considered by the impartial appraiser. The appraiser cannot lend credence to these possible factors lest he misrepresent the very reason for his profession.

An appraisal cannot be guaranteed, nor can it always be proven. The opinion of value can, however, be substantiated and final opinion is the result of a thorough professional analysis of a vast quantity of data. An appraisal must not be considered absolute but should be used as a basis of negotiations between concerned parties, whatever their interests.

The valuation process, as followed in the preparation of this report, is an orderly procedure for arriving at an estimate of value. By following this procedure the appraiser begins with a preliminary study of the problem involved and defines the basis from which the appraisal is to be made. A program is then initiated for the accumulation, analysis, and observation of data. The data called for in the preliminary study is then gathered, classified, and analyzed.

In assignments to estimate Fair Market Value, the ultimate goal of the valuation process is a supported conclusion that reflects the appraiser's study of all influences on the value of the assets being appraised. Therefore, the appraiser studies the assets from various applicable viewpoints.

Various approaches are interrelated, and each involves the gathering and analysis of sales, activity, and value data in relation to the assets being appraised. From the analysis, the appraiser derives separate indications of value for the assets being appraised. One or more approaches may be used, depending on their applicability to the particular appraisal assignment.

To complete the valuation process, the appraiser integrates the information drawn from the market research and analysis of data and from the application of appraisal techniques to form a conclusion. This conclusion may be an estimate of value or a range in which the value may fall. An effective integration depends on an appraiser's skill, experience, and judgment.

With the preceding in mind, the reader's attention is invited to the appraisal report and various exhibits which point out the facts and reasoning leading to the final estimate of value.

Intended User(s)

The intended user of this report is the City of Socorro.

Confidentiality and Privacy

The appraiser will maintain the conformity and privacy of customer information obtained in the course of this assignment in compliance with USPAP and Regulation Practices, Title V of Gramm, Leach, Bliley Financial Modernization Act.

We do not sell information about our client to others. We protect the security and confidential information about the client. We share information outside of our company only when necessary to administer products or services we provide when we have your permission, or when required or permitted by law.

Overall Condition of Equipment

It is understood the subject property is in Good Condition operating condition except as noted, and used on a daily basis. Appearance is Good Condition unless otherwise noted.

Intended Use

It is understood this report is to be used for the following purpose: Pre-sale due-diligence.

Property Interest Appraised

It is understood that the property interest appraised is in Fee Simple Interest.

Statement of Limiting Conditions - Tangible Assets

1. All facts and data set forth in this report are true and correct to the best of the appraiser's knowledge.
2. The fee for this report is not contingent upon the values reported. There have been no guarantees associated with this fee and no liability can be intimated or assumed in any manner.
3. Since this report has been purchased by the addressee, it is assumed by the appraiser that it is to be used by the addressee in determination of value at that point in time. Use of this report by others should be done so with the understanding that no risk or guarantees have been purchased by the owner of the report nor through the fee paid to the appraiser. The appraiser reserves the right to recall all copies of this report to correct any omission or error.
4. Physical condition in most instances has been determined by observation or indication by others. Any unknown conditions existing at the time of inspection could alter the value. No responsibility is assumed for latent defects of any nature whatsoever which may affect value, or for any expertise required to disclose such conditions.
5. No consideration has been given to liens or encumbrances, which may be against the property.
6. No investigation of legal fee or title to the property has been made and the claim to the property has been assumed to be valid.
7. Neither the appraiser nor any officer or employee of the appraiser's company has any financial interest in the property appraised, unless specifically noted.
8. No additional values or appraisals have been made in regard to such intangibles as patents, rights to manufacture, trademarks, goodwill, going concern value, etc.
9. This report has been prepared in conformity with the Principles of Good Practice and Code of Ethics of NEBB Institute.
10. Other limitations, if any, are clearly defined and individually set out at that point related to the subject.
11. Neither all nor any part of the contents of this report, or copy thereof, shall be reproduced for any purpose other than stated in the report, nor shall it be made available to the media, another appraiser or anyone else without the written consent of the appraiser.
12. For all appraisals subject to satisfactory completion, repairs, or alterations, this report and value conclusions are contingent upon completion of the improvements in a workmanlike manner.
13. Information, estimates and opinions furnished the appraiser and contained in this report

were obtained from sources considered reliable and believed to be true and correct; however, no responsibility for the accuracy of such items furnished to the appraiser can be assumed by the appraiser. No liability or responsibility is expressed for results from actions taken by anyone as a result of this report. Further, there is no accountability, obligation, or liability to any third party.

14. Matters of legal nature or tax consequences have not necessarily been considered in this report. The reader should consult a competent attorney or CPA for information and opinions in those areas.
15. In many instances, the appraiser is given information regarding the subject property concerning repairs, accessories, condition, etc., which may or may not be verifiable by the appraiser for a variety of reasons. In such cases, the appraiser must rely on information provided him in searching for comparative data. The appraiser disclaims any responsibility if given erroneous information by any party.
16. Machinery and equipment appraisers are called on for price evaluation and verification for equipment from many different fields of business. It is impossible for any appraiser to be an authority in every field of machinery/equipment. Therefore, the appraiser has endeavored to use basic sound, accepted methodologies in any assignment (i.e., Cost New Less Depreciation and Market Data Approaches). Conversations with those dealing daily in a specific field were conducted, and all final evaluations are founded on prudence and best effort on the part of the appraiser. "Conclusion of opinion of value" is arrived at from years of experience in the sale and appraisal of machinery, equipment, businesses, and commercial properties. The final form of this report is made possible by omitting many details used in estimating, yet not considered essential to the report.
17. The appraiser has endeavored to use due diligence in all market comparisons. If possible, three comparisons of similar items sold usually provide substance for final value determination. However, at times it is not possible to find any direct sales comparisons that have actually sold. In these cases, the appraiser has relied heavily on comments and testimony from sources considered reliable (dealers, auctioneers, manufacturers, wholesaler, etc.) in arriving at the final value estimate.
18. The writer has based his opinion on certain assumptions that have been presented to him. If these basic assumptions should change for any reason, the final valuation could quite likely change. The appraiser reserves the right to make any adjustments considered necessary as additional or more reliable data becomes available.
19. If the request has been for the writer to accept values given by the principals, i.e., hard assets, fixtures, equipment, inventory, etc., then the assignment becomes hypothetical in nature unless the writer has specifically certified the values of such assets in the report.
20. Nomenclature and identification of tangible assets are assumed by the writer to be accurate, but no guarantee is made in this regard.
21. An appraisal is an estimate of value. When the amount is considered a reasonable and proper value under the concept of a definition, then it is applied. For this reason, the value

is, in many cases, a rounded number. As stated in *Engineering Valuation and Depreciation*, a textbook published by Iowa State University Press of Ames, Iowa, "All values are of the nature of forecast of events and are subject to the uncertainties of all prophecies."

22. In most cases, equipment is itemized, although certain areas require a group estimate, in which case the listings are shown in the quantity column as "lot." This is usually applied in nominal value areas that require general descriptions for applications elsewhere, or in areas where difficulty of access for total description would have required additional time not justified by the items being valued.
23. It is assumed that all equipment has standard features commensurate with its normal operation. For instance, machine tools would include but not be limited to: belt guards, foot pedals, magnetic or standard starters, switch-gear, safety equipment, wiring, piping and controls, electrical, pneumatic or hydraulic systems, or other peripheral items considered standard for operating the indicated model or type of equipment. This type of detailed listing is not described for each machine due to repetition, time, cost, and description length within the listing. An attempt is made, however, to indicate any non-standard features at an appropriate point within the study.
24. The valuation concept used in this report is one chosen by the client and should not be considered a recommendation by the appraiser as to what might result in any later application of the concept. Concept probability and/or feasibility are beyond the scope of the appraisal. The user of the report is to determine the probability of occurrence. The appraisal is purchased in order to allow an opinion of value under any assumed set of circumstances, as requested and mutually agreed upon by the client and the appraiser.
25. Description of items made a part of this report is believed correct. Any errors or omissions were unintentional and should not affect the value assignment. Description is made with the attempt of allowing reasonable identification.
26. In some cases, an appraiser may indicate that certain equipment was observed in operation. This qualification is applicable only to specific pieces of equipment and should not be construed that other equipment was not operable or under operation at the time of inspection. This note could become extremely important in the future but is considered more of note "in passing" at the time of the on-site evaluation.
27. The subject equipment may or may not conform to OSHA standards (Occupational Safety & Health Administration). The sole responsibility for conforming rests with the owner of the subject equipment and may not necessarily affect the final estimate of value reported herein.
28. Any controversy arising out of or relating to this report shall be settled by arbitration in accordance with the rules, then in effect, of the American Arbitration Association. In the unlikely event that differences concerning our services or fees should arise, that are not resolved by mutual agreement, our liability for this engagement will be limited to a return of the fees we have received for this engagement.

29. Since the conclusions by the appraiser are based upon judgments, isolation of any single element as the sole basis of comparison to the whole appraisal may be inaccurate.
30. As stated, this is a report estimating value based on "reported" condition. If it is the client's desire to verify physical condition and/or needed repair of the items, which are the subject of this report, the client should consult a qualified mechanic/technician. To determine actual mechanical condition is outside of the appraiser's expertise and the scope of this assignment. If the condition of the vehicles is other than as reported to the appraiser, the estimated value could be unreliable. The appraiser reserves the right to change the value estimate if additional information comes forward as to condition or other factors, which could affect value.
31. This is a Restricted Use Appraisal Report. Additional information may be necessary and will be provided to qualified requests by the writer.
32. It should be noted that the term "certified," or "certified appraisal" as used in this report refers to certification from various recognized appraisal and consulting societies, organizations, or institutes.

Definitions of Condition

Very Good (VG)

This term describes an item of equipment in excellent condition capable of being used to its fully specified utilization for its designated purpose without being modified and not requiring any repairs or abnormal maintenance at the time of inspection or within the foreseeable future.

Good Condition (GC)

This term describes those items of equipment which have been modified or repaired and are being used at or near their fully specified utilization but the effects of age and/or utilization indicate that some minor repairs may have to be made or that the item may have to be used to some slightly lesser degree than its fully specified utilization in the foreseeable future.

Fair Condition (FC)

This term describes those items of equipment which are being used at some point below their fully specified utilization because of the effects of age and/or application and which require general repairs and some replacement of minor elements in the foreseeable future to raise their level of utilization to or near their original specifications.

Poor Condition (PC)

This term is used to describe those items of equipment, which can only be used at some point well below their fully specified utilization, and it is not possible to realize full capability in their current condition without extensive repairs and/or replacement of major elements in the very near future.

Scrap Condition (X)

This term is used to describe those items of equipment which are no longer serviceable and which cannot be utilized to any practical degree regardless of the extent of the repairs or modifications to which they may be subjected. This condition applies to items of equipment which have been used for 100% of their useful life or which are 100% technologically or functionally obsolescent.

Fair Market and Foreced Liquidation Value Definitions

Fair Market Value... is the estimated amount, expressed in terms of money that may reasonably be expected for a property in an 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, as of a specific date.

Forced Liquidation Value... is the estimated amount, expressed in terms of money that may reasonably be expected for a property at an auction of qualified buyers.

As defined by Valuing Machinery and Equipment: The Fundamentals of Appraising Machinery & Technical Assets, Second Edition, by the American Society of Appraisers.

Methods of Valuation

Appraisal methods employed in arriving at the final conclusion as to value on all of the equipment in this section include the Cost Approach Analysis and the Market Data Approach Analysis. At times, the Income Approach Analysis is used. However, on equipment of this type, it would be deemed unadvisable, as it is the result of a purely hypothetical value.

Cost Approach Analysis

The Cost Approach Analysis is defined as a "method in which the value of a property is derived by estimating the replacement cost of the improvements and deducting there from the estimated depreciation." In determining depreciation, the appraiser has used his judgment and prudence in determining the depreciation factor. Experience with this type of equipment has proven the use of a formula, which is as follows:

$$\text{Fair Market Value} = \frac{\text{Remaining Life}}{\text{Normal Life}} \times \text{Cost New}$$

This formula again has proven to be effective on numerous occasions.

The Market Data Approach

This approach is an appraisal technique in which the market value estimate is predicated upon prices being paid in actual market transactions and current listings, the former fixing the lower limit of value in a static or advancing market and fixing the higher limit of value in a declining market; and the latter fixing the higher limit in any market. It is a process of correlation and analysis of similar recently sold properties. The reliability of this technique is dependent upon:

1. The degree of comparability of each property with the property under appraisal;
2. The time of the sale;
3. The verification of the sale data;
4. The absence of unusual conditions affecting the sale.

The Income Approach

The Income Approach to value is used only when solid data involving income and expenses for a particular item can be established. It is considered hypothetical in most situations involving machinery and equipment, and though while considered, has not been applied in the final value estimate.

Summary

In an effort to provide Cost Less Depreciation Analysis, the appraiser has used, when possible, the actual manufacturer (or dealers) of the subject equipment. At times, new replacement models are offered when the subject model is no longer being made. When this condition exists, the appraiser endeavors to correlate and adjust for various factors involved. If the actual manufacturer of the equipment is not available or cannot be reached for any reason, then dealers or distributors are contacted when possible for verification of similar items with similar utility. Sometimes the manufacturer, distributors, and dealers can provide information for the Market Data Approach as well, since they are oftentimes aware of equipment on the used market, even selling similar equipment at times. A search is also made of similar items in the general market place that have sold and are presently offered for sale. Unless specifically stated, the Income Approach has not been applied in this assignment for reasons mentioned above.

Sources Contacted

The following sources were contacted in this assignment:

* Dealerships

* Internet

Estimated Exposure Time

Exposure time is the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. This is a retrospective opinion based on an analysis of past events assuming a competitive and open market. The appraiser believes that ordinarily if properly exposed to the open market the subject item(s) would have sold in approximately 180 days. However, in a forced liquidation the estimated exposure time is typically 30-60 days.

Extraordinary Assumptions and/or Hypothetical Conditions

An Extraordinary Assumption is an assumption directly related to a specific assignment, as of the effective date of the assignment results, which if found to be false could alter the appraiser's opinions or conclusions. Extraordinary Assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but used for purposes of analysis. Hypothetical conditions are contrary to known facts about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

1. It is believed there are no hidden defects which are not discernible from a visual inspection and which could affect value.
2. Issues resulting from the above condition could affect the assignment results.

Comments Regarding Analysis

The appraiser has attempted to analyze all subject sales comparisons, offers, options, and listings in accordance with USPAP Standards Rule 7-5. Data found was limited and in some cases unobtainable. The appraiser has had conversations with dealers, manufacturers, brokers, and others. The Internet has also been used, all in an effort to determine detail and characteristics of the appraised item(s). Data that was found has been weighted in the final value estimate or otherwise considered irrelevant.

Appraiser's Certificate

I certify to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting pre-determined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. I have not made a personal inspection of the property that is the subject of this report.
9. No one provided significant personal property appraisal assistance to the person signing this certification.
10. Because of my training as an appraiser and my experience in numerous business transactions, I am qualified to perform this assignment.
11. I have not performed an appraisal regarding a subset of the property that is the subject of the work under review, within the three-year period immediately preceding acceptance of this assignment.

Non-Discrimination

In arriving at the estimated reasonable value, the writer has not been improperly influenced in any manner by the race, religion, or national origin of any person.

Certification and Re-Certification

Kevin Flanigan, MCMEA, CEB, SBA, MMS is in compliance with the NEBB Institute, the ISBA and the US Surveyor Association certification or re-certification program.

Kevin E. Flanigan

Kevin Flanigan, MCMEA, CEB, SBA, MMS

September 7th, 2016

Date

Appraiser's Qualifications



Kevin Flanigan, MCMEA, CEB, SBA, MMS

Professional designations and work experience include appraisal of all types of commercial and private assets including vehicles, boats, machinery and equipment. Additional areas of appraisal include: commercial real estate and aircraft appraisal management; business valuation; equipment brokering consultation, full insurance total loss fair market valuation, disputed value and diminution of value resolution, full casualty investigation, evaluation and settlement negotiation; Catastrophic Loss Center mobilization and claims management. Appraisal purposes include finance, tax matters, estate, insurance, legal proceedings, dispute resolution, due-diligence and more.

PROFESSIONAL DESIGNATIONS:

MCMEA (Master Certified Machinery and Equipment Appraiser) is a broad-based personal property assets appraiser "master-level" certification awarded by the NEBB Institute. CMEAs and MCMEAs are located throughout the United States and several foreign countries, and are used by banks and other lending institutions, CPAs, attorneys, business buyers/sellers, insurance companies and others to provide needed financial information for a variety of reasons.

CEB (Certified Equipment Broker) designation is awarded by the NEBB Institute. CEBs are an elite and seasoned group of professionals who have attained specialized knowledge, training, and experience to effectively broker machinery and equipment.

SBA (Senior Business Analyst) is a designation awarded by the International Society of Business Analysts. Members provide business valuations and other financial analysis services internationally.

MMS (Master Marine Surveyor) is a certification awarded by the US Surveyors Association. Certified members of the USSA perform marine surveys and appraisals throughout the US and internationally.

WORK HISTORY:

Kevin Flanigan has over 30 years of continuous multi-line appraisal experience including machinery and equipment, commercial real estate, vehicles, boats, aircraft, casualty claims insurance adjuster, appraiser and total loss specialist for two major insurance carriers, co-founder of a nationwide independent damage appraisal management company, and catastrophic claims center coordination and management.

FORMAL EDUCATION:

Degree: Bachelor of Science in Business, (1983) Eastern Illinois University

TRADE SCHOOLS, ETC:

- USPAP Tested and Certified
- NEBB Institute MCMEA Certification and Continuing Education
- NAVTECH USSA MMS Certification and Continuing Education
- ISBA BCA Level I and Level II Training Completed
- Appraisal Institute Continuing Education
- ABYC Continuing Education
- ASCAA Continuing Education
- I-CAR 9-Segment Completed
- I-CAR Advanced Tech Completed
- NACE, CCC, IADA & CIC Inter-Industry Conferences
- Accord-Loma Industry Conferences
- USAA Partners-in-Service Seminars - Colorado Springs
- American Family Advanced Appraisal Training
- Farmers Insurance Adjuster/ Physical Damage Appraiser Training



hereby certifies that

Kevin Flanigan

*has been qualified for membership in the
Institute of National Equipment & Business Brokers
and has been admitted by its Board of Directors and declared to be a*

MCMEA

Master Certified Machinery & Equipment Appraiser

and is hereby granted this certificate under the conditions presented in its by-laws.



Managing Director

Signed and sealed this 15th *day of* June *, 2011*