GAC INC.

GROVES
Appraisals & Consulting Inc.

Appraisal Report

ABC Construction, Inc.

27740 Sandbagger Lane
Wesley Chapel, Florida 33544

Prepared For:

Mr. Contractor

Prepared By:

Karen Groves

Member: Certified Appraisers Guild of America

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Appraisal (Referred to as Schedule "A")	

Summary

During the month of January, 2004, at the request of Mr. Contractor, ABC Contracting, Inc., Shane Groves personally inspected part of the assets identified in this report which was located in and around North Carolina, South Carolina and Georgia. The fee charged for this appraisal is detailed on a separate invoice.

Value

Fair Market Value

Schedule "A"
$6,234,600.00

This is not the appraisal report. The appraisal report must be read in its entirety.

To the best of our knowledge the assets are well maintained and operable.

Basis of Analysis

The values reflected are based on equipment functioning as intended and properly prepared for sale unless otherwise noted. The values reflected are based upon the sale of like machines in the last twelve (12) months and are not a guarantee of future value. When like machines were not able to be found in any reference guides, values have been determined using a depreciation method. The market is ever changing, and what is true now may not be true in the near future. The exposure time associated with this value conclusion is deemed three (3) months. With this understanding, normal business prudence is recommended in the use of this estimate of value. There were no limitations on use or disposition of this property.

Conditions of Appraisal

The value stated in the appraisal report is based on the best judgment of the appraiser given the facts and the conditions given at the date of evaluation.

The use of this report is limited to the purpose of determining the value of personal property for fair market value purposes.

The fees for this appraisal are not contingent upon values reported.

It is assumed that there are no hidden or unknown conditions of the equipment, which would render it more or less valuable.

The appraiser reserves the right to recall this appraisal and adjust it if new information is made available after the effective date, that would have effected the appraisers judgment of value, or if any unintentional calculations or mistakes are found.

No investigation has been made into the title of the property and all items listed are assumed to be the property of the subject company.

No investigation has been made as to potential hazardous waste or environmental problems that may affect the values and this appraisal was prepared under the assumption that the assets, as viewed and appraised, contained no toxic waste materials, hazardous substances or regulated substances that would prohibit removal, reinstallation, all engines are assumed to meet E.P.A. regulations, resale or value unless specifically noted to herein.

As this report has been purchased by the addressee, and is held by us in strict confidence, we assume it is to be used by the addressee only, in the determination of value, as defined at the effective date of this appraisal.

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.

Purpose of the Report

The purpose of this report is to determine Fair Market Value of the equipment listed in schedule "A".

Method Evaluation

The method of valuation used for this appraisal is that of Fair Market Value.

Definition of Value

Fair Market Value is defined as:

Is the amount expressed in terms of money, that may reasonably be expected for 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.

Basis of Appraisal

Effective Date of Appraisal

The effective date of appraisal for determining the Fair Market Value estimation is January 20, 2004.

Date Appraisal Conducted

This appraisal was conducted January 20, 2004.

Description

An itemized list with descriptions is detailed in the Schedule "A". The value assigned to items not inspected is based on the item being in average condition for its age and functioning as intended.

Certification of Report

Neither Karen or Mike Groves, nor anyone else involved in this appraisal has any present or future interest in the subject property. In the event that the property becomes available for auction, Mike Groves might be considered to conduct the auction if he, at that time, is working for an auction company. No prohibitive fee was assessed for this report.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial, unbiased professional analyses, opinions and conclusions.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My compensation is not contingent upon the development or report of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

Shane Groves inspected the majority of the equipment in schedule "A".

My analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.

Karen and Mike Groves has successfully completed the Personal Property Appraiser Certification Program with the Certified Appraisers Guild of America and is a member in good standing. Mike has also completed his certification with the Uniform Standards of Professional Appraisal Practice (USPAP0.

_____ Effective date of this appraisal:_____

By: Karen Groves

Qualifications

Mike Groves, Analyst

27740 Sandbagger Lane
Wesley Chapel, Florida 33544
(813) 973-3211 Fax: (813) 973-3391

30 years of experience in the sale of construction equipment
CAGA, Certified Appraisers Guild of America
Uniform Standards of Professional Practice (USPAP) certificate
Vice President, General Manager, and/or Divisional Manager for the southeast of the United States for the two largest auction companies in the world.

Karen Groves Administrator

27740 Sandbagger Lane
Wesley Chapel, FL 33544
(813) 973-2691 Fax: (813) 973-3391
Email: karen.groves@verizon.net

24 years experience in the equipment industry
CAGA, Certified Appraisers Guild of America

Shane Groves, Sales and Inspector

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10 years experience in the equipment industry