

Henderson Appraisal Associates, Inc.

RE: An appraisal of an EXTEC C-12 Jaw Crusher owned by Steadfast Concrete, prepared at the request of and for the use of the client; United Fire Group. The equipment was seen by the appraiser February 10, 2020 at the Steadfast yard near the intersection of Interstate Highway 20 and FM 3251 in Harrison County, Texas.

The purpose of this appraisal report is to determine Fair Market Value (FMV) of the subject equipment immediately prior to an incident causing it to be inoperable. The function is for the use of the client in settlement of a damage claim arising from said incident which occurred on or about May 24, 2019. It should not be used for any other function.

The total FMV is determined to be \$165,000.00. This value is a gross amount. We have not made allowances for any costs of sale. A definition of the value concept is included on a following page.

We have retained a copy of this report and the inventories and original notes from which it was prepared. These records are kept confidential. This report has been prepared to conform to the principles and procedures for the evaluation and valuation of personal property as prescribed in the *Uniform Standards of Professional Appraisal Practice (USPAP)*.

Sincerely,

HENDERSON APPRAISAL ASSOCIATES, INC.



Guinn D. Henderson

STATEMENT OF LIMITING CONDITIONS

This is a retrospective appraisal, which is a final value estimate as of a date prior to the time the actual appraisal is performed. The appraiser(s) are dependent on descriptions and opinions of condition provided by the Principals. The equipment was assumed to be in good working order prior to damage. The equipment was not inspected by the appraiser prior to the incident that caused the damage.

If mechanical specifications such as engine horsepower, generator electrical output or pump input horsepower are included in the equipment descriptions, no warranty or guarantee is given or implied that these stated capacities are correct. They have been obtained from manufacturers' published specifications or from information furnished by the owner and/or the client. Structural or dynamometer testing of the equipment are outside the scope of the appraisal and have not been done unless specifically stated. The terms "inspection", "inspected," or any variation thereof, if used in this appraisal report, describe a visual examination done to produce a description and do not refer to safety, engineering or metallurgical testing. The terms "appearance" or "condition," if used in this report, are subjective observations by the appraiser.

No safety or environmental studies or reports have been done. Safety and environmental concerns are outside the scope of the appraisal. Regulations regarding these are enforced by various government agencies, and Henderson Appraisal Associates, Inc. does not represent itself to be knowledgeable in these matters.

The values in this report should be considered by all concerned to be our opinion as of the appraisal date only. Possible future market fluctuations have not been considered.

VALUE DEFINITION

Fair Market Value

An opinion expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date.

METHODOLOGY

Ideally, personal property value is determined by using the sales comparison approach, namely that approach to value whereas recent sales and/or offering prices of similar property are analyzed to arrive at an indication of the most probable selling price of the property being appraised. When no comparables can be found, as in the case of unique, custom-built or purpose-built items, we base value on available market information, supply and demand for the equipment, our knowledge of equipment in general and/or cost new less depreciation. The sales comparison approach was used for this report. Published used asking prices as well as sales from recent public auctions were considered. The income approach was not considered.

TERMS AND CONDITIONS
(TO WHICH THE APPRAISAL IS SUBJECT)

This appraisal report is prepared subject to the terms and conditions hereinafter set forth, all of which are a part hereof unless expressly set aside in writing either on the pages of this appraisal or by a writing attached to the report signed by all parties concerned.

1. Unless otherwise stated herein, this report is based only on the readily apparent identity of the item(s) appraised, and no further opinion or guarantee of authenticity, genuineness or attribution of authorship is made.
2. Unless otherwise stated herein, the appraisal value(s) is based on the whole ownership and possessory interest undiminished by any liens, fractional interests or any other form of encumbrance or alienation.
3. Proper emphases on relevant facts, data or opinions have been fully stated and are assumed correct in obtaining the numerical results.
4. The subject items have been identified to the best of the appraiser's knowledge.
5. The appraisal service fee is based on a flat rate structure and is not in the form of a commission, rebate, division of brokerage, referral or any other fee contingent on the final numerical results.
6. The appraiser(s) has no present or contemplated future interest in the subject property or any other interest impeding a fair numerical result unless so stated.
7. The value concepts by which this report is structured are stated in the cover letter.
8. The valuation for equipment must not be used in conjunction with any other appraisal. The total valuation of equipment in this report applies only under the use at time of inspection.
9. Henderson Appraisal Associates, Inc. is not required to appear in court or give testimony in reference to this appraisal unless previous arrangements have been made.
10. In some cases, recovery values could be affected upwardly or downwardly, based on the reputation of the present ownership and maintenance of the subject matter.
11. This report is made at the request of the party named for his/her/its use. It is not an indication or certificate of title or ownership. The identification of the interest of the requesting party is simply that represented to the appraiser by such party and no inquiry or investigation has been made nor is any opinion given as to the truth of such representation.

12. The value(s) expressed herein is based on the appraiser's best judgment and opinion and is not a representation or warranty that the item(s) will realize that value if offered for sale. The value(s) expressed is based on current information on the date made and no opinion is hereby expressed as to any further value nor, unless otherwise expressly stated, as to any past value.

13. Stated values are given item by item unless clearly stated as being per lot. The total of individual item values shall not be construed as an appraisal value for the whole lot, but merely as the addition of single values. Where values are given by lot, the value per lot is for the whole and no opinion is given as to individual proportionate values within the lot.

14. Unless otherwise stated herein, value(s) expressed is based on the general expertise and qualifications of the appraiser as to the appropriate market and valuation of the item(s) and purpose involved. Where particular detailed information is relied on, it will be so stated in writing.

15. Where an appraisal is based on a sample of a larger whole, it will be so stated and it is based on the assumption that the sample delivered is representative and fair. No opinion or warranty is hereby made as to the fairness or representative nature of any large whole from which the sample was drawn.

16. Where an appraisal is based not only on the item(s), but also on data or documentation supplied therewith, this certificate shall so state by making references thereto and, where appropriate, attaching copies hereto.

17. Unless expressly stated, the stated apparent condition of the item(s) is good for its type, with serious deficiencies and repairs noted where observed. Ordinary wear and tear common to this type of item is not noted. No warranty is given or implied by any statement regarding condition, appearance or capacity.

18. Unless otherwise stated, with the exception of the client and/or his agent this appraisal is not intended to be used by or influence any particular person(s) or class(es) of persons which might take some action in reliance upon it. Unless otherwise stated, this appraiser is not aware that the client intends to transmit any information contained in this report to any other person(s) or group(s).

19. Henderson Appraisal Associates, Inc. reserves the right to recall all copies of this report to correct any errors and to make deletions or additions, if found necessary.

20. No portion of this report may be reproduced, copied or used in any manner by anyone without the previous written consent of Henderson Appraisal Associates, Inc. and then only in its entirety including all cover letters and material.

21. Should, in conjunction with this appraisal, additional services of the appraiser be requested by the client, his agent or attorney, or the Court (such as for added time researching for other value purposes, pretrial conferences, court appearances, court preparation, etc.), compensation for same shall be at the customary daily rate charged by Henderson Appraisal Associates, Inc. at the time and shall be paid by the client upon receipt of a statement.

CERTIFICATION STATEMENT

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions
- I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of a value estimate, the attainment of a stipulated result or the occurrence of a subsequent event
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person signing this report
- I have not performed services as an appraiser regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

A handwritten signature in black ink that reads "Guinn D. Henderson". The signature is written in a cursive, flowing style.

Guinn D. Henderson

MACHINE DESCRIPTION

FMV

EXTEC C12 Crawler-Mounted Jaw Crusher, Manufacture Date 2004,
S/N-8603, p/b DEUTZ Diesel Engine

165,000.00

TOTAL FMV:

\$165,000.00



Crusher



Crusher – Right Side



Crusher – Left Side



Crusher – ID Plate

PROFESSIONAL PROFILE

GUINN D. HENDERSON

Appraisal Experience:

1. Extensive background in the appraisal and/or liquidation of machinery and equipment and other types of personal property throughout the United States, Canada, Mexico, South America, and in Europe and the Middle East.
2. Nelson International, Inc. - Appraiser
3. Appraisal Systems, Inc. - Appraiser
4. Superior Appraisals - Appraiser/Senior Appraiser
5. Premier Auctioneers International, Inc. - Appraiser/Senior Appraiser/Manager, Appraisal Services
6. Henderson Appraisal Associates, Inc. – Machinery & Equipment Appraiser

Appraisal/Market Analyst Discipline:

1. Petroleum Industry
2. Construction Equipment
3. Transportation
4. Machine Tools
5. Office Equipment
6. Data Processing Equipment

Value Concept Experience:

1. Market Value (Fair Market Value)
2. Orderly Liquidation Value
3. Forced Liquidation Value
4. Replacement Cost

Education:

1. Attended Texas A&M University
2. Indiana University, Division of Professional Development -
Course 101 (An Introduction to Personal Property Appraising)
Course 102 (Personal Property Methodology and Reasoning)
Course 103 (Personal Property Appraisers Fiduciary Responsibilities)
Course 104 (Advanced Appraisal Theory and Report Writing)
3. USPAP (Uniform Standards of Professional Appraisal Practice) Examination (ASA)

Individual Memberships:

Candidate Member, American Society of Appraisers

Miscellaneous:

Expert Witness - U.S. District Court

Work Experience:

Machinery and Equipment Appraiser – Since 1981 (Nelson International Auctioneers, P-D Industrial Appraisal Consultants, Appraisal Systems Incorporated, Henderson Appraisal Associates, Superior Appraisals, Premier Auctioneers/Network International, Premier Auctioneers International, Henderson Appraisal Associates, Inc.)