

**Expert Equipment Appraisal**  
**By Expert Equipment Appraisal, LLC**  
for certified consulting group LLC


**ENGAGEMENT AGREEMENT**

Attention:	Bill Hogan	JOB NUMBER:	BOO022719
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Thank You for allowing us this opportunity to become your appraiser of choice on this assignment. Our Appraisers will diligently work to make this process go as smoothly as possible for you.

The details of your certified appraisal include the following Scope of Work:

- List total pieces of property with values of \$2,500 and higher will be valued in a line item summary. All other assets may be grouped as ancillary assets.
- A Certified, USPAP Compliant, Substantiated, & Court Tested Appraisal Report
- A Line Item Summary of Machinery / Equipment w/ Picture and Research Summary (When Available)
- 1 Digital copy of the report and 2 Bound Copies, upon request, (Additional Copies can be purchased if needed)

Quoted Total Fee:	\$6,760.00	Appraisal Report Type:	Onsite Appraisal
Terms:	Upon report delivery		
Payment Information:	Please initial the box below reflecting your Authorized Payment Method for invoicing:		
Authorized Payment Method:	Check (electronic only) <input type="checkbox"/>	Credit Card <input type="checkbox"/>	Wire (Instructions on Invoice) <input type="checkbox"/>
Effective Date of Report:	06/03/2019	Completed:	3-5 business days from date signed*.
<i>*The completion of the report in this time frame relies on receipt of ALL equipment data from the client or from the site visit. Any delays, additions, or changes can affect the Expected Completion Date.</i>			
Client (Ordering Entity):	Boone County Schools		
Client Address:	8330 US Highway 42, Florence, KY 41042		
Client Contact Name:	Bill Hogan	Title:	Director
Client Contact Phone:	859-283-3222	Email:	Bill.hogan@boone.kyschools.us
Intended Users	Boone County Schools		
Equip. Location Business:	Kenton County Academies		
Equipment Address(s):	3234 Turkeyfoot Road, Edgewood, KY 41017		
Onsite Contact Name:	Bill Hogan	Title:	Director
Onsite Contact Phone:	859-283-3222	Email:	Bill.hogan@boone.kyschools.us
Reason for Appraisal:	Buy/Sell		
Type(s) Of Value:	Fair Market Value, Orderly Liquidation Value, Forced Liquidation Value		
Type of Property:	Lab Equipment		
<i>The parameters of this engagement are also based upon previous communication. Appraiser is to use the approaches to value he/she feels is applicable, or a blending thereof, in determining value.</i>			
As a result of our previous communication, and at your request, we will report this Certified Appraisal Report according to one of the report formats outlined in Standard Rule Eight of the Uniform Standards of Professional Appraisal Practice. Specifically, you have requested that the assignment be reported as a Summary Appraisal Report Format. Our Onsite Scope of Work includes a visual inspection of equipment. I have determined that the chosen report format is consistent with the nature of the assignment and the intended use of the report. By signing below, you, the Client, and Appraiser agree to the Scope of Work and Terms of Agreement (As found on page 3 as follows). The appraiser certifies that involvement with the property hereby being appraised in the last three years is: NONE			
Company Representative:	Client Name(s) (printed):		
 Digitally Signed By: Rodney L. Mefford, President Expert Equipment Appraisal, LLC For certified consulting group LLC Certified Machinery & Equipment Appraiser	Client Signature(s):		
Date: June 4, 2019	Client Title (printed):	Date:	

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**Scope of Work**

The values in the Appraisal Report shall be reflected as an estimation of the Rounded Value. The types of value reported have been determined by the appraiser, upon engagement by the client, to be appropriate to the client's needs. It should be noted that if these items should sell under any other scenario, then different values would be realized. (Please see Machinery & Equipment Value Definitions)

This report is intended to comply with the reporting requirements as defined under Standards Rule 8 of the Uniform Standards of Professional Appraisal Practice (USPAP). As such, it presents only summary discussions of the data, reasoning, and analyses that are used in the processes to develop the Appraiser's Opinion of Value. Supporting documentation that is not provided with the report concerning data, reasoning and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated within this report. Not all specific requirements are applicable to every assignment. In this assignment, not all data involving subject sales, offerings, options and listing was obtainable and verifiable, although the appraiser has made every effort to gather the data by direct contact with the various sources through telephone or e-mail. If this detailed data is not included or addressed, the data is considered to be irrelevant. Due to the large number of subject properties oftentimes appraised in a machinery/equipment appraisal, the Summary Report is a commonly used report form and generally are accepted by the courts, taxing authorities, lenders, business owners, accountants, and other users of appraisal services.

In the case of an Onsite Appraisal, the Appraiser is bound to visually inspect the assets covered by this Report. As covered previously (see section: *Degree to Which Property is Inspected or Identified*), the assets were verified to be in existence and in working order or capable of working unless otherwise noted with the goal of establishing condition but is not to be considered a mechanical inspection.

The Income Approach would be purely hypothetical in this assignment. The Cost Approach and the Market Data Approach have been utilized for the final value estimate of each item or category with heavy emphasis on the Market Data Approach when possible. The appraiser, when implementing the market data approach, has endeavored to find "sold comparables." That is to say, they are similar items that have transferred in ownership. These comparable sales provide the best and most reliable information. However, if actual historical sales information is not available, the appraiser will oftentimes look to the current market of similar items currently for sale. This information can be useful in estimating value. In this report, a search has been made for "sold" items and items currently "for sale".

The appraiser has gathered data on the subject items from as many sources as practical, including but not limited to the original equipment manufacturer (if possible), dealers and brokers of like equipment, published catalogs, and guides of similar equipment as well as the Internet. Upon gathering data regarding new and similar models with characteristics of the subject equipment, the writer has then analyzed the data to estimate value.

After conversations with various industry professionals, including the above-mentioned sources, the appraiser endeavored to arrive at a value estimate for the subject equipment. After a value was established, this written report was then formulated to set forth the findings and conclusions of the appraiser. An extreme effort was made to comply with the Uniform Standards of Professional Appraisal Practice in providing the final written report. This is a report estimating value based on reported conditions. If it is the client's desire to verify the physical condition and/or needed repairs of the machinery/equipment, which is 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.

This assignment has called for only the larger, more expensive items owned by the client to be appraised. It is understood that oftentimes there also exist smaller, less expensive ancillary/support items that "support" the larger items. These items, too, obviously have value but do not in and of themselves merit the time and expense of an individual valuation. Therefore, it is agreed by the client's use of this report, that if these types of items are mentioned in this report, they will be added under a separate section(s) as opposed to the larger capital items and the appraiser will only apply the Cost Approach (less depreciation) to value. The Market Data Approach will not be applied to the smaller, less significant items, due to time and cost factors required in researching smaller items. These items typically include smaller hand tools, furniture, fixtures, shelving, electronic items, i.e., computers, calculators, copiers, telephone systems, etc., and other less expensive items which are considered to "support" the items, which are the focus of this report. Industry depreciation standards have been applied with little, if any, individual description. Lot pricing is employed with these types of items.

Further, the request to the writer as to the "level of trade" needed was implemented. The equipment may be valued in place, in use, and as part of a going concern entity; in place, not in use; in place to be removed; not in place, etc. Many types of equipment items are labor intensive in their millwright, installation, or removal.

This evaluation sets forth the findings and conclusions of the writer, is based upon an investigation of conditions affecting value, and is subject to the Statement of Limiting Conditions and Definitions. Without reading the Statement of Limiting Conditions and Definitions, the report cannot be fully understood.

The scope of this assignment as explained above has been requested and/or agreed to by the client along with the conditions as stated in the Engagement Agreement.

Client initials:

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**Additional Information and Terms of Agreement**

You have requested an *Appraisal Report* as defined by the Uniform Standards of Professional Appraisal Practice:

1. *Certified Consulting Group LLC and its Affiliates / Signing Appraiser(s) are Ethically bound to keep the Client, Equipment Business, Intended Users, and Transaction Details or Information in the strictest confidence.*
2. *The appraisal report will not be shared without the Client's / Certified Consulting Group LLC's approval.*
3. *The appraiser will report the type of value requested by the client by researching the market and industry, apply the appropriate approaches to value, and provide a written report of his/her findings.*
4. *Only the larger items of machinery/equipment will be appraised using the whole range of appraisal methodology. If applicable, the balance of smaller support items will be valued by way of industry depreciation standards and historical metrics. These smaller items will be valued and reported in bulk.*
5. *Payment to Certified Consulting Group LLC or its affiliates, assumes acceptance of appraisal scope / terms of agreement. In the event of any delay attributed to the Client or its parties exceeding 45 days from the executed engagement agreement, the cost of services shall immediately be reconciled by you, the client. The invoiceable services at any phase of completion shall revert to our normal hourly rate and be rendered due on receipt without negotiation. If at any time the US Dollar experiences extreme inflation (more than 10% - measured from contract signing), client agrees that any remaining balance will be paid at an adjusted rate based on the US Dollars value as of the date of remaining balance payment or portions thereof. This is a non-refundable, non-cancellable transaction.*
6. *In the unlikely event of a dispute, the parties under the terms of this agreement shall be subject to arbitration. Arbitration shall be conducted in the state of Florida.*
7. *To the extent permissible under Kentucky law, the appraiser is indemnified against any and all problems that may arise from the use of this report. You agree to indemnify and hold us harmless against and from all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subject relating to this engagement. You will not be liable for our negligence.*
8. *You agree that, in the event we are judicially determined to have acted negligently in the execution of this engagement, damages shall be limited to an amount not to exceed the fee received by us for this engagement.*
9. *Our liability for injury or loss, if any, arising from the services we provide to you shall not exceed \$5,000 or our fee, whichever is greater. There shall be no punitive damages. Increased liability limits may be negotiated upon your written request, prior to commencement of our services, and your agreement to pay an additional fee.*
10. *If in the future the appraiser is called on to testify in deposition or court, by the client or any other party regarding this appraisal report, the appraiser will be paid by the client the going hourly rate (Minimum of 8 Hours.) This fee will cover professional time, the gathering of materials, reviewing the case and preparing for testimony along with other expenses incurred including travel. The Appraiser will also be paid by the client the going hourly rate (Minimum of 8 Hours) along with reimbursements for testimony if subpoenaed as a witness in a subsequent litigation by any party and such testimony involves the work performed pursuant to this agreement. If the appraiser is ordered by a state or federal judge to permit the subsequent inspection and/or reproduction of files, records, and other documents relating to work performed by us pursuant to this agreement, it is agreed that we may comply with these orders without prior notice to the client. A minimum retainer shall be paid 10 days in advance of travel that includes - 8 hours of going hourly rate, travel expenses, any pretrial expenses incurred. Ongoing litigation will be billed weekly as incurred against an in-place retainer minimum, this retainer will be based on expected expenditures as determined by client & appraiser. (Going Hourly Fees provided upon request).*
11. *If the appraiser is called upon as an expert witness a separate agreement shall be made for compensation at that time. The client will shoulder the responsibility of legal costs incurred by the appraiser when defending this appraisal.*
12. *Client agrees that the Limiting Conditions, as stated in the report, will be acceptable with the level of work and detail of work to be performed as outlined in the "Scope" section of the report. A sample of a fully defined Scope Section of our report has been provided and received by the client.*
13. *In Compliance with national U.S.P.A.P. Standards and Guidelines and our company policy all Appraisal Fees are Due as follows: For a Desktop Certified Appraisal Report - Prior to release of report unless otherwise negotiated; For an Onsite Certified Appraisal Report – Draw 1: 50% is due PRIOR to scheduling our site visit and the balance, Draw 2: Final 50% is due prior to the release of the report unless otherwise negotiated. (USPAP Compliance as outlined in Standard Rule Eight of the Uniform Standards of Professional Appraisal Practice).*
14. *Should payment of your, the Client, invoice not be received within the specified terms stated on the Engagement Agreement, the Client shall pay a late payment penalty equal to eighteen PERCENT (18%) per annum on the amount then due for the actual number of days that such payment is past due.*

Client initials: