

LAND APPRAISAL REPORT

File No.

IDENTIFICATION	Borrower <u>Talbot</u> Census Tract <u>1</u> Map Reference <u>WC07</u>
	Property Address <u>Lot A-5 Willow Creek</u>
	City <u>Willow</u> County <u>Mat-Su Borough</u> State <u>AK</u> Zip Code <u>99688</u>
	Legal Description <u>Lot 5, T20N, R2W, Sec. 31</u>
	Sale Price \$ <u>N/A</u> Date of Sale <u>N/A</u> Loan Term <u>N/A</u> yrs. Property Rights Appraised <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Leasehold <input type="checkbox"/> De Minimis PUD
Actual Real Estate Taxes \$ <u>546</u> (yr) Loan charges to be paid by seller \$ <u>N/A</u> Other sales concessions <u>N/A</u>	
Lender/Client <u>Founders Bank & Trust</u> Address <u>5200 Cascade Rd. SE, P.O. Box 1828, Grand Rapids, MI 49501-1828</u>	
Occupant <u>Vacant</u> Appraiser <u>Clint H. A. Lentfer, MBA</u> Instructions to Appraiser <u>Fee Simple, Market Value Appraisal - Vacant Land.</u>	
Aerial Inspection Only.	

NEIGHBORHOOD	Location <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input checked="" type="checkbox"/> Rural	Good Avg. Fair Poor
	Built Up <input type="checkbox"/> Over 75% <input type="checkbox"/> 25% to 75% <input checked="" type="checkbox"/> Under 25%	Employment Stability <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Growth Rate <input type="checkbox"/> Fully Dev. <input type="checkbox"/> Rapid <input type="checkbox"/> Steady <input checked="" type="checkbox"/> Slow	Convenience to Employment <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	Convenience to Shopping <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Oversupply	Convenience to Schools <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Marketing Time <input type="checkbox"/> Under 3 Mos. <input type="checkbox"/> 4-6 Mos. <input checked="" type="checkbox"/> Over 6 Mos.	Adequacy of Public Transportation <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Present Land Use <u>15%</u> 1 Family <u>0%</u> 2-4 Family <u>0%</u> Apts. <u>0%</u> Condo <u>0%</u> Commercial	Recreational Facilities <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	<u>0%</u> Industrial <u>75%</u> Vacant <u>10%</u> recreational	Adequacy of Utilities <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
	Change in Present Land Use <input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> Likely (*) <input type="checkbox"/> Taking Place (*)	Property Compatibility <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	(*) From _____ To _____	Protection from Detrimental Conditions <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Predominant Occupancy <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <u>0%</u> Vacant	Police and Fire Protection <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Single Family Price Range \$ <u>50,000</u> to \$ <u>350,000</u> Predominant Value \$ <u>Varied</u>	General Appearance of Properties <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Single Family Age <u>10</u> yrs. to <u>50</u> yrs. Predominant Age <u>25</u> yrs.	Appeal to Market <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): Subject located on the east site of Willow Creek, near MP 12 of the Willow Fishhook / Hatcher Pass Road, however there is no direct road access to the subject parcel. Access is via section lines and/or via Willow Creek. The subject is considered a remote parcel, with limited access, however it is located within 1/2 mile of Willow Fishhook Road. It appears that approximately half of the site is near the level of Willow Creek, sloping up to the area to the east, made up of a plateau overlooking the mountains / creek.

SITE	Dimensions <u>Irregular - see plat map</u> = <u>46.83</u> Sq. Ft. or Acres <input type="checkbox"/> Corner Lot
	Zoning classification <u>Unzoned</u> Present Improvements <input type="checkbox"/> do <input type="checkbox"/> do not conform to zoning regulations
	Highest and best use <input type="checkbox"/> Present use <input checked="" type="checkbox"/> Other (specify) <u>Recreational Vacant Land</u>
	Elec. <input type="checkbox"/> Public <input type="checkbox"/> Other (Describe) _____ OFF SITE IMPROVEMENTS
	Gas <input type="checkbox"/> _____ Street Access <input type="checkbox"/> Public <input type="checkbox"/> Private
	Water <input type="checkbox"/> _____ Surface <u>N/A - Remote</u>
	San. Sewer <input type="checkbox"/> _____ Maintenance <input type="checkbox"/> Public <input type="checkbox"/> Private
	<input type="checkbox"/> Underground Elect. & Tel. <input type="checkbox"/> Storm Sewer <input type="checkbox"/> Curb/Gutter
	<input type="checkbox"/> Sidewalk <input type="checkbox"/> Street Lights
	Topo <u>Varied Topography / Willow Creek Frontage - Mostly useable</u>
Size <u>46.83 Acres / Adequate for development</u>	
Shape <u>Irregular / Generally Rectangular</u>	
View <u>Avg+ / Willow Creek & Talkeetna Mountains</u>	
Drainage <u>appears adequate</u>	
Is the property located in a HUD Identified Special Flood Hazard Area? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): <u>None Noted. The site is large for the area, and does not have dedicated public access, considered a remote parcel, however Willow Fishhook / Hatcher Pass Road is only 1/2 mile west. No public utilities. Aerial inspection only, and site appears to be two tiered, with the lower level / western portion fronting Willow Creek, and the upper level / plateau sloping up to the east. Both areas appear to have of numerous potential building sites.</u>	

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

MARKET DATA ANALYSIS	ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
	Address	Lot A-5 Willow Creek Willow - MP 12	22890 W. Willow Fishhook Rd. Willow - MP 2.2	20645 W. River Air Dr. Willow - MP 3.2		NHN Willow Fishhook Rd. Willow - MP 7		
Proximity to Subject		8.67 miles W	7.23 miles W		4.17 miles W			
Sales Price	\$ <u>N/A</u>	\$ <u>72,000</u>	\$ <u>100,000</u>		\$ <u>25,000</u>			
Price Per Acre-unadj.	\$	\$ <u>\$923/AC</u>	\$ <u>\$6,969/AC</u>		\$ <u>\$4,826/AC</u>			
Data Source	Aerial Inspection	MLS	MLS**SP adjusted \$60,000**		MLS			
Date of Sale and Time Adjustment	DESCRIPTION	DESCRIPTION	+	(-) \$ Adjust.	DESCRIPTION	+	(-) \$ Adjust.	DESCRIPTION
	N/A	5/7/10			11/12/09			3/10/10
Location	Rural / Remote	Road / Sup			Road / Sup			Road / Sup
Site/View	46.83 Acres	78.0 Acres			14.35 Acres			5.18 Acres
Willow Creek Frmtg.	Creek	Creek			Creek			None / Inf
Access	No road access/trails	superior access			superior access			superior access
Utilities/Site imprnts	None	None			Cabin**adjusted**			None
Overall Comparability	N/A	Avg+ / Sup			Avg+ / Sup			Avg+ / Sup
Sales or Financing Concessions	N/A	Conv.			Conv. actual SP \$160,000			Cash
Net Adj. (Total)		<input type="checkbox"/> + <input type="checkbox"/> - \$			<input type="checkbox"/> + <input type="checkbox"/> - \$			<input type="checkbox"/> + <input type="checkbox"/> - \$
Indicated Value of Subject		\$ <u>72,000</u>			\$ <u>100,000</u>			\$ <u>25,000</u>

Comments on Market Data: All comparables considered in the analysis, as they are all similarly located parcels with similar potential utilities of use, although comps #1-3 all have superior year round road access, considered superior. Comp #2 has been adjusted \$60,000 to reflect a cabin on site, and was included due to its similar overall attributes (larger site, Willow Creek frontage, however has road access-overall superior). Additional comps are located on next page and reflect more remote parcels without road access.

Comments and Conditions of Appraisal: Additional comps on next page provide overall support for the value conclusion, with an unadjusted per unit value range from \$688 to \$6,969, with an overall average of about \$3,400. Considering the subject's overall site characteristics, larger size with Willow Creek frontage, offset by the lack of road frontage / vehicle access, giving more weight to the larger acreage comps #1,4 & 5. The concluded value for the subject will fall below the mid range due to the larger size and lack of road access. A concluded per unit indicator for the subject is \$1,700 per acre x 46.83 Acres = \$79,611 or a rounded amount of \$80,000 (RD)

Final Reconciliation: We have concluded a per acre value below the middle of the adjusted range, or \$1,700/Acre, which seems appropriate considering all of the subjects attributes, supported by the site value analysis. 46.83 acres x \$1,700 per acre = \$79,611 or \$80,000 RD.

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF September 12, 2010 **to be \$** 80,000

Appraiser(s) Clint H. A. Lentfer, MBA Did Did Not Physically Inspect Property

Review Appraiser (if applicable) _____

Subject Photo Page

Borrower/Client	Talbot				
Property Address	Lot A-5 Willow Creek				
City	Willow	County	Mat-Su Borough	State	AK Zip Code 99688
Lender	Founders Bank & Trust				



Subject Front

Lot A-5 Willow Creek
Sales Price N/A
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location Rural / Remote
View 46.83 Acres
Site
Quality
Age

Aerial View - Looking
East



Subject Rear

Aerial View - Looking
North



Subject Street

Aerial View - Looking
East