

LAND APPRAISAL REPORT

File No.

Borrower Talbot Census Tract 1 Map Reference WC07
 Property Address Lot A-7 Willow Creek
 City Willow County Mat-Su Borough State AK Zip Code 99688
 Legal Description Lot A-7, T20N, R2W, Sec. 31
 Sale Price \$ N/A Date of Sale N/A Loan Term N/A yrs. Property Rights Appraised Fee Leasehold De Minimis PUD
 Actual Real Estate Taxes \$ 48 (yr) Loan charges to be paid by seller \$ N/A Other sales concessions N/A
 Lender/Client Founder Bank & Trust Address 5200 Cascade Rd. SE, P.O. Box 1828, Grand Rapids, MI 49501-1828
 Occupant Vacant Appraiser Clint H. A. Lentfer, MBA Instructions to Appraiser Fee Simple, Market Value Appraisal - Vacant Land.
 Aerial Inspection Only.

Location	<input type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input checked="" type="checkbox"/> Rural	Good	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Built Up	<input type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input checked="" type="checkbox"/> Under 25%	Avg.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Growth Rate	<input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input type="checkbox"/> Steady	Fair	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Poor	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply		<input type="checkbox"/>	<input checked="" 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.		<input type="checkbox"/>	<input checked="" 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.		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<u>0%</u> Industrial	<u>75%</u> Vacant	<u>10%</u> recreational		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change in Present Land Use	<input checked="" type="checkbox"/> Not Likely	<input type="checkbox"/> Likely (*)	<input type="checkbox"/> Taking Place (*)		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(*) From _____ To _____				<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Predominant Occupancy	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<input type="checkbox"/> Vacant		<input type="checkbox"/>	<input checked="" 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>		<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.		<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.

Dimensions Rectangular - see plat map = 8.24 Sq. Ft. or Acres Corner Lot
 Zoning classification Unzoned Present Improvements do do not conform to zoning regulations
 Highest and best use Present use Other (specify) Recreational Vacant Land
 Elec. Public Other (Describe) _____
 Gas _____
 Water _____
 San. Sewer _____
 Underground Elect. & Tel. _____
 OFF SITE IMPROVEMENTS: Street Access Public Private _____
 Surface N/A - Remote Maintenance Public Private _____
 Storm Sewer Curb/Gutter Street Lights _____
 Sidewalk _____
 Topo Varied Topography / Willow Creek Frontage - Mostly useable
 Size 8.24 Acres / Adequate for development
 Shape Generally Rectangular
 View Avg+ / Willow Creek & Talkeetna Mountains
 Drainage appears adequate
 Is the property located in a HUD identified Special Flood Hazard Area? No Yes
 Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): None Noted. The site is adequately sized for remote recreational development 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 potential building sites.

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 or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	Lot A-7 Willow Creek Willow - MP 12	22890 W. Willow Fishhook Rd. Willow - MP 2.2	20645 W. River Air Dr. Willow Fishhook - MP 3.2	NHN Willow Fishhook Rd. Willow - MP 7
Proximity to Subject		9.02 miles W	7.85 miles W	4.21 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	DESCRIPTION	DESCRIPTION
	N/A	5/7/10	11/12/09	3/10/10
Location	Rural / Remote	Road / Sup	Road / Sup	Road / Sup
Site/View	8.24 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 imprvts	None	None	Cabin**adjusted**	None
Overall Comparability		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>

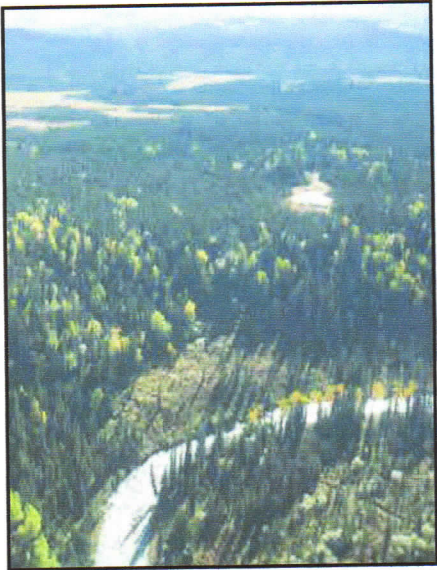
Comments on Market Data: All comparables considered in the analysis, as they are all similarly located parcels with similar potential utilities of use, although comps #1-3 all have superior year round road access, considered superior. Comp #2 has been adjusted \$60,000 to reflect a cabin on site, and was included due to its similar overall attributes (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 \$923 to \$6,969, with an overall average of about \$4,693/Acre. Considering the subject's overall site characteristics, adequate size with Willow Creek frontage, offset by the lack of road frontage / vehicle access, giving more weight to the similar acreage comps #2, 3, 4 & 5. The concluded value for the subject will fall below the mid range due to the lack of road access. A concluded per unit indicator for the subject is \$3,000 per acre x 8.24 Acres = \$24,720 or a rounded amount of \$25,000 (RD)
 Final Reconciliation: We have concluded a per acre value below the middle of the adjusted range, or \$3,000/Acre, which seems appropriate considering all of the subjects attributes, supported by the site value analysis. 8.24 acres x \$3,000 per acre = \$24,720 or \$25,000 RD.

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF September 12, 2010 **to be \$** 25,000
 Appraiser(s) Clint H. A. Lentfer, MBA Review Appraiser (if applicable) Did Did Not Physically Inspect Property

Subject Photo Page

Borrower/Client	Talbot				
Property Address	Lot A-7 Willow Creek				
City	Willow	County	Mat-Su Borough	State	AK Zip Code 99688
Lender	Founder Bank & Trust				



Subject Front

Lot A-7 Willow Creek
Sales Price N/A
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location Rural / Remote
View 8.24 Acres
Site
Quality
Age

Aerial View - Looking
East



Subject Rear

Aerial View - Looking
East



Subject Street

Aerial View - Looking
North