

**APPRAISAL REPORT
OF**



122 Cornelius Road
Petersburg, AK 99833

PREPARED FOR

Premiere Asset Services
1 Home Campus
West Des Moines, 502665

AS OF

06/09/2011

PREPARED BY

CANARY & ASSOCIATES, INC.
P.O. Box 32361
Juneau, AK 99803

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Small Residential Income Property Appraisal Report

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address 122 Cornelius Road City Petersburg State AK Zip Code 99833
 Borrower N/A Owner of Public Record US Bank National Association Trustee & Citigroup Mortgage Loan Trust Inc County City of Petersburg
 Legal Description Lot 26, Ray's Subdivision, Plat 76-1
 Assessor's Parcel No. 1001575.00 Tax Year 2011 R.E. Taxes \$ 2,982.69
 Neighborhood Name Petersburg Map Reference Plat 76-1 Census Tract 0002.00
 Occupant Owner Tenant Vacant Special Assessments \$ None Known PUD HOA \$ per year per month
 Property Rights Appraised Fee Simple Leasehold Other (describe)
 Assignment Type Purchase Transaction Refinance Transaction Other (describe) Asset Valuation
 Lender/Client Premiere Asset Services Address 1 Home Campus, West Des Moines, 502665
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No
 Report data source(s) used, offerings price(s), and date(s). Appraiser's knowledge of the area, local realtor.

I did did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. N/A

Contract Price \$ N/A Date of Contract N/A Is the property seller the owner of public record? Yes No Data Source(s) Recorder's Office
 Is there any financial assistance (loan charges, sale concessions, gift or down payment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid. N/A

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics				2-4 Unit Housing Trends				2-4 Unit Housing			Present Land Use %							
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	40 %	Built-Up <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	10 %	Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	70	Low	New	Multi-Family	5 %
Neighborhood Boundaries North is the Petersburg central business district, east is Petersburg airport, south and west is the Wrangell Narrows an ocean passage and residential homes along Mitkof Highway.								725	High	100+	Commercial	15 %						
Neighborhood Description The market in Petersburg offers homes for sale by a real estate broker and some listed for sale by owner. Competition is predominately from prospective buyers opting for newly constructed (built-to-suit) homes, which has been the only available market for newer housing. Historically there has been a demand for newer housing, with several such homes built each year and several projects under way or proposed at the present time. Financing is typically conventional, rural, AHFC, VA, FHA and some owner financing is also present, yet is not predominate. See Comment Market Conditions (including support for the above conclusions) Typical financing for the area is AHFC, FHA, VA, rural and conventional loan programs for residential properties and conventional financing for multifamily. There are no known sales or financing concessions in this market. Listings of residential properties, which are in good condition, sell within a few weeks if appropriately priced. Multifamily take longer. Values have started to rise, overall, in the last year. Decreasing interest rates have spurred the market after a slow year in 2002. Overall sales rate has remained at less than 6 months, over the past								220	Pred.	24	Other Vacant	30 %						

Dimensions See Site Map for Area Calculation Area 15,000 SqFt. Shape Irregular View Territorial
 Specific Zoning Classification MF Zoning Description Multi-Family
 Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe.

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements--Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street	<input checked="" type="checkbox"/>	
Gas	<input type="checkbox"/>	Private	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley		
FEMA Special Flood Hazard Area		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone		None	FEMA Map # None issued for area FEMA Map Date N/A	
Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.							
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe.							
The site is a conforming interior upland lot. There was an AS-Built survey provided for review and upon review it was noted that a ramp and deck encroach upon a turnabout right of way, this encroachment does not appear to negatively affect the value of the property. The site is zoned MF which allows for multi-family residencies. The improvements on the property are legal and conforming to the current zoning requirements. See Comment							

General Description		Foundation		Exterior Description materials/condition		Interior materials/condition	
Units <input type="checkbox"/> Two <input type="checkbox"/> Three <input checked="" type="checkbox"/> Four	<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Craw Space	Foundation Walls Concrete&Pilings/Avg	Floors Crpt,Vnyl,Plywood/Avg	<input type="checkbox"/> Accessory Unit (describe below)	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls WdLap & T-111/Fair	Walls Sheetrock/Avg (-)
# of Stories 2 Story # of bldgs. 1	Basement Area sq. ft.	Roof Surface Metal/Avg	Trim/Finish Wood/Avg	Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Finish %	Gutters & Downspouts Metal/Poor	Bath Floor Vinyl/Avg
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	<input checked="" type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type Aluminum/Avg (-)	Bath Wainscot Fiberglass/Avg	Design (Style) 2 Story/Avg	Evidence of <input type="checkbox"/> Infestation None Noted	Screens Partial/Avg	Car Storage
Year Built 1984	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Amenities		Effective Age (Yrs) 24	Heating/Cooling	Car Storage <input type="checkbox"/> None	
Attic <input type="checkbox"/> None	<input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	<input checked="" type="checkbox"/> Fireplace(s) # 1	<input checked="" type="checkbox"/> Woodstove(s) # 1	<input checked="" type="checkbox"/> Driveway	# of Cars 3	Car Storage <input type="checkbox"/> None	
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel Oil	<input checked="" type="checkbox"/> Patio/Deck Decks	<input checked="" type="checkbox"/> Fence Wood	<input type="checkbox"/> Garage	# of Cars	Driveway Surface Gravel	
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Pool	<input type="checkbox"/> Porch	<input type="checkbox"/> Carport	# of Cars	Carport <input type="checkbox"/> None	
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other None	<input checked="" type="checkbox"/> Other Toyo & EBB	<input type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in				
# of Appliances Refrigerator 5 Range/Oven 5 Dishwasher Disposal Microwave Washer/Dryer 3 Other (describe)							
Unit #1 contains: 5x2 Rooms 3x2 Bedroom(s) 1.75x2 Bath(s) 1,300x2 Square feet of Gross Living Area							
Unit #2 contains: 3 Rooms 1 Bedroom(s) 0.75 Bath(s) 512 Square feet of Gross Living Area							
Unit #3 contains: 3 Rooms 1 Bedroom(s) 0.75 Bath(s) 512 Square feet of Gross Living Area							
Unit #4 contains: 2 Rooms 0 Bedroom(s) 0.75 Bath(s) 300 Square feet of Gross Living Area							
Additional features (special energy efficient items, etc.) Currently a 2 story 5-plex, originally built in 1984. The upstairs has two identical units and the down stairs has two finished one bedroom units and one smaller efficiency unit, the down stairs also has three unfinished units. The building has forced warm air heat, and two energy efficient monitor oil stoves, electric baseboard heater as secondary heat in some units, exterior decks and covered porches. See Comment Addendum for further discussion.							
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The structure was in fair condition for its age and of average quality of construction. There was functional loss noted for the room arrangement on the lower floor. During the inspection it was noted that were cracks in the exterior siding, some gutters falling off, rotted facia, some missing smoke detectors and electrical covers, some unfinished sheetrock, large areas of the interior of the structure that are in varying levels of finish, some decks unlevel and in need of re-leveling, and exterior siding needs paint or stain. See Comment Addendum for further comments.							

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IMPROVEMENTS	Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe
	None visually apparent.
	Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe
Is the property subject to rent control? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe	

The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for subject property.

FEATURE	SUBJECT	COMPARABLE RENTAL # 1	COMPARABLE RENTAL # 2	COMPARABLE RENTAL # 3															
Address	122 Cornelius Road Petersburg, AK 99833	600 Vesta Street Petersburg	606 Rambler Street Petersburg	603 Vesta Street Petersburg															
Proximity to subject		2 Miles +/-	2 Miles +/-	2 Miles +/-															
Current Monthly Rent	\$ 0	\$ 2,400	\$ 575	\$ 2,450															
Rent/Gross Bldg. Area	\$ 0.00 sq. ft.	\$ 1.00 sq. ft.	\$ 0.18 sq. ft.	\$ 1.00 sq. ft.															
Rent Control	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No															
Data Source(s)	Inspection	Owner	Owner	Inspection, EM															
Date of Lease(s)	Month to Month	Month to Month	Month to Month	Month to Month															
Location	Suburban/Upland	Urban/Upland	Urban/Upland	Urban/Upland															
Actual Age	1984	1991	1991	1983															
Condition	Fair	Average (+)	Average (+)	Average (+)															
Gross Building Area	3,923	2,400	3,119	3,000															
Unit Breakdown	Rm Count	Size Sq. Ft.	Rm Count	Size Sq. Ft.	Monthly Rent	Rm Count	Size Sq. Ft.	Monthly Rent	Rm Count	Size Sq. Ft.	Monthly Rent								
	Tot	Br	Ba	Tot	Br	Ba	Tot	Br	Ba	Tot	Br	Ba							
Unit #1	5x2	3x2	1.75x2	1,300x2	5	3	2.50	1,200	\$ 1,200	9	3	2.00	2,579	\$ Owner	5	3	2.00	1,500	\$ 1,200
Unit #2	3	1	0.75	512	5	3	2.50	1,200	\$ 1,200	3	1	1.00	540	\$ 575	5	3	2.00	1,500	\$ 1,250
Unit #3	3	1	0.75	512					\$					\$					\$
Unit #4	2	0	0.75	300					\$					\$					\$
Utilities Included	Water, sewer, TV	None	Elec, heat, water	None															
Quality	Average(-)	Average (+)	Average (+)	Average (+)															
Other Item	Parking, decks	Covered Parking, Attached Carports	2 Car Gar(Owner), Off street (tenant)	Attached Carport, Covered Parking															

Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.) The Petersburg market is fairly homogeneous with regard to rental rates. Three and four bedroom rentals vary from \$900 to \$2,200 a month depending on age, condition, size, location and utilities included. Two bedroom rentals vary from \$500 to \$1,500 a month also depending on age, condition, size, location and utilities included. One bedroom or efficiency apartments vary from \$350 to \$800 with the same variables applying. The Comparable Rental 2 was owner occupied. Comparable Rental #3 was prior to the sale being used as a bed'n'breakfast (both floors) and the rents were based on previous rental agreements.

Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.

Unit No.	Leases		Actual Rent		Total Rent	Opinion Of Market Rent		Total Rent
	Lease Date		Per Unit			Per Unit		
	Begin	End	Unfurnished	Furnished		Unfurnished	Furnished	
1	Month	Month	\$ N/A	\$	\$ 0	\$ 800x2	\$	\$ 1,600
2	Month	Month	\$ N/A	\$	\$ 0	\$ 600	\$	\$ 600
3	Month	Month	\$ N/A	\$	\$ 0	\$ 600	\$	\$ 600
4	Month	Month	\$ N/A	\$	\$ 0	\$ 500	\$	\$ 500
Comment on lease data			Total Actual Monthly Rent		\$ 0	Total Gross Monthly Rent		\$ 3,300
			Other Monthly Income (itemize)		\$	Other Monthly Income (itemize)		\$
			Total Actual Monthly Income		\$ 0	Total Estimated Monthly Income		\$ 3,300

Utilities included in estimated rents Electric Water Sewer Gas Oil Cable Trash collection Other

Comments on actual or estimated rents and other monthly income (including personal property)

The present market shows a rate of 1-3% of vacancy for this time of year . Vacancy rates for the winter months are expected to remain stable according to the realtor we spoke to. According to property managers, owners and tenants we spoke to, there is still a demand for good adequate housing especially those with 2 or more bathrooms.

I did did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) Lenders, appraisers, real estate brokers, title companies, state recorders office, and the assessor's records.

My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) Lenders, appraisers, real estate brokers, title companies, state recorders office, and the assessor's records.

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 4).

ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer	10/27/2010	02/11/1994	09/19/2008	10/29/2004
Price of Prior Sale/Transfer	Trustees Deed	Unknown	\$215,000	\$255,000
Data Source(s)	Owner, State Recorder's Office	Recorder's Office, Appraisal Files	Recorder's Office, Appraisal Files	Recorder's Office, Appraisal Files
Effective Date of Data Source(s)	06/17/2011	6/17/2011	6/17/2011	6/17/2011

Analysis of prior sale or transfer history of the subject property and comparable sales Alaska is a non disclosure State. Previous sales history is checked on line with the State of Alaska, Records Office. No prior sales or listings within the last three years is known for the Subject property. Intended users of this report are Premiere Asset Services and their assigns.

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There are 1 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 269,000 to \$ 269,000 .
 There are 1 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 494,000 to \$ 494,000 .

FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Address	122 Cornelius Road Petersburg, AK 99833	181 Mitkof Hwy Petersburg, AK 99833	706 Odin Street Petersburg, AK 99833	204 South Second Street Petersburg, AK 99833
Proximity to Subject		0.74 miles NW	1.33 miles N	1.66 miles NE
Sale Price	\$ N/A	\$ 450,000	\$ 220,000	\$ 249,900
Sale Price/Gross Bldg. Area	\$ 0.00 sq. ft.	\$ 77.63 sq. ft.	\$ 109.13 sq. ft.	\$ 108.42 sq. ft.
Gross Monthly Rent	\$ 3,300	\$ 3,300 (Econ)	\$ 1800 (Econ)	\$ 2000 (Econ)
Gross Rent Multiplier	85.00	136.36	122.22	124.95
Price Per Unit	\$ 63,750.00	\$ 225,000.00	\$ 220,000.00	\$ 249,900.00
Price Per Room	\$ 17,000.00	\$ 30,000.00	\$ 31,428.57	\$ 41,650.00
Price Per Bedroom	\$ 36,428.57	\$ 75,000.00	\$ 73,333.33	\$ 83,300.00
Rent Control	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Data Source(s)		Realtor/Assessor	EM, Inspection	EM, Inspection
Verification Source(s)		Seller, FSBO	WFB	WFB
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION +/- Adjustment	DESCRIPTION +/- Adjustment	DESCRIPTION +/- Adjustment
Sale or Financing		Unknown	Conventional	FHA
Concessions		Unknown	Typical For Market	None Known
Date of Sale/Time		03/02/2011	5/31/2011	08/20/2010
Location	Suburban/Upland	Suburban/Upland	Urban/Upland -20,000	Urban/Upland -15,000
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site	15,000 SqFt.	267,837 SqFt+/- (2 lots) -60,000	10,000 Sqft	13,527 SqFt
View	Territorial	Territorial	Territorial	Slough & Distant Ocean -5,000
Design (Style)	2 Story/Avg	2.5 Story/Avg	2 Story/Avg	3 Story/Avg
Quality of Construction	Average (-)	Average (+) -20,000	Avg-Avg(+) -15,000	Good -30,000
Actual Age	18e/1984	14e/1964 -4,000	13e/1982 -5,000	10e/1993 -8,000
Condition	Fair	Average -10,000	Average (+) -15,000	Average (+) -15,000
Gross Building Area	3,923 sq. ft.	5,797 sq. ft. -75,000	2,016 sq. ft. +76,300	2,305 sq. ft. +64,700
Unit Breakdown	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths
Unit # 1	5x2 3x2 1.75x2	10 3 2.75 +8,000	7 3 3.00 +8,000	6 3 2.00 +11,000
Unit # 2	3 1 0.75	5 3 1.00 0	0 0 0.00 +8,000	0 0 0.00 +8,000
Unit # 3	3 1 0.75	0 0 0.00 +8,000	0 0 0.00 +8,000	0 0 0.00 +8,000
Unit # 4	2 0 0.75	0 0 0.00 +8,000	0 0 0.00 +8,000	0 0 0.00 +8,000
Basement Description	382Min/1693UnFin	None +26,000	Gd Crwl Spc Stg +24,000	Good Bsmt Stg +24,000
Basement Finished Rooms	Storage under Bldg	None +1,000	None +1,000	None +1,000
Functional Utility	Average (-) (CTC)	Average -40,000	Average -40,000	Average -40,000
Heating/Cooling	OFWA/None	OHWBB/None 0	EBB & Monitor/None +2,000	ElecBB & Monitor/None +2,000
Energy Efficient Items	Standard	Standard 0	Standard	5 Star & HRV -7,500
Parking On/Off Site	On Site Parking	1 Car Gar&4 Car Carport -12,000	2 Car Carport -3,500	Off Street
Porch/Patio/Deck	Dk 982	DK 1,758, CP 360 -4,600	DKs 316, CPs 148 +1,000	Dk 803 +700
Amenities	2 Monitors, ElecBB	2 Fireplaces +1,000	None +5,000	None +5,000
Amenities	None	Shop 705sf -12,500	Hot tub, Wd Shed -4,000	Hydrotub -2,000
Amenities	None	None 0	Lndscp -1,000	Lndscp, Fence -2,000
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -186,100	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 37,800	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 7,900
Adjusted Sale Price of Comparables		Net Adj. : -41% Gross Adj. : 64% \$ 263,900	Net Adj. : 17% Gross Adj. : 111% \$ 257,800	Net Adj. : 3% Gross Adj. : 103% \$ 257,800
Adj. Price Per Unit (Adj. SP Comp/# of Comp Units)		\$ 131,950	\$ 257,800	\$ 257,800
Adj. Price Per Room (Adj. SP Comp/# of Comp Rooms)		\$ 17,593	\$ 36,829	\$ 42,967
Adj. Price Per Bdrm. (Adj. SP Comp/# of Comp Bedrooms)		\$ 43,983	\$ 85,933	\$ 85,933
Value Per Unit	\$ 52,000 X 5 Units = \$	260,000	Value Per GBA \$ 66.28 X 3,923 GBA = \$	260,016
Value Per Rm.	\$ 14,445 X 18 Rooms = \$	260,010	Value Per Bdrms. \$ 43,333 X 6 Bdrms. = \$	259,998

Summary of Sales Comparison Approach including reconciliation of the above indicators of value. Please see the Comment Addendum for discussion on comparable sales selection and adjustments used in the market grid.

Indicated Value by: Sales Comparison Analysis \$ 260,000

INCOME	Total gross monthly rent \$ 3,300 X gross rent multiplier (GRM) 85.00 = \$ 280,500	Indicated value by Income Approach
	Comments on income approach including reconciliation of the GRM The GRM was applied at a conservative rate based on clean up, possible remodel or repair, start up cost, and full occupancy. It still shows a value higher than derived using the sales comparison approach. A lot of the difference has to do with lender financing.	

Indicated Value by: Sales Comparison Analysis \$ 260,000 Income Approach \$ 280,500 Cost Approach (if developed) \$ 323,300

The sales comparison approach is the most reliable value indicator as it best simulates the reactions of buyers and sellers. The income approach and cost approach support the sales comparison approach and were considered in the final analysis.

This appraisal is made "as is," subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: This appraisal is made AS-IS with an estimated Cost-To-Cure for the items noted. No personal property was included within this report.

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 260,000 , as of 06/09/2011 , which is the date of inspection and the effective date of this appraisal.

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Please see the Comment Addendum for discussion on comparable sales selection and adjustments used in the market grid.

I have considered relevant competitive listings and/or contract offerings in the performance of this appraisal and in the trending information reported in this section. If a trend is indicated, I have attached an addendum providing relevant competitive listing / contract offering data.

Abbreviations: R/O = Range/Oven, HF = Hood Fan, DW = Dishwasher, M or Mic = Microwave, JA = Jennaire R/O, Disp or D = Garbage Disposal, Int or Inter = Intercom, CV or CenV = Central Vac.

Hydrotub (bathroom jacuzzi tub) = bath tub with jets.

Heatilator = metal fireplace box.

ADDITIONAL COMMENTS

COST APPROACH TO VALUE (not required by Fannie Mae.)

Provide adequate information for the lender/client to replicate your cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) Both vacant land sales and improved property sales were acquired and analyzed. The improved property sales were additionally analyzed by removing the building value (depreciated) to obtain an improved site value. Both were then utilized within the immediate area for the Subject's site valuation.

COST APPROACH

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE			= \$	35,000
Source of cost data Marshall & Swift Cost Estimator	Dwelling	3,923	Sq. Ft. @ \$ 76.00	= \$	298,100
Quality rating from cost service Fair/Average Effective date of cost data 5/11	Bsmt	2,075	Sq. Ft. @ \$ 35	= \$	72,600
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	CP, DK				17,500
See Sketch Addendum for area calculations.	Garage/Carport	0	Sq. Ft. @ \$ 0	= \$	0
The cost approach is estimated from the "Residential Cost Computer program" by Marshall & Swift. Land valuation is derived by extraction and from typical sales in the general area.	Total Estimate of Cost-new			= \$	388,200
Depreciation is based on a market derived rate which may or may not correspond to an age life method.	Less Physical	18	Functional 13	External	
	Depreciation	69,900	40,000	0	= \$ (109,900)
	Depreciated Cost of Improvements			= \$	278,300
	"As-is" Value of Site Improvements			= \$	10,000
Estimated Remaining Economic Life (HUD and VA only) 50 Years	Indicated Value By Cost Approach			= \$	323,300

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowner's Association (HOA)? Yes No Unit type(s) Detached Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal Name of Project

Total number of phases Total number of units Total number of units sold

Total number of units rented Total number of units for sale Data source

Was the project created by the conversion of existing building(s) into a PUD? Yes No If Yes, date of conversion.

Does the project contain any multi-dwelling units? Yes No Data source.

Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion.

Are the common elements leased to or by the Homeowner's Association? Yes No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

PUD INFORMATION

CANARY & ASSOCIATES, INC.
EXTRA COMPARABLES 4-5-6

File No. 07-11-035

Borrower N/A

Property Address 122 Cornelius Road

City Petersburg County City of Petersburg State AK Zip Code 99833

Lender/Client Premiere Asset Services Address 1 Home Campus, West Des Moines, 502665

SALES COMPARISON ANALYSIS

FEATURE	SUBJECT	COMPARABLE SALE # 4			COMPARABLE SALE # 5			COMPARABLE SALE # 6		
Address	122 Cornelius Road Petersburg, AK 99833	304&306 N. First Street Petersburg, AK 99833			800 Odin Street Petersburg, AK 99833			1101 Wrangell Ave Petersburg, AK 99833		
Proximity to Subject		1.76 miles N			1.33 miles N			2.43 miles NE		
Sale Price	\$ N/A	\$ 250,000			\$ 280,000			\$ 268,000		
Sale Price/Gross Bldg. Area	\$ 0.00	\$ 100.24			\$ 108.19			\$ 197.06		
Gross Monthly Rent	\$ 3,300	\$ 2400 (Econ)			\$ 3100 (Econ)			\$ 2300 (Econ)		
Gross Rent Multiplier	85.00	104.17			90.32			116.52		
Price Per Unit	\$ 63,750.00	\$ 125,000.00			\$ 140,000.00			\$ 134,000.00		
Price Per Room	\$ 17,000.00	\$ 27,777.78			\$ 28,000.00			\$ 29,778.00		
Price Per Bedroom	\$ 36,428.57	\$ 83,333.33			\$ 70,000.00			\$ 89,333.00		
Rent Control	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Data Source(s)		Inspection, EM			EM, Inspection			Inspection, FS		
Verification Source(s)		RW Fin			FB			Buyer		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment	DESCRIPTION	+(-) Adjustment	
Sale or Financing		Conventional		AHFC/Rural		Conventional				
Concessions		None Known		Relo-Below Mkt		Family Sale at Mkt		****		
Date of Sale/Time		06/22/2007		10/10/2008		9/12/2007				
Location	Suburban/Upland	Urban/Upland	-20,000	Urban/Upland	-20,000	Urban/Upland (+)	-40,000			
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple				
Site	15,000 SqFt.	4,125 SqFt	+10,000	10,000 SqFt		9,260 SF				
View	Territorial	Filtered Ocean	-10,000	Territorial		Filtered Ocean	-10,000			
Design (Style)	2 Story/Avg	1.5 Story/Avg		2 Story/Avg		1 Story/Avg				
Quality of Construction	Average (-)	Average	-10,000	Average (+)	-20,000	Avg-Avg(+)	-15,000			
Actual Age	18e/1984	20e/1916 (50-80)	+2,000	5e/1992	-13,000	6e/1996	-12,000			
Condition	Fair	Average	-10,000	Average (+)	-15,000	Average (+)	-15,000			
Gross Building Area	3,923 sq. ft.	2,494 sq. ft.	+57,200	2,588 sq. ft.	+53,400	1,360 sq. ft.	+102,500			
Unit Breakdown	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths				
Unit # 1	5x2 3x2 1.75x2	6 2 2.00	+11,000	7 3 2.00	+11,000	5 2 1.50	+12,000			
Unit # 2	3 1 0.75	3 1 1.00		3 1 1.00		4 1 1.00				
Unit # 3	3 1 0.75	0 0 0.00	+8,000	0 0 0.00	+8,000	0 0 0.00	+8,000			
Unit # 4	2 0 0.75	0 0 0.00	+8,000	0 0 0.00	+8,000	0 0 0.00	+8,000			
Basement Description	382Min/1693UnFin	Mim 352,Unf 474	+15,000	None	+26,000	Full Fin/1,168 SF	+2,600			
Basement Finished Rooms	Storage under Bldg	None	+1,000	None	+1,000	None (Above)	+1,000			
Functional Utility	Average (-) (CTC)	Average	-40,000	Average	-40,000	Average	-40,000			
Heating/Cooling	OFWA/None	OHFA/None		ElecBB,Monitor/None	+2,000	ElecBB&Toyo/None	+2,000			
Energy Efficient Items	Standard	Standard		5 Star Rating	-5,000	Standard				
Parking On/Off Site	On Site Parking	On Site Parking		2 Car Gar/594	-10,000	2 Car Gar/400	-10,000			
Porch/Patio/Deck	Dk 982	CP 32	+3,100	CP 1432, Dk 595	-6,000	DK253,CP192&60				
Amenities	2 Monitors, ElecBB	Toyo	+3,000	None	+5,000	Woodstove	+3,000			
Amenities	None	Grn Hse, Stg	-2,000	Shop 286, Lndscp	-4,000	Covered Storage, paved drive	-6,000			
Amenities	None	None		None		None				
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 26,300	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -18,600	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -8,900			
Adjusted Sale Price of Comparables		Net Adj. : 11%		Net Adj. : -7%		Net Adj. : -3%				
		Gross Adj. : 84%	\$ 276,300	Gross Adj. : 88%	\$ 261,400	Gross Adj. : 107%	\$ 259,100			
Adj. Price Per Unit (Adj. SP Comp#/ of Comp Units)		\$ -3,900		\$ 130,700		\$ 129,550				
Adj. Price Per Room (Adj. SP Comp#/ of Comp Rooms)		\$ -1,300		\$ 26,140		\$ 28,789				
Adj. Price Per Bdrm. (Adj. SP Comp#/ of Comp Bedrooms)		\$ -3,900		\$ 65,350		\$ 86,367				

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales

ITEM	SUBJECT	COMPARABLE SALE # 4	COMPARABLE SALE # 5	COMPARABLE SALE # 6
Date of Prior Sale/Transfer	10/27/2010	1/27/2004	2/21/2006	8/13/2003
Price of Prior Sale/Transfer	Trustees Deed	Not Disclosed	\$285,000	Unknown
Data Source(s)	Owner, State Recorder's Office	State Recorder's Office	Recorder's Office, Appraisal Files	Recorder's Office, Appraisal F
Effective Date of Data Source(s)	06/17/2011	6/17/2011	6/17/2011	6/17/2011

Summary of Sales Comparison Approach including reconciliation of the above indicators of value. Please see the Comment Addendum for discussion on comparable sales selection and adjustments used in the market grid.

CANARY & ASSOCIATES, INC.
COMMENT ADDENDUM

File No. 07-11-035

Borrower N/A

Property Address 122 Cornelius Road

City Petersburg County City of Petersburg State AK Zip Code 99833

Lender/Client Premiere Asset Services Address 1 Home Campus, West Des Moines, 502665

2011 Assessed Values are:
Land = \$ 35,000
Improvements = \$228,200
Total = \$263,200
Taxes = \$2,982.69

SCOPE OF WORK

The scope of work is to determine an opinion of the fair market value of the fee simple interest in 122 Cornelius Road, Petersburg, Alaska for asset valuation purposes. The intended user of this appraisal report is the lender/client. The intended use is to evaluate the property for the scope of work, reporting requirements of the appraisal report form, and definition of market value. No additional intended users are identified by the appraiser. (See URAR page 17 of 20 of limiting conditions regarding definition of Market Value.)

Special Note: Canary & Associates has completed an appraisal on the subject property within the last three years.

The following steps were made in arriving at the final estimate of value included in the appraisal report of the subject property.

- 1) A preliminary search of all available resources was made to determine market trends, influences and other significant factors pertinent to the subject property. The property has been identified previously in this report.
- 2) A complete inspection of the property was performed when possible. Although due diligence was exercised while at the property, the appraisers are not experts in such matters as soils, structural engineering, hazardous waste, etc. and no warranty is given as to these elements. See CONDITION below for further comments.
- 3) Research and collection of data (cost, improved sales, escrow sales, listings and income) were performed as present in the subject's market area and sufficient in quantity to express an opinion of value as defined herein. We examined data from the State Records Office, our sales database, local realtors and the city records. Pertinent data are contained in this report.
- 4) The direct sales comparison, cost and income approaches to value were considered within this appraisal assignment. The results of these approaches to value are discussed at the conclusion of this report.
- 5) An extensive search was conducted to located multi-family comparables, this search involved talking with local realtors, local loan officers, researching the appraisers private database and contacting buyers/sellers.

SITE/ZONING COMMENTS:

The site is zoned MF which allows for multifamily residencies. The improvements on the property are legal and conforming to the current zoning requirements. In the event of a major loss by fire, the subject could be rebuilt without any special requirements, per city officials we spoke to. The site moderately slopes down to the street. Many of the adjoining properties are similar in age and design as the subject property.

An AS-Built survey was provided for review and upon review it was noted that a ramp and deck encroach upon a turnabout right of way, this encroachment does not appear to negatively affect the value of the property.

Typical amenities of the lot include: City water, septic, public electricity, garbage pickup and cable TV.

HIGHEST AND BEST USE:

The highest and best use of the property as vacant is as a multifamily residence. The highest and best use of the property as improved is also as a multifamily residence.

CONDITION OF IMPROVEMENTS:

The structure was in fair condition for its age and of below average quality of construction. There was functional loss of utility noted for the lower floor layout and a lack of access to the third floor. There was a substantial amount of unfinished area within the lower and upper floor of the subject structure, and that area was adjusted as minimally finished and unfinished basement in both the market grid and the cost approach. This minimally finished and unfinished areas downstairs are configured for an additional three rental units to the existing five units, however currently there are five livable units. Unfinished areas downstairs are rough framed, wired and rough plumbed on the inside (The exterior is finished). The minimal finished areas have drywall board on the walls, some plumbing installed, a couple of kitchens semi-installed, some doors and no floor coverings. Some of the materials to finish the lower floor are stored on the lower floor (however no value was given to personal property within this report). Per neighbors and others we spoke with the structure has been in this state for a long period of time.

Also noted on the exterior is some cracking of exterior boards from either years of exposure to the wet climate or from structural movement. Some gutters falling off/rotted fascia, some missing smoke detectors and electrical covers, some unfinished sheetrock, large areas of the interior of the structure that are in varying levels of finish, and exterior siding needs paint or stain. Some foam sprayed in insulation was noted around most of the exterior windows. Heating bills has been reported to be high during the winter months (from previous appraisal). Decking on the back side was noted as not level due to what appears to be some ground movement around the deck supports. In one case the supports were shimmed up to help level the deck. (These items were deducted in the functional loss applied).

This appraisal is completed AS-IS with an estimated Cost-To-Cure for the items noted.

This appraisal included physically inspecting the exterior and some of the interior. There were no obvious structural deficiencies noted. However a detailed structural inspection is beyond the scope of this appraisal. If there are further questions concerning any part of the subject's property, an engineer or other qualified professional should be contacted to address those concerns.

ADVERSE ENVIRONMENTAL CONDITIONS PRESENT:

The appraiser's routine inspection and inquires about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The value estimated in this report is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions. The subject had an above ground oil storage tank.

SALES COMPARISON COMMENTS:

A thorough search was made to find the most comparable properties to the subject, which have sold recently. Sources of information used include lenders, the Petersburg real estate company, real estate appraisers, title companies, the Alaska State Records office, and the Petersburg city assessor's records. Petersburg does not have a comparable sales service or MLS.

There are relatively few sales in this small city. An effort was made by the appraiser to find sales that bracket the size, quality and location of the subject. Due to the lack of sales, it is necessary to use sales located over one mile from the subject. All three appraisal approaches to value were considered. The sales comparison approach was considered the most reliable value indicator for single family homes as it best simulates the reaction of buyers and sellers.

Adjustments to the comparable sales were made for factors considered significant in establishing market value. Specific adjustments were derived using extraction by paired sales technique, discussions with realtors, developers, buyers and/or review of cost data.

CANARY & ASSOCIATES, INC.
COMMENT ADDENDUM

File No. 07-11-035

Borrower	N/A						
Property Address	122 Cornelius Road						
City	Petersburg	County	City of Petersburg	State	AK	Zip Code	99833
Lender/Client	Premiere Asset Services		Address 1 Home Campus, West Des Moines, 502665				

ADJUSTMENTS

LOCATION: Adjustments for neighborhood were made based on market analysis from both vacant and improved properties as compared to the Subject's immediate neighborhood. All comparables were adjusted to the Subject's location.

SITE: Lot size adjustments are based on a site value vs per square foot basis. These adjustments are made for increased privacy and/or usability of the lot. Adjustments for site were made at a rate of \$5,000 per increase/decrease as compared to the Subject.

VIEW: Adjustments for view were made at \$5,000-\$10,000 per increase/decrease in view as compared to the Subject.

QUALITY OF CONSTRUCTION: Adjustments for quality of construction were made for materials used in the construction and/or for workmanship. Adjustments were made at \$10,000 per increase/decrease as compared to the subject. Quality over good was adjusted at \$20,000 per adjustment.

AGE: Age adjustments are based upon market extraction for the difference of cost new, then depreciating and averaging the results. An effort was made to select comparables of similar actual and effective ages to the subject. Adjustments were made at \$1,000 per increase/decrease in age as compared to the subject.

CONDITION: Adjustments were made at \$5,000 per increase/decrease in the condition of the improvements as compared to the subject.

GROSS LIVING AREA: Adjustments were uniformly made to the comparables at \$40.00 per square foot based upon market extraction.

BATHROOM: Adjustments for bathrooms were made at \$1,000 per fixture as compared with the subject. 3/4 baths were adjusted similar to full baths as each has three fixtures.

EXTRA KITCHEN: The lack of a second kitchen was adjusted at \$5,000 for average sized kitchens similar to the subjects.

BASEMENT: Adjustments for basements were made at \$12 per square foot for the unfinished basement with a concrete floor, \$15 per square foot for minimal finished basements and \$20 per square foot for finished basements. The subjects unfinished or minimally finished areas (as defined in the GLA section) were adjusted at \$26,000.

FUNCTIONAL UTILITY: Functional loss of utility was applied for the poor room arrangement of the lower floor of the structure along with no access to the upper floor area. Also adjusted was an estimated cost to cure for the items noted at \$25,000. (Total adjustment was \$40,000).

HEATING AND COOLING: Adjustments to heating were made for higher cost to install heating systems (OHWBB or OHFA) as compared to lower cost to install heating systems (electric baseboard or monitor oil stove). Hot water baseboard & forced air systems were adjusted at \$5,000, Monitor (Toyo, Lazer) oil fired system at \$2,000 and electric baseboard at \$1,000.

GARAGE/CARPORT: Garage adjustments are based upon market abstraction which are \$5,000 for a single car garage, \$7,500 for one (+) car garage, \$10,000 for a two car garage, \$12,500 for a two (+) car garage. Carport adjustments are \$2,500 for a single car and \$3,500 for a two car carport.

PORCH, PATIO, DECK AREAS: Adjustments in this column were made for the amount of decks, porches, etc. that were involved in the sale and averaged. Adjustments were made for significant differences in decks, porches, enclosed porches, etc. as compared to the Subject. The Subject's decks were adjusted at \$4,100. All comparables were adjusted to the Subject.

Fences, storage units, sheds and additional dry storage was adjusted at \$1,000. Average landscaping at \$1,000. Hydro tubs (jetted bath tubs) were adjusted at \$2,000. Good storage buildings were adjusted at \$2,000.

Adjustments for backup or secondary heating systems: wood stoves and fireplaces were made at \$1,000, pellet stoves, Toyo, Lazer or Monitor (gravity fed, forced air systems) at \$2,000 and for extensive rock or brick fireplaces at \$3,000. Heat recovery ventilation units (HRV) were adjusted \$2,500.

RECONCILIATION

The sales used are the most recent and comparable available and result in the fewest overall adjustments. The indicated value by the three appraisal approaches to value are:

- 1) Cost Approach = \$323,300
- 2) Sales Comparison = \$260,000
- 3) Income Approach = \$280,500

- The cost approach involves replacement cost or actual cost of construction for the area and then depreciated. Information for the cost of construction was obtained through the Marshal & Swift computer program and local contractors who supplied current cost of construction estimates. The Cost Approach multiplier was updated to 5/2011 using recent sales within the area. The cost approach was higher but supported the sales comparison approach and was given weighting in the final analysis.

- The sales comparison approach considered six closed sales to determine the market value for the subject. The comparables used indicated a range of value from \$257,800 to \$276,300. Attempts were made to locate multifamily comparable sales with similar quality of construction, design, condition, gross building area and similar amenities.

Special Note: During the inspection a neighbor approached and wanted to know what I was doing. He stated that he had recently purchased the other similar multifamily property (124 Cornelius) like the subject and was interested in purchasing this one also. He did not give his name or any information regarding the twin sale. Research at the recorder's office did not indicate a ownership transfer has taken place and no sales information was provided to the appraiser. If this sale has occurred that sales information would be considered strongly in the overall analysis.

Also: Additional multifamily and bed'n'breakfast sales were considered in the analysis but were older sales dates and not used in the appraisal.

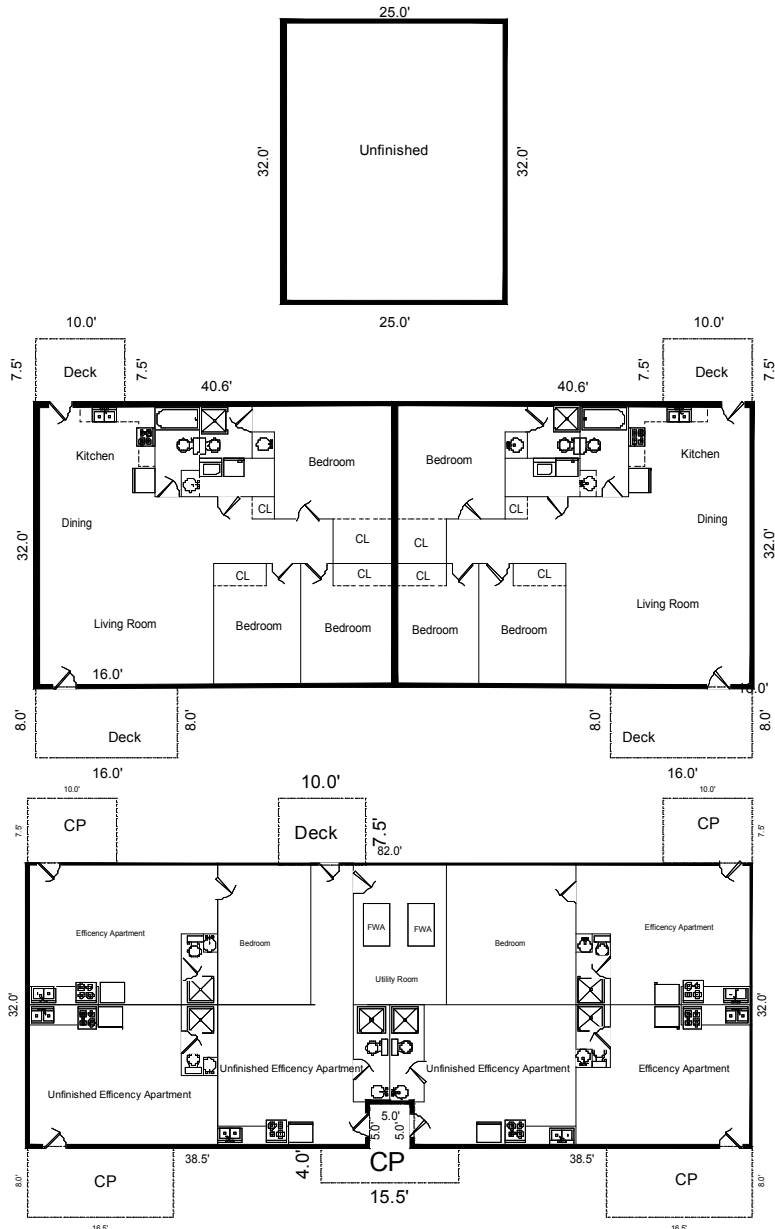
- The income approach was considered and supports the sales comparison approach thus given weighting in the final analysis.

In conclusion: The analysis above has considered all effects on market, including the three approaches to value with the most weighting applied to the sales comparison approach, as it best reflects the sales activity within the area that can be compared to the subject property.

It is my opinion that the AS-IS value for 122 Cornelius Road, Petersburg, Alaska on June 9, 2011 assuming reasonable marketing time to be:

**** 260,000 *****
TWO HUNDRED SIXTY THOUSAND DOLLARS

Borrower	N/A						
Property Address	122 Cornelius Road						
City	Petersburg	County	City of Petersburg	State	AK	Zip Code	99833
Lender/Client	Premiere Asset Services			Address	1 Home Campus, West Des Moines, 502665		



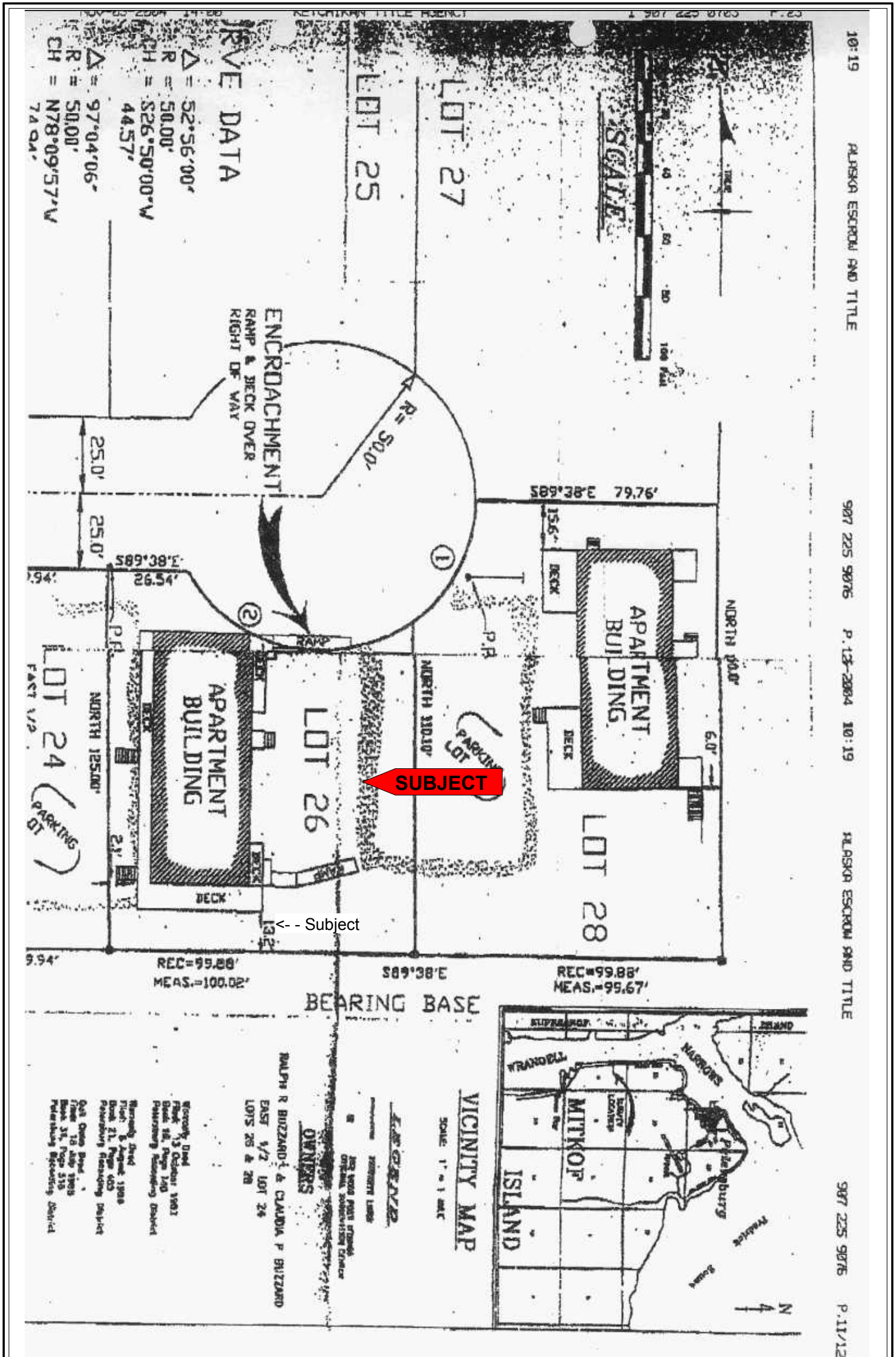
Sketch by Apex IV™

Comments:

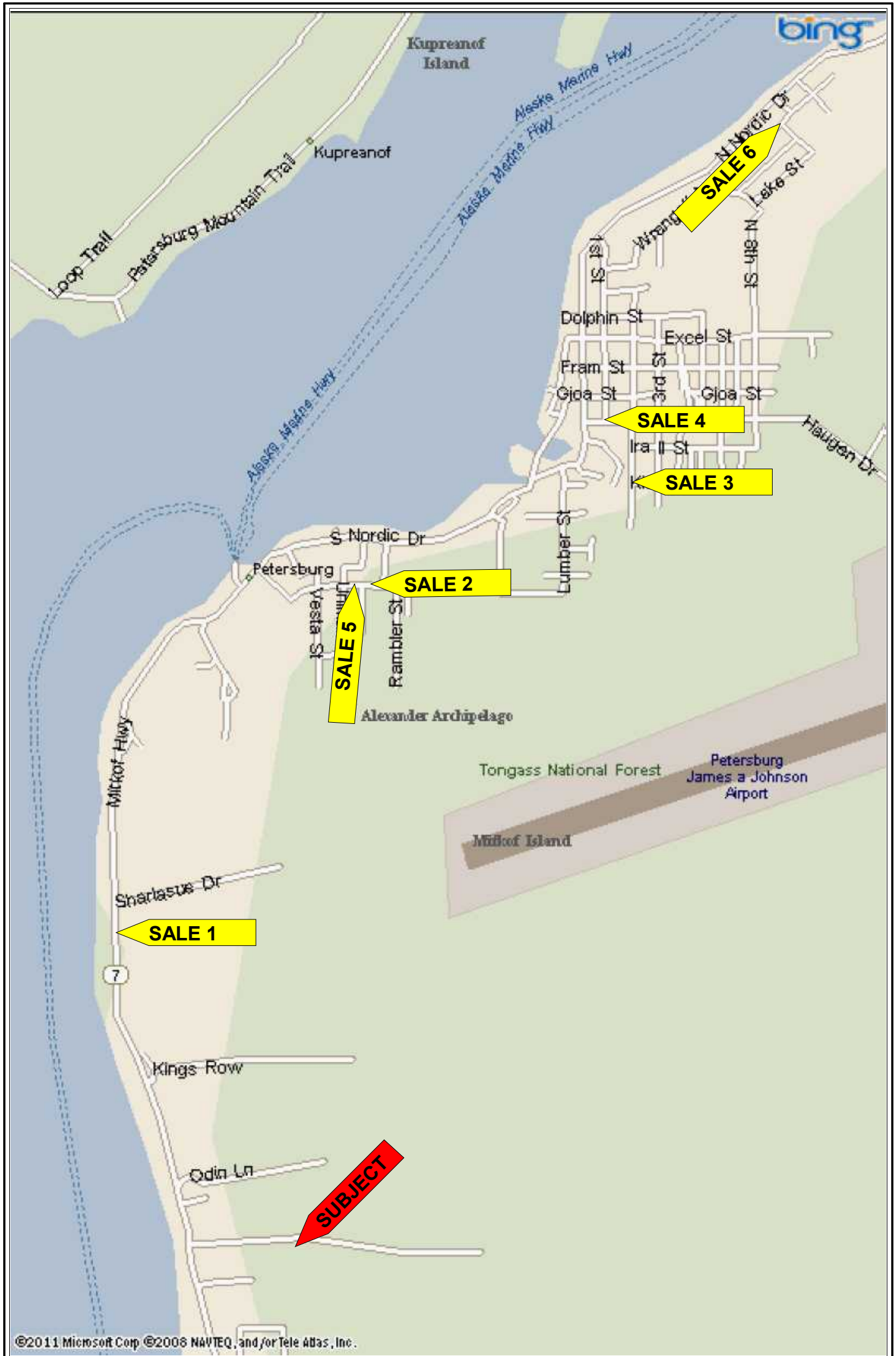
AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	2599.0	2599.0
GBA2	2nd Floor Right	1299.2	
	2nd Floor Left	1299.2	2598.4
GBA3	Third Floor Left	800.0	800.0
P/P	Upper Left Rear Dk	75.0	
	Upper Right Rear Dk	75.0	
	Deck	128.0	
	Deck	128.0	
	Covered Porch	132.0	
	Covered Porch	132.0	
	Covered Porch	75.0	
	Covered Porch	75.0	
	Deck	87.0	
	Deck	75.0	982.0
	Net LIVABLE Area	(Rounded)	2599
	Net BUILDING Area	(Rounded)	3398

LIVING/BUILDING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
	27.0 x	82.0	2214.0
	5.0 x	38.5	192.5
	5.0 x	38.5	192.5
2nd Floor Right			
	0.5 x	0.0 x 0.1	2.3
	0.5 x	0.0 x 0.1	2.3
	32.0 x	40.5	1294.5
2nd Floor Left			
	0.5 x	0.2 x 40.6	3.7
	0.5 x	0.2 x 40.6	3.7
	31.8 x	40.6	1291.7
Third Floor			
	25.0 x	32.0	800.0
10 Items		(Rounded)	5997

Borrower N/A
 Property Address 122 Cornelius Road
 City Petersburg County City of Petersburg State AK Zip Code 99833
 Lender/Client Premiere Asset Services Address 1 Home Campus, West Des Moines, 502665



Borrower	N/A						
Property Address	122 Cornelius Road						
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Lender/Client	Premiere Asset Services		Address 1 Home Campus, West Des Moines, 502665				



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Borrower	N/A						
Property Address	122 Cornelius Road						
City	Petersburg	County	City of Petersburg	State	AK	Zip Code	99833
Lender/Client	Premiere Asset Services		Address	1 Home Campus, West Des Moines, 502665			



**FRONT OF
SUBJECT PROPERTY**

122 Cornelius Road
Petersburg, AK 99833



**REAR OF
SUBJECT PROPERTY**



STREET SCENE

Borrower	N/A						
Property Address	122 Cornelius Road						
City	Petersburg	County	City of Petersburg	State	AK	Zip Code	99833
Lender/Client	Premiere Asset Services		Address	1 Home Campus, West Des Moines, 502665			



Kitchen



Bedroom



Bathroom

CANARY & ASSOCIATES, INC.
SUBJECT PHOTO ADDENDUM

File No. 07-11-035

Borrower	N/A						
Property Address	122 Cornelius Road						
City	Petersburg	County	City of Petersburg	State	AK	Zip Code	99833
Lender/Client	Premiere Asset Services		Address	1 Home Campus, West Des Moines, 502665			



Kitchen



Living room



Bathroom

Borrower N/A

Property Address 122 Cornelius Road

City Petersburg County City of Petersburg State AK Zip Code 99833

Lender/Client Premiere Asset Services Address 1 Home Campus, West Des Moines, 502665



Borrower	N/A						
Property Address	122 Cornelius Road						
City	Petersburg	County	City of Petersburg	State	AK	Zip Code	99833
Lender/Client	Premiere Asset Services		Address	1 Home Campus, West Des Moines, 502665			



COMPARABLE SALE # 1

181 Mitkof Hwy
Petersburg, AK 99833



COMPARABLE SALE # 2

706 Odin Street
Petersburg, AK 99833



COMPARABLE SALE # 3

204 South Second Street
Petersburg, AK 99833

Borrower	N/A						
Property Address	122 Cornelius Road						
City	Petersburg	County	City of Petersburg	State	AK	Zip Code	99833
Lender/Client	Premiere Asset Services		Address	1 Home Campus, West Des Moines, 502665			



COMPARABLE SALE # 4

304&306 N. First Street
Petersburg, AK 99833



COMPARABLE SALE # 5

800 Odin Street
Petersburg, AK 99833



COMPARABLE SALE # 6

1101 Wrangell Ave
Petersburg, AK 99833

Small Residential Income Property Appraisal Report

This report form is designed to report an appraisal of a two- to four-unit property, including a two- to four-unit property in a planned unit development (PUD). A two- to four-unit property located in either a condominium or cooperative project requires the appraiser to inspect the project and complete the project information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements including each of the units. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Small Residential Income Property Appraisal Report**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison and income approaches to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Small Residential Income Property Appraisal Report

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Shawn Kantola

Signature _____
 Name Shawn Kantola
 Company Name CANARY & ASSOCIATES, INC.
 Company Address P.O. Box 32361
Juneau, AK 99803
 Telephone Number 907-789-0871
 Email Address skantola@alaskaappraisal.com
 Date of Signature and Report 06/17/2011
 Effective Date of Appraisal 06/09/2011
 State Certification # 702
 or State License # _____
 or Other (describe) _____ State # _____
 State AK
 Expiration Date of Certification or License 6/30/2013

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

ADDRESS OF PROPERTY APPRAISED

122 Cornelius Road
Petersburg, AK 99833

APPRAISED VALUE OF SUBJECT PROPERTY \$ 260,000

LENDER/CLIENT

Name _____
 Company Name Premiere Asset Services
 Company Address 1 Home Campus
West Des Moines, 502665
 Email Address _____

SUBJECT PROPERTY

- Did not inspect subject property
 Did inspect exterior of subject property from street
 Date of Inspection _____
 Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES

- Did not inspect exterior of comparable sales from street
 Did inspect exterior of comparable sales from street
 Date of Inspection _____