

CERTIFICATIONS
Aircraft Appraisal Report - NXXXX
Conducted in conformity with the
Uniform Standards Of Professional Appraisal Practice

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

- A. The statement of facts contained in this report are true and correct.
- B. The reported analyses, opinion, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions, and conclusions.
- C. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- D. I have no bias with respect to the property that is the subject of this report or to the parties involved with the assignment.
- E. My engagement in this assignment is not contingent upon developing or reporting predetermined results.
- F. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal report.
- G. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- H. I have made an inspection of the property that is the subject of this report.
- I. No one provided significant professional or personal property appraisal assistance to the person signing this certification and report.

Tony Huckaba

Aero Enterprises

USPAP AIRCRAFT APPRAISAL REPORT

Client: Steve Smith **Attention:** N/A
Company: Airplane LLC **Phone:** 812.XXX.XXXX
Address: P. O. 608
Any City, IN 12345

This appraisal report is intended to be used by:

The XXX Group, Inc.
XXXX Bank
XX Bank
XXX National Bank

This appraisal report is to be held strictly confidential and should not be disseminated to anyone other than the intended users without the client's permission.

The purpose of this appraisal report is to estimate the Fair Market Value of the subject aircraft in U.S. dollars primarily for financing. For the purposes of this appraisal report the aircraft is considered to be free and clear of all liens and encumbrances, unless noted within the report.

The scope of work for this assignment includes:

- A. A physical inspection of the subject aircraft identified in the Aircraft Identification Section of this report.**
- B. A physical inspection of the aircraft's logbooks and records.**
- C. Determination whether the Market, Cost, or Income approach is relevant to the subject aircraft.**
- D. Determination of Fair Market Value, Wholesale Value, and Liquidation Value for the subject aircraft.**
- E. The appropriate research that includes many sources including aircraft advertised for sale, published value information, the use of proprietary databases.**
- F. The preparation of this summary appraisal report.**

Aircraft Identification

Make: BEECH AIRCRAFT COMPANY

Model: B200 - Super King Air

Serial No: BB-XXXX

Reg. No.: NXXXX

Yr. Mfg.: 1982

Type of Aircraft: Multi-Engine Prop-Jet

Airframe Total Time: 8981 Hrs. **No. Landings:** 8379 **Cycles:** 8379

Airframe Condition: Average

Log Books in Aircraft Appear: Original

Comments: This aircraft is fairly clean, presents well, and has a decent appearance. There was noted one spot of surface corrosion on the belly under the tail section. There were no fuel, oil or hydraulic fluid leaks noted. The cabin door, all baggage doors, panels, and hatches fit well. There were rivets missing from the leading edges of both wings, but otherwise all airframe surfaces are smooth and normal for the make and model with the years and hours of service.

The aircraft logbooks were presented to this appraiser in digitized format, and were verified to be the same as the originals on a subsequent visit to the maintenance facility handling the pre-purchase inspection. There are four airframe logbooks, one each left and right engine logbooks and three each propeller logbooks.

The first airframe logbook begins on 8/16/1982 with 33.2 hours in service and ends on 8/22/1988 with 2783.7 hours in service. Logbook #2 begins on 10/30/1988 with 2889 hours and ends on 2/12/1993 and 4951.5 hours in service. Logbook #3 begins on 3/8/1993 and 4993.2 hours and ends on 1/19/1998 with a Hobbs reading of 209.8 (Add 5885.3 for Hobbs change=6095.1). The 4th and last airframe log starts on 4/19/1998 with 6138.5 hours and has the final entry dated 1/11/2008 and 8966.3 total time.

The left engine logbook begins on 5/9/1997 with total engine time of 5839.4 and a TSO of 00.0 hours and the last entry on 5/10/2007 with 2902.4 hours SMOH. The right engine logbook begins on 6/13/2000 with a total engine service of 6472.1 hours and a TSO of 00.0 hours and the last entry on 5/10/2007 with 2251.7 hours SMOH.

Airframe and engine times are tracked by Hobbs meter. The Hobbs meter was replaced 3/5/97 5885.3 hours with a note in the logs to add this amount of time to the Hobbs reading.

The aircraft's registration and airworthiness certificates were located inside the aircraft. The aircraft is registered to Steady Compass LLC Incline Village, Nevada.

Maintenance Status

Maintenance Annual Date: 2/2009

Inspection: Phase 1 and 2 inspections were done on 5/10/2007 with 8847.1 total time. Phase 4 was done on 8/16/2006 with 8633.6 hours. The last phase 3 inspection was done on 3/8/2006 with 8451.4 hours total time.

The pre purchase inspection being done at this time will include phase 1 through 4 inspections.

Comments: This aircraft is maintained under FAR Part 135. In researching the logbooks there is indication that the maintenance has been lax. The last pitot static system and transponder check was done on 1/20/2008, which was 3 months late. One engine has been allowed to go beyond the limits for the hot section inspection. The thorough pre-purchase that is being completed on the aircraft now, should bring it up to proper standards.

Time Life Limited Systems: Yes **Cycle Life Limited Systems:** Yes

Comments: N/L

Service Bulletin Status: Mandatory service bulletins complied with.

AD's Complied With: Yes **Estimated Cost for AD's Compliance:** N/A

Tires Condition: Good **Type Brakes:** Disc **Anti-Skid:** No

Exterior Paint Condition: Average

Repaint Date: 3/13/2002 **Repainted By:** Excel Aircraft Services, Mena, AR

Comments: The paint is adhering well and has good luster, but has numerous scratches and scrapes. Aeroflair, Santa Maria, CA, did the previous paint on 9/20/1993.

Interior Condition: Average **Cabin Configuration:** Passenger

Cockpit Condition: Average **Panel Layout:** Average

Pressurized Cabin: Yes **Window Condition:** Average

Comments: On 9/9/1993 E.A.R. Insulation was installed. The headliner and carpet was replaced and seats reupholstered by Aeroflair on 3/13/2002. Rose Aircraft Companies, Mena, AR, last refurbished the interior on 3/13/2002. The leather is cracking and everything looks well used. However there is still a lot of service left in the interior.

Airframe Modifications

Date of Modification: 4/16/1993

Modification: Raisbeck Enhanced performance leading edges

Date of Modification: 4/16/1993

Modification: Raisbeck dual aft body strakes

Date of Modification: 4/16/1993

Modification: Raisbeck fully enclosed high flotation gear doors

Date of Modification: 4/16/1993

Modification: Raisbeck nacelle wing lockers and lower flap fairings

Date of Modification: 4/16/1993

Modification: Raisbeck composite exhaust stack fairings

Date of Modification: 4/16/1993

Modification: Raisbeck Ram Air Recovery System

Damage History

Current Damage: None Listed

Historical Damage: None Listed

Engines & Props

Engine Manufacturer: Pratt and Whitney

Model: PT6A-42

Engine Type: Prop Jet

Engine Fire Detection: Yes

Engine Fire Bottles: Yes

Prop Reversers: Yes

Prop Type: Constant Speed

Propeller TBO: 3600 Hrs.

Engine #1 Serial No: 93496

Time Since Overhaul to New Engine Limits: 3035.3 Hrs.

Engine Overhauled By: Airwork, Millville, NJ

Recommended TBO: 3000 Hrs.

Comments:

Propeller Make: Hartzell **Model:** HC-D4N-3A **Number of Blades:** 4
TSO/NEW: 1251 Hrs. **Date O/H:** 4/15/1993 **Serial Number:** FY1302

Engine #2 Serial No.: 93485

Time Since Overhaul to New Engine Limits: 2415.6 Hrs.

Engine Overhauled By: Standard Aero, Winnipeg, Manitoba **Recommended TBO:**
3000 Hrs.

Comments: The left engine is almost 400 hours past HSI. There is a deduction for this.

Propeller Make: Hartzell **Model:** HC-D4N-3A **Number of Blades:** 4
TSO/NEW: 1251 Hrs. **Date O/H:** 4/15/93 **Serial Number:** FY948

Engine Modifications

Engine Modification Date: 4/15/1993
Modification: Raisbeck Quiet Turbofan Propellers

Known Maintenance Problems with Engine(s): HSI past due on L/H Engine.

Estimated Cost to Repair: \$95,000

General Engine Comments: N/L

Instrumentation

Full Panel: Yes **Dual Panel:** Yes
Panel Configurations: Average **Panel Condition:** Average
IFR Equipped: Yes
Comments: N/L

Avionics

Type of Avionic: ADF

Mfg: COLLINS

Model: ADF 60A

Type of Avionic: AIR DATA COMPUTERS

Mfg: SHADIN

Model: ADC 6000

Type of Avionic: COMM

Mfg: COLLINS

Model: VHF 20

Mfg: COLLINS

Model: VHF 20

Type of Avionic: DME

Mfg: COLLINS

Model: DME 40

Type of Avionic: ELT (TURBINE AIRPLANES)

Mfg: ARTEX

Model: ELT 110-4

Type of Avionic: GPS

Mfg: TRIMBLE

Model: TNL 2101

Type of Avionic: GPWS

Mfg: HONEYWELL

Model: EGPWS

Type of Avionic: INTEGRATED FLIGHT CONTROL SYSTEMS

Mfg: SPERRY

Model: SPZ 200

Type of Avionic: MULTI FUNCTION DISPLAY

Mfg: AVIDYNE

Model: FLIGHT MAX EX 500

Type of Avionic: NAV

Mfg: COLLINS

Model: VIR 30 A

Mfg: COLLINS

Model: VIR 30 A

Type of Avionic: RMI

Mfg: AERONETICS

Model: 3137

Type of Avionic: RNAV

Mfg: B.F. GOODRICH

Model: RNAV 612

Type of Avionic: STORMSCOPE

Mfg: B.F. GOODRICH

Model: WX 1000

Type of Avionic: TCAD

Mfg: RYAN INTERNATIONAL

Model: ATS 9000

Type of Avionic: TELEPHONE

Mfg: GLOBAL WULFSBERG

Model: FLITEFONE III

Type of Avionic: TRANSPONDERS

Mfg: COLLINS

Model: TDR 90

Mfg: COLLINS

Model: TDR 90

The Avionics On This Aircraft Are Considered To Be: Average

Additional Equipment

Dual Controls: Yes	Type: Yoke
Stall Warning System: Yes	Stick Shaker: No
Rotating Beacon: Yes	Strobe Light: Yes
Taxi Lights: Yes	Navigation Lights: Yes
Long Range Fuel: No	Fuel Qty: 800
Single Point Refuel: No	
Toilet: Yes	Lavatory: No
Galley: No	Cabinetry: No
Other Equipment: Lateral tracking club seats – Aft jumpseats	

De-Icing Systems

Known Ice System: Yes	Ice Lights: Yes
Prop De-Ice: Yes	De-Ice Type: Electric
Wing Tail Boots: Yes	Boots Condition: Good
Windshield De-Ice: Yes	Windshield Wipers: Left Only
Jet Intake De-Ice: No	Pitot Heat: Yes
Comments: N/L	

Aircraft Appraisers Comments

This aircraft received its original airworthiness certificate on 6/4/1982. The aircraft's original owner through 3/24/1993 was the B & S Corporation based in Milwaukee WI. XYZ Communications Corporation, based in XXXX CA, next owned the aircraft. The aircraft was then acquired by the present owner XXXX, LLC on 8/27/2002 and has been based at San Carlos and Palo Alto, California since that time.

The aircraft was weighed on 3/16/06 and has an empty weight of 8370 lbs and the CG is 1185.97 inches.

The Market, Income, and Cost Approaches have been considered to determine the value of the subject aircraft. After due consideration it has been determined that the Market Approach is the only relevant method for conducting this appraisal.

The highest and best use of this aircraft has been considered. The aircraft was manufactured as a personal and corporate transportation vehicle, and it has been and is being used for that purpose.

The market for the Beech B200 is strong and the values are rising, as is the case with most turbine aircraft.

According to the Jetnet database there are, at this time 68 B200s for sale. In the past six months the number of Beechcraft B200s for sale is 51. There have been 66 introduced to the market in this time frame.

Also, according to Jetnet the average asking price for these aircraft is \$2,953,231. The average model year is 1992. The average low asking price is \$1,446,250, the average high is \$4,700,000. The average airframe is 5,297 hours.

As part of this appraisal this appraiser selected two similar Beechcraft B200s from the Jetnet database to use for comparison purposes. The first aircraft is serial number BB992 and has been on the market for 90 days with an asking price of \$1,450,000. The aircraft is listed as having 9040 airframe hours and 3248 hours since major overhaul for both engines. This aircraft has more value in avionics than the subject.

The second aircraft is serial number BB1003 and has been on the market for 109 days with an asking price of \$1,395,000. It has 7200 airframe hours. This aircraft has less avionics than the subject.

Both comparison aircraft have had identical damage history, which is nose gear collapse.

While this appraiser has not seen the comparison aircraft or their records an NAAA evaluation was done considering the differences between the aircraft. Airframe time, engine time since major overhaul, avionics equipment, paint and interior were evaluated based upon the data listed

on Jetnet. NAAA data also considers the condition of the airframe. For this purpose the same rating, "Average," which this appraiser assigned to the subject aircraft after inspecting it, was used on all three aircraft.

The main differences between the comparison and subject aircraft are the full compliment of Raisbeck Mods on the subject aircraft. The damage history of the comps and the engine maintenance due on the subject virtually cancel each out.

The current evaluation based on the aircraft as it sits, is below. It indicates that the appraised value of the aircraft is \$1,456,920. However, part of the purpose of this report is to arrive at a value of this aircraft when the contemplated upgrades are completed. If those upgrades, which are – Blackhawk XP with PT6A -51 engines, BLR winglets, new paint and interior and full avionics upgrade, are completed as described to this appraiser the value will raise to approximately \$2,700,000. There is a Market Analysis with this report detailing the value of the upgrades.

This aircraft, N14HG, was personally inspected on 2/20/2008 by Tony Huckaba, member of the National Aircraft Appraisers Association at Mather Airport, located at Sacramento, Yolo County, CA.

Aircraft Comparison Chart Based on NAAA Data

(This information is for comparison purposes only)

Make: BEECH AIRCRAFT COMPANY

	Aircraft #1	Aircraft #2	Subject A/C
Year	1982	1982	1982
Model	B200	B200	B200 - Super King Air
Serial Number	BB992	BB1003	BB-XXXX
Asking Price	\$1,450,000	\$1,385,000	
Airframe Time	9040	7200	8981
Engine(s) SMOH	3248/3248	4152/4152	3035.3/2415.6
Engine(s) TBO(Hrs.)	3600/3600	8000/8000	
Days Listed For Sale	90	109	
Avionics	More	Less	
Adjust For			
Airframe Time*	+\$114,120 damage +\$156,380 Mods	+\$114,120 damage +\$138,330 Mods	
Engine(s) SMOH**	+\$34,340 -\$95,000	-\$128,950 -\$95,000	
Avionics	-\$253,520	\$41,630	
Approximate Value	\$1,464,220	\$1,454,220	
Adjusted to Subject Aircraft Based Upon NAAA Database			
Approximate NAAA Market Value	\$1,507,900	\$1,384,090	
Subject Aircraft Appraised Value			\$1,456,920

* Airframe values are adjusted for - Damage history, high/low airframe time, and airframe mods. Both the comp aircraft have has identical damage history, which is nose gear collapse. This and the difference in modification value between the comp aircraft and the subject aircraft are added back in. Comp aircraft #2 has a slight increase in value due to lower airframe total time.

** Comp aircraft #1 has less engine residual value. Comp aircraft #2 is on the MORE engine maintenance program, which increases the TBO to 8,000 hours, hence has a higher engine residual value.

Aircraft Blue Book Comparison Chart - Winter 2007/2008 Volume 07-4

(See Above Chart For Aircraft Details)

	Aircraft 1	Aircraft 2	Subject A/C
Blue Book Average Value	\$1,650,000	\$1,650,000	\$1,650,000
Airframe Time Calculation*	\$0	\$+66,000	\$0
Engine Time**	-\$125,499	\$-313,615	-\$238,340
Avionics***	\$29,430	+\$37,480	\$22,200
Add for:	RSB Stacks \$4,500	RSB Props \$60,000	RSB Mods \$161,190
190 Raisbeck Mods			P & I -\$28,500
 Book Value	 \$1,444,431	 \$1,385,865	 \$1,566,550

* Subject aircraft is within 10% of fleet average no addition/deduction. Comp aircraft #1 is within 10% of fleet average no addition/deduction. Comp aircraft #2 has low total airframe time and has a 4% addition to overall value.

** Subject aircraft has a deduction of \$143,340 for engine time past mid-time and a deduction of \$95,000 for HSI that is past due. This is quoted by Mather Aviation LLC as an approximation. Comp aircraft #1 has a deduction of \$193,076 for engine high time, but with JSSI coverage of 35% the reduction is reduced to \$125,499. Comp aircraft #2 is on the MORE engine plan which gives them a TBO of 8000 hours, but Bluebook does not recognize the MORE plan hence there is a reduction for the engines being past mid time.

*** All aircraft have above average avionics according to Bluebook.

Appraisal Computation

Average Green Aircraft Value **\$1,141,150**

Additions

Add for Airframe Condition	\$0
Add for Airframe Low Total Time	\$0
Add for Annual and Mandatory Inspection	\$4,430
Add for Exterior Paint Value	\$13,750
Add for Interior Value	\$20,100
Add for Airframe & Engine Modifications	\$161,190
Add for Engine(s) Residual Value	\$63,450
Add for Propeller(s) Residual Value	\$7,050
Add for Avionics Value	\$132,400
Add for De-Ice Systems Value	\$8,400
Add for Additional Equipment	\$0
	=====
Total Additions	\$410,770

Deductions

Deduct for Airframe Condition	\$0
Deduct for Airframe High Total Time	\$0
Deduct for Damage History	\$0
Deduct for Airframe/Engine Maintenance Items	-\$95,000
Deduct for Exterior Paint Value	\$0
Deduct for Interior Value	\$0
Deduct for AD's Estimated Cost for AD Compliance	\$0
Deduct for Estimated Cost to Repair Avionics	\$0
	=====
Total Deductions	-\$95,000

Based on the above, the computed retail value of NXXXX is **\$1,456,920**

Based on the above, the computed wholesale value of NXXXX is **\$1,279,520**

Based on the above, the computed liquidation value of NXXXX is **\$1,236,087**

DEFINITIONS

APPRAISAL: The act or process of developing an opinion of value; an opinion of value.

APPRAISER: A person who performs valuation services competently and in a manner that is independent, impartial, and objective.

ASSUMPTION: Information that is taken to be true.

CLIENT: A party or parties who engage an appraiser for a specific assignment.

CONFIDENTIAL INFORMATION: Information that is identified as confidential by a client when it is provided to the appraiser, which is not available from any other source.

EXTRAORDINARY ASSUMPTION: An assumption, directly related to a specific appraisal assignment, which, if found to be false, could alter the appraiser's opinions or conclusions.

FAIR MARKET VALUE (as used in this report):

The price that would be agreed upon between a willing buyer and a willing seller, with neither being required to act, and both having reasonable knowledge of the relevant facts.

HIGHEST AND BEST USE (as used in this report): The reasonably probable and legal use of personal property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

INTENDED USE: The use or uses of an appraiser's reported appraisal and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

INTENDED USER: The client and any other party as identified, by name or type, as users of the appraisal report by the appraiser on the basis of communication with the client at the time of the assignment.

LIQUIDATION VALUE (as used in this report): The price that would be agreed upon between a willing buyer and a seller who is compelled to sell on a specific date given a reasonable period of time to find a purchaser, in an appropriate marketplace with knowledgeable buyers, with the buyer assuming all costs of removal, with all sales made free and clear of all liens and encumbrances.

WHOLESALE VALUE (as used in this report): The price agreed upon between a willing buyer who is a dealer, broker, agent, or individual who is intending to resell the subject property, and the seller, who may or may not be acting under a compulsion to sell on a specific date given a reasonable period of time to find a purchaser.

NATIONAL AIRCRAFT APPRAISERS ASSOCIATION

The information herein has been prepared from many sources and believed to be correct. The National Aircraft Appraisers Association and Aero Enterprises do not warrant the accuracy of the source material.

An inspection and inventory was conducted by a physical examination of the external surfaces of the aircraft, cockpit and passenger cabin. It includes an inventory and assessment of condition of avionics, instrumentation and aircraft systems. No inspection plates were removed for internal inspection. Further, the logbooks and other aircraft records were carefully examined for compliance with FAA regulations relating to Airworthiness Directives, damage and maintenance history, along with other required inspections.

The following extraordinary assumption was made. All aircraft records were assumed to be authentic, and unaltered unless specific comments indicate otherwise. Signatures attesting to and inspections detailed therein were assumed to be entered by persons designated and appropriately licensed to make the entries. AD compliance was attested to by referencing the date of last annual inspection or other appropriate inspections. No hypothetical conclusions were made.

No departures from any of the USPAP standards were made in this report.

The appraiser hereby certifies that he has no personal interest in the aircraft identified in this appraisal or any bias toward any of the parties who may be involved in the resulting transaction coincident to this report. The appraiser's fee is not contingent upon a predetermined value being reported or a percentage of the value being reported.

All values expressed in this report are in U.S. Dollars unless otherwise stated.

The effective date of this report is 02/23/2008 and the expiration date of this report is 05/23/2008. This report was written on 2/28/2008.

This appraisal report may be used for the stated purpose exclusively and only in its entirety. Appraisal procedures, research methodology, market selection, and the resulting value conclusions can vary with the various purposes and functions of appraisal assignments. Therefore, this report, the markets selected, and the value conclusions are intended solely for the stated purpose and function. They are invalid for any other purpose or function.

In the event of error or omission, the liability of the Association, or Association Members, if any, is limited and may not, in any event, exceed the amount paid for the appraisal. Further, the National Aircraft Appraisers Association accepts no responsibility for usage of this form unless signed by an officer or current Member of the Association.

Tony Huckaba
Certified Senior Aircraft Appraiser

*National Aircraft
Appraisers Association
Certificate of Appraisal*

A visual inspection and logbook analysis was performed 2/20/2008 on the aircraft NXXXX at: Mather Airport, located at: Sacramento, CA. It is the opinion of this appraiser that the fair market value of the above aircraft is:

\$1,456,920

This appraisal is valid when accompanied by appraisal work sheet number #20080228NXXXX and signed by an Aircraft Appraiser Certified by the National Aircraft Appraisers Association.

SIGNED

**Tony Huckaba
CERTIFIED AIRCRAFT APPRAISER**