

APPRAISAL OF REAL PROPERTY

LOCATED AT:

Patrick St/Calion St
Lot 1R of Block A, Revised Part of Block A of Stuck & Stuck Sec Addition
Jonesboro, AR 72401

FOR:

City of Jonesboro

AS OF:

December 4, 2006

BY:

Bob Gibson, CG0247

Bob Gibson and Associates Inc.
P O Box 3071
420 W Jefferson, Suite A
Jonesboro, AR 72401

December 4, 2006

City of Jonesboro

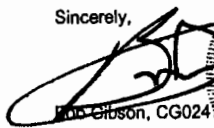
Re: Property: Patrick St/Callon St
Jonesboro, AR 72401
Borrower: CLIENT: City of Jonesboro
File No.:

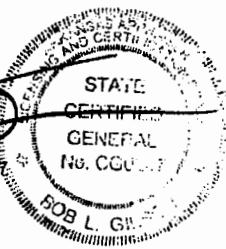
Pursuant to your request, I have prepared a appraisal report of the property captioned in the "Summary of Salient Features" which follows. As you have requested, I have prepared this report in accordance with most area lenders. To the best of my knowledge, this report conforms to the current requirements prescribed by the Uniform Standards of Professional Appraisal Practice of the Appraisal Standards Board of the Appraisal Foundation (as required by the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA)).

The accompanying report is based on a site inspection of improvements, investigation of the subject neighborhood area of influence, and review of sales, cost, and income data for similar properties. This appraisal has been made with particular attention paid to applicable value-influencing economic conditions and has been processed in accordance with nationally recognized appraisal guidelines.

The value conclusions stated herein are as of the effective date as stated in the body of the appraisal, and contingent upon the certification and limiting conditions attached. The person (s) signing this report have the knowledge and experience to complete this assignment competently. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,


Bob Gibson, CG0247



SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	Patrick St/Calion St
	Legal Description	Lot 1R of Block A, Revised Part of Block A of Stuck & Stuck Second Addition
	City	Jonesboro
	County	Craighead
	State	AR
	Zip Code	72401
	Census Tract	280045-0006.02
	Map Reference	27860
SALES PRICE	Sale Price	\$ NA
	Date of Sale	NA
CLIENT	Borrower/Client	CLIENT: City of Jonesboro
	Lender	City of Jonesboro
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	
	Price per Square Foot	\$
	Location	Urban
	Age	
	Condition	
	Total Rooms	
	Bedrooms	
	Baths	
APPRAISER	Appraiser	Bob Gibson, CG0247
	Date of Appraised Value	December 4, 2006
VALUE	Final Estimate of Value	\$ 70,000

LAND APPRAISAL REPORT

File No.

Borrower CLIENT: City of Jonesboro Census Tract 280045-00 Map Reference 27860
 Property Address Patrick St/Callon St
 City Jonesboro County Craighead State AR Zip Code 72401
 Legal Description Lot 1R of Block A, Revised Part of Block A of Stuck & Stuck Second Addition
 Sale Price \$ NA Date of Sale NA Loan Term NA yrs. Property Rights Appraised ☒ Fee ☐ Leasehold ☐ De Minimis PUD
 Actual Real Estate Taxes \$ NA (yr) Loan charges to be paid by seller \$ NA Other sales concessions NA
 Lender/Client City of Jonesboro Address _____
 Occupant Vacant Appraiser Bob Gibson, CG0247 Instructions to Appraiser As Vacant

Location ☒ Urban ☐ Suburban ☐ Rural
 Built Up ☒ Over 75% ☐ 25% to 75% ☐ Under 25%
 Growth Rate ☐ Fully Dev. ☐ Rapid ☒ Steady ☐ Slow
 Property Values ☐ Increasing ☒ Stable ☐ Declining
 Demand/Supply ☐ Shortage ☒ In Balance ☐ Oversupply
 Marketing Time ☐ Under 3 Mos. ☒ 4-6 Mos. ☐ Over 6 Mos.
 Present Land Use 50% 1 Family 25% 2-4 Family 25% Apts. 25% Condo 25% Commercial
 % Industrial 25% % Vacant 25%
 Change in Present Land Use ☒ Not Likely ☐ Likely (*) ☐ Taking Place (*)
 (*) From _____ To _____
 Predominant Occupancy ☒ Owner ☐ Tenant 5% % Vacant
 Single Family Price Range \$ 50,000 to \$ 100,000 Predominant Value \$ 80,000
 Single Family Age 10 yrs. to 60 yrs. Predominant Age 20 yrs.

Employment Stability ☐ Good ☒ Avg. ☐ Fair ☐ Poor
 Convenience to Employment ☐ ☒ ☐ ☐
 Convenience to Shopping ☐ ☒ ☐ ☐
 Convenience to Schools ☐ ☒ ☐ ☐
 Adequacy of Public Transportation ☐ ☒ ☐ ☐
 Recreational Facilities ☐ ☒ ☐ ☐
 Adequacy of Utilities ☐ ☒ ☐ ☐
 Property Compatibility ☐ ☒ ☐ ☐
 Protection from Detrimental Conditions ☐ ☒ ☐ ☐
 Police and Fire Protection ☐ ☒ ☐ ☐
 General Appearance of Properties ☐ ☒ ☐ ☐
 Appeal to Market ☐ ☒ ☐ ☐

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): Bound to the north by Magnolia, to the east by N Caraway, to the south by Johnson Ave, and to the west by Main St. No negative influences are noted.

Dimensions Approx 225 x 310.4 = 69,840 Sq. Ft. or Acres ☐ Corner Lot
 Zoning classification I-1 Industrial Present Improvements ☐ do ☐ do not conform to zoning regulations
 Highest and best use ☐ Present use ☒ Other (specify) Multi-Family is located west, north, and east of subject.
 Public ☒ Other (Describe) _____
 Elec. ☒ Street Access ☒ Public ☐ Private
 Gas ☒ Surface Asphalt Size Above Average
 Water ☒ Maintenance ☒ Public ☐ Private Shape Rectangular
 San. Sewer ☒ Storm Sewer ☐ Curb/Gutter View Avg-Residential
☐ Sidewalk ☒ Street Lights Drainage Appears Adequate
☐ Underground Elect. & Tel. Is the property located in a HUD Identified Special Flood Hazard Area? ☒ No ☐ Yes
 Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): No apparent adverse easements or encroachments noted during the physical inspection.

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

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	Patrick St/Callon St Jonesboro	See Addenda		
Proximity to Subject				
Sales Price	\$ <u>NA</u>	\$ _____	\$ _____	\$ _____
Price	\$ _____	\$ _____	\$ _____	\$ _____
Data Source	Inspection			
Date of Sale and Time Adjustment	DESCRIPTION	DESCRIPTION +(-)\$ Adjust	DESCRIPTION +(-)\$ Adjust	DESCRIPTION +(-)\$ Adjust
Location	Urban			
Site/View	1.6 ac			
Sales or Financing Concessions	NA			
Net Adj. (Total)		\$ _____	\$ _____	\$ _____
Indicated Value of Subject		\$ _____	\$ _____	\$ _____

Comments on Market Data: City is wanting to purchase subject property for use as a fire station. Appraisal is to estimate fair market value.

Comments and Conditions of Appraisal: Subject is zoned I-1; however, the highest and best use, in the opinion of the appraiser, is multi-family. Multi-family construction is located on three sides of the subject. The intended purpose of the purchase is to construct a fire station. It is assumed that a fire station would be permitted in I-1 zoning.

Final Reconciliation: After adjustments for size, location, and time, a value of \$1/sf has been given our subject. Therefore, \$1 x 69,840 sf = \$69,840. Rounded \$70,000

I ESTIMATE THE MARKET VALUE OF SUBJECT PROPERTY AS OF December 4 20 06 to be \$ 70,000

Appraiser(s) Bob Gibson, CG0247 Review Appraiser (if applicable) ☐ Did ☐ Did Not Physically Inspect Property

(Y2K)

Supplemental Addendum

File No.

Borrower/Client	CLIENT: City of Jonesboro			
Property Address	Patrick St/Calion St			
City	Jonesboro	County	Craighead	State AR Zip Code 72401
Lender	City of Jonesboro			

Gramm-Leach-Bliley (GLB) Act Compliance/Intended User:

This report has been prepared for the Lender/Client as shown on page one of the report. The purpose of the report is to aid in determining the suitability of the subject property as collateral for a mortgage. The borrower is neither the appraiser's client or the intended user of this report. In accordance with the GLB Act, no non-public information regarding the borrower and/or the subject property has been conveyed by the appraiser to the Lender/Client only, except the following when/if they are observed: Differences with public records regarding dwelling size, dwelling condition, or areas finished that are not shown in public records; any safety or environmental problems/conditions observed; whether or not the subject property is owner occupied, vacant, or tenant occupied. Zoning compliance will be reported. When a property is rented, actual rent and lease information will be reported to the Lender/Client. Any apparent encroachments, easements, functional and external obsolescence will also be reported to the Lender/Client.

I have not checked the land records for recorded easements & did not note any apparent adverse easements or encroachments. Any easements, encroachments, restrictions, covenants, etc uncovered through a title search, legal opinion, or property survey should be submitted to the appraiser for consideration. The appraiser reserves the right to analyze all such information and amend the appraised value, if necessary.

Sale #1

Grantor/Grantee: Hugg to Watson
 Location: 329 Steele Street
 Date: 6-12-01
 Record: Book 607 Page 699
 Sales Price: \$25,000
 Size: 13,200 sf
 Price/Sq Ft: \$1.89

Sale #2

Grantor/Grantee: Syndicated Investments/Harral
 Location: 709 W Matthews
 Date: 5-17-01
 Record: Bk 606 Pg 367
 Sales Price: \$17,000
 Size: .219 ac or 9528 sf
 Price/Sq Ft: \$1.78

Sale #3

Grantor/Grantee: Shannon & Vanagunas/Holcomb
 Location: 1800 Aggie
 Date: 8-22-00
 Sale Price: \$23,000
 Size: 14,484 sf
 Price/Sf: \$1.59
 Comments: Had old house that was tore down

Sale #4

Grantor/Grantee: Wilkes/Harral
 Location: Jefferson/Olive
 Date: 7-25-00
 Sale Price: \$27,000
 Size: .63 ac
 Price/Sf: \$0.98

Sale #5

Grantor/Grantee: Vaughn/Roberts
 Location: 1210 W Oak
 Date: 3-24-06
 Record: Bk 719 Pg 706
 Sale Price: \$20,000
 Size: 12,950 sf
 Price/Sf: \$1.54

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Property Address	Patrick St/Calion St			
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Lender	City of Jonesboro			

Sale #6

Grantor/Grantee: Haggenmaker to Tangeman
Location: 106 Leggett
Date: 8-3-99
Record: Bk 580 Pg 84
Sale Price: \$58,000
Size: 1.52 ac
Price/Sf: \$0.87

Sale #7

Grantor/Grantee: Matthews to Bearden
Location: Off Caraway @ Thaddeus
Date: 12-11-96
Record: Bk 524 Pg 82
Sale Price: \$80,000
Size: 1.32 ac or 60,113 sf
Price/Sf: \$1.33

Sale #8

Grantor/Grantee: Tim McDougale, Purchaser
Location: Between A-State Warehouses and Leggett Street
Date: 5-96
Sale Price: \$65,000
Size: 2.54 ac+-
Price/Sf: \$0.60
Zoned: Industrial

Sale #9

Grantor/Grantee: Sonic to McDougale
Location: Leggett St
Date: 10-18-00
Record: Bk 597 Pg 687
Sale Price: \$10,000
Size: .36 ac or 15,502 sf
Price/Sf: \$0.65
Comments: Most recent purchase by mini storage - zoned industrial

After adjustments, a value of \$1.00/sf is given subject property.

$\$1.00 \times 69,840 \text{ sf} = \$69,840$ - Rounded to \$70,000

Associated Engineering and Testing, LLC

P.O. Box 1462 - Jonesboro, AR 72403 - Phone (870) 932-3594 - FAX (870) 935-1263

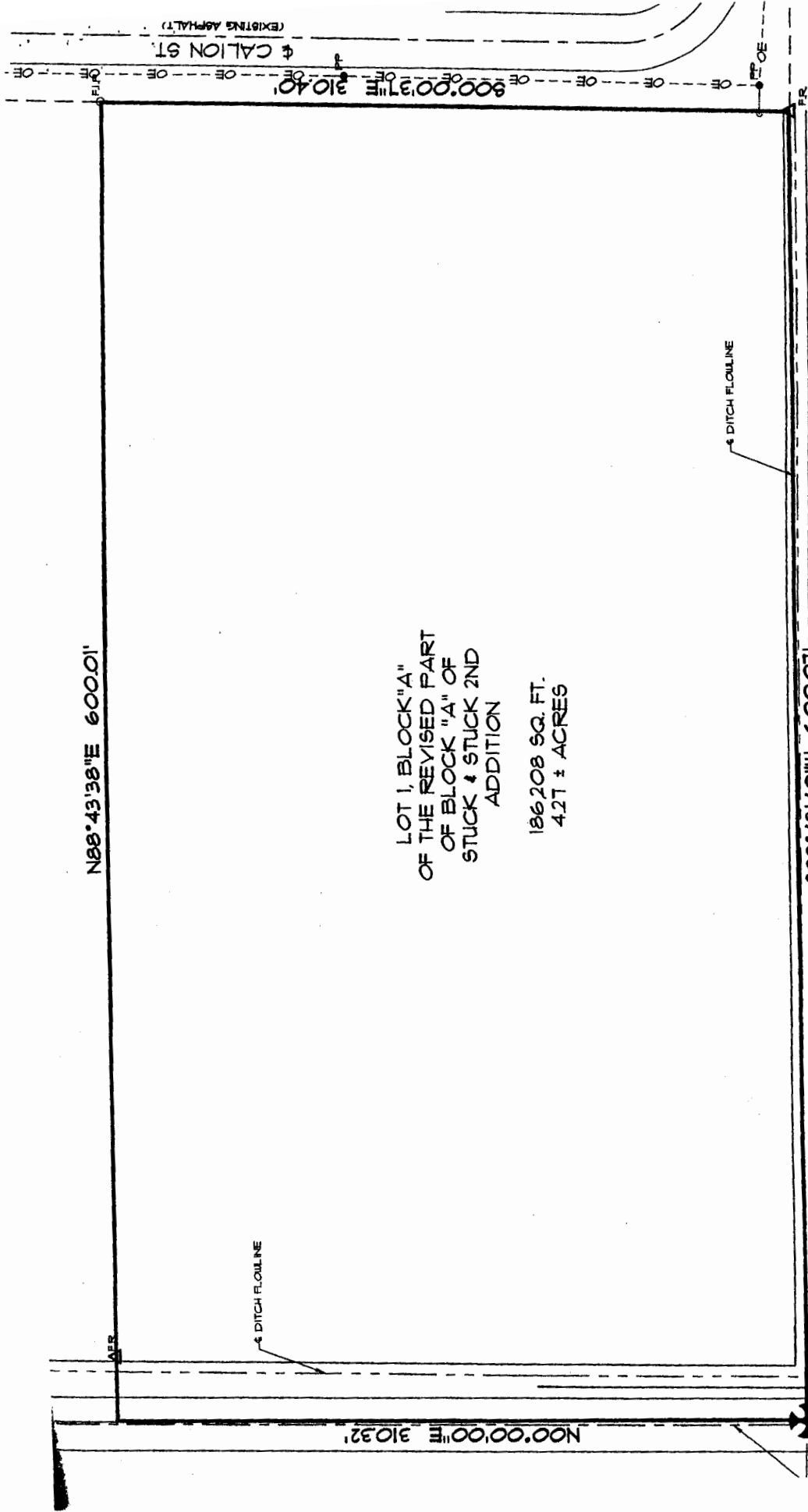
DESCRIPTION

PART OF LOT 1R, BLOCK "A" OF THE REVISED PART OF BLOCK "A" OF STUCK AND STUCK 2ND ADDITION AS RECORDED IN THE PUBLIC RECORDS IN JONESBORO, CRAIGHEAD COUNTY, ARKANSAS, ALSO BEING PART OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 14 NORTH, RANGE 4 EAST, CRAIGHEAD COUNTY, ARKANSAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 17, TOWNSHIP 14 NORTH, RANGE 4 EAST, CRAIGHEAD COUNTY, ARKANSAS, ALSO BEING THE SOUTHWEST CORNER OF LOT 1R, BLOCK "A" OF THE REVISED PART OF BLOCK "A" OF STUCK AND STUCK 2ND ADDITION AS RECORDED IN THE PUBLIC RECORDS IN JONESBORO, CRAIGHEAD COUNTY, ARKANSAS: THENCE NORTH 00°00'00" EAST, DEPARTING SAID SOUTHWEST CORNER AND ALONG THE WEST LINE OF SAID LOT 1R, 310.39 FEET TO THE NORTHWEST CORNER OF LOT 1R, BLOCK "A", AFORESAID: THENCE NORTH 88°43'38" EAST DEPARTING SAID NORTHWEST CORNER AND ALONG THE NORTH LINE OF SAID LOT 1R, 225.00: THENCE SOUTH 00°00'00" EAST DEPARTING SAID NORTH LINE, 310.40 FEET TO A POINT ON THE SOUTH LINE OF SAID LOT 1R: THENCE SOUTH 88°43'40" WEST ALONG SAID SOUTH LINE, 225.00 FEET TO THE POINT OF BEGINNING.

CONTAINING IN ALL 69,823 SQ. FT. OR 1.60 ACRES, MORE OR LESS.

SUBJECT TO EASEMENTS, RESTRICTIONS, RESERVATIONS AND RIGHTS-OF-WAY OF RECORD.



LOT 1, BLOCK "A"
OF THE REVISED PART
OF BLOCK "A" OF
STUCK & STUCK 2ND
ADDITION
186,208 SQ. FT.
4.27 ± ACRES

POINT OF
BEGINNING
SOUTHWEST CORNER
N1/4, N1/4, N1/4
SECTION 17, T4N, R4E

1914
N1/4, N1/4
N1/4, N1/4
N1/4, N1/4

(EXISTING ASPHALT)
CALION ST.

Parcel Detail Report: Craighead County

Created: 10/2/2006 3:33:48 PM

[Print](#) | [Close](#) | [Printing Problems?](#)**Basic Information**

Parcel Number: 01-144172-14600

Ownership TATE QUILLEN
Information:[Map This Address](#)Billing TATE QUILLEN
Information: PO BOX 9184
JONESBORO AR 72403

Total Acres: 4.26

Timber Acres: 0.00

Section-
Township-Range: 17-14-04

Lot/Block: 1R/A

Subdivision: STUCK & STUCK 2ND ADD

Legal
Description: REVISED PLAT OF LOTS 1 THRU 5 BLK A STUCK & STUCK 2ND ADD 310X600 LOT 1-R

School District: J JB JONESBORO CITY

Homestead
Parcel?: No**Land Information**

Land Divisions:	Land Type	Quantity	Front Width	Rear Width	Depth 1	Depth 2	Quarter
	COMM	1 lots	310	310	600	600	
	COMM	3.26 acres					

Valuation Information

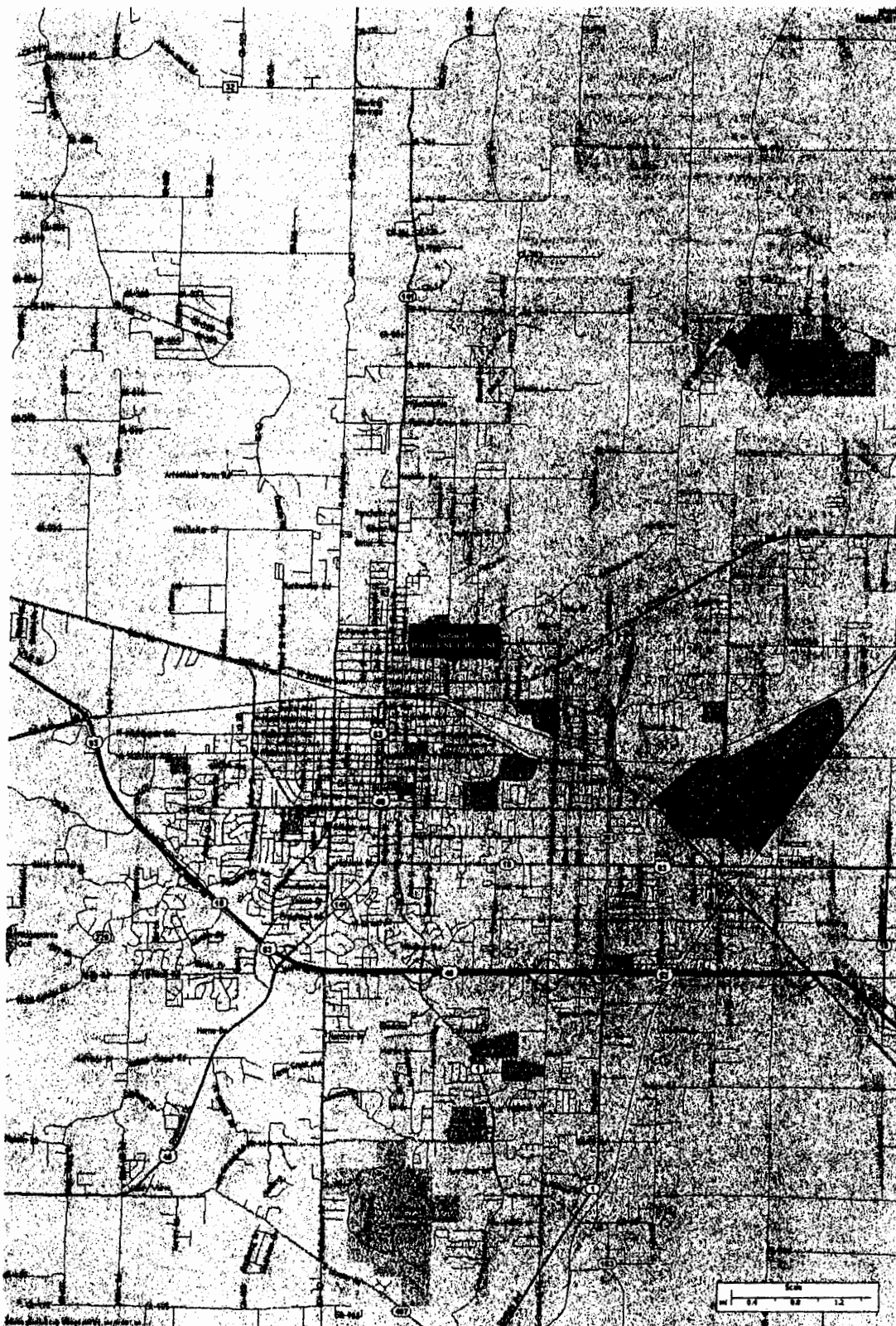
	Appraised	Assessed
Land:	31,550	6,310
Improvements:	0	0
Total Value:	31,550	6,310
Taxable Value:		3,960
Millage:		0.0391
Estimated Taxes:		\$154.84
Assessment Year:		2006

Sales History

Date	Price	Grantor	Grantee	Book	Page	Deed Type
12/14/2005	33,000	REGIONS BANK (UP BANK)	TATE	712	875	WD (WARRANTY DEED)
12/21/2004	0	GAMBLE	UNION PLANTERS	687	367	COMM (COMMISSIONERS DEED)
3/22/2002	45,000	WALTON	GAMBLE	623	410	WD (WARRANTY DEED)
9/22/1993	20,000				044841	

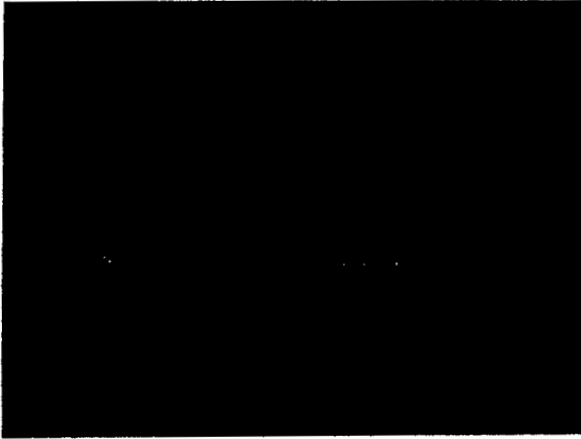
Location Map

Borrower/Client	CLIENT: City of Jonesboro		
Property Address	Patrick St/Calion St		
City	Jonesboro	County	Craighead
		State	AR
		Zip Code	72401
Lender	City of Jonesboro		



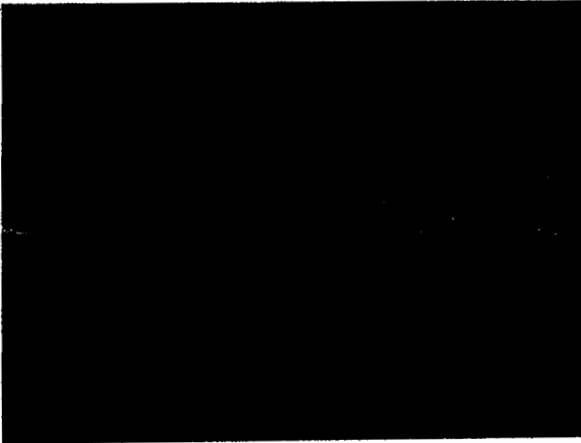
Subject Photo Page

Borrower/Client	CLIENT: City of Jonesboro				
Property Address	Patrick St/Callon St				
City	Jonesboro	County	Craighead	State	AR Zip Code 72401
Lender	City of Jonesboro				

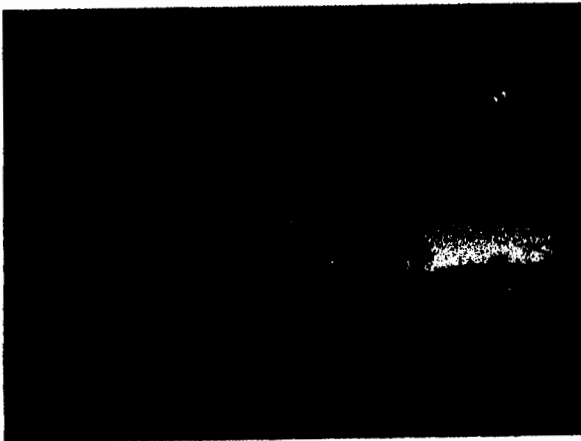


Subject

Patrick St/Callon St
Sales Price NA
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location Urban
View
Site
Quality
Age



Subject



ENVIRONMENTAL ADDENDUM
APPARENT* HAZARDOUS SUBSTANCES AND/OR DETRIMENTAL ENVIRONMENTAL CONDITIONS

Borrower/Client	CLIENT: City of Jonesboro				
Address	Patrick St/Callion St				
City	Jonesboro	County	Craighead	State	AR Zip code 72401
Lender	City of Jonesboro				

*Apparent is defined as that which is visible, obvious, evident or manifest to the appraiser.

This universal Environmental Addendum is for use with any real estate appraisal. Only the statements which have been checked by the appraiser apply to the property being appraised.

This addendum reports the results of the appraiser's routine inspection of and inquiries about the subject property and its surrounding area. It also states what assumptions were made about the existence (or nonexistence) of any hazardous substances and/or detrimental environmental conditions. **The appraiser is not an expert environmental inspector** and therefore might be unaware of existing hazardous substances and/or detrimental environmental conditions which may have a negative effect on the safety and value of the property. It is possible that tests and inspections made by a qualified environmental inspector would reveal the existence of hazardous materials and/or detrimental environmental conditions on or around the property that would negatively affect its safety and value.

- ☒ Drinking Water is supplied to the subject from a municipal water supply which is considered safe. However the only way to be absolutely certain that the water meets published standards is to have it tested at all discharge points.
- ☐ Drinking Water is supplied by a well or other non-municipal source. It is recommended that tests be made to be certain that the property is supplied with adequate pure water.
- ☒ Lead can get into drinking water from its source, the pipes, at all discharge points, plumbing fixtures and/or appliances. The only way to be certain that water does not contain an unacceptable lead level is to have it tested at all discharge points.
- ☒ The value estimated in this appraisal is based on the assumption that there is an adequate supply of safe, lead-free Drinking Water.

Comments _____

- ☒ Sanitary Waste is removed from the property by a municipal sewer system.
- ☐ Sanitary Waste is disposed of by a septic system or other sanitary on site waste disposal system. The only way to determine that the disposal system is adequate and in good working condition is to have it inspected by a qualified inspector.
- ☒ The value estimated in this appraisal is based on the assumption that the Sanitary Waste is disposed of by a municipal sewer or an adequate property permitted alternate treatment system in good condition.

Comments _____

- ☒ There are no apparent signs of Soil Contaminants on or near the subject property (except as reported in Comments below). It is possible that research, inspection and testing by a qualified environmental inspector would reveal existing and/or potential hazardous substances and/or detrimental environmental conditions on or around the property that would negatively affect its safety and value.
- ☒ The value estimated in this appraisal is based on the assumption that the subject property is free of Soil Contaminants.

Comments _____

- ☐ All or part of the Improvements were constructed before 1979 when Asbestos was a common building material. The only way to be certain that the property is free of friable and non-friable Asbestos is to have it inspected and tested by a qualified asbestos inspector.
- ☐ The improvements were constructed after 1979. No apparent friable Asbestos was observed (except as reported in Comments below).
- ☐ The value estimated in this appraisal is based on the assumption that there is no uncontained friable Asbestos or other hazardous Asbestos material on the property.

Comments _____

- ☒ There were no apparent leaking fluorescent light ballasts, capacitors or transformers anywhere on or nearby the property (except as reported in Comments below).
- ☒ There was no apparent visible or documented evidence known to the appraiser of soil or groundwater contamination from PCBs anywhere on the property (except as reported in Comments below).
- ☒ The value estimated in this appraisal is based on the assumption that there are no uncontained PCBs on or nearby the property.

Comments _____

- ☒ The appraiser is not aware of any Radon tests made on the subject property within the past 12 months (except as reported in Comments below).
- ☒ The appraiser is not aware of any indication that the local water supplies have been found to have elevated levels of Radon or Radium.
- ☒ The appraiser is not aware of any nearby properties (except as reported in Comments below) that were or currently are used for uranium, thorium or radium extraction or phosphate processing.
- ☒ The value estimated in this appraisal is based on the assumption that the Radon level is at or below EPA recommended levels.

Comments _____

- ☒ There is no apparent visible or documented evidence known to the appraiser of any USTs on the property nor any known historical use of the property that would likely have had USTs.
- ☒ There are no apparent petroleum storage and/or delivery facilities (including gasoline stations or chemical manufacturing plants) located on adjacent properties (except as reported in Comments below).
- ☐ There are apparent signs of USTs existing now or in the past on the subject property. It is recommended that an inspection by a qualified UST inspector be obtained to determine the location of any USTs together with their condition and proper registration if they are active; and if they are inactive, to determine whether they were deactivated in accordance with sound industry practices.
- ☒ The value estimated in this appraisal is based on the assumption that any functioning USTs are not leaking and are properly registered and that any abandoned USTs are free from contamination and were properly drained, filled and sealed.

Comments _____

- ☒ There are no apparent Hazardous Waste Sites on the subject property or nearby the subject property (except as reported in Comments below). Hazardous Waste Site search by a trained environmental engineer may determine that there is one or more Hazardous Waste Sites on or in the area of the subject property.
- ☒ The value estimated in this appraisal is based on the assumption that there are no Hazardous Waste Sites on or nearby the subject property that negatively affect the value or safety of the property.

Comments _____

- ☒ All or part of the improvements were constructed before 1982 when UREA foam insulation was a common building material. The only way to be certain that the property is free of UREA formaldehyde is to have it inspected by a qualified UREA formaldehyde inspector.
- ☒ The improvements were constructed after 1982. No apparent UREA formaldehyde materials were observed (except as reported in Comments below).
- ☒ The value estimated in this appraisal is based on the assumption that there is no significant UFPI insulation or other UREA formaldehyde material on the property.

Comments _____

- ☒ All or part of the improvements were constructed before 1980 when Lead Paint was a common building material. There is apparent visible or known documented evidence of peeling or flaking Lead Paint on the floors, walls or ceilings (except as reported in Comments below). The only way to be certain that the property is free of surface or subsurface Lead Paint is to have it inspected by a qualified inspector.
- ☒ The improvements were constructed after 1980. No apparent Lead Paint was observed (except as reported in Comments below).
- ☒ The value estimated in this appraisal is based on the assumption that there is no flaking or peeling Lead Paint on the property.

Comments _____

- ☒ There are no apparent signs of Air Pollution at the time of the inspection nor were any reported (except as reported in Comments below). The only way to be certain that the air is free of pollution is to have it tested.
- ☒ The value estimated in this appraisal is based on the assumption that the property is free of Air Pollution.

Comments _____

- ☒ The site does not contain any apparent Wetlands/Flood Plains (except as reported in Comments below). The only way to be certain that the site is free of Wetlands/Flood Plains is to have it inspected by a qualified environmental professional.
- ☒ The value estimated in this appraisal is based on the assumption that there are no Wetlands/Flood Plains on the property (except as reported in Comments below).

Comments _____

- ☒ There are no other apparent miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site except as indicated below:
- ☐ Excess Noise _____
 - ☐ Radiation + Electromagnetic Radiation _____
 - ☐ Light Pollution _____
 - ☐ Waste Heat _____
 - ☐ Acid Mine Drainage _____
 - ☐ Agricultural Pollution _____
 - ☐ Geological Hazards _____
 - ☐ Nearby Hazardous Property _____
 - ☐ Infectious Medical Wastes _____
 - ☐ Pesticides _____
 - ☐ Others (Chemical Storage + Storage Drums, Pipelines, etc.) _____

- ☒ The value estimated in this appraisal is based on the assumption that there are no Miscellaneous environmental Hazards (except those reported above) that would negatively affect the value of the property.

When any of the environmental assumptions made in this addendum are not correct, the estimated value in this appraisal may not be valid.

MULTI-PURPOSE SUPPLEMENTAL ADDENDUM FOR FEDERALLY RELATED TRANSACTIONS

Bob Gibson Appraisal Service

Borrower/Client	CLIENT: City of Jonesboro			
Property Address	Patrick St/Calion St			
City	Jonesboro	County	Craighead	State AR Zip Code 72401
Lender	City of Jonesboro			

This Multi-Purpose Supplemental Addendum for Federally Related Transactions was designed to provide the appraiser with a convenient way to comply with the current appraisal standards and requirements of the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of Currency (OCC), The Office of Thrift Supervision (OTS), the Resolution Trust Corporation (RTC), and the Federal Reserve.

This Multi-Purpose Supplemental Addendum is for use with any appraisal. Only those statements which have been checked by the appraiser apply to the property being appraised.

☒ **PURPOSE & FUNCTION OF APPRAISAL**

The purpose of the appraisal is to estimate the market value of the subject property as defined herein. The function of the appraisal is to assist the above-named Lender in evaluating the subject property for lending purposes. This is a federally related transaction.

☒ **EXTENT OF APPRAISAL PROCESS**

- ☒ The appraisal is based on the information gathered by the appraiser from public records, other identified sources, inspection of the subject property and neighborhood, and selection of comparable sales within the subject market area. The original source of the comparables is shown in the Data Source section of the market grid along with the source of confirmation, if available. The original source is presented first. The sources and data are considered reliable. When conflicting information was provided, the source deemed most reliable has been used. Data believed to be unreliable was not included in the report nor used as a basis for the value conclusion.
- ☐ The Reproduction Cost is based on _____ supplemented by the appraiser's knowledge of the local market.
- ☐ Physical depreciation is based on the estimated effective age of the subject property. Functional and/or external depreciation, if present, is specifically addressed in the appraisal report or other addenda. In estimating the site value, the appraiser has relied on personal knowledge of the local market. This knowledge is based on prior and/or current analysis of site sales and/or abstraction of site values from sales of improved properties.
- ☐ The subject property is located in an area of primarily owner-occupied single family residences and the Income Approach is not considered to be meaningful. For this reason, the Income Approach was not used.
- ☐ The Estimated Market Rent and Gross Rent Multiplier utilized in the Income Approach are based on the appraiser's knowledge of the subject market area. The rental knowledge is based on prior and/or current rental rate surveys of residential properties. The Gross Rent Multiplier is based on prior and/or current analysis of prices and market rates for residential properties.
- ☐ For income producing properties, actual rents, vacancies and expenses have been reported and analyzed. They have been used to project future rents, vacancies and expenses.

☒ **SUBJECT PROPERTY OFFERING INFORMATION**

- According to Owner the subject property:
- ☒ has not been offered for sale in the past: ☒ 30 days ☐ 1 year ☐ 3 years.
- ☐ is currently offered for sale for \$ _____
- ☐ was offered for sale within the past: ☐ 30 days ☐ 1 year ☐ 3 years for \$ _____
- ☐ Offering information was considered in the final reconciliation of value.
- ☐ Offering information was not considered in the final reconciliation of value.
- ☐ Offering information was not available. The reasons for unavailability and the steps taken by the appraiser are explained later in this addendum.

☒ **SALES HISTORY OF SUBJECT PROPERTY**

- According to Craighead County Tax Records the subject property:
- ☐ Has not transferred ☐ in the past twelve months. ☐ in the past thirty-six months. ☐ in the past 5 years.
- ☒ Has transferred ☐ in the past twelve months. ☒ in the past thirty-six months. ☐ in the past 5 years.
- ☒ All prior sales which have occurred in the past 3 years are listed below and reconciled to the appraised value, either in the body of the report or in the addenda.
- | Date | Sales Price | Document # | Seller | Buyer |
|----------|-------------|----------------|------------------------|----------------|
| 12-14-05 | 33,000 | B712 P875 | Regions Bank (UP Bank) | Tate |
| 12-21-04 | 0 | B687 P367 Comm | Gamble | Union Planters |
| 3-22-02 | 45,000 | B623 P410 | Walton | Gamble |

☒ **FEMA FLOOD HAZARD DATA**

- ☒ Subject property is not located in a FEMA Special Flood Hazard Area.
- ☐ Subject property is located in a FEMA Special Flood Hazard Area.

Zone	FEMA Map/Panel #	Map Date	Name of Community
X	05031C0044C	9/27/1991	Jonesboro

- ☐ The community does not participate in the National Flood Insurance Program.
- ☒ The community does participate in the National Flood Insurance Program.
- ☒ It is covered by a regular program.
- ☐ It is covered by an emergency program.

<input checked="" type="checkbox"/> CURRENT SALES CONTRACT									
<input checked="" type="checkbox"/> The subject property is <u>currently not under contract</u> . <input type="checkbox"/> The contract and/or escrow instructions <u>were not available for review</u> . The unavailability of the contract is explained later in the addenda section. <input type="checkbox"/> The contract and/or escrow instructions <u>were reviewed</u> . The following summarizes the contract:									
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">Contract Date</th> <th style="text-align: left;">Amendment Date</th> <th style="text-align: left;">Contract Price</th> <th style="text-align: left;">Seller</th> </tr> <tr> <td colspan="4" style="height: 40px;"></td> </tr> </table>		Contract Date	Amendment Date	Contract Price	Seller				
Contract Date	Amendment Date	Contract Price	Seller						
<input type="checkbox"/> The contract indicated that personal property <u>was not included</u> in the sale. <input type="checkbox"/> The contract indicated that personal property <u>was included</u> . It consisted of _____ Estimated contributory value is \$ _____ <input type="checkbox"/> Personal property <u>was not included</u> in the final value estimate. <input type="checkbox"/> Personal property <u>was included</u> in the final value estimate. <input type="checkbox"/> The contract indicated <u>no financing concessions</u> or other incentives. <input type="checkbox"/> The contract indicated <u>the following concessions</u> or incentives: _____ <input type="checkbox"/> If concessions or incentives exist, the comparables were checked for similar concessions and appropriate adjustments were made, if applicable, so that the final value conclusion is in compliance with the Market Value defined herein.									
<input checked="" type="checkbox"/> MARKET OVERVIEW Include an explanation of current market conditions and trends.									
3-6 months is considered a reasonable marketing period for the subject property based on <u>MLS data, appraisers knowledge of the local market and discussions with brokers and agents.</u>									
<input checked="" type="checkbox"/> ADDITIONAL CERTIFICATION									
The Appraiser certifies and agrees that: (1) The analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice ("USPAP"), except that the Departure Provision of the USPAP does not apply. (2) Their compensation is not contingent upon the reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. (3) This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.									
<input checked="" type="checkbox"/> ADDITIONAL (ENVIRONMENTAL) LIMITING CONDITIONS									
The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries 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 unless otherwise stated in this report. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.									
<input type="checkbox"/> ADDITIONAL COMMENTS									
<input checked="" type="checkbox"/> APPRAISER'S SIGNATURE & LICENSE/CERTIFICATION									
<div style="display: flex; align-items: center;"> <div style="flex: 1;"> </div> <div style="flex: 1; text-align: center;"> </div> <div style="flex: 2;"> <p>Appraiser's Signature _____ Date Prepared <u>December 4, 2006</u></p> <p>Appraiser's Name <u>Print: Bob Gibson, CG0237</u> Phone # <u>870-932-5206</u></p> <p>State <u>AR</u> <input type="checkbox"/> License <input checked="" type="checkbox"/> Certification # <u>CG0237</u> Tax ID # <u>71-0792672</u></p> </div> </div>									
<input type="checkbox"/> CO-SIGNING APPRAISER'S CERTIFICATION									
<input type="checkbox"/> The co-signing appraiser <u>has personally inspected</u> the subject property, both inside and out, and has made an exterior inspection of all comparable sales listed in the report. The report was prepared by the appraiser under direct supervision of the co-signing appraiser. The co-signing appraiser accepts responsibility for the contents of the report including the value conclusions and the limiting conditions, and confirms that the certifications apply fully to the co-signing appraiser. <input type="checkbox"/> The co-signing appraiser <u>has not personally inspected</u> the interior of the subject property and: <input type="checkbox"/> <u>has not inspected</u> the exterior of the subject property and all comparable sales listed in the report. <input type="checkbox"/> <u>has inspected</u> the exterior of the subject property and all comparable sales listed in the report. <input type="checkbox"/> The report was prepared by the appraiser under direct supervision of the co-signing appraiser. The co-signing appraiser accepts responsibility for the contents of the report, including the value conclusions and the limiting conditions, and confirms that the certifications apply fully to the co-signing appraiser with the exception of the certification regarding physical inspections. The above describes the level of inspection performed by the co-signing appraiser. <input type="checkbox"/> The co-signing appraiser's level of inspection, involvement in the appraisal process and certification are covered elsewhere in the addenda section of this appraisal.									
<input type="checkbox"/> CO-SIGNING APPRAISER'S SIGNATURE & LICENSE/CERTIFICATION									
<p>Co-Signing Appraiser's Signature _____ Effective Date _____ Date Prepared _____</p> <p>Co-Signing Appraiser's Name (print) _____ Phone # _____</p> <p>State _____ <input type="checkbox"/> License <input type="checkbox"/> Certification # _____ Tax ID # _____</p>									

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 considers his 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 judgement.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following 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. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report 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 the appraisal report whether 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.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, 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 normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. 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, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. 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 completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

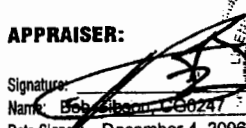
APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to 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 the estimate of market value in the appraisal report on the race, color, religion, sex, 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.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity 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 as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of 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 the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: Patrick St/Callon St, Jonesboro, AR 72401

APPRAISER:

Signature: 
Name: Bob Gibson, CG0247
Date Signed: December 4, 2006
State Certification #: CG0247
or State License #:
State: AR
Expiration Date of Certification or License: 06/30/2007



SUPERVISORY APPRAISER (only if required):

Signature: _____
Name: _____
Date Signed: _____
State Certification #: _____
or State License #: _____
State: _____
Expiration Date of Certification or License: _____

☐ Did ☐ Did Not Inspect Property

QUALIFICATIONS OF BOB L. GIBSON

POSITION: Real Estate Appraiser/Consultant, 420 W. Jefferson, Jonesboro, Arkansas, 72401 Telephone: (870) 932-5206.

PROFESSIONAL EXPERIENCE:

Chief Appraiser for Home Federal Savings. 1965 to 1975, Fee Appraiser for area financial and real estate concerns, 1965 to 1980.

President of H.S.C. Service Corporation. Developed three (3) Subdivisions, constructed single-family homes, one hotel, and numerous condominiums from 1975 to 1990.

EDUCATION:

B.S. Degree in Business Administration and minor in Economics from Arkansas State University in 1965.

Graduate of School of Savings & Loans at University of Indiana, Bloomington, Indiana, 1979 to 1982.

U.S. League of Savings Associations Appraised Study Course, 1965.

Principles of Real Estate Appraising-1968 Audit, Arkansas State University.

National Association of Independent Fee Appraisers, Principles of Residential Real Estate, 1990.

NAIF Income Property Appraising, 1990.

Marshall and Swifts Valuation Guides Seminar - Residential and Commercial Cost Approach, 1990.

The Appraisal Institute - Real Estate Appraisal Methods, 1991.

Uniform Standards of Professional Appraisal Practice, 1991.

Techniques of Income Property Appraising, 1991.

Uniform Residential Appraisal Report Seminar, IFA, Jonesboro, 1993.

FIRREA: Overview and Practical Application Seminar, IFA, Jonesboro, AR, 1994.

American Disabilities Act Seminar, I.F.A., Jonesboro, Arkansas 1993.

HUD Guidelines - Lender Selection of the Appraiser, I.F.A., Little Rock, Arkansas, Dec. 7, 1994 - Member of Lender Appraiser Selection Roster, HUD, Little Rock, Arkansas.

Appraiser Accountability and Legal Liabilities Seminar, Arkansas Appraisal Foundation, Little Rock, Arkansas, May 10, 1995.

Standards of Professional Practice, I.F.A., Jonesboro, Arkansas, 1996.

HUD/FHA Appraiser Training, HUD/FHA, Hot Springs, Arkansas, 1996.

Legal Journal, West Memphis, Arkansas, April 30, 1998.

Principles of Condemnation, San Antonio, Texas, June 3, 1999.

Arkansas Appraisal Board Annual Meeting, Little Rock, AR April 18, 2000.

USPAP, Kelton Schools, Jonesboro, Arkansas, May 17, 2000.

USPAP Update, RCI, Jonesboro, Arkansas, January 20, 2003.

USPAP, Lincoln Graduate Center, San Antonio TX Feb 21-22, 2004.

Fannie Mae Underwriting, NEA Mortgage Bankers, Jonesboro AR July 8, 2004.

Day With the Board, Little Rock AR April 2004

Day With the Board, Little Rock AR April 2005

Day With the Board, Little Rock AR April 2006

USPAP Update, RCI, Jonesboro, Arkansas, March 27, 2006

Effective Communications in Appraisal Practice, RCI, Jonesboro, Arkansas, March 27, 2006

PROFESSIONAL MEMBERSHIP:

Charter Member of National Society of Environmental Consultants.

Master Senior Appraisers (MSA), National Association of Master Appraisers.

CERTIFICATION AND DESIGNATION:

State Certified Residential Appraiser #CG0247, December 28, 1991.

State Certified General Appraiser #CG0247, January 6, 1992.

PARTIAL LIST OF CLIENTS:

Belz-Burrow, Wells Fargo, Union Planters Bank of NEA, Regions Bank, Simmons Bank, Heringer Lone Star, Griffin Petroleum Co., Caldwell Construction Co., First Financial Mortgage, Fowler Foods, MidSouth Bank, Matthews Oil Co., Heritage Bank, Bank of America, First Community Bank, American State Bank, Bank of Jonesboro