

**APPRAISAL REPORT**

Of

5.52± ACRES OF VACANT LAND  
1215 N MAIN STREET  
JONESBORO, ARKANSAS 72401

**AS OF**

June 14, 2024

**PREPARED FOR**

Jonathan Cole  
First Community Bank  
630 Southwest Drive  
Jonesboro, AR 72401

**PREPARED BY**

Douglas D. Cooper  
Cooper Appraisal Service, LLC  
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Jonathan Cole  
First Community Bank  
630 Southwest Drive  
Jonesboro, AR 72401

**RE: 5.52± Acres 1215 N Main Street**  
Jonesboro, Craighead County, Arkansas

Dear Mr. Cole:

As requested, I have conducted the required investigation, gathered the necessary data, and made certain analyses that have enabled me to form an opinion of the “Market Value” of the fee simple estate interest in the above referenced subject property. The following appraisal report contains the legal description of the property as well as data gathered during my investigation and a detailed presentation of the methods of appraisal used in arriving at the conclusion.

The report has been prepared, to the best of my knowledge and ability, in conformity with the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation (as required by the Financial Institutions Reform, Recovery and Enforcement Act - - FIRREA). The person signing this report is a state certified general appraiser and has the knowledge and experience to complete the assignment competently. The analysis performed utilized all relevant approaches to value.

Certain assumptions underlie these analyses and certain conditions limit the use of this report and/or data contained herein. Your attention is directed to the “Limiting Conditions and Assumptions” section of this report for a detailed listing and explanation. The Limiting Conditions are incorporated herein for all purposes.

Page Two

The subject property consists of one tract of vacant land (two adjacent parcels) that lies on the west side of North Main Street near its intersection with Center Street. This area is in the north part of the City of Jonesboro. Based upon survey records, the site contains 5.52± acres.

I certify that I have made a thorough review of the real property and that all data gathered during my research is believed to be reliable.

I further certify that I have no present or contemplated interest in the property concerned and that the fee for providing this report is in no way dependent or contingent upon the value conclusion. Based on the inspection of the property and the investigation and analyses undertaken, it is my opinion that the estimated "Market Value" of the fee simple estate interest in the subject property, "**as is**" as of June 14, 2024, was:

**ONE HUNDRED SIXTY THOUSAND DOLLARS**  
**\$160,000.**

Respectfully submitted,

  
Douglas D. Cooper      Digital Signature  
State Certified General Appraiser      Attachment to File  
CG0169



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### SUMMARY OF PERTINENT FACTS AND CONCLUSIONS

Subject Property:	Vacant land on North Main Street in the north part of the City of Jonesboro, Craighead County, Arkansas.
Gross Building Area:	N/A
Gross Land Area:	5.52± acres (2012 survey)
Effective Date:	June 14, 2024
Date of Report:	June 19, 2024
Zoning:	R-3 Multi-Family High Density District
Utilities:	Electricity, Water, Natural Gas and Sewer system
Flood Data:	Zone X
Value Indications:	
Cost Approach:	N/A
Sales Comparison Approach	\$160,000.
Income Capitalization Approach:	N/A
<b>Final Estimated Value:</b>	<b>\$160,000.</b>

## ASSUMPTIONS AND CONDITIONS

**Extraordinary Assumption:** An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.

**Hypothetical Condition:** A condition directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in the analysis.

This appraisal report was not completed under any Hypothetical Conditions or Extraordinary Assumptions. The subject is vacant land containing approximately 5.52 acres based on available records.

### **CERTIFICATION**

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. 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.
4. I have no bias with respect to the property that is the subject of this report, or the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. 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 related to the intended use of this appraisal.
7. My analysis, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
8. I have made a personal inspection of the property that is the subject of this report.
9. No one provided significant real property appraisal assistance to the person signing this certification.

## CERTIFICATION

(Continued)

10. The use of the report is subject to the requirements of the Arkansas Appraiser Licensing and Certification Board relating to review by its duly authorized representatives.
11. As of the date of this report, Douglas D. Cooper has completed the continuing education program of the Appraiser Licensing and Certification Board.
12. I have performed no services on the subject property in the 36 months preceding the acceptance of this assignment.

Dated: June 19, 2024

  
Douglas D. Cooper      Attachment to File  
State Certified General Appraiser  
CG0169





## REGULATORY COMPLIANCE

### Interagency Appraisal and Evaluation Guidelines\*

**AGENCY:** Office of the Comptroller of the Currency, Treasury (OCC); Board of Governors of the Federal Reserve System (FRB); Federal Deposit Insurance Corporation (FDIC); Office of Thrift Supervision, Treasury (OTS); and National Credit Union Administration (NCUA) (collectively, the Agencies).

**SUMMARY:** The Agencies are issuing final Interagency Appraisal and Evaluation Guidelines (Guidelines) to provide further clarification of the Agencies' appraisal regulations and supervisory guidance to institutions and examiners about prudent appraisal and evaluation programs. The Guidelines, including their appendices, update and replace existing supervisory guidance documents to reflect developments concerning appraisals and evaluations, as well as changes in appraisal standards and advancements in regulated institutions' collateral valuation methods. The Guidelines clarify the Agencies' longstanding expectations for an institution's appraisal and evaluation program to conduct real estate lending in a safe and sound manner. Further, the Guidelines promote consistency in the application and enforcement of the Agencies' appraisal regulations and safe and sound banking practices. The Agencies recognize that revisions to the Guidelines may be necessary to address future regulations implementing the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

### Minimum Appraisal Standards

The appraisal must:

- *Conform to generally accepted appraisal standards as evidenced by the USPAP promulgated by the Appraisal Standards Board of the Appraisal Foundation unless principles of safe and sound banking require compliance with stricter standards.*
- *Be written and contain sufficient information and analysis to support the institution's decision to engage in the transaction.*
- *Analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units.*
- *Be based upon the definition of market value set forth in the appraisal regulation.*
- *Be performed by state certified or licensed appraisers in accordance with requirements set forth in the appraisal regulation.*

\*Federal Register / Vol. 75, No. 237 / Friday, December 10, 2010 / Notices

## **PREMISES OF THE APPRAISAL**

### **DEFINITION OF VALUE**

**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 and 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 United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>1</sup>

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<sup>1</sup> The Appraisal of Real Estate, 14<sup>th</sup> Edition, Page 59; FDIC Part 323.2 (g)

## **PREMISES OF THE APPRAISAL**

### **OBJECTIVE AND DATE OF THE APPRAISAL**

The objective of this report is to estimate the market value of the rights and/or interests in the subject property as described in the section of this report entitled “Property Rights Appraised” under responsible, competent ownership. This analysis has been made as though the property were being used in strict conformance with applicable code requirements, zoning restrictions and environmental regulations.

### **SCOPE OF THE APPRAISAL**

**INTENDED USE** – The intended use of this appraisal is for information for a lending decision by the client. The appraisal is to be used for no other purpose.

**INTENDED USER** - The intended user of this report is First Community Bank.

### **SCOPE OF WORK**

The scope of this assignment and the underlying analysis is limited by the Contingent and Limiting Conditions as noted in this report. The following information and analysis were utilized during the preparation of this report.

The appraisal analysis is completed in several distinct phases including general data collection and analysis, neighborhood data collection and analysis, subject property data collections and analysis, highest and best use analysis, market data collections, verification and analysis, valuation, and report preparation. Each phase will be applied as deemed appropriate by the appraiser.

### **Information Sources**

The appraiser acquired information about the characteristics of the subject property from public sources. Sources of data included but are not limited to:

- Craighead County Tax Assessor
- Flood Maps of Jonesboro and Craighead County, Arkansas
- Zoning Regulations from the City of Jonesboro, Arkansas
- Multiple Listing Service (MLS)
- The property owner or a representative

## **SCOPE OF WORK**

(Continued)

A series of specific steps are undertaken to complete each phase and are described as follows:

### **1) General Data Collection and Analysis**

The general data collection and analysis phase involves collection of data relating to national, regional, and local trends and identification and analysis of the social, governmental, and environmental forces on the market value of the subject property.

### **2) Neighborhood Data Collection and Analysis**

The neighborhood data collection and analysis phases include an inspection of the subject neighborhood; collection of data related to growth trends, demographics, physical characteristics, the availability of utilities, public improvements, and services. The collected data is then analyzed, focusing on its overall effect on the subject property.

### **3) Subject Property Data Collection and Analysis**

In the subject property data collection and analysis phase a site inspection of the property was completed with dimensions of the site taken from deed records and available plat maps. Data was collected from the City of Jonesboro pertaining to the existing zoning and the likelihood of any significant changes. Other information was obtained from the Craighead County Assessment offices and other public sources pertaining to taxes, available utility services and other conditions relative to the subject property.

The appraiser does not guarantee that the property is free of encroachments or easements and recommends further investigation and survey. The appraiser's conclusion of value is based upon the assumption that there are no hidden or unapparent conditions of the subject property that might impact development of the site. The appraiser recommends due diligence be conducted through the local building department to investigate whether the property is suitable for an intended use. The appraiser makes no representations, guarantees, or warranties.

## **SCOPE OF WORK**

(Continued)

### **4) Market Data Collection and Analysis**

In the market data collection and analysis phase, sales data is obtained and verified for vacant land and improved properties from public records. Land sales, improved sales, and rental data for properties comparable to the subject are researched, verified, and inspected when possible. Market data relative to capitalization rates, expenses, yield requirements, construction costs, depreciation, etc. is also researched and verified.

### **5) Highest and Best Use Analysis**

In the Highest and Best Use analysis all previously obtained data is examined within the framework of supply and demand, legal use, physically possible use, feasibility use and that use which is maximally productive both for the site as if vacant and the use of the property as improved.

### **6) Valuation**

In the valuation phase, the Sales Comparison Approach was used to estimate land value. To estimate the market value for an improved property the Cost, Sales Comparison and Income Capitalization Approaches are usually applied. These indications of value are then reconciled into a final estimate of market value.

### **7) Report Preparation**

The final phase of the appraisal process is the report preparation. A narrative appraisal report in accordance with Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Ethics and in compliance with the specific request and needs of the client is prepared.

This assignment is an Appraisal Report under Standard Rule 2-2 as defined in the Uniform Standards of Professional Appraisal Practice (USPAP) of an appraisal performed under Standard Rule 1 of USPAP.

## **PREMISES OF THE APPRAISAL**

As described in the Engagement Letter the client is First Community Bank, the scope of this appraisal report is the estimate of **Market Value** of the subject property in the **As Is** condition (vacant and ready for development). The intent of the Appraisal Report is to assist the client in determining the market value of the subject property for use as an aid in a real estate financial decision.

## **CLIENT**

First Community Bank is the “**client**” in this appraisal report and the report is intended solely for the use and benefit of said client. The appraiser has no intent to benefit any other party.

**NOTE: This appraisal report is prepared for the sole and exclusive use and benefit of the appraiser’s client. No third parties are authorized to rely upon this report without the express written consent of the appraiser.**

The goal of an appraisal assignment is a credible opinion of value and not just the completion of an appraisal report.

## **PREMISES OF THE APPRAISAL**

### **PROPERTY RIGHTS APPRAISED**

The ownership rights valued in most appraisals are those associated with the fee simple estate, or all the rights that may be legally owned.

The fee simple estate interest is an absolute fee, a fee without limitations to any class of heirs or restrictions, but subject to limitations of eminent domain, escheat, police power and taxation. It is an inheritable estate.

It should be noted that in many cases the rights of use and occupancy have been conveyed by means of a lease to other parties; therefore, the sale of a leased property may involve the sale of the landlord's interests, not the sale of full fee simple rights. The term leased fee estate is defined as follows:

*A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).<sup>2</sup>*

As most real estate investments today utilize borrowed funds combined with equity contributions to finance their acquisition, any valuation must assume the presence of mortgagee's rights. Such is the case in this analysis as the fee interest is assumed to have been created with some borrowed funds and is therefore subject to a mortgagee's interest.

An encumbrance is an interest or right in real property which may diminish the value of the interest but does not prevent conveyance by the owner. Mortgages, taxes, and judgments are encumbrances known as liens. Restrictions, easements, and reservations are encumbrances, though not liens.

In summary, the estimate of value sought in this appraisal is that of a fee simple interest as defined above.

### **MARKETING/EXPOSURE TIME**

The objective of this analysis is to estimate the "Market Value" of the subject property. According to definition, "a reasonable time is allowed for exposure in the open market." Estimating the marketing time of real estate is particularly difficult, especially when the sale depends heavily upon the amount of exposure and effort given. In this case, it is my opinion that the subject property could be sold within twelve months or less, at a price commensurate with the value stated herein. Exposure time is estimated at 180 to 270 days.

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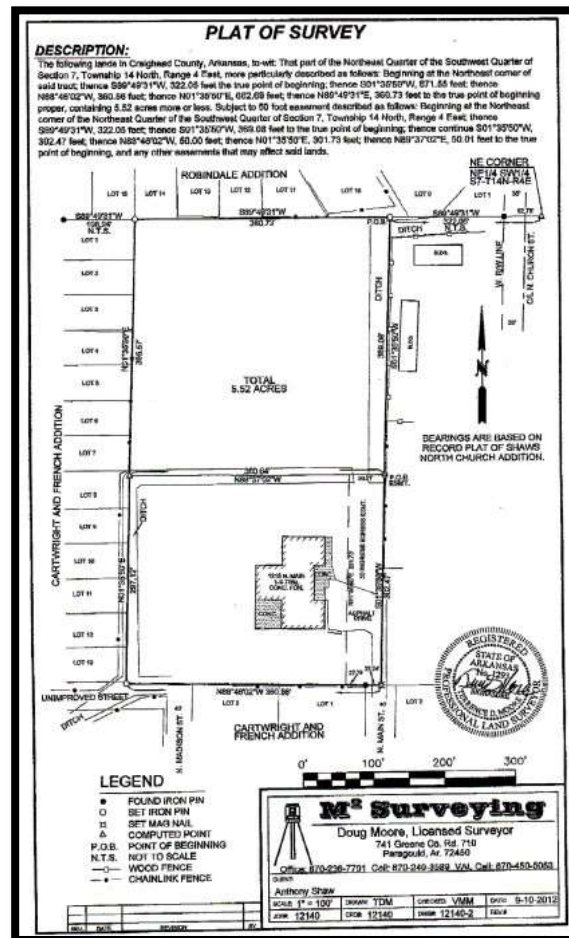
<sup>2</sup> Definition from *The Dictionary of Real Estate Appraisal*, Fifth Edition. Page 111

## IDENTIFICATION OF THE PROPERTY

The subject consists of 5.52± acres of land that is located on the west side of North Main Street north of Center Street in the north section of the City of Jonesboro, Craighead County, Arkansas.

The property is further described as follows:

**Part Northeast Quarter Southwest Quarter, Section 7, Township 14 North, Range 4 East.**



(See addenda for additional maps and other data pertinent to the subject property).



## MARKET AREA

A market area is defined as:

The geographic or locational delineation of the market for a specific category of real estate, i.e., the area in which alternative, similar properties effectively compete with the subject property in the minds of probable, potential purchasers and users.<sup>3</sup>

The subject property is in the north section of the City of Jonesboro. This area has historically been used for residential growth with the sector showing stable to increasing prices in recent years.

Highways 141, 351 and Highway 49 are primary arteries for north and southbound traffic for the area. Johnson Avenue to the south of the subject provides east-west access for the City of Jonesboro. Other arteries are Highways 1, 18, 91, and 226. Interstate Highway 555 to the south and west is the major north-south artery for this region.

Typical utilities have been extended throughout the area and are assumed to be available in capacities adequate to serve most normal or contemplated uses. Streets in the area are typically asphalt paved. Traffic is controlled by stop signs and electronic light signals. The neighborhood topography is mostly level to gently rolling.

The neighborhood appears to be in a period of steady development and shows no signs of immediate decline. The market area is best considered as a residential area of the city. Most of the major financial institutions have either their main office or a branch located in the business district to the south. The major shopping centers, hotels, restaurants and entertainment facilities are in the retail market area, which is easily accessible via one of the principal thoroughfares from the neighborhood. With the continued growth of this commercial area, the neighborhood should at worst remain stable, but properties in this locale will likely experience value increases, keeping pace with the overall economic trends. (See regional and city data in the addenda section of this report).

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<sup>3</sup> The Appraisal of Real Estate, Thirteenth Edition, Page 55

## SITE DATA

The subject site is a rectangular shaped tract which consists of 5.52± acres according to available records. The subject property lies in Section 7, Township 14 North, Range 4 East. The site is located on the west side of North Main Street north of Center Street in an area that is north of Johnson Avenue.

Typical utilities including water, electricity, natural gas, and city sewer, are available in the surrounding neighborhood.

The topography of the subject site is mostly level. Surface drainage appears adequate. Flood Map Panel **05031C0043C** dated 9/27/1991 does not indicate any part of the property as being within a flood hazard area. (Maps are included in the addenda section of this report).

## ZONING



R-3. Multi-Family High Density District. This district is to provide for high density, multi-family development, with restrictions similar to the R-2A district, and with all municipal services available. The maximum density in this zone is eighteen (18) dwelling units to the acre.

## **ASSESSMENT AND TAXES**

According to the tax assessor the appraised value for the subject of this report was as follows:

<b><u>PARCEL NUMBER</u></b>	<b><u>LAND</u></b>	<b><u>BUILDINGS</u></b>	<b><u>TOTAL</u></b>
<b>01-144073-00500</b>	<b>\$34,925</b>	<b>-0-</b>	<b>\$34,925</b>
<b>01-144073-00800</b>	<b>\$18,625</b>	<b>-0-</b>	<b>\$18,625</b>

The assessed value at 20 percent of the total appraised value shown above is \$10,710. The millage rate applicable to the subject property as of the effective date of the appraisal was \$4.12 per \$100 of assessed value.

<b><u>Assessed Value</u></b>	<b><u>Tax Rate</u></b>	<b><u>Special Assessments</u></b>	<b><u>Total Taxes</u></b>
\$10,710	0.0412	None	\$441.25*

\*Actual taxes are \$291.90 due to a reduced taxable value on the first parcel.

## **HISTORY**

AR County data lists the subject in the name of Douglas & Melissa Brookreson. There have been no changes in ownership in the past 36 months. Copies of the subject parcel assessment cards are included in the addenda of this report.

## **LISTING/CONTRACT DATA**

MLS records indicate a listing of the property at \$155,000 on January 5, 2024. There is a pending offer and acceptance (dated March 2, 2024) at \$149,000 with no known seller concessions. The contract was provided to the appraiser and has been included in the addenda of this report.

Conclusion: The assessed value and tax amount for the subject appears to be comparable to other similar properties in Craighead County. With the current political climate in the state, no increase in assessments is anticipated for the area.

The subject property assessment would likely be examined should there be a transfer of ownership. An adjustment could be made if the property sells for more or less than the current county assessed value. No special assessments are in place or expected in the foreseeable future.

## ANALYSIS AND CONCLUSIONS

### HIGHEST AND BEST USE

#### Introduction

Highest and Best Use is defined as:

**Highest and Best Use<sup>4</sup>** - The reasonably probable and legal use of vacant land or an improved property that is legally permissible, physically possible, appropriately supported, financially feasible and that results in the highest value.

For highest and best use of both the land as though vacant and property as improved, a use must meet four criteria. The criteria are that the highest and best use must be:

1. Legally permissible
2. Physically possible
3. Financially feasible
4. Maximally productive

#### **Highest and Best Use of the Site as though Vacant**

##### Physically possible:

The physical characteristics of the site are size, shape and topography. These characteristics determine the limitations of the physical uses of a vacant site. Generally, a larger site permits more options and a greater potential for economic efficiency due to the scale of development.

The subject site consists of one rectangular shaped tract with a total area of 5.52± acres. The site is on the west side of North Main Street north of Center Street in the north part of the City of Jonesboro. The site has adequate access and visibility.

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<sup>4</sup> The Appraisal of Real Estate, Thirteenth Edition, Page 278

## **ANALYSIS AND CONCLUSIONS**

### **HIGHEST AND BEST USE**

(Continued)

The topography of the site can be described as level and appears to provide adequate drainage. According to the Federal Insurance Administration Rate Map, the site does not appear to be in any designated flood hazard area.

The availability and capacity of utilities appears adequate for most uses that are deemed physically possible on the subject site.

Ultimately, the use of this site for a residential purpose is physically possible, as are developments for other uses such as a special use property.

#### Legally permissible:

As stated in the zoning section of this analysis, the site is Zoned R-3 Multi-Family High Density District; therefore, the highest and best use of the subject site is currently restricted to a residential/multi-family use as shown by the applicable zoning classification.

#### Financially Feasible

Surrounding land uses in the immediate vicinity of the subject are primarily residential with commercial development along Church Street to the east and Johnson Avenue to the south of the subject property. Most of the residential and commercial use properties located in the area have been successful.

## **ANALYSIS AND CONCLUSIONS**

### **HIGHEST AND BEST USE**

(Continued)

A comparison was made to other likely uses and residential use reflected the highest income to the land. This was based on the overall success rate of similar use properties in the area and the predominate use of nearby properties.

#### Maximally productive

The indicated uses from the physically possible, legally permissible and the financially feasible analyses above are somewhat varied but are generally residential use in nature. Neighborhood and city-oriented uses are the most suitable for the site given the apparent success of somewhat similar type properties throughout the region.

It would be possible for the site to be utilized for a special use or other community-oriented space.

In conclusion, it is my opinion that the highest and best use of the subject site is best indicated by the neighborhood trends toward residential.

## **ANALYSIS AND CONCLUSIONS**

### **THE APPRAISAL PROCESS**

The process of developing a well-supported estimate of a defined value is based on the analysis of all pertinent general and specific data as is available in the market. This data is used to estimate value using specific appraisal procedures by three distinct methods of data analysis. The final estimate of value is based on the use of one or more of these approaches. The use of an approach will depend on property type, use of the appraisal and the quality and quantity of the data available.

In the Cost Approach, an estimate of value of the site as if vacant and ready for its highest and best use. This estimate is based on one or more of six acceptable methods, with the sales comparison method being considered the most reliable. An estimate is then made of the reproduction or replacement cost which includes both the direct and indirect cost, including entrepreneurial profit. A deduction of accrued depreciation from all causes which includes physical deterioration, functional obsolescence and external obsolescence, with this resulting in the depreciated value of the improvements. An estimate of the contributory value of the site improvements is then calculated. The depreciated value of the improvements is then added to the contributory value of the site improvements plus the land value for an estimate of value by the Cost Approach.

The Sales Comparison Approach is developed using comparison of the subject property to similar comparable sales. This comparison is made using the various elements of comparison, which include real property rights, financial terms, conditions of sale, market conditions, expenditures made immediately after purchase, location, physical characteristics, economic characteristics, use and non-realty components of value. The adjusted prices of the comparables give an indication of value for the subject property. The adjusted values are then correlated into an indication of value by the Sales Comparison Approach.

## **ANALYSIS AND CONCLUSIONS**

### **THE APPRAISAL PROCESS**

(Continued)

The Income Capitalization Approach is a method of estimating the present value of the future benefits of property ownership. The first step is an estimate of market rent if offered in the current market. The next step is an estimate of vacancy and collection losses which are deducted from potential gross income to arrive at the estimate of the effective gross income. The next step is estimating both the fixed and variable expenses. These include taxes, insurance, management, repairs, miscellaneous and reserves for replacement.

Deductions of these expenses from the effective gross income gives an indication of net operating income (NOI). The two methods of capitalization of net income are direct and yield capitalization or discounted cash flow analysis. The applicable method is used to capitalize the net income into a value indication by the Income Capitalization Approach.

The final reconciliation is the process of analyzing the valuation process and determining the strength and weakness of the methods utilized. The values reflected by the methods are then reconciled into a final estimate of value.



## **ANALYSIS AND CONCLUSIONS**

### **COST APPROACH**

The Cost Approach is defined as follows:

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.<sup>5</sup>

Normally, the Cost Approach, for existing buildings, gives a value indication by estimating the reproduction or replacement cost new of the existing structure and other improvements based upon current labor and material costs. From the reproduction or replacement estimate, depreciation due to wear and tear, design and plan and neighborhood defects are deducted to arrive at an estimate of the depreciated cost of the improvements. The depreciated reproduction or replacement cost is then added to the estimated market value of the land to attain a value indication from the Cost Approach.

### **REPRODUCTION/REPLACEMENT COST ESTIMATES**

For clarification purposes, the separate costs are defined as follows:

Reproduction Cost - The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, super-adequacies, and obsolescence of the subject building.<sup>6</sup>

Replacement Cost - The estimated cost to construct at current prices as of the effective appraisal date, a substitute for the building being appraised using modern materials and current standards, design, and layout.<sup>7</sup>

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<sup>5</sup> The Appraisal of Real Estate, Thirteenth edition, Page 378

<sup>6</sup> The Appraisal of Real Estate, Thirteenth edition, Page 385

<sup>7</sup> The Appraisal of Real Estate, Thirteenth edition, Page 199

## **COST APPROACH**

(Continued)

As used in the Cost Approach to Value, depreciation may be defined as follows:

In appraising, a loss in property value from any cause; the difference between the reproduction or replacement cost of an improvement on the effective date of the appraisal and the market value of the improvements on the same date.

Deterioration: impairment of condition, a cause of depreciation that reflects the loss in value due to wear and tear, disintegration, use in service and the action of the elements.

Obsolescence: one cause of depreciation, an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production or external factors that make a property less desirable and valuable for a continued use; may be either functional or external.

There are several related terms in analyzing accrued depreciation and are explained as follows:

Depreciation – A loss in value from any cause.

Accrued Depreciation – The difference between an improvement's reproduction or replacement cost and its present value as of the date of the appraisal.

Book Depreciation – An accounting term, the amount of capital recapture charged off on an owner's books.

Economic Life – The period over which improvements to real estate contribute to property value.

Remaining Economic Life – The estimate period over which improvements continue to contribute to property value.

Actual Age – (historical or chronological age) – The number of years that have elapsed since an original structure was built.

Effective Age – The age of a property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age.<sup>8</sup>

The Cost Approach was not developed for the subject property as it is a vacant tract. Most purchasers of this type of property tend to place more emphasis on competitive listings and recently sold comparable properties.

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<sup>8</sup> The Dictionary of Real Estate, Fifth Edition, Page 65

## SALES COMPARISON APPROACH

### Introduction

The Sales Comparison Approach is defined as follows:

**Sales Comparison Approach** – The process of deriving a value indication for the subject property by comparing similar properties that have recently sold with the property being appraised, identifying appropriate units of comparison and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant market-derived element of comparison. The Sales Comparison Approach may be used to value improved properties, vacant land or land being considered as though vacant when an adequate supply of comparable sales is available.<sup>9</sup>

The Appraisal of Real Estate, Thirteenth Edition, indicates that the Sales Comparison Approach is most useful when similar properties have been sold or are currently for sale in the subject property market. A major premise of the Sales Comparison Approach is that the market value of a property is related to the prices of comparable competitive properties. The ten common elements of comparison that should always be considered in the Sales Comparison Approach are:

1. Real Property Rights Conveyed
2. Financing Terms
3. Conditions of Sale
4. Expenditures made immediately after purchase
5. Market Conditions
6. Location
7. Physical Characteristics
8. Economic Characteristics
9. Use
10. Non-Realty Components of Value

The Sales Comparison Approach or the Market Data Approach is based on the premise that the market value of a property is related to the prices of comparable competitive properties. The value of a property in the market is set by the availability of substitute properties of similar utility and desirability. Value is sustained when the relationship between land and the improvements on the land and when the relationships between property and its environment are in balance. Externalities such as the neighborhood and the economy can affect property values positively or negatively.

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<sup>9</sup> The Appraisal of Real Estate Thirteenth Edition, Page 297

## **SALES COMPARISON APPROACH**

(Continued)

The Sales Comparison Approach is applicable when there is sufficient data of recent market transactions to indicate a value pattern. It is less useful when data is scarce.

When a property is improved, this approach may provide information on income, expenses, capitalization rates and factors that can be applied in the Income Capitalization Approach. Because the Sales Comparison Approach has broad applicability and is persuasive when sufficient data is available, it is used in virtually all appraisal assignments; however, when economic conditions are changing rapidly, the usefulness of the Sales Comparison Approach may be limited. For example, changes in income tax laws and zoning regulations, the availability and cost of financing or the supply of similar properties may cause the market data of comparable properties with similar uses to be unreliable indicators of the value of the subject property. If economic changes occur abruptly, an appraiser may have difficulty finding a reliable market basis on which to adjust for these changes. Rapid inflation or deflation can also jeopardize the reliability of an appraiser's adjustment and limit the usefulness of the sales utilized in the Sales Comparison Approach.

To apply the Sales Comparison Approach, one considers data from closed sales, contracts, offers and listings of competitive properties. This data is used to establish the prices, real property rights conveyed, transaction dates, financing terms, motivations, locations, physical and functional considerations, and income producing characteristics of the properties under consideration. Sources of information may include public records, sales data services and interviews with the parties involved in a transaction. The geographic limit of the data search is set by the range of competitive properties.

A systematic, five step procedure for applying the Sales Comparison Approach involves: (1) Researching the market for data on the prices of comparable properties, (2) Verifying that the data is accurate and representative of arms-length transactions, (3) Determining relevant units of comparison, (4) Comparing the subject with comparables and adjusting the comparables for differences if possible, (5) Reconciling the multiple value indications into a single value or range of values.

### **Selection of Comparable Sales**

Each of the following sales was compared to the subject property using the parameters of established data. A summary of these sales and an adjustment grid follows.

**COMPARABLE LAND SALE NUMBER ONE**



Location: Belt Street, Jonesboro, Arkansas

Source: County Deed Records

Recording: 2022R, Page 005720

Date: March 15, 2022

Consideration: \$45,000

Zoning: R-3 & RM-12 (Multi-Family Residential)

Land Size: 1.71 acres

Topography: Level to sloping

Streets: Asphalt

Partial Legal: Part SE SE Section 7, Township 14 North, Range 4 East

Allocation of Price:  $\$45,000 / 74,488 \text{ sq. ft.} = \$0.60 \text{ per square foot.}$

Comments: Smaller tract that is southeast of the subject property.

## **COMPARABLE LAND SALE NUMBER TWO**



Location: Pacific Road, Jonesboro, Arkansas

Source: County Deed Records

Recording: 2020R, Page 017550

Date: August 5, 2020

Consideration: \$215,000

Zoning: R-2 (Multifamily)

Land Size: 6.79 acres

Topography: Level

Streets: Asphalt

Partial Legal: Part NE NE, Section 23, Township 14 North, Range 4 East

Allocation of Price:  $\$215,000 / 295,772 \text{ sq. ft.} = \$0.73 \text{ per square foot.}$

Comments: Larger tract that is located southeast of the subject property.



### COMPARABLE LAND SALE NUMBER THREE



Location: Hedger Drive, Jonesboro, Arkansas

Source: County Deed Records

Recording: 2022R, Page 010582

Date: May 10, 2022

Consideration: \$165,000

Zoning: C-3 Commercial

Land Size: 4.0 acres

Topography: Level

Streets: Asphalt

Partial Legal: Part NE SE Section 33, Township 14 North, Range 4 East

Allocation of Price:  $\$165,000 / 174,240 \text{ sq. ft.} = \$0.95 \text{ per square foot.}$

Remarks: Somewhat smaller property that is bounded on the north by R-2 property and on the west by industrial properties.

### **COMPARABLE LAND SALE NUMBER FOUR**



Location: Pine Street, Jonesboro, Arkansas

Source: County Deed Records

Recording: 2022R, Page 009806

Date: May 2, 2022

Consideration: \$40,000

Zoning: R-3 (Multi-Family Residential)

Land Size: 0.87 acres

Topography: Level

Streets: Asphalt

Partial Legal: Lot 5, Beacon and Bridges 2<sup>nd</sup> Addition

Allocation of Price:  $\$40,000 / 37,897 \text{ sq. ft.} = \$1.06 \text{ per square foot.}$

Remarks: Much smaller tract that is two blocks east of the subject property.



**COMPARABLE LAND SALES ADJUSTMENT GRID**

<b><u>Comparable Number</u></b>	<b><u>1</u></b>	<b><u>2</u></b>	<b><u>3</u></b>	<b><u>4</u></b>	<b><u>Subject</u></b>
<b>Transaction Type</b>	Sale	Sale	Sale	Sale	Pend
<b>Date Sold</b>	3/15/2022	8/5/2020	5/10/2022	5/2/2022	
<b>Site Size (AC)</b>	1.71	6.79	4.00	0.87	5.52
<b>Sale Price</b>	\$45,000	\$215,000	\$165,000	\$40,000	\$149,000
<b>Price per Sq. Ft.</b>	\$0.60	\$0.73	\$0.95	\$1.06	\$0.62
<b>Rights Conveyed</b>	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
<b>Financing Terms</b>	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	
<b>Conditions of Sale</b>	Typical	Typical	Typical	Typical	
<b>Market Conditions</b>	0%	0%	0%	0%	
<b>Subtotal</b>	\$0.60	\$0.73	\$0.95	\$1.06	
<b>Location</b>	0%	0%	0%	0%	
<b>Site/View</b>	10%	0%	0%	-10%	
<b>Zoning/Use</b>	0%	0%	-10%	0%	
<b>Flood Zone/Other</b>	0%	0%	0%	0%	
<b>Total Adjustments</b>	10%	0%	-10%	-10%	
<b>Indicated Value</b>	<u>\$0.66</u>	<u>\$0.73</u>	<u>\$0.86</u>	<u>\$0.95</u>	

## **SALES COMPARISON APPROACH**

(Continued)

### **Summary of Elements of Comparison**

#### **Real Property Rights Conveyed:**

In the verification process, the information gathered about the sales indicates that all were of fee simple estate with no adjustment indicated.

#### **Financing terms:**

All sales appear to have been cash payments to the seller with no atypical seller financing involved, therefore no adjustment was needed.

#### **Conditions of Sale:**

Conditions of sale usually reflect the motivations of the buyer and seller. The conditions of sale typically reflect transactions not considered to be arm's-length due to relationships of the involved parties to the transaction and other conditions that might make the transaction non-market in nature. In my opinion, all sales are market in nature with no adjustment indicated.

#### **Expenditures made immediately after purchase:**

The above sales were vacant tracts (or with building improvements of no contributory value) that were purchased for development; therefore, no adjustment was indicated.

#### **Market Conditions:**

Market condition refers to the changes which occur in the real estate market over time, typically referred to as appreciation or depreciation in price. A total of four sales were developed for the purpose of analyzing the market value of the subject property. These sales transactions occurred from August of 2020 to May of 2022. The sales were considered indicative of the current market with no change noted for this condition.

## **SALES COMPARISON APPROACH**

(Continued)

### **Summary of Elements of Comparison**

#### **Location:**

Location characteristics vary between comparable properties, which may require an adjustment. These characteristics were analyzed with minimal difference noted; therefore, no adjustment was made for location.

#### **Physical Characteristics:**

Differences in physical characteristics may include many items, such as site size and other amenities. Some variation was noted that was attributed to size but required minimal adjustment.

#### **Economic Characteristics:**

Economic characteristics are those which may affect the income of the property. These characteristics include operating expenses, quality of management, tenant mix, rent concessions, lease terms, lease expiration dates, renewal options, and lease provisions. The analysis did not reveal any conditions which would require an adjustment.

#### **Use/Zoning**

This adjustment is typically based on differences in current use or the highest and best use of the potential comparables and the subject property. All sales were purchased for similar development with minimal adjustment for zoning/use.

#### **Non-realty Components of Value:**

These are personal business concerns or any items which are not real property that were included in the sale of the comparable. The verification process did not indicate any non-realty items that were included in any of the comparable sales.

## **SALES COMPARISON APPROACH**

(Continued)

### **Selection of Units of Comparison<sup>10</sup>**

The Sales Comparison Approach attempts to derive an indication of market value through the principle of substitution. This principle states that an informed purchaser would pay no more for a property than the cost of acquiring an existing property with equal or similar utility. Market value is estimated by analyzing the sale prices of recent transactions involving property similar to the subject property. Any dissimilarities are resolved through appropriate and supported adjustments. The reliability of the approach is heavily dependent upon the following three factors.

1. The presence of adequate comparable sales data
2. The verification of the sales data
3. The degree of comparability to the subject, i.e., the magnitude of adjustments necessary to equate the subject property and the comparable property.

When dealing with homogeneous properties such as single-family residences, warehouses, vacant land, etc., the Sales Comparison Approach provides a reliable and supportable indication of value. For large and complex properties, the required adjustments are often more numerous and difficult to estimate.

The first and potentially most significant adjustment consideration is the size and location of the property. While this factor is well known and recognized, the appropriate adjustment can be difficult to estimate. For other physical factors, the same difficulty is experienced. The appraiser has the knowledge of the comparable sales and related market data to determine estimates for differences.

### **Reconciliation of Value Indications**

All sales were considered; however, Comparable #2 is more similar in size. Comparable #3 is the most recent sale. Comparable #4 is in closer proximity.

After adjusting for differences, the indicated value was \$0.67 per square foot for the 240,451 square feet (5.52± acres) of the subject site which was rounded to **\$160,000**.

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<sup>10</sup> The Appraisal of Real Estate, Thirteenth edition, Page 305

## INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach is defined as follows:

A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.<sup>11</sup>

The Income Capitalization Approach attempts to derive an estimate of market value based on the ability of the subject property to generate income. The Income Capitalization Approach may be best described as the process of converting future benefits of property ownership to present value. The future benefits include both the income streams and the potential resale value at the end of a specified period. The conversion of the future benefits to a present value is performed by direct capitalization or yield capitalization (or both).

Regardless of the formula or technique utilized, the development of a reliable estimate of income expectancy must be developed. After the estimate of an income stream is developed, various capitalization and yield rates are extracted from market data, if possible. Appropriate capitalization techniques are then selected for the subject based on the data available and the applicability to the subject property.

The final step in the approach is to apply the various techniques to the subject's estimated income stream to derive a value indication. When multiple value indications are found, reconciliation is necessary.

One method utilized in the Income Capitalization Approach to derive a value indication is discounted cash flow analysis. When using discounted cash flow analyses, gross potential income is estimated through comparable rent properties in the market as well as from the existing leases in place. Expenses associated with the operation of the subject property are estimated from both market derived information and the subject's history.

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<sup>11</sup> The Dictionary of Real Estate Appraisal, Fifth Edition, Page 99.

## **INCOME CAPITALIZATION APPROACH**

(Continued)

The annual net operating income derived is then discounted at a rate that is commensurate with the level of risk associated with the subject property. As well as reflecting the current rates of return-on investment capital adjusted for lack of liquidity requirements and other disadvantages commonly associated with real estate investments. The indicated discount rate is a rate of return on capital used to discount future payments or receipts to present value and is considered a pure yield rate in that there are no other claims to the net operation income such as debt service. The overall cash flows plus the reversion or sale of the property at the end of the holding period less sales costs are totaled to indicate a total value for the subject property.

### **Projection of Net Income**

To apply any capitalization technique, a reliable and supportable estimate of future income must be developed. The first component of this income stream is gross income derived from leasing of the property. This income is generally derived from the market in terms of comparison with other competitive projects as well as the historical operating history of the subject property.

### **Competitive Ground Lease Rates**

A survey of similar properties was completed. The surveyed properties are used as comparable rentals. This information was developed from conversations with the owners and property managers. The data appears to lend support to the value reflected by the Sales Comparison Approach, but it is limited in quantity; therefore, the inclusion of the Income Capitalization Approach was not considered necessary in the determination of value for the subject property.

## RECONCILIATION

The last phase of any valuation assignment in which two or more value indications derived from market data are resolved into a final value opinion, which may either be a final range of value or a single point estimate.<sup>12</sup>

In the reconciliation process, points considered are the amount of data available in each approach, the reliability of the data and the relevance of each approach to the defined value that is being sought. Following is a summary of the value conclusions and support for the final estimate of value.

### Summary of Value Indications:

<b>COST APPROACH</b>	<b>N/A</b>
<b>SALES COMPARISON APPROACH</b>	<b>\$160,000.</b>
<b>INCOME CAPITALIZATION APPROACH</b>	<b>N/A</b>

### Cost Approach

The Cost Approach is based, in part, upon the Principle of Substitution. This principle is basic to the Cost Approach and holds that no prudent investor would pay more for an existing property than the cost to acquire the site and construct improvements of equal desirability and utility with undue delay. The Cost Approach is typically utilized in the analysis of new properties or proposed construction which represents the highest and best use of the land. The Cost Approach is extremely reliable in a situation where the presence of total accrued depreciation is minimized. In this case, the subject site is a vacant tract; therefore, the Cost Approach to value was not considered necessary.

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<sup>12</sup> The Appraisal of Real Estate, Thirteenth Edition, Page 143

**RECONCILIATION**  
(Continued)

**Sales Comparison Approach**

Certain principles are also basic to the Sales Comparison Approach, these include the Principle of Substitution, supply and demand and balance. The Sales Comparison Approach represents the actions of buyer and sellers in the general market and displays sales and listings of properties such as the subject. Typically, the Sales Comparison Approach is reliable in the appraisal of homogeneous properties such as vacant land and single-family residences.

Data about comparable sales of vacant land was available, and in my opinion, the data could reliably be adjusted to a single “point” estimate of market value. The comparables utilized in this appraisal reflected minimal differences; therefore, the overall reliability of the Sales Comparison Approach is considered a reliable estimate.

**Income Capitalization Approach**

The Income Capitalization Approach consists of methods, techniques and mathematical procedures utilized when analyzing a property’s capacity to generate monetary benefits and when converting benefits into an indication of present value. The Income Capitalization Approach recognizes alternative investments in the market and is deemed reliable when establishing a market value for a property that is income producing in nature; however, the subject property is vacant land, and the Income Capitalization Approach was not considered necessary since most purchasers of this type of property tend to place more emphasis on competitive offerings and recently closed comparable sales.

**Final Value Estimate**

As requested, I have estimated the market value of the subject property as defined herein. In conclusion, the estimated Market Value of the subject property “as is” was:

**ONE HUNDRED SIXTY THOUSAND DOLLARS**  
**(\$160,000.00)**



## **ASSUMPTIONS AND LIMITING CONDITIONS**

This Appraisal Report, the Letter of Transmittal and the Certificate of Value are made expressly subject to the following Assumptions and Limiting Conditions. Any Special Limiting Conditions which may be contained elsewhere in the report are considered by reference a part of these assumptions and limiting conditions.

1. That the reported estimate of value and all data and supporting information contained in the Appraisal Report applies only on the effective date of the analysis. The opinions and conclusions expressed are intended to reflect market conditions effective as of the date specified and no responsibility is assumed for subsequent changes in economic, governmental, physical, or social factors which may have a material effect on these opinions.
2. Douglas D. Cooper is not responsible for any matters legal in character, nor is any opinion rendered as to title, which is assumed to be good and merchantable. No title report was made available, so no responsibility is being assumed for matters not disclosed by public records.
3. That the legal description, as furnished, is correct; and that the title to the property is good and transferable. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear, except those specifically discussed in the report. The property is assumed to be under responsible ownership and competent management.
4. That the land dimensions, as taken from available maps, plats and/or survey are correct. The analysis is subject to conditions revealed by a current registered land survey. It has been assumed that visible and apparent monuments are correct and that there are no encroachments.
5. Maps, plats, sketches, photographs, and other exhibits included in the report for the sole purpose of aiding the reader to visualize the property and are not intended to be used for any other purpose.
6. That the present zoning of the property was verified with governmental agencies. The appraiser assumes no responsibility for any error reported by the city officials and/or staff. Since zoning ordinances are lengthy, the appraiser assumes no responsibility for a complete description of all zoning regulations. Zoning ordinance rules pertinent to the analysis problem have been reviewed by the appraiser, and restriction and limitations of use affecting value have been addressed in the body of the report.

## **ASSUMPTIONS AND LIMITING CONDITIONS**

(Continued)

7. That no adverse soil conditions exist, nor latent defects in structural components of the improvements unless specifically addressed the body of this report. The condition of all mechanical systems (heating, cooling, ventilation, electrical and plumbing equipment) is considered commensurate with the condition of the balance of the improvements (unless otherwise stated).
8. The appraiser made a physical inspection of the property and although no termite report was made available, no visible evidence of termite infestation was noted.
9. That the Appraisal Report is the work product of the appraiser only.
10. That certain opinions, estimates, data, and statistics; furnished by others and confirmed by the appraiser in this investigation; are correct. That although all information was obtained from and verified by sources thought to be reliable, the appraisers assume no responsibility for misinformation supplied by third parties.
11. The analysis of data and conclusions of value contained in the report are to be used in whole and not in part. The distribution of the total value between land and improvements applies only under the program of utilization outlined in the report. The separate valuations for land and improvements are not to be used with any other Appraisal Report, not taken out of context and are invalid is used in this manner.
12. The assignment does not contemplate any court action, nor does it oblige the appraiser to give any testimony or make any appearance in court. The opinions and conclusions expressed are intended for use by the client only.
13. Possession of the Appraisal Report does not carry with it the right of use, duplication or publication. No part of the contents of this report, including supporting market data, are to be used by any person without written consent of the appraiser.
14. No part of the contents of the report (conclusions of value, the identity of the appraiser, or other reference is to be revealed to the public through advertising media, news media or any other public means of communication.

## **ASSUMPTIONS AND LIMITING CONDITIONS**

(Continued)

15. No responsibility is being assumed for the presence of asbestos in the building structure. The identification of potential hazards requires the expertise of a qualified consultant and analysis of “bulk samples” by a qualified laboratory. No opinion regarding the presence of asbestos is to be inferred or construed from this report. This report is invalid if a subsequent inspection disclosed the presence of asbestos.
16. No responsibility is being assumed for the presence of urea formaldehyde insulation or other toxic materials in the building structure. The identification of potential hazards requires the expertise of a qualified consultant. No opinion regarding the presence of urea formaldehyde insulation (or other toxic materials) is to be inferred or construed from this report. This report is invalid if a subsequent inspection discloses the presence of urea formaldehyde insulation or other toxic materials.
17. No responsibility is being assumed for the presence of toxic material in the soil or the presence of a waste dumping site of any type. The identification of potential hazards required the expertise of a qualified consultant. No opinion regarding the presence of toxic materials is to be inferred or construed from this report. This report is invalid if a subsequent inspection discloses the presence of toxic materials.

## **PERTINENT DEFINITIONS OF APPRAISAL TERMINOLOGY**

Accrued Depreciation - The difference between an improvement's reproduction or replacement cost new and its present value as of the date of appraisal

Actual Age - The number of years that have elapsed since construction of an improvement; also called historical or chronological age.

Book Depreciation - An accounting term, the amount of capital recapture charged off on an owner's books.

Cost Approach - Through which an appraiser derives a value indication of the fee simple interest in a property by estimating the current cost to construction a reproduction of or replacement for the existing structure, deducting for all evidence of accrued depreciation for the cost new of the reproduction or replacement structure and adding the estimated land value plus an entrepreneurial profit. Adjustments may be made to the indicated fee simple value of the subject property to reflect the value indication of the property interest being appraised.

Curable Functional Obsolescence - An element of accrued depreciation; a curable defect caused by deferred maintenance.

Depreciation - A loss in value from any cause.

Discounted Cash Flow Analysis - A set of procedures in which the quantity, variability, timing and duration of periodic income, as well as the quantity and timing of reversions are specified and discounted to present value at a specified yield rate.

Discounting - The procedure used to convert periodic income and reversions into present value; based on the assumption that benefits received in the future are worth less than the same benefits received now.

Economic Life - The period over which improvements to real estate contribute to property value.

Effective Age - The age indicated by the conditions and utility of a structure.

External Obsolescence - An element of accrued depreciation; a defect, usually incurable caused by negative influences outside a site.

Fee Simple Estate - Implies absolute ownership unencumbered by any other interest or estate.

## **PERTINENT DEFINITIONS OF APPRAISAL TERMINOLOGY**

(Continued)

Highest and Best Use - The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

Income Capitalization Approach - Approach through which an appraiser derives a value indication for income-producing property by converting anticipated benefits, i.e., cash flows and reversions into property value. This conversion can be accomplished in two ways: One year's income expectancy or an annual average of several years income and expectancies may be capitalized at a market-derived capitalization rate or a capitalization rate that reflects a specified income pattern, return-on investment and change in the value of the investment; secondly, the annual cash flows may be discounted for the holding period and the reversion at a specified yield rate.

Incurable Functional Obsolescence - An element of accrued depreciation; a defect caused by a deficiency or a super adequacy in the in the structure, materials, or design, which is not financially feasible or practical to correct.

Leased Fee Estate - An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others, the rights of a lessor or the leased fee owner and leased fee are specified by contract terms contained within the lease.

Leasehold Estate - The right to use and occupy real estate for a stated term and under certain conditions; conveyed by a lease.

Leasehold Improvements - Improvements or additions to the leased property that have been made by the lessee.

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 and 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 United States Dollars or in terms of financial arrangements comparable thereto;
5. the price represents the normal consideration for property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

## **PERTINENT DEFINITIONS OF APPRAISAL TERMINOLOGY**

(Continued)

Neighborhood - A portion of a larger community of entire community in which there is a homogenous grouping of inhabitants, buildings, or business enterprises. Inhabitants of a neighborhood usually have a more than casual, community of interest and a similarity of economic level or cultural background. Neighborhood boundaries may consist of well-defined natural or man-made barriers or they may be well defined by a distinct change in land use or in the character of the inhabitants.

Remaining Economic Life - The estimated period during which improvements continue to contribute to property value.

Replacement Cost - The cost of construction, at current prices, of a building having utility equivalent to the building being appraised but built with modern materials and according to current standards, design, and layout.

Reproduction Cost - The cost of construction at current prices of an exact duplicate or replica using the same materials, construction standards, design, layout and quality of workmanship, embodying all the deficiencies, super adequacies and obsolescence of the subject building.

Sales Comparison Approach - Approach through which an appraiser derives a value indication by comparing the property being appraised to similar properties that have sold recently, applying appropriate units of comparison, and making adjustment based on the elements of comparison to the sale prices of the comparables.

Yield Capitalization - The Capitalization method used to convert future benefits to present value by discounting each future benefit at an appropriate yield rate of by developing an overall rate that explicitly reflects the investment's income pattern, value change and yield rate.

Yield Rate - A measure of investment return that is applied to a series of incomes to obtain the present value of each; examples are the interest rate, the discount rate, the internal rate of return (IRR) and the equity yield rate (Ye).

### **Sources**

Appraisal of Real Estate, Thirteenth Edition; The Dictionary of Real Estate Appraisal.  
Chicago: Appraisal Institute of Real Estate

## **ADDENDA**

## REGIONAL AND CITY DATA

### LOCATION

The Greater Jonesboro Metropolitan Statistical area consists of Craighead, Greene, Jackson, Lawrence, Mississippi, and Poinsett Counties, and according to figures released by the Census Bureau, has a population of 219,350 as of 1990. According to 2020 census figures Jonesboro had a population of 78,576, or a 16.8% increase from the 2010 population of 67,263. Jonesboro, Arkansas is the county seat for Craighead County and is uniquely situated as the hub of Northeast Arkansas. Distances by highway to major nearby cities include Little Rock, 130 miles; Dallas, 486 miles; Atlanta, 481 miles; Chicago, 490 miles; St. Louis, 236 miles; New Orleans, 409 miles; and Tulsa, 403 miles. The incorporated cities of Craighead County are Bay, Black Oak, Bono, Brookland, Caraway, Cash, Egypt, Jonesboro, Lake City and Monette.

### EMPLOYMENT OPPORTUNITIES

The diverse economy of Jonesboro and the surrounding area ranges from prime agriculture farming to modern manufacturing companies and a major state university. Agriculture is the basic economy for the county; however, the area has become a regional center for medical facilities and higher education. The following list includes some of the area's major employers:

<u>Employer</u>		<u>Employees</u>
St. Bernards Healthcare	Healthcare	3,077
Arkansas State University	Education	2,090
NEA Baptist Health System	Healthcare	2,009
Wal-Mart Super Centers (4)	Retail	985
Jonesboro Public Schools	Education	756
City of Jonesboro	Government	580
Nettleton Public Schools	Education	553
Mid-South Health Systems	Healthcare	514
Jonesboro Human Development Center	Healthcare	343
Valley View Public Schools	Education	319
Ritter Communications	Telecommunication	303
Craighead County	Government	300



## **TRANSPORTATION**

Air - The Jonesboro Municipal Airport is in the eastern part of the city. Currently the longest runway is a paved, lighted, high intensity approach that is 6,200 feet. There is a charter service available with single and multi-engine planes and a commercial air carrier.

Rail – Union Pacific and Burlington Northern/Santa Fe provide rail service to surrounding states.

Highways - Major highways leading into and out of Jonesboro include United States Highways 49 and 63, State Highways 1, 18, 141, 226, & 351. Jonesboro is located approximately 40 miles from Interstate Highway 55 and approximately 60 miles from Interstate 40.

Trucking/Motor Freight – There are numerous interstate carriers with terminals located in Jonesboro that provide freight service to all points.

Bus - The Jonesboro area is serviced by Greyhound Bus Lines. Charter bus service is also available.

Waterways - The nearest navigable port is on the Mississippi River. Osceola and West Memphis, AR, and Memphis, TN, all have ports located about 60 miles from Jonesboro.

## **GOVERNMENT**

Jonesboro operates under the Mayor-City Council-City Planning Commission. The Mayor is elected by popular vote on a full-time basis.

Police - The Jonesboro police department has approximately 163 officers. Service is available to industrial plants outside the city limits.

Fire Protection - Jonesboro has an ISO fire rating of 1, with 115 paid fire fighters.

## **UTILITIES**

Electricity – Electric service in Jonesboro is supplied by the Craighead Electric Cooperative and the Jonesboro City Water and Light Company.

Water - The water supply for the city of Jonesboro is supplied by the municipality. The raw water supply comes from 30 deep water wells. The water wells have a storage capacity of 17,800,000 gallons, a treatment capacity of 38,500,000 GPD, and a peak consumption of 29,260,000 GPD.

### **UTILITIES (Continued)**

Sanitary Sewer Systems - Jonesboro operates a sewer system capable of handling approximately 16,500,000 Gallons per Day, with a surplus capacity of 8,700,000 GPD.

Telephone – AT&T serves the Jonesboro area utilizing electronic and digital central office switching equipment.

Natural Gas - CenterPoint Energy serves over 7,000,000 customers in an eight-state area.

### **EDUCATION AND TRAINING**

Arkansas State University is in Jonesboro. The university offers Associate, Bachelor, Master, Doctorate and Specialist degrees. Arkansas State University is the second largest university in Arkansas and currently has an enrollment of approximately 14,000. There are five other universities and secondary colleges located within eighty miles.

### **CONCLUSION:**

The economic and social environment of Jonesboro and the surrounding area is well established, diverse, and expanding as businesses continually look for locations where land, labor costs, taxation, and educational opportunities are favorable. Jonesboro qualifies on all points and has continued to grow even during periods of recession. The local economy depends heavily on the economies generated by agriculture and medium sized manufacturing industries, but Arkansas State University provides the core for the area economy. The university has experienced exceptional growth with an enrollment of approximately 7,620 in 1980 to a present enrollment of approximately 14,000.

In summary, the Jonesboro market area has shown considerable stability during previous and present market climates. Recent retail developments and continued expansion of service facilities and local manufacturing plants should enhance the potential for continued growth. While there are always some sectors of the local economy that are subject to market changes, the strengths of the Jonesboro Metropolitan Statistical Area continue to be enhanced by the presence of Arkansas State University which provides for a higher education level for the workforce and assists in various research and developmental aspects for the area. In addition, the area is well served by the rich agricultural base and advanced medical facilities providing emergency, short and long-term health care for residents of the area. The Jonesboro market should continue to be at least stable as employment performance has been at or above the U.S. averages since 1994 and is projected to continue for the foreseeable future.

## Comparable Sales Map

Borrower	Rushang Patel					
Property Address	1215 N Main St					
City	Jonesboro	County	Craighead	State	AR	Zip Code 72401
Lender/Client	First Community Bank					





## Photograph Addendum

Borrower	Rushang Patel				
Property Address	1215 N Main St				
City	Jonesboro	County	Craighead	State	AR Zip Code 72401
Lender/Client	First Community Bank				



**Site View West**



**Site View North**



**Street View South**

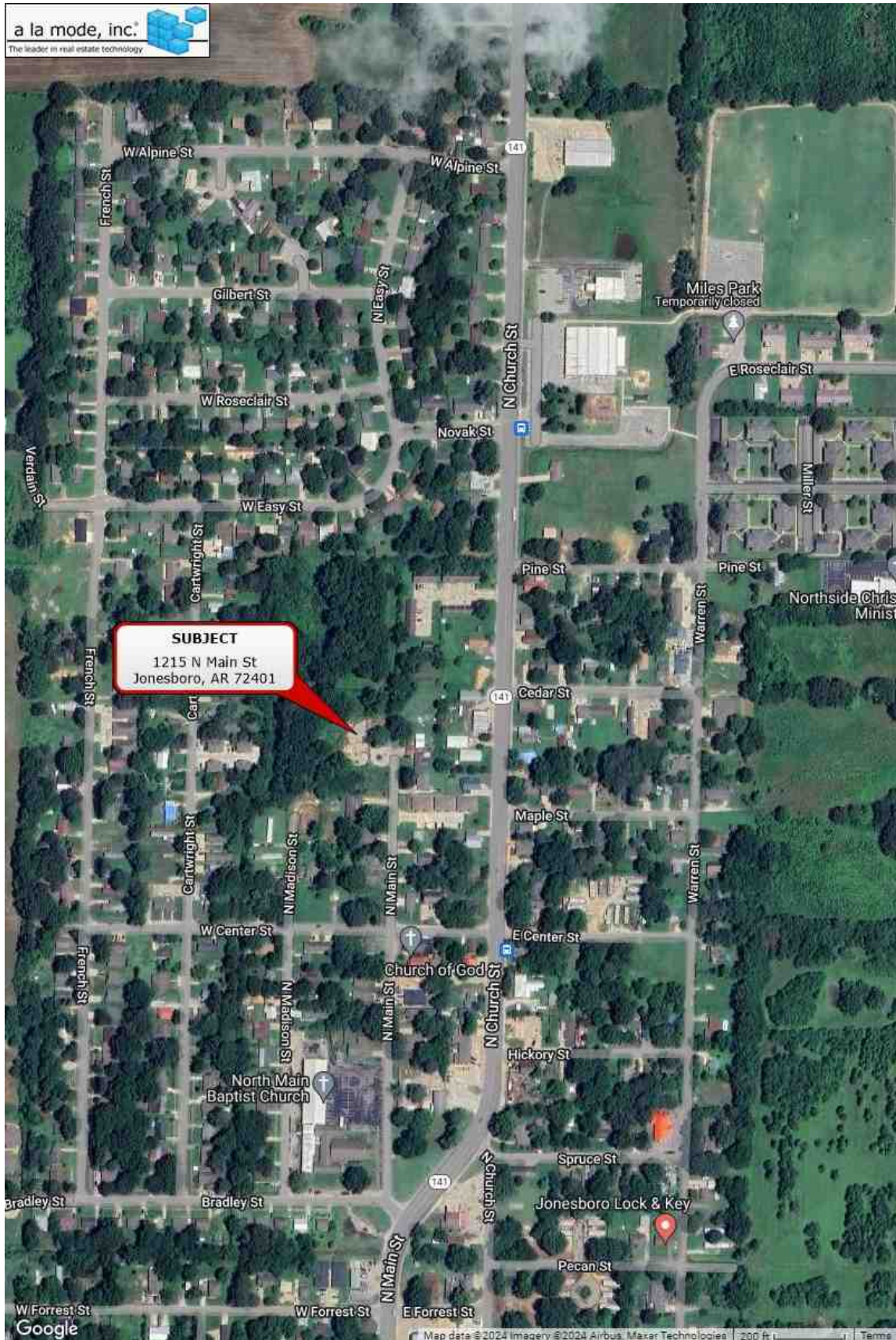


**Street View North**



## Location Map

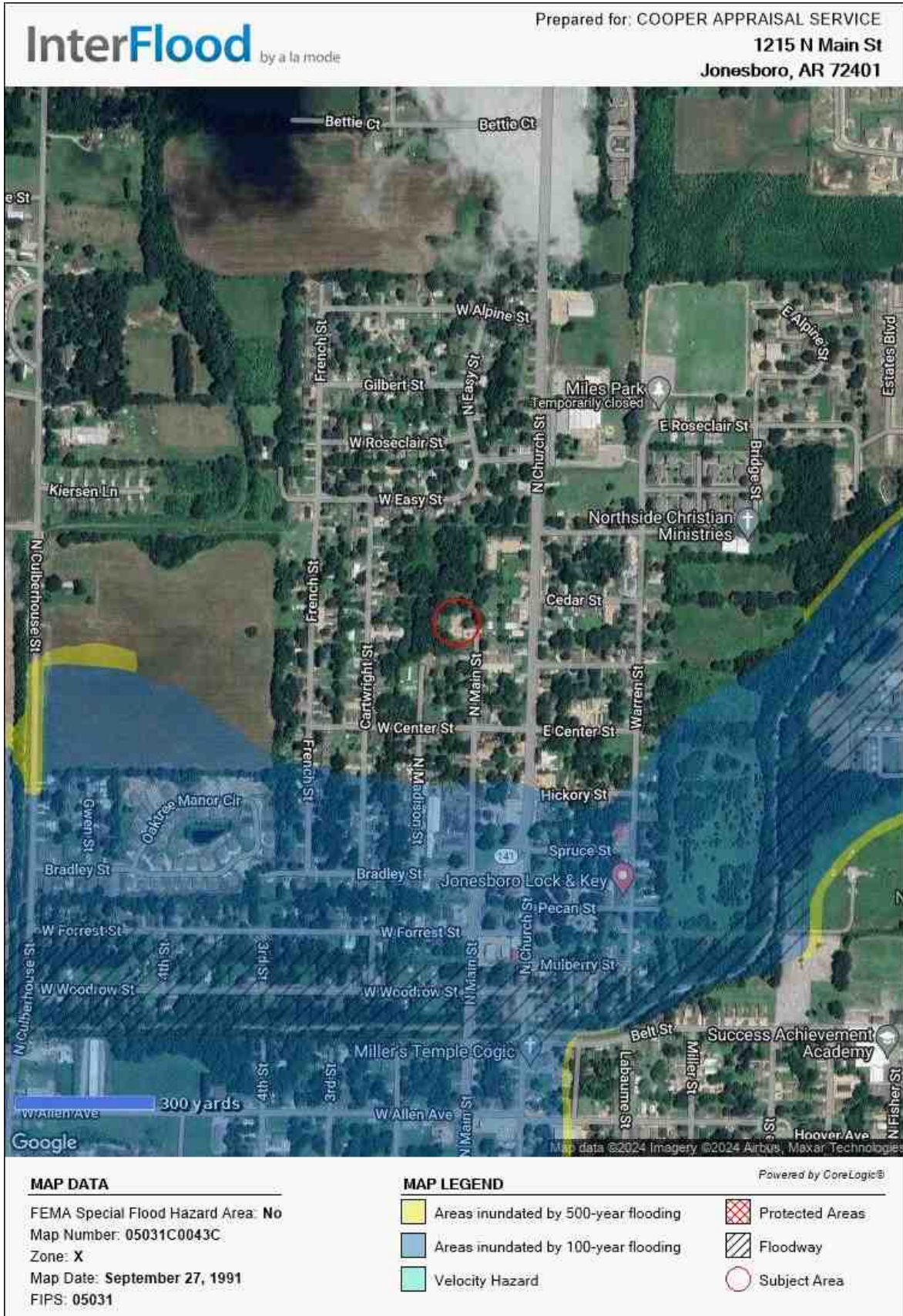
Borrower	Rushang Patel					
Property Address	1215 N Main St					
City	Jonesboro	County	Craighead	State	AR	Zip Code 72401
Lender/Client	First Community Bank					



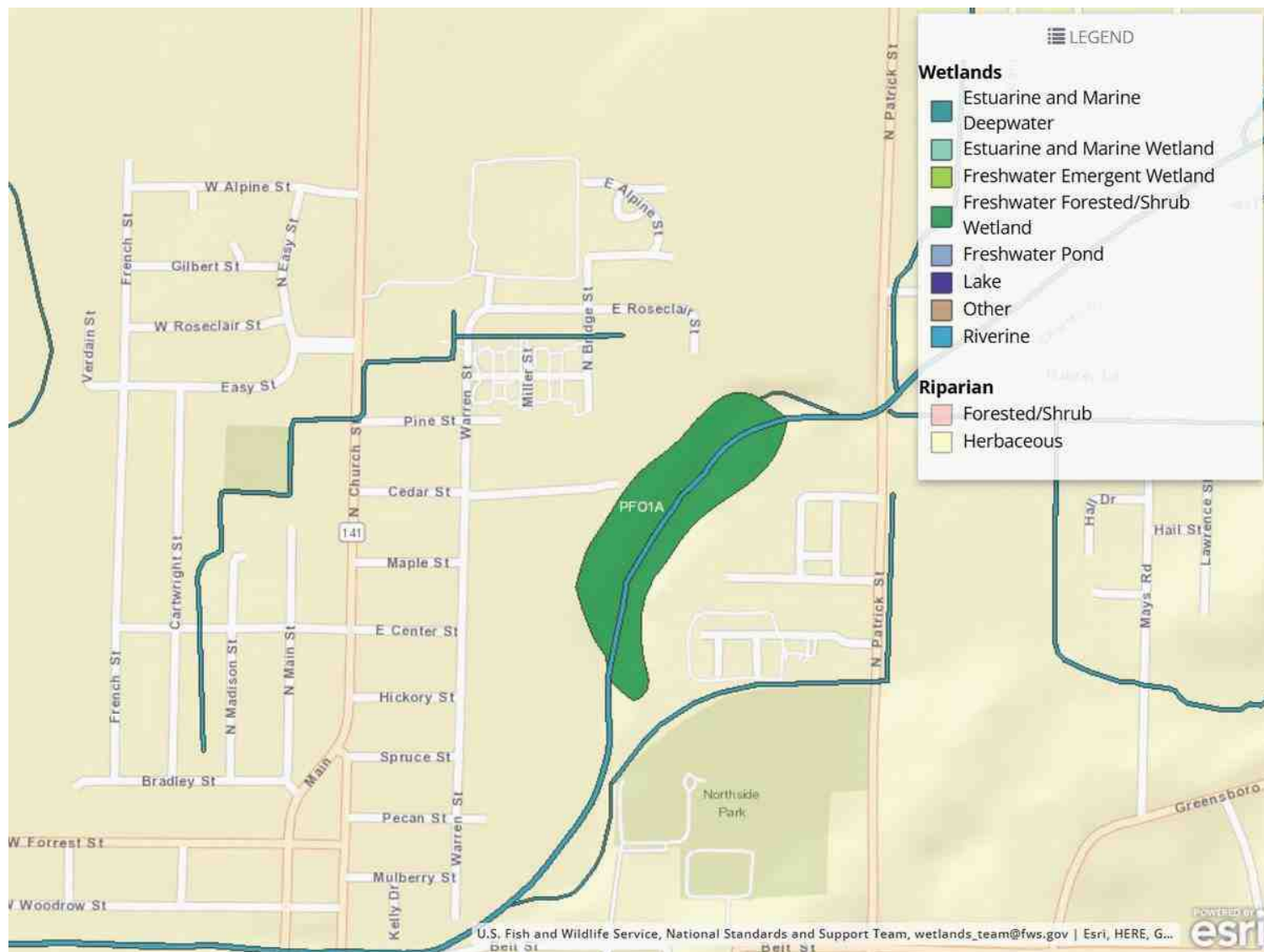


## Flood Map

Borrower	Rushang Patel					
Property Address	1215 N Main St					
City	Jonesboro	County	Craighead	State	AR	Zip Code 72401
Lender/Client	First Community Bank					

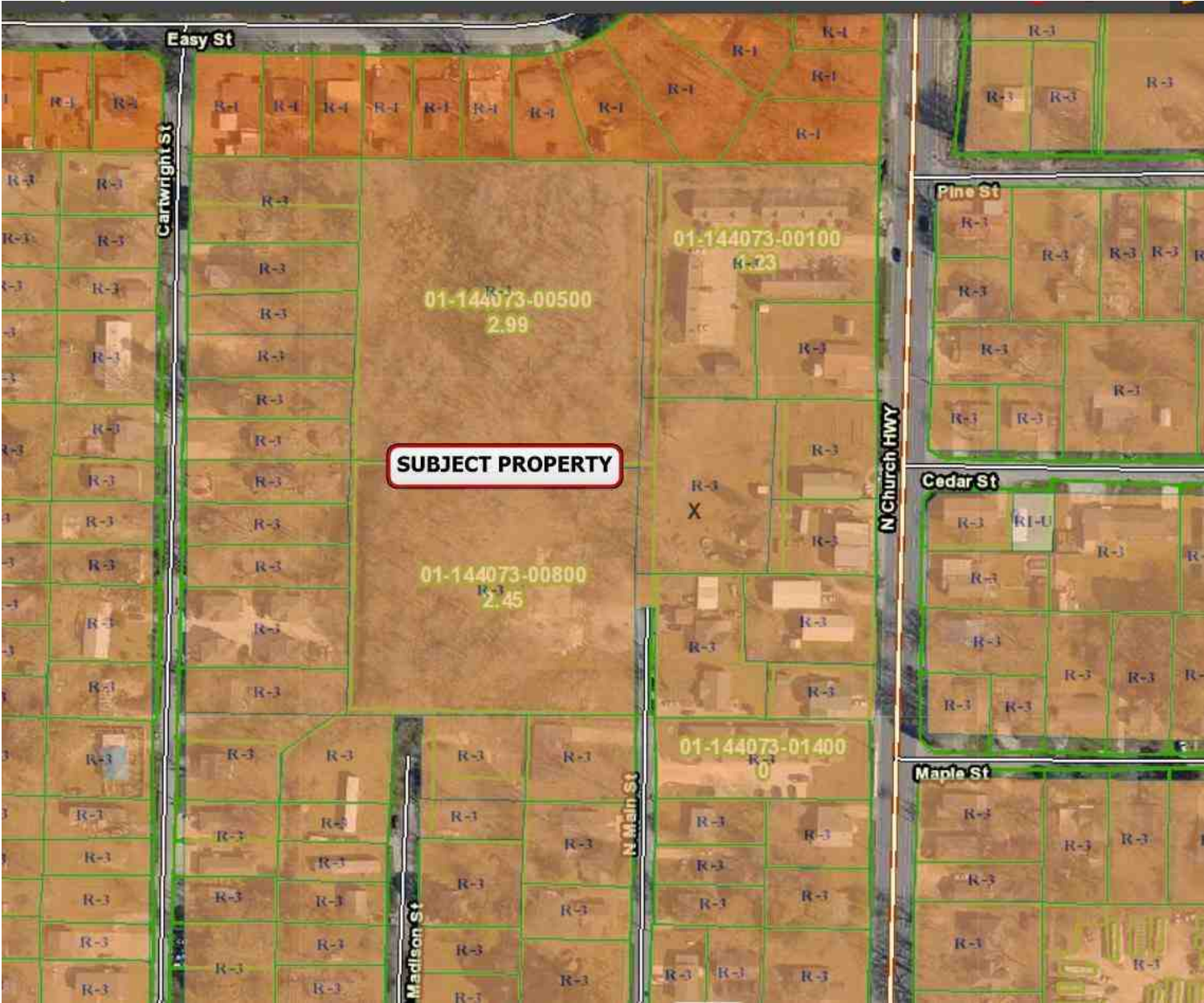


# Wetlands Map





Zoning Map



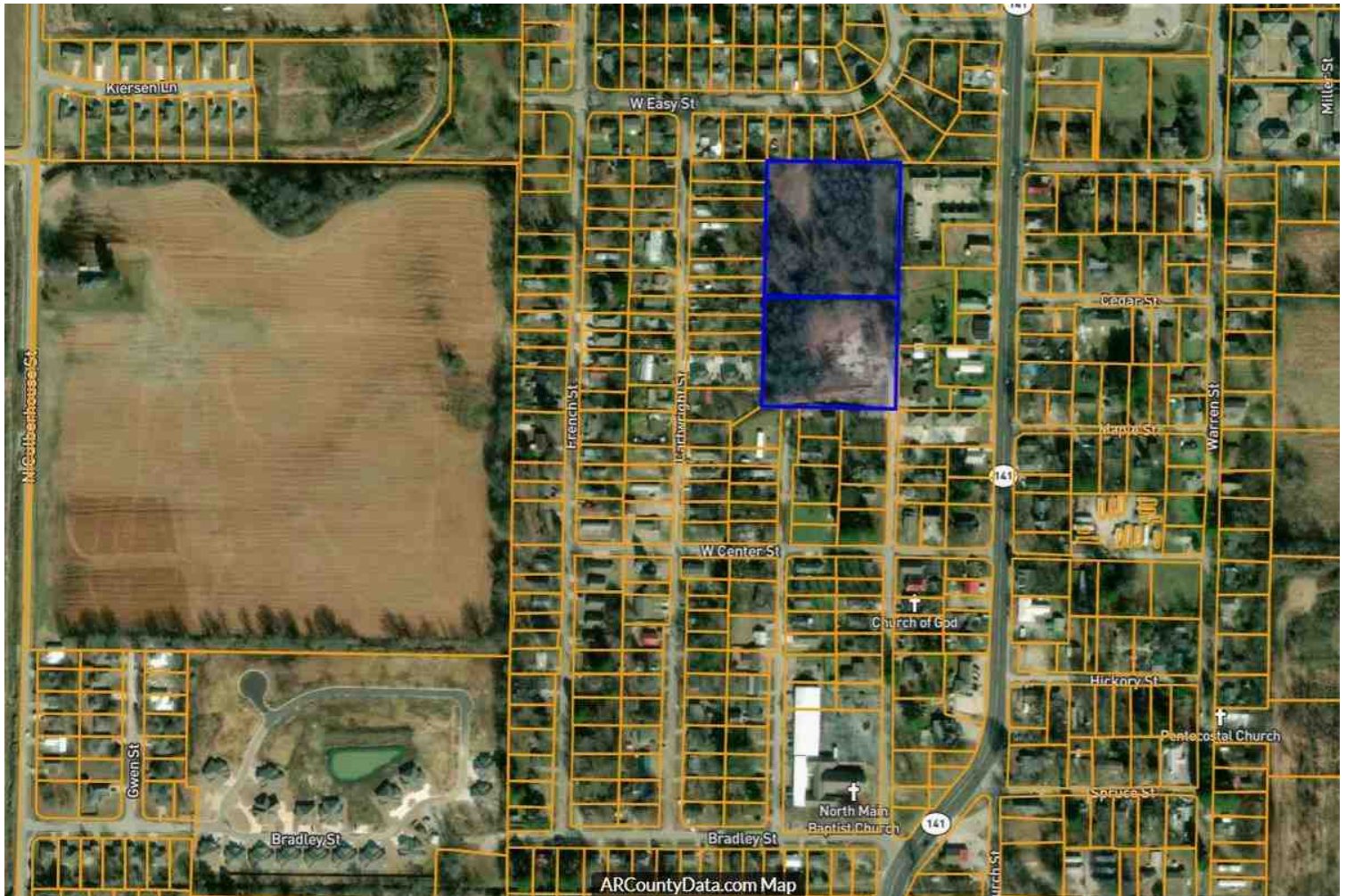


## PLAT OF SURVEY

The following lands in Craighead County, Arkansas, to-wit: That part of the Northeast Quarter of the Southwest Quarter of Section 7, Township 14 North, Range 4 East, more particularly described as follows: Beginning at the Northeast corner of said tract; thence S89°49'31"W, 322.05 feet the true point of beginning; thence S01°35'50"W, 871.55 feet; thence N88°46'02"W, 360.56 feet; thence N01°35'50"E, 862.69 feet; thence N89°49'31"E, 360.73 feet to the true point of beginning proper, containing 5.52 acres more or less. Subject to 50 foot easement described as follows: Beginning at the Northeast corner of the Northeast Quarter of the Southwest Quarter of Section 7, Township 14 North, Range 4 East; thence S89°49'31"W, 322.05 feet; thence S01°35'50"W, 369.08 feet to the true point of beginning; thence continue S01°35'50"W, 302.47 feet; thence N88°48'02"W, 50.00 feet; thence N01°35'50"E, 301.73 feet; thence N89°37'02"E, 50.01 feet to the true point of beginning, and any other easements that may affect said lands.



## Aerial Parcel



## Parcel Cards - Page 1

### Parcel Detail Report

<b>Basic Information</b>							
Parcel Number:		01-144073-00500					
County Name:		Craighead County					
Property Address:		BROOKRESON DOUGLAS & MELISSA 1215 N MAIN JONESBORO, AR					
Mailing Address:		BROOKRESON DOUGLAS & MELISSA 4713 LOCHMOOR CR JONESBORO AR 72405-8151					
Collector's Mailing Address :		BROOKRESON DOUGLAS & MELISSA 4713 LOCHMOOR CR JONESBORO, AR 72405-8151					
Total Acres:		2.99					
Timber Acres:		0.00					
Sec-Twp-Rng:		07-14-04					
Lot/Block:		/					
Subdivision:							
Legal Description:		PT NE NE SW JBORO CITY					
School District:		J JB JONESBORO CITY					
Homestead Parcel?:		No					
Tax Status:		Taxable					
Over 65?:		No					
<b>Land Information</b>							
Land Type	Quantity	Front Width	Rear Width	Depth 1	Depth 2	Quarter	
RESHS	1.00 acres [43,560 sqft]					NW	
RESHS	1.99 acres [86,684 sqft]					NW	
<b>Valuation Information</b>							
Entry			Appraised	Assessed			
Land:			34,925	6,985			
Improvements:			0	0			
Total Value:			34,925	6,985			
Taxable Value:				3,360			
Millage:				0.0412			
Estimated Taxes:				\$138.43			
Assessment Year:				2023			
<b>Tax Information</b>							
Year	Book		Tax Owed	Tax Paid	Balance		
<u>2023</u>	Current		\$138.43	\$0.00	\$138.43		
<u>2022</u>	Current		\$126.90	-\$126.90	\$0.00		
<u>2021</u>	Delinquent		\$118.16	-\$118.16	\$0.00		
<u>2020</u>	Current		\$118.16	-\$118.16	\$0.00		
<u>2019</u>	Current		\$118.16	-\$118.16	\$0.00		
<u>2018</u>	Current		\$118.16	-\$118.16	\$0.00		
<u>2017</u>	Current		\$118.16	-\$118.16	\$0.00		
<u>2016</u>	Current		\$101.28	-\$101.28	\$0.00		
<b>Receipts</b>							
Receipt #	Book	Tax Year	ReceiptDate	Cash Amt	Check Amt	Credit Amt	Total
<u>33737</u>	Current	2022	10/4/2023	\$0.00	\$1,073.08	\$0.00	\$1,073.08
<u>1014233</u>	Delinquent	2021	10/31/2022	\$0.00	\$309.71	\$0.00	\$309.71
<u>37215</u>	Current	2020	10/12/2021	\$0.00	\$833.10	\$0.00	\$833.10
<u>30438</u>	Current	2019	10/5/2020	\$0.00	\$644.52	\$0.00	\$644.52
<u>26584</u>	Current	2018	9/30/2019	\$0.00	\$743.29	\$0.00	\$743.29
<u>22822</u>	Current	2017	9/20/2018	\$0.00	\$934.06	\$0.00	\$934.06
<u>28397</u>	Current	2016	10/9/2017	\$0.00	\$692.08	\$0.00	\$692.08
<b>Sales History</b>							

## Parcel Cards - Page 2

Filed	Sold	Price	Grantor	Grantee	Book	Page	Deed Type
6/15/2016	6/13/2016	156,500	OAK STREET PROPERTIES LLC	BROOKRESON DOUGLAS & MELISSA	JB2016R	008972	WD(WARRANTY DEED)
11/14/2012	11/14/2012	80,000	EASON CHRISTY LAMBERT	OAK STREET PROPERTIES LLC	JB2012R	019455	WD(WARRANTY DEED)
11/14/2012	11/14/2012	0	MCILVOY/SHAW	EASON CHRISTY LAMBERT	JB2012R	019454	QCD(QUIT CLAIM DEED)
6/6/1995	6/6/1995	13,000				478058	



## Parcel Cards - Page 3

<b>Basic Information</b>							
Parcel Number:		01-144073-00800					
County Name:		Craighead County					
Property Address:		BROOKRESON DOUGLAS & MELISSA 1215 N MAIN JONESBORO, AR					
Mailing Address:		BROOKRESON DOUGLAS & MELISSA 4713 LOCHMOOR CR JONESBORO AR 72405-8151					
Collector's Mailing Address :		BROOKRESON DOUGLAS & MELISSA 4713 LOCHMOOR CR JONESBORO, AR 72405-8151					
Total Acres:		2.45					
Timber Acres:		0.00					
Sec-Twp-Rng:		07-14-04					
Lot/Block:		/					
Subdivision:							
Legal Description:		PT NE NE SW					
School District:		J JB JONESBORO CITY					
Homestead Parcel?:		No					
Tax Status:		Taxable					
Over 65?:		No					
<b>Land Information</b>							
Land Type	Quantity	Front Width	Rear Width	Depth 1	Depth 2	Quarter	
COMM	1.00 acres [43,560 sqft]					0 NW	
COMM	1.45 acres [63,161 sqft]						
<b>Valuation Information</b>							
Entry			Appraised			Assessed	
Land:			18,625			3,725	
Improvements:			0			0	
Total Value:			18,625			3,725	
Taxable Value:						3,725	
Millage:						0.0412	
Estimated Taxes:						\$153.47	
Assessment Year:						2023	
<b>Tax Information</b>							
<b>Year</b>	<b>Book</b>		<b>Tax Owed</b>		<b>Tax Paid</b>	<b>Balance</b>	
<u>2023</u>	Current		\$153.47		\$0.00	\$153.47	
<u>2022</u>	Current		\$153.47		-\$153.47	\$0.00	
<u>2021</u>	Delinquent		\$156.98		-\$156.98	\$0.00	
<u>2020</u>	Current		\$156.98		-\$156.98	\$0.00	
<u>2019</u>	Current		\$156.98		-\$156.98	\$0.00	
<u>2018</u>	Current		\$156.98		-\$156.98	\$0.00	
<u>2017</u>	Current		\$156.98		-\$156.98	\$0.00	
<u>2016</u>	Current		\$422.00		-\$422.00	\$0.00	
<b>Receipts</b>							
<b>Receipt #</b>	<b>Book</b>	<b>Tax Year</b>	<b>ReceiptDate</b>	<b>Cash Amt</b>	<b>Check Amt</b>	<b>Credit Amt</b>	<b>Total</b>
<u>33737</u>	Current	2022	10/4/2023	\$0.00	\$1,073.08	\$0.00	<b>\$1,073.08</b>
<u>1014233</u>	Delinquent	2021	10/31/2022	\$0.00	\$309.71	\$0.00	<b>\$309.71</b>
<u>37215</u>	Current	2020	10/12/2021	\$0.00	\$833.10	\$0.00	<b>\$833.10</b>
<u>30438</u>	Current	2019	10/5/2020	\$0.00	\$644.52	\$0.00	<b>\$644.52</b>
<u>26584</u>	Current	2018	9/30/2019	\$0.00	\$743.29	\$0.00	<b>\$743.29</b>
<u>22822</u>	Current	2017	9/20/2018	\$0.00	\$934.06	\$0.00	<b>\$934.06</b>
<u>28397</u>	Current	2016	10/9/2017	\$0.00	\$692.08	\$0.00	<b>\$692.08</b>
<b>Sales History</b>							

## Parcel Cards - Page 4

Filed	Sold	Price	Grantor	Grantee	Book	Page	Deed Type
6/15/2016	6/13/2016	156,500	OAK STREET PROPERTIES LLC	BROOKRESON DOUGLAS & MELISSA	JB2016R	008972	WD(WARRANTY DEED)
11/14/2012	11/14/2012	80,000	EASON CHRISTY LAMBERT	OAK STREET PROPERTISL LLC	JB2012R	019455	WD(WARRANTY DEED)
7/16/2002	7/16/2002	0	LAMBERT & MCILVOY	LAMBERT	629	808	QCD(QUIT CLAIM DEED)
4/26/2002	4/26/2002	0	SHAW	LAMBERT ETAL	625	253	QCD(QUIT CLAIM DEED)
12/28/1998	12/28/1998	36,000	TATE	SHAW	569	185	WD(WARRANTY DEED)
9/23/1994	9/23/1994	18,000				467440	

# Real Estate Contract (Lots and Acreage)

Page 1 of 11

CENTURY 21  
PORTFOLIO



Copyright  
2024  
Arkansas  
REALTORS®  
Association

Form Serial Number: 026264-100170-9325331

1. PARTIES: Rushang Patel

(individually, or collectively, the "Buyer") offers to purchase, subject to the terms and conditions set forth herein, from the undersigned (individually or collectively, the "Seller") the real property described in Paragraph 2 of this Real Estate Contract (the "Property").

2. ADDRESS AND LEGAL DESCRIPTION: Buyer is not relying on Seller, Listing Firm or Selling Firm regarding location of the Property, Buyer having sole responsibility to engage surveyors, engineers, attorneys or other professionals to determine the location, size, slope and boundaries of the Property. If Buyer is dissatisfied with the results of such determination, Buyer, without further obligation, may declare this Real Estate Contract terminated with both parties agreeing to sign a Termination of Contract Addendum and Buyer to recover Earnest Money.

A. ADDRESS: 1215 N Main St N, Jonesboro, AR 72401

B. FULL LEGAL DESCRIPTION: Parcel # 01-144073-00500, Parcel # 01-144073-00800  
PT NE NE SW, City of Jonesboro, County of Craighead, State of Arkansas.

3. PURCHASE PRICE: Subject to the following conditions Buyer shall pay the following to Seller for the Property (the "Purchase Price"): (select **one** of the following four options)

- ☒ total purchase price, ..... \$ 149,000.00  
or;  
☐ price per acre, ..... \$ .....  
or;  
☐ price per square foot, ..... \$ .....  
or;  
☐ price per front foot ..... \$ .....

☒ A. PURCHASE PURSUANT TO NEW FINANCING: Subject to Buyer's ability to obtain financing on the terms and conditions set forth herein and the Property appraising for not less than the Purchase Price,

Down payment, loan amount, interest rate and other terms of financing to be negotiated between Buyer and creditor.

☐ OTHER: Subject to Buyer's ability to obtain financing as follows:

☐ B. PURCHASE PURSUANT TO CASH:

Buyer and Seller will each independently verify quantities as set forth above and agree neither are relying upon a representation from Selling Firm or Listing Firm concerning quantities of land or front feet.

# Real Estate Contract (Lots and Acreage)

Page 11 of 11



Copyright  
2024  
Arkansas  
REALTORS®  
Association

THIS IS A LEGALLY BINDING REAL ESTATE CONTRACT WHEN SIGNED BY THE PARTIES BELOW. READ IT CAREFULLY. YOU MAY EMPLOY AN ATTORNEY TO DRAFT THIS FORM FOR YOU. IF YOU DO NOT UNDERSTAND THE EFFECT OF ANY PART, CONSULT YOUR ATTORNEY BEFORE SIGNING. REAL ESTATE AGENTS CANNOT GIVE YOU LEGAL ADVICE. THE PARTIES SIGNED BELOW WAIVE THEIR RIGHT TO HAVE AN ATTORNEY DRAFT THIS FORM AND HAVE AUTHORIZED THE REAL ESTATE AGENT(S) TO FILL IN THE BLANKS ON THIS FORM.

THIS FORM IS PRODUCED AND COPYRIGHTED BY THE ARKANSAS REALTORS® ASSOCIATION. THE SERIAL NUMBER BELOW IS A UNIQUE NUMBER NOT USED ON ANY OTHER FORM. THE SERIAL NUMBER BELOW SHOULD BE AN ORIGINAL PRINTING, NOT MACHINE COPIED, OTHERWISE THE FORM MAY HAVE BEEN ALTERED. DO NOT SIGN THIS FORM IF IT WAS PREPARED AFTER DECEMBER 31, 2024.

FORM SERIAL NUMBER: **026264-100170-9325331**

REAL ESTATE LICENSEES ARE REGULATED BY THE ARKANSAS REAL ESTATE COMMISSION. IF A LICENSEE HAS NOT PROPERLY REPRESENTED YOU, YOU MAY FILE A COMPLAINT AT [AREC.ARKANSAS.GOV](http://AREC.ARKANSAS.GOV).

The above Real Estate Contract is executed on:

(month) **March** (day) **1**, (year) **2024**, at **2:35** ☐ (a.m.) ☒ (p.m.).

**Century 21 Portfolio**

Selling Firm

Signature:

Signature: **Rushang Patel**

Printed Name: **Crystal Kurylo**

Printed Name: **Rushang Patel**

Principal or Executive Broker (AREC License # **EB00086159**)

Buyer

(Broker email: **crystalkurylo@gmail.com**)

Signature:

Signature: \_\_\_\_\_

Printed Name: **Crystal Kurylo**

Printed Name: \_\_\_\_\_

Selling Agent (AREC License # **EB00086159**)

Buyer

(Agent email: **crystalkurylo@gmail.com**)

(Agent cell number: **8705300616**)

The above Real Estate Contract is executed on:

(month) \_\_\_\_\_ (day) \_\_\_\_\_, (year) \_\_\_\_\_, at \_\_\_\_\_ ☐ (a.m.) ☐ (p.m.).

**Century 21 Portfolio**

Listing Firm

Signature:

Signature: **Douglas Brookreson**

Printed Name: **Crystal Kurylo**

Printed Name: **Douglas Brookreson**

Principal or Executive Broker (AREC License # **EB00086159**)

Seller

(Broker email: **crystalkurylo@gmail.com**)

Signature:

Signature: **Melissa Brookreson**

Printed Name: **Crystal Kurylo**

Printed Name: **Melissa Brookreson**

Listing Agent (AREC License # **EB00086159**)

Seller

(Agent email: **crystalkurylo@gmail.com**)

(Agent cell number: **870-530-0616**)

The above offer was ☐ rejected ☐ counteroffered (Form Serial Number \_\_\_\_\_)

☐ Buyer informed of Notification of Existing Real Estate Contract Addendum

(Form Serial Number \_\_\_\_\_)

on (month) \_\_\_\_\_ (day) \_\_\_\_\_, (year) \_\_\_\_\_, at \_\_\_\_\_ ☐ (a.m.) ☐ (p.m.).

Seller's Initials \_\_\_\_\_

Page 11 of 11

Seller's Initials \_\_\_\_\_

Serial#: 026264-100170-9325331

Prepared by: Crystal Kurylo | Century 21 Portfolio | [crystalkurylo@gmail.com](mailto:crystalkurylo@gmail.com) |

Form  
Simplicity



APPRAISER DISCLOSURE STATEMENT

File No. 5487

Name of Appraiser: Douglas D. Cooper

Class of Certification/Licensure:

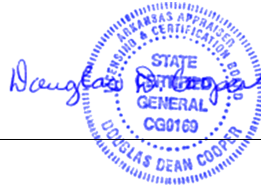
- ☒ Certified General  
☐ Certified Residential  
☐ Licensed Residential  
☐ Temporary ☐ General ☐ Licensed

Certification/Licensure Number: CG0169

Scope: This Report ☒ is within the scope of my Certification or License  
☐ is not within the scope of my Certification or License

Service Provided By: ☒ Disinterested & Unbiased Third Party  
☐ Interested & Biased Third Party  
☐ Interested Third Party on Contingent Fee Basis

Signature of person preparing and reporting the Appraisal:



This form must be included in conjunction with all appraisal assignments or specialized services performed by a state-certified or state-licensed real estate appraiser.

## PRIVACY NOTICE

**Pursuant to the Gramm-Leach-Bliley Act of 1999, effective July 1, 2001, Appraisers, along with all providers of personal financial services are now required by federal law to inform their clients of the policies of the firm with regard to the privacy of client nonpublic personal information. As professionals, we understand that your privacy is very important to you and are pleased to provide you with this information.**

### **Types of Nonpublic Personal Information We Collect**

In the course of performing appraisals, we may collect what is known as "nonpublic personal information" about you. This information is used to facilitate the services that we provide to you and may include the information provided to us by you directly or received by us from others with your authorization.

### **Parties to Whom We Disclose Information**

We do not disclose any nonpublic personal information obtained in the course of our engagement with our clients to nonaffiliated third parties, except as necessary or as required by law. By way of example, a necessary disclosure would be to our employees, and in certain situations, to unrelated third party consultants who need to know that information to assist us in providing appraisal services to you. All of our employees and any third party consultants we employ are informed that any information they see as part of an appraisal assignment is to be maintained in strict confidence within the firm.

A disclosure required by law would be a disclosure by us that is ordered by a court of competent jurisdiction with regard to a legal action to which you are a party.

### **Confidentiality and Security**

We will retain records relating to professional services that we have provided to you for a reasonable time so that we are better able to assist you with your needs. In order to protect your nonpublic personal information from unauthorized access by third parties, we maintain physical, electronic and procedural safeguards that comply with our professional standards to insure the security and integrity of your information.

Please feel free to call us any time if you have any questions about the confidentiality of the information that you provide to us.

## Appraiser License

**SARAH HUCKABEE SANDERS**



**DARYL E. BASSETT**

Secretary of Labor  
and Licensing

**State of Arkansas**  
Arkansas Dept of Labor and Licensing  
Arkansas State Board of Appraisers,  
Abstracters, and Home Inspectors  
900 W Capitol Ave, Suite 400  
Little Rock, AR 72201  
PH (501)-296-1843  
<https://www.arkansas.gov/alcb/>

**DOUGLAS COOPER**  
P.O. BOX 9085  
JONESBORO, ARKANSAS 72403

**LICENSE #:**  
**CG0169**

THIS CERTIFIES THAT  
**DOUGLAS COOPER**  
IS LICENSED AS A  
**Certified General Appraiser**

Given under our hand and seal this **13th** day of **Jun**, 2024.

This license expires: **06/30/2025**.

SECRETARY OF LABOR AND LICENSING

**QUALIFICATIONS OF  
DOUGLAS D. COOPER  
Certified General Appraiser CG0169**

**PROFESSIONAL EXPERIENCE**

Independent Appraiser, 1986 to Present  
Staff Appraiser, United Financial Services, 1983 to 1986 Appraiser,  
Mitchum, Thompson and Belon, 1982 to 1983

**APPRAISAL EDUCATION**

**Arkansas State University:**

Bachelor of Science Degree in Real Estate and Insurance, 1980

Divisional courses including Principles of Accounting 1 & 2, Principles of Economics 1 & 2, Business Finance, Business Law, Fundamental Business Analysis, Business Statistics, Computer Data Processing, Principles of Management, Principles of Marketing, Real Estate Practice, Real Estate Brokerage and Management, Risk and Insurance, Real Estate Appraising, and Life Insurance; Other elective courses, such as Human Relations, Commercial Banking, Money and Banking.

**Appraisal Institute:**

Comparative Analysis, (June, 2018)  
Using the HP-12C Financial Calculator, (June, 2018)  
The Discounted Cash Flow Model: Concepts, Issues, and Applications, (June, 2016)  
Data Verification Methods, (June, 2016)  
Analyzing Operating Expenses, (June 2014)  
Supervising Appraisal Trainees, (June, 2012)  
Fundamentals of Separating Real Property, Personal Property/Intangible Assets, (April, 2012)  
Business Practice and Ethics, (January, 2012)  
Standards of Professional Practice, Part A, (1996) Tampa, Florida  
Standards of Professional Practice, Part B, (1996) Tampa, Florida  
Real Estate Appraisal Principles, (1A1/8-1), (1992) Dallas, Texas  
Residential Valuation, (8-2) (1992), Dallas, Texas  
Basic Valuation Procedures, (1A2), (1991) Memphis, Tennessee  
Standards of Professional Practice, Part A, (1991), Memphis, Tennessee  
Standards of Professional Practice, Part B, (1991), Memphis, Tennessee

**National Association of Independent Fee Appraisers:**

Review Appraising, (1988) Jackson, Tennessee  
Course 1A Income Property Appraising, (1985) Fort Smith, Arkansas

**QUALIFICATIONS OF  
DOUGLAS D. COOPER  
Certified General Appraiser CG0169**

**Other Courses/Seminars:**

National Uniform Standards of Professional Appraisal Practice Update  
Appraisal Institute, Fort Worth, Texas, (January, 2024)

Commercial Property Valuation, Appraiser eLearning, (May, 2022)  
Appraisal of Fast Food Facilities, McKissock, (May, 2022)  
Appraisal of Industrial and Flex Buildings, McKissock, (May 2022)  
Appraisal of Self Storage Facilities, McKissock, Inc., (June, 2016)  
Appraising Small Apartment Properties, McKissock, Inc., (June, 2016)  
Environmental Hazards Impact on Value, Calypso, (June, 2014)  
Land & Site Valuation, McKissock, Inc., (June, 2014)  
Sales Comparison Approach, The Columbia Institute, (June, 2010)  
Income Approach: An Overview, The Columbia Institute, (June, 2010)  
Mortgage Fraud, The Columbia Institute, (June, 2010)  
Residential Cost Approach, The Columbia Institute, (June, 2008)  
Fundamentals of Timber and Timberland, RCI, (May, 2008), Russellville, Arkansas  
Using the New Forms, Course 103, Columbia Institute, (May, 2006) Rogers, Arkansas  
Appraising for the Secondary Market, McKissock, Inc., (June, 2006)  
Appraising the Oddball (Complex Properties), McKissock, Inc., (June, 2006)  
Assessment and Coordination Division Courses 1 and 2, (1995), Little Rock, Arkansas  
Assessment and Coordination Division Mapping Course, (1995), Little Rock, Arkansas

Various courses and seminars sponsored by Housing and Urban Development (FHA), the Department of Veterans Affairs (VA), and the Arkansas Appraiser Licensing and Certification Board

**Partial List of Clients**

Resolution Trust Corporation (RTC), Federal National Mortgage Association (Fannie Mae), Federal Deposit Insurance Corporation (FDIC), Department of Veterans Affairs (VA), Municipal agencies in Craighead, Clay, Lawrence and Sebastian Counties; Relocation companies including Americorp Relocation, Argonaut Relocation, Associates Relocation, Boatmen's Relocation, Cendant Mobility, Coldwell Banker, Corporate Transfer Service, DuPont Company, Equitable Relocation, Executive Relocation, GMAC Relocation, HFS Mobility Service, HP-American Greetings, Merrill Lynch, National Residential, Novartis Relocation, PHH Relocation, Pinnacle Group Associates, Primacy Relocation, Prudential Relocation, Remax Relocation, The WHR Group, Valuation Administrators

Area lenders including Arvest Bank, BancorpSouth, Bank of America, Bank of Harrisburg, Bank of the Ozarks, Bank of Paragould, Bank of Salem, Bear State Bank, Centennial Bank, Cross County Bank, Farm Credit Midsouth, Farmers Bank & Trust, First Commercial Bank, First Community Bank, First Financial Bank, First National Bank, First National Bank of Wynne, First Security Bank, Focus Bank, Helena National Bank, Iberia Bank, Integrity First Bank, Regions Bank, Signature Bank, Southern Bank, The Citizens Bank of Batesville, Unico Bank, and several attorneys and individuals.

**Professional Affiliations**

State Certified General Appraiser, License Number CG0169 (1991)  
Fee Panel Appraiser for the Department of Veterans Affairs (1986)

## Engagement Letter - Page 1



First Community Bank  
1325 Harrison Street  
Batesville, AR 72501  
**870-376-7103**

### APPRAISAL REQUEST FORM COMPANY: Jonesboro – Main 22

#### File Information

File ID: 240607024  
Loan Number: 1215 N Main

**Due Date: 6/21/2024**

#### Appraiser Information

Loan Type: In House  
Form: Appraisal Report  
Service Fee: \$1200.00  
Real Estate Valued: Land

Appraiser: Cooper, Douglas  
Interest Valued: Fee Simple  
Effective Date of Valuation: Value As Is

#### Client Information

Client: First Community Bank  
Address: 630 Southwest Drive  
Jonesboro, AR 72404

Borrower: Rushang Patel  
Co-Borrower:

#### Subject Property

Address: 1215 N Main Street N  
Jonesboro, AR 72401  
County: Craighead  
Sales Price: \$149,000  
Property Type: Other (Please Specify): Land  
Property Legal: Parcels: 01-144073-00500 & 01-144073-00800

Intended Use: Sale / Purchase

Map: [Map Link](#)

#### Property Contact Information

Contact Person: Crystal Kurlo  
Cell Phone: 870-530-0616

Work Phone:  
Home Phone:

#### Additional Notes:

Date	From	Message
6/10/2024 11:40 AM	Cole, Jonathan	Appraisal Report. Customer is acquiring this tract (2 parcels) for future development. Requesting an As Is analysis for the acquisition. Contract attached. Thank You

**Note:** This appraisal order is not transferrable to another appraiser. If the appraiser named on this appraisal request is unable to complete this assignment please contact First Community Bank at 870-376-7103. All appraisers are approved on an individual basis, if this assignment is completed by another appraiser First

## Engagement Letter - Page 2

Community Bank will not be liable for any appraisal related service fee.



### **Purpose of the Appraisal**

The purpose of the appraisal is to set forth an informed and independent opinion of the Market Value of the Property.

### **Definition of Market Value**

For purposes of this assignment, the definition of market value must be based on the definition which is set forth in 323.2(g) of the FDIC Rules and Regulations.

### **Intended Use**

The report is intended to be used by First Community Bank as an aid in underwriting a loan, classification of a loan and/or the disposition of loan collateral, which may constitute a federally-related real estate transaction for purposes of applicable regulations.

### **Uniform Standard**

The appraisal must conform to generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board of the Appraisal Foundation (herein referred to as the Uniform Standard).

### **Supplemental Standards**

In addition, the appraisal must comply with the Interagency Appraisal and Evaluation Guidelines. Appraisals completed for the secondary market, Housing of Urban Development and/or Rural Development must adhere to guidelines set forth by the specific agency.