

Property Address: 510 East Thomas Avenue

Owner of Record: Randal Gerdes

Total appraised Value: \$115,000.00 ✓

Less current Flood Insurance Payment: \$ 21,560.65 ✓

Cash required for acquisition: \$ 93,439.35

The property does not qualify for repetitive loss grant funding as it does not meet the threshold for the number of claims filed under the flood insurance program.

Ferran Cornette

APPRAISAL OF REAL PROPERTY

LOCATED AT:

510 E Thomas Ave
Lot 13 Bartonvale Estates
Jonesboro, AR 72401-5022

FOR:

City of Jonesboro

AS OF:

September 18, 2009

BY:

Bob Gibson, CG0247

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

September 23, 2009

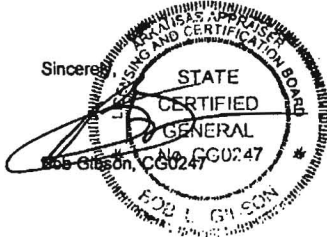
City of Jonesboro

Re: Property: 510 E Thomas Ave
Jonesboro, AR 72401-5022

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

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

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



SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	510 E Thomas Ave
	Legal Description	Lot 13 Bartonvale Estates
	City	Jonesboro
	County	Craighead
	State	AR
	Zip Code	72401-5022
	Census Tract	0001.00
	Map Reference	27860
SALES PRICE	Sale Price	\$ NA
	Date of Sale	NA
CLIENT	Owner	Randall Gerdes
	Client	City of Jonesboro
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	1,540
	Price per Square Foot	\$
	Location	Suburban
	Age	40 Act/20 Eff+-
	Condition	Average
	Total Rooms	7
	Bedrooms	3
	Baths	2
APPRAISER	Appraiser	Bob Gibson, CG0247
	Date of Appraised Value	September 18, 2009
VALUE	Final Estimate of Value	\$ 115,000

RESIDENTIAL APPRAISAL SUMMARY REPORT

Property Address: 510 E Thomas Ave		City: Jonesboro		File No.:	
County: Craighead		Legal Description: Lot 13 Bartonvale Estates		State: AR Zip Code: 72401-5022	
Tax Year: 2009 R.E. Taxes: \$ 713.58		Special Assessments: \$ NA		Assessor's Parcel #: 01-144194-01200	
Current Owner of Record: Randall Gerdes		Borrower (if applicable): NA			
Project Type: <input type="checkbox"/> PUD <input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Other (describe)		Occupant: <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant <input type="checkbox"/> Manufactured Housing		HOA: \$ NA per year <input type="checkbox"/> per month	
Market Area Name: Central Jonesboro		Map Reference: 27860		Census Tract: 0001.00	
The purpose of this appraisal is to develop an opinion of: <input checked="" type="checkbox"/> Market Value (as defined), or <input type="checkbox"/> other type of value (describe)					
This report reflects the following value (if not Current, see comments): <input checked="" type="checkbox"/> Current (the Inspection Date is the Effective Date) <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective					
Approaches developed for this appraisal: <input checked="" type="checkbox"/> Sales Comparison Approach <input type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach (See Reconciliation Comments and Scope of Work)					
Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)					
Intended Use: To determine the market value of our subject disregarding any external influences such as water damage to the property, as per the instruction of the City of Jonesboro.					
Intended User(s) (by name or type): City of Jonesboro and Mr/Mrs Gerdes					
Client: City of Jonesboro Address:					
Appraiser: Bob Gibson, CG0247 Address: 420 W Jefferson, Suite A, Jonesboro, AR 72401					
Location: <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural		Predominant Occupancy: <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant (0-5%) <input type="checkbox"/> Vacant (>5%)		One-Unit Housing PRICE AGE (yrs) \$ (000) (yrs)	
Built up: <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%		Growth rate: <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow		Present Land Use One-Unit 70% 2-4 Unit 10% Multi-Unit % Vacant %	
Property values: <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining		Demand/supply: <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply		Change in Land Use <input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> Likely * <input type="checkbox"/> In Process *	
Marketing time: <input type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 3-6 Mos. <input type="checkbox"/> Over 6 Mos.				* To: _____	
Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): Subject is bound to the north by E Nettleton, to the south by Highland Dr, to the west by Main Street, and to the east by Caraway Rd. Subject is located near downtown Jonesboro in close proximity to public schools, area shopping, employment, medical facilities, etc. The subject site is serviced by all city utilities. Property values are stable in subject neighborhood. Demand/supply is in balance. Marketing time on average in subject development is estimated at 3-6 months based on this appraiser's research as well as discussions with other real estate professionals in the area. Available financing consists of VA, FHA, and Conventional loans.					
NOTE: Due to recent changes in state law, the first \$350 tax of a homeowner's primary residence has been waived.					
Dimensions: 149' x 135'		Site Area: .46 ac			
Zoning Classification: R-1		Description: Single Family Residential			
Zoning Compliance: <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (grandfathered) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning		Are CC&Rs applicable? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Unknown Have the documents been reviewed? <input type="checkbox"/> Yes <input type="checkbox"/> No Ground Rent (if applicable) \$ /			
Highest & Best Use as Improved: <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> Other use (explain)		Actual Use as of Effective Date: Single Family Residential Use as appraised in this report: Single Family Residential			
Summary of Highest & Best Use: Subject is currently improved with a single family residence. There are no restrictions that would prohibit single family residences. The dwelling contributes to the overall value. This is the highest and best use of subject property.					
Utilities Public Other Provider/Description		Off-site Improvements Type		Public Private Topography Slopes to the east	
Electricity <input checked="" type="checkbox"/> Gas <input checked="" type="checkbox"/> Water <input checked="" type="checkbox"/> Sanitary Sewer <input checked="" type="checkbox"/> Storm Sewer <input checked="" type="checkbox"/>		Street Asphalt <input checked="" type="checkbox"/> Curb/Gutter Concrete <input checked="" type="checkbox"/> Sidewalk No <input type="checkbox"/> Street Lights Electric <input checked="" type="checkbox"/> Alley None <input type="checkbox"/>		Size Average Shape Rectangular Drainage Poor View Residential	
Other site elements: <input type="checkbox"/> Inside Lot <input checked="" type="checkbox"/> Corner Lot <input type="checkbox"/> Cul de Sac <input type="checkbox"/> Underground Utilities <input type="checkbox"/> Other (describe)					
FEMA Spec'l Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No FEMA Flood Zone X		FEMA Map # 05031C0131C		FEMA Map Date 9/27/1991	
Site Comments: I have not checked the land records for recorded easements & did not note any apparent adverse easements or encroachments. Any easements, encroachments, restrictions, covenants, etc uncovered through a title search, legal opinion, or property survey should be submitted to the appraiser for consideration. The appraiser reserves the right to analyze all such information and amend the appraised value, if necessary.					
General Description # of Units 1 <input type="checkbox"/> Acc. Unit # of Stories 1 Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> Design (Style) 1 Story <input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und. Cons. Actual Age (Yrs.) 40+- Effective Age (Yrs.) 20		Exterior Description Foundation C Piers Exterior Walls Brick Roof Surface Comp Shingles Gutters & Ownspts. Aluminum Window Type Wood Storm/Screens Some		Foundation Slab No Crawl Space Yes Basement No Sump Pump Dampness <input checked="" type="checkbox"/> Settlement None Noted Infestation None Noted	
Interior Description Floors Cpt. Vinyl-Avg Walls DW, Pnlq, Pnt, Ppr-Avg Trim/Finish Wood, Stained-Avg Bath Floor Vinyl-Avg Bath Wainscot Fiberglass-Avg Doors Hollow Core		Appliances Refrigerator Range/Oven Dishwasher Fan/Hood Microwave Washer/Dryer		Attic <input type="checkbox"/> None Amenities Fireplaces # 1 Woodstove(s) #	
		Car Storage <input type="checkbox"/> None Garage # of cars (2 Tot.) Attach. 2 Detach. Bit-In Carport Driveway Surface Concrete			
Finished area above grade contains: 7 Rooms 3 Bedrooms 2 Bath(s) 1,540 Square Feet of Gross Living Area Above Grade					
Additional features: Ceiling fans					
Describe the condition of the property (including physical, functional and external obsolescence): Subject is in average condition for its age. Normal physical depreciation. No functional or external depreciation noted.					



RESIDENTIAL APPRAISAL SUMMARY REPORT

File No.:

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

Data Source(s): www.arcountydata.com

TRANSFER HISTORY

1st Prior Subject Sale/Transfer: Analysis of sale/transfer history and/or any current agreement of sale/listing:

Date: No prior sale in 3 years

Price: _____

Source(s): _____

2nd Prior Subject Sale/Transfer:

Date: _____

Price: _____

Source(s): _____

SALES COMPARISON APPROACH TO VALUE (If developed) | The Sales Comparison Approach was not developed for this appraisal.

FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Address	510 E Thomas Ave Jonesboro, AR 72401-5022	1504 Franklin Jonesboro	905 Neville Jonesboro	1515 Kitchen Court Jonesboro
Proximity to Subject		0.90 miles E	1.37 miles W	0.09 miles SE
Sale Price	\$ NA	\$ 85,000	\$ 130,000	\$ 155,000
Sale Price/GLA	\$ /sq.ft.	\$ 59.99/sq.ft.	\$ 69.78/sq.ft.	\$ 88.32/sq.ft.
Data Source(s)	Inspection	Comp Service	Comp Service	Comp Service
Verification Source(s)	Parcel Card	MLS/Parcel Card	Parcel Card	MLS/Parcel Card
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION + (-) \$ Adjust.	DESCRIPTION + (-) \$ Adjust.	DESCRIPTION + (-) \$ Adjust.
Sales or Financing Concessions	NA	FHA Typ Closing Costs	Unk	Unk
Date of Sale/Time	NA	11-12-08	3-19-09	5-27-09
Rights Appraised	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Location	Suburban	Suburban	Suburban	Suburban
Site	46 ac	22 ac	68 ac	36 ac
View	Residential	Residential	Residential	Residential
Design (Style)	1 Story	1 Story	1 Story	1 Story
Quality of Construction	Brick-Avg	Brick,Wd-Avg	Rock,Metal-Avg	Brick-Avg
Age	40 Act/20 Eff+-	47 Act/20 Eff+-	35 Act/15 Eff+-	30-40 Act/10 Eff+-
Condition	Average	Average	Average	Average
Above Grade Room Count	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths
Gross Living Area	7 3 2 1,540 sq.ft.	7 3 2 1,417 sq.ft.	7 3 2 1,863 sq.ft.	7 3 2 1,755 sq.ft.
Basement & Finished Rooms Below Grade	None	None	None	None
Functional Utility	Average	Average	Average	Average
Heating/Cooling	CHA	CHA	CHA	CHA
Energy Efficient Items	Storms/Screens	Similar	Similar	Similar
Garage/Carport	2 Garage	2 Carport	2 Garage	2 Garage
Porch/Patio/Deck	Pchs,Pat,Dck	Porch	Pch,ScrPch	Pch,Patio
Extras	FP,WdFnc	CLFnc,Wkshp	FP	FP,WdFnc
Net Adjustment (Total)		+4,920	-12,920	-8,600
Adjusted Sale Price of Comparables		Net 17.6 % Gross 22.3 % \$ 99,920	Net 25.7 % Gross 27.2 % \$ 96,580	Net 12.3 % Gross 18.8 % \$ 135,900

Summary of Sales Comparison Approach: Five sales were provided for readers review. Those selected represent the best available to the appraiser.

Sale #1 - No prior sale in past year.

Sale #2 - No prior sale in past year.

Sale #3 - No prior sale in past year.

Sale #4 - No prior sale in past year.

Sale #5 - No prior sale in past year.

Indicated Value by Sales Comparison Approach \$ 115,000

GP RESIDENTIAL

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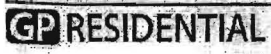
ADDITIONAL COMPARABLE SALES

File No.:

FEATURE	SUBJECT	COMPARABLE SALE # 4		COMPARABLE SALE # 5		COMPARABLE SALE # 6	
Address	510 E Thomas Ave Jonesboro, AR 72401-5022	2900 Bermuda Jonesboro		1405 Merrywood Jonesboro			
Proximity to Subject		1.18 miles SW		0.32 miles NE			
Sale Price	\$ NA	\$ 124,000		\$ 123,000		\$	
Sale Price/GLA	\$/sq.ft.	\$ 79.45 /sq.ft.		\$ 86.01 /sq.ft.		\$/sq.ft.	
Data Source(s)	Inspection	Comp Service		Comp Service			
Verification Source(s)	Parcel Card	MLS/Parcel Card		Parcel Card			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.
Sales or Financing	NA	Cony		Unk			
Concessions	NA	Unk		Unk			
Date of Sale/Time	NA	4-7-09		10-8-08			
Rights Appraised	Fee Simple	Fee Simple		Fee Simple			
Location	Suburban	Suburban		Suburban			
Site	.46 ac	.30 ac		.17 ac	+10,000		
View	Residential	Residential		Residential			
Design (Style)	1 Story	1 Story		1 Story			
Quality of Construction	Brick-Avg	Vinyl-Avg	+5,000	Brick-Avg			
Age	40 Acl/20 Eff+	30 Acl/19 Eff+	-12,100	5 Acl/3 Eff+	-20,910		
Condition	Average	Average		Average			
Above Grade Room Count	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
	7 3 2	6 3 2		6 3 2			
Gross Living Area	1,540 sq.ft.	1,523 sq.ft.	+680	1,430 sq.ft.	+4,400	sq.ft.	
Basement & Finished Rooms Below Grade	None	None		None			
Functional Utility	Average	Average		Average			
Heating/Cooling	CHA	CHA		CHA			
Energy Efficient Items	Storms/Screens	Similar		Similar			
Garage/Carport	2 Garage	2 Garage		2 Garage			
Porch/Patio/Deck	Pchs, Pat, Dck	Pch, Deck		Pchs			
Extras	FP, WdFnc	FP, WdFnc		FP, Jac, WdFnc	-1,000		
Net Adjustment (Total)			\$ -8,420		\$ -7,510		\$
Adjusted Sale Price of Comparables		Net 6.3 %		Net 6.1 %		Net %	
		Gross 14.7 %	\$ 114,580	Gross 29.5 %	\$ 115,490	Gross %	\$

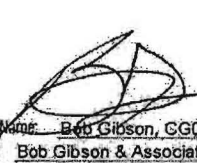
SALES COMPARISON APPROACH

Summary of Sales Comparison Approach



RESIDENTIAL APPRAISAL SUMMARY REPORT

File No.:

COST APPROACH	COST APPROACH TO VALUE (If developed) <input checked="" type="checkbox"/> The Cost Approach was not developed for this appraisal. Provide adequate information for replication of the following cost figures and calculations. Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value): The cost approach was NOT completed since subject is not new or under construction. It was not deemed applicable to this report.	
	ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW Source of cost data: _____ Quality rating from cost service: _____ Effective date of cost data: _____ Comments on Cost Approach (gross living area calculations, depreciation, etc.): _____	OPINION OF SITE VALUE DWELLING Sq.Ft. @ \$ _____ = \$ _____ Sq.Ft. @ \$ _____ = \$ _____ Sq.Ft. @ \$ _____ = \$ _____ Sq.Ft. @ \$ _____ = \$ _____ Sq.Ft. @ \$ _____ = \$ _____ Garage/Carport Sq.Ft. @ \$ _____ = \$ _____ Total Estimate of Cost-New _____ = \$ _____ Less Physical Functional External _____ Depreciation _____ = \$ _____ Depreciated Cost of Improvements _____ = \$ _____ "As-Is" Value of Site Improvements _____ = \$ _____ _____ = \$ _____ _____ = \$ _____ Estimated Remaining Economic Life (if required): _____ Years INDICATED VALUE BY COST APPROACH _____ = \$ _____
	INCOME APPROACH TO VALUE (If developed) <input checked="" type="checkbox"/> The Income Approach was not developed for this appraisal. Estimated Monthly Market Rent \$ _____ X Gross Rent Multiplier _____ = \$ _____ Indicated Value by Income Approach _____ Summary of Income Approach (including support for market rent and GRM): <u>Subject is located in an area of primarily owner occupied housing; therefore, this approach is not applicable.</u>	
	PROJECT INFORMATION FOR PUDs (If applicable) <input type="checkbox"/> The Subject is part of a Planned Unit Development. Legal Name of Project: _____ Describe common elements and recreational facilities: _____	
	Indicated Value by: Sales Comparison Approach \$ 115,000 Cost Approach (if developed) \$ _____ Income Approach (if developed) \$ _____ Final Reconciliation: <u>The Cost, Income & Sales Comparison Approaches were considered. However, the Cost and Income Approaches were not applicable. More weight was given to the Sales Comparison Approach in the final reconciliation.</u>	
	This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, <input type="checkbox"/> subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair. <u>Assumes marketable title and that all equipment is in good working order. Deviation could affect subject's market value.</u>	
	<input type="checkbox"/> This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda. Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 115,000 as of: September 18, 2009, which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.	
	A true and complete copy of this report contains 22 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be property understood without reference to the information contained in the complete report. Attached Exhibits: <input checked="" type="checkbox"/> Scope of Work <input type="checkbox"/> Limiting Cond./Certifications <input type="checkbox"/> Narrative Addendum <input checked="" type="checkbox"/> Photograph Addendum <input checked="" type="checkbox"/> Sketch Addendum <input checked="" type="checkbox"/> Map Addenda <input type="checkbox"/> Additional Sales <input type="checkbox"/> Cost Addendum <input type="checkbox"/> Flood Addendum <input type="checkbox"/> Manuf. House Addendum <input type="checkbox"/> Hypothetical Conditions <input type="checkbox"/> Extraordinary Assumptions <input type="checkbox"/> _____	
	Client Contact: <u>Tony Thomas</u> Client Name: <u>City of Jonesboro</u> E-Mail: _____ Address: _____	
	SIGNATURES	APPRAISER  Appraiser Name: <u>Bob Gibson, CG0247</u> Company: <u>Bob Gibson & Associates</u> Phone: <u>(870) 932-5206</u> Fax: <u>(870) 972-9959</u> E-Mail: <u>gibsonmj@swbell.net</u> Date of Report (Signature): <u>September 23, 2009</u> License or Certification #: <u>CG0247</u> State: <u>AR</u> Designation: <u>Certified General</u> Expiration Date of License or Certification: <u>6/30/2010</u> Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None Date of Inspection: <u>September 18, 2009</u>



Supplemental Addendum

File No.

Owner	Randall Gerdes						
Property Address	510 E Thomas Ave						
City	Jonesboro	County	Craighead	State	AR	Zip Code	72401-5022
Client	City of Jonesboro						

Scope of Work:

This report has been prepared for the referenced client. The report has been performed to assist the client in determining fair market value of our subject disregarding any external influences such as water damage to the property, as per the instruction of the City of Jonesboro. If this report is placed in the hands of anyone other than the client, the client shall make such third party aware of all the assumptions and limiting conditions of the assignment. The scope of this appraisal consisted of an observation from ground level readily accessible by foot from the exterior of the perimeter of the subject improvements. Interior walk through was made of the subject improvements readily accessible by foot and not obscured from observation. Crawl space and attic areas were not accessed unless stated otherwise in this report. Pictures of the front, rear, and street were taken and can be found in this report. The livable area was calculated according to ANSI Standards. The cost approach was not applicable/not completed (explained elsewhere in this report). The MLS, local public records, as well as local comp services were researched for comparable sales in the neighborhood/subdivision. Those used were deemed the best available. The comparable sales were compared to the subject and adjustments in value were made as deemed appropriate. The income approach was not used in this report, as it was not applicable due to the subject property being located in an area of primarily owner occupied homes. The approaches to value used in this report were reconciled and an opinion of value was rendered based on the data available. This report is an appraisal and not an environmental, structural, termite, or building inspection. If the user or client desires such type of reports, they should be ordered from a licensed home inspector or an environmental expert. This appraisal report does not guarantee that the property is free of defects. The appraiser is not a home inspector, termite inspector, or environmental inspector.

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

This appraisal is NOT a HOME INSPECTION and the appraiser is NOT ACTING as a HOME INSPECTOR when preparing the report. When performing the inspection of this property, the appraiser visually observed areas that were readily accessible. The appraiser is not required to disturb or move anything that obstructs access or visibility. The inspection is not technically exhaustive. The inspection does not offer warranties or guarantees of any kind.

Highest and Best Use: The subject site's physical characteristics, such as size, dimensions, topography, and soil composite, is suitable for a single family residential improvement. The zoning allows single family residences. There are no deed restrictions, to appraiser's knowledge, that limits the improvement of the site with a single family residence. The economic trend of the area is clearly single family residences. The effective age of most homes in this area is lower than the actual age, which supports demand for existing housing. Subject is currently improved with a single family detached residence. The improvements make a substantial contribution to the total property in excess of the site. Therefore, the current use (single family residential) represents the highest and best use of the site.

COMPS OVER ONE MILE

Comparable sales over one mile away were used because they are the best available in this area. Expanding the search to a radius greater than one mile developed sales that are still within the same market. These sales are the best comparables to the subject property and are therefore used in this report.

COMPS OVER SIX MONTHS

A thorough search for comparable sales was made in this market area. Comparables that sold within six months of the date of appraisal were significantly different in location, size, age, conditions and other value influencing items. In the appraisers judgement, the comparables selected are a better indication of value than most recent sales.

NET ADJUSTMENT OVER 15%

A thorough search for comparable sales was made in an attempt to find ones with net adjustments of less than 15% of their sales price. After considering locations, dates of sale, physical differences, and special conditions, in the appraisers judgement, the sales selected are better indicators of the value of the subject property than those with smaller net adjustments

GROSS ADJUSTMENT OVER 25%

A thorough search for comparable sales was made in an attempt to find ones with gross adjustments of less than 25% of their sales price. After considering locations, dates of sale, physical differences, and special conditions, in the appraiser's judgement, the sales selected are better indicators of the value of the subject property than those with smaller gross adjustments.

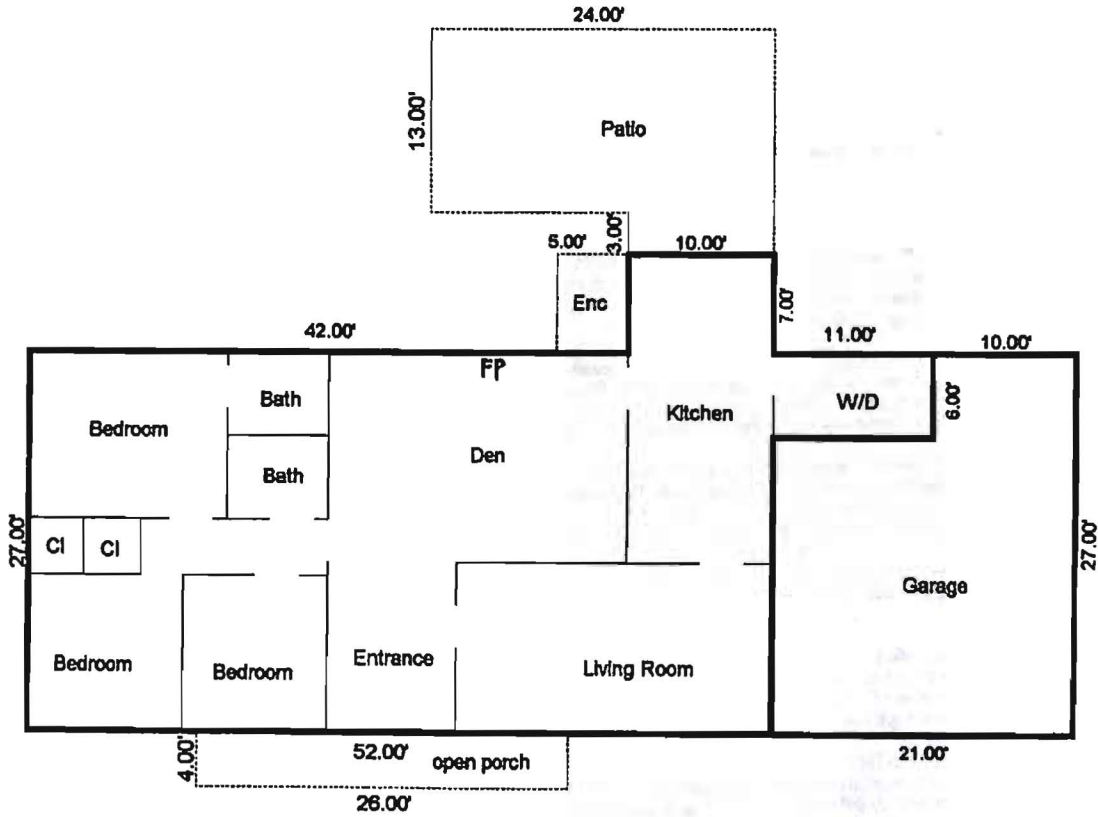
Digital Signature

This appraisal report contains digital signatures that meet the requirements of Statement on Appraisal Standards No.8 (SMT-8). The software programs used to transfer the report electronically provide digital signature security features for the appraiser signing the report. The appraiser that has signed (affixed an electronic signature) to this report has ensured that the electronic signature(s) is protected and the appraiser has maintained control of the signature. Per SMT-8 of the Uniform Standards of Professional Appraisal Practice, electronically affixing a signature to a report carries the same level of authenticity and responsibility as an original ink signature on a paper copy report.

SKETCH/AREA TABLE ADDENDUM

SUBJECT	Property Address 610 East Thomas	
	City	State Zip
	Borrower	
	Lender/Client	
	Appraiser Name	

Interior Layout May NOT be Drawn to Scale For Illustration Purposes ONLY



IMPROVEMENTS SKETCH

Comments:

Scale: 1" = 13'

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Net Totals
GLA1	First Floor	1540.0000	1540.0000
P/P	Porch	342.0000	
	Porch	38.0000	
	Porch	104.0000	481.0000
GAR	Garage	501.0000	501.0000

LIVING AREA BREAKDOWN		
Breakdown		Subtotals
First Floor		
7.00	x 10.00	70.0000
27.00	x 52.00	1404.0000
6.00	x 11.00	66.0000

JMS

Subject Photo Page

Owner	Randall Gerdes				
Property Address	510 E Thomas Ave				
City	Jonesboro	County	Craighead		
Client	City of Jonesboro	State	AR	Zip Code	72401-6022



Subject Front

510 E Thomas Ave
Sales Price NA
Gross Living Area 1,540
Total Rooms 7
Total Bedrooms 3
Total Bathrooms 2
Location Suburban
View Residential
Site .46 ac
Quality Brick-Avg
Age 40 Acl/20 Eff+-



Subject Rear



Subject Side

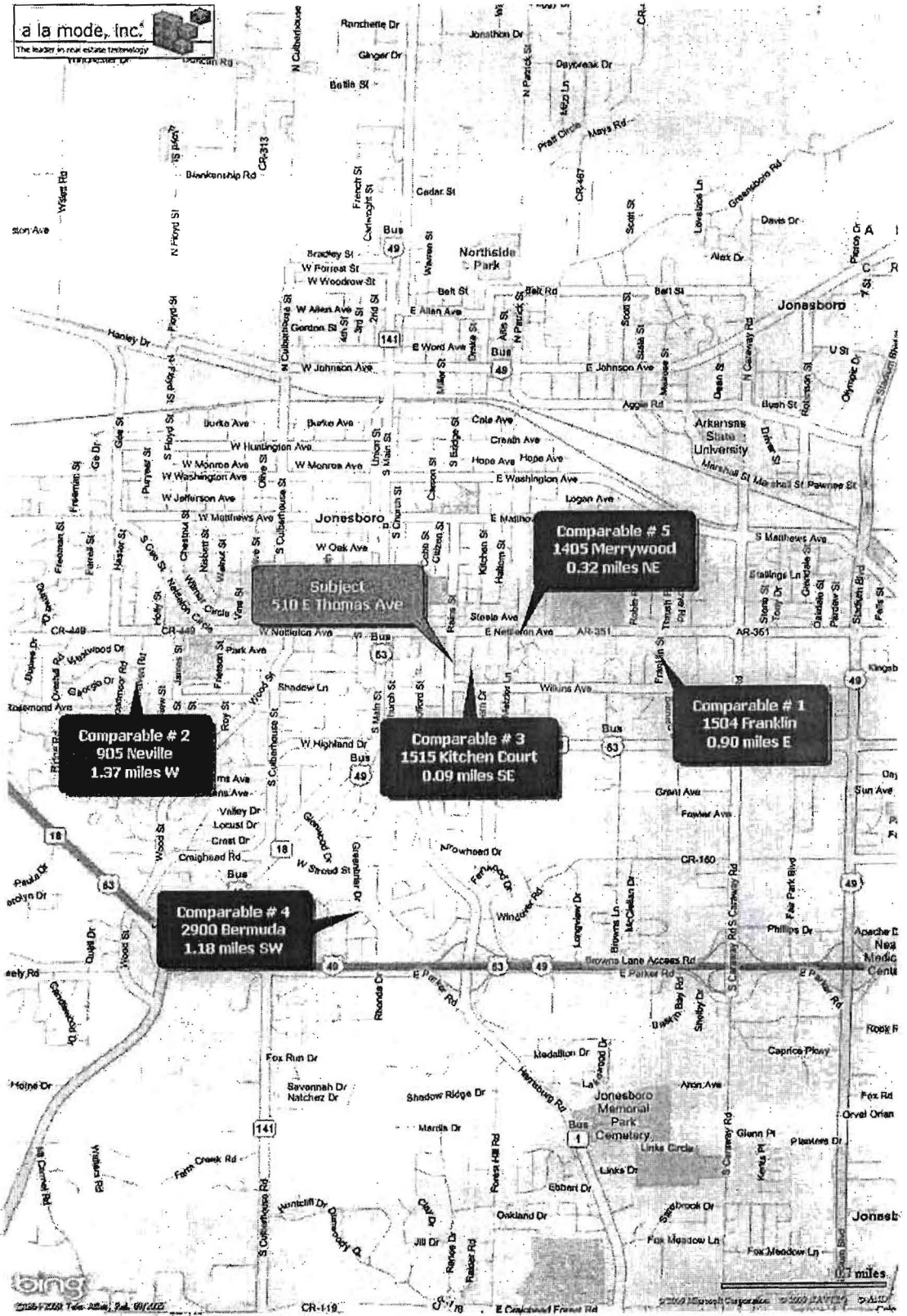
Photograph Addendum

Owner	Randall Gerdes						
Property Address	510 E Thomas Ave						
City	Jonesboro	County	Craighead	State	AR	Zip Code	72401-5022
Client	City of Jonesboro						



Location Map

Owner	Randall Gerdes		
Property Address	510 E Thomas Ave		
City	Jonesboro	County	Craighead
		State	AR
Client	City of Jonesboro	Zip Code	72401-5022



Comparable Photo Page

Owner	Randall Gerdes		
Property Address	510 E. Thomas Ave		
City	Jonesboro	County	Craighead
Client	City of Jonesboro	State	AR
		Zip Code	72401-5022



Comparable 1

1504 Franklin
 Prox. to Subject 0.90 miles E
 Sales Price 85,000
 Gross Living Area 1,417
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 2
 Location Suburban
 View Residential
 Site .22 ac
 Quality Brick,Wd-Avg.
 Age 47 Act/20 Eff+-



Comparable 2

905 Neville
 Prox. to Subject 1.37 miles W
 Sales Price 130,000
 Gross Living Area 1,863
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 2
 Location Suburban
 View Residential
 Site .68 ac
 Quality Rock,Metal-Avg
 Age 35 Act/15 Eff+-



Comparable 3

1515 Kitchen Court
 Prox. to Subject 0.09 miles SE
 Sales Price 155,000
 Gross Living Area 1,755
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 2
 Location Suburban
 View Residential
 Site .36 ac
 Quality Brick-Avg
 Age 30-40 Act/10 Eff+-

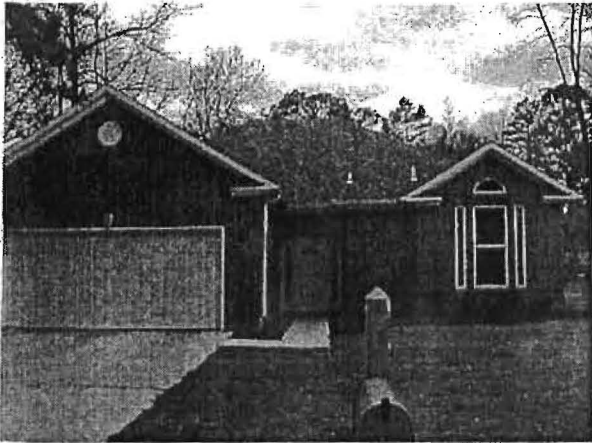
Comparable Photo Page

Owner	Randall Gerdes						
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Client	City of Jonesboro						



Comparable 4

2900 Bermuda
Prox. to Subject 1.18 miles SW
Sales Price 121,000
Gross Living Area 1,523
Total Rooms 6
Total Bedrooms 3
Total Bathrooms 2
Location Suburban
View Residential
Site .30 ac
Quality Vinyl-Avg
Age 30 Acl/10 Eff+-



Comparable 5

1405 Merrywood
Prox. to Subject 0.32 miles NE
Sales Price 123,000
Gross Living Area 1,430
Total Rooms 6
Total Bedrooms 3
Total Bathrooms 2
Location Suburban
View Residential
Site .17 ac
Quality Brick-Avg
Age 5 Acl/3 Eff+-

Comparable 6

Prox. to Subject
Sales Price
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location
View
Site
Quality
Age

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

Owner	Randall Gerdes		
Address	510 E Thomas Ave		
City	Jonesboro	County	Craighead
State	AR	Zip code	72401-5022
Client	City of Jonesboro		

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

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

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

DRINKING WATER

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

Comments _____

SANITARY WASTE DISPOSAL

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

Comments _____

SOIL CONTAMINANTS

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

Comments _____

ASBESTOS

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

Comments _____

PCBs (POLYCHLORINATED BIPHENYLS)

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

Comments _____

RADON

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

Comments _____

USTs (UNDERGROUND STORAGE TANKS)

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

Comments _____

NEARBY HAZARDOUS WASTE SITES

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

Comments _____

UREA FORMALDEHYDE (UFFI) INSULATION

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

Comments _____

LEAD PAINT

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

Comments _____

AIR POLLUTION

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

Comments _____

WETLANDS/FLOOD PLAINS

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

Comments _____

MISCELLANEOUS ENVIRONMENTAL HAZARDS

- There are no other apparent miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site except as indicated below:
 - Excess Noise _____
 - Radiation + Electromagnetic Radiation _____
 - Light Pollution _____
 - Waste Heat _____
 - Acid Mine Drainage _____
 - Agricultural Pollution _____
 - Geological Hazards _____
 - Nearby Hazardous Property _____
 - Infectious Medical Wastes _____
 - Pesticides _____
 - Others (Chemical Storage + Storage Drums, Pipelines, etc.) _____
- The value estimated in this appraisal is based on the assumption that there are no Miscellaneous environmental Hazards (except those reported above) that would negatively affect the value of the property.

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

MULTI-PURPOSE SUPPLEMENTAL ADDENDUM FOR FEDERALLY RELATED TRANSACTIONS

Bob Gibson Appraisal Service

Owner	Randall Gerdes		
Property Address	510 E Thomas Ave		
City	Jonesboro	County	Craighead
State	AR	Zip Code	72401-5022
Client	City of Jonesboro		

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

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

PURPOSE & FUNCTION OF APPRAISAL

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

EXTENT OF APPRAISAL PROCESS

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

SUBJECT PROPERTY OFFERING INFORMATION

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

SALES HISTORY OF SUBJECT PROPERTY

- According to Tax Records _____ the subject property:
- Has **not transferred** in the past twelve months. in the past thirty-six months. in the past 5 years.
 - Has **transferred** in the past twelve months. in the past thirty-six months. in the past 5 years.
 - All prior sales which have occurred in the past _____ are listed below and reconciled to the appraised value, either in the body of the report or in the addenda.

Date	Sales Price	Document #	Seller	Buyer

FEMA FLOOD HAZARD DATA

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

Zone	FEMA Map/Panel #	Map Date	Name of Community
X	05031C0131C	9/27/1991	Jonesboro

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

CURRENT SALES CONTRACT

The subject property is currently not under contract.

The contract and/or escrow instructions were not available for review. The unavailability of the contract is explained later in the addenda section.

The contract and/or escrow instructions were reviewed. The following summarizes the contract:

Contract Date	Amendment Date	Contract Price	Seller

The contract indicated that personal property was not included in the sale.

The contract indicated that personal property was included. It consisted of _____ Estimated contributory value is \$ _____

Personal property was not included in the final value estimate.

Personal property was included in the final value estimate.

The contract indicated no financing concessions or other incentives.

The contract indicated the following concessions or incentives: _____

If concessions or incentives exist, the comparables were checked for similar concessions and appropriate adjustments were made, if applicable, so that the final value conclusion is in compliance with the Market Value defined herein.

MARKET OVERVIEW Include an explanation of current market conditions and trends.

3-6 months is considered a reasonable marketing period for the subject property based on MLS data, appraisers knowledge of the local market and discussions with brokers and agents.

ADDITIONAL CERTIFICATION

The Appraiser certifies and agrees that:

- (1) The analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice ("USPAP"), except that the Departure Provision of the USPAP does not apply.
- (2) Their compensation is not contingent upon the reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- (3) This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

ADDITIONAL (ENVIRONMENTAL) LIMITING CONDITIONS

The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively unless otherwise stated in this report. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.

ADDITIONAL COMMENTS

APPRAISER'S SIGNATURE & LICENSE/CERTIFICATION

Appraiser's Signature [Signature] Effective Date September 18, 2009 Date Prepared September 23, 2009

Appraiser's Name (print) Bob Emson, CG0247 Phone # (870) 932-5208

State AR License Certification # GC0247 Tax ID # 71-0792672

CO-SIGNING APPRAISER'S CERTIFICATION

The co-signing appraiser has personally inspected the subject property, both inside and out, and has made an exterior inspection of all comparable sales listed in the report. The report was prepared by the appraiser under direct supervision of the co-signing appraiser. The co-signing appraiser accepts responsibility for the contents of the report including the value conclusions and the limiting conditions, and confirms that the certifications apply fully to the co-signing appraiser.

The co-signing appraiser has not personally inspected the interior of the subject property and:

has not inspected the exterior of the subject property and all comparable sales listed in the report.

has inspected the exterior of the subject property and all comparable sales listed in the report.

The report was prepared by the appraiser under direct supervision of the co-signing appraiser. The co-signing appraiser accepts responsibility for the contents of the report, including the value conclusions and the limiting conditions, and confirms that the certifications apply fully to the co-signing appraiser with the exception of the certification regarding physical inspections. The above describes the level of inspection performed by the co-signing appraiser.

The co-signing appraiser's level of inspection, involvement in the appraisal process and certification are covered elsewhere in the addenda section of this appraisal.

CO-SIGNING APPRAISER'S SIGNATURE & LICENSE/CERTIFICATION

Co-Signing Appraiser's Signature _____ Effective Date _____ Date Prepared _____

Co-Signing Appraiser's Name (print) _____ Phone # _____

State _____ License Certification # _____ Tax ID # _____

Assumptions, Limiting Conditions & Scope of Work

File No.:

Property Address: 510 E Thomas Ave City: Jonesboro State: AR Zip Code: 72401-5022

Client: City of Jonesboro

Address:

Appraiser: Bob Gibson, CG0247

Address: 420 West Jefferson, Suite A, Jonesboro, AR 72401

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

— The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

— The appraiser may have provided a sketch in the appraisal report to show approximate dimensions of the improvements, and any such sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Unless otherwise indicated, a Land Survey was not performed.

— If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

— The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

— If the cost approach is included in this appraisal, the appraiser has estimated the value of the land in the cost approach at its highest and best use, and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used. Unless otherwise specifically indicated, the cost approach value is not an insurance value, and should not be used as such.

— The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

— The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

— The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.

— If this appraisal is indicated as subject to satisfactory completion, repairs, or alterations, the appraiser has based his or her appraisal report and valuation conclusion on the assumption that completion of the improvements will be performed in a workmanlike manner.

— An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.

— The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database.

— An appraisal of real property is not a 'home inspection' and should not be construed as such. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.): See Addenda

Certifications

Property Address: 510 E Thomas Ave	City: Jonesboro	File No.:
Client: City of Jonesboro	Address:	State: AR Zip Code: 72401-5022
Appraiser: Bob Gibson, CG0247	Address: 420 West Jefferson, Suite A, Jonesboro, AR 72401	

APPRAISER'S CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The credibility of this report, for the stated use by the stated user(s), of 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.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.

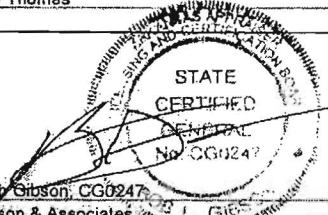
Additional Certifications:

DEFINITION OF MARKET VALUE *:

Market value means 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 acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

* This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

Client Contact: Tony Thomas	Client Name: City of Jonesboro	
E-Mail:	Address:	
APPRAISER:	SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)	
SIGNATURES		Supervisory or Co-Appraiser Name: _____
	Appraiser Name: Bob Gibson, CG0247	Company: _____
	Company: Bob Gibson & Associates	Phone: _____ Fax: _____
	Phone: (870) 932-5206 Fax: (870) 972-9959	E-Mail: _____
	E-Mail: gibsonmj@swbell.net	Date Report Signed: _____
	Date Report Signed: September 23, 2009	License or Certification #: _____ State: AR
	License or Certification #: CG0247 State: AR	Designation: _____
	Designation: Certified General	Expiration Date of License or Certification: _____
Expiration Date of License or Certification: 6/30/2010	Expiration Date of License or Certification: _____	
Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None	Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None	
Date of Inspection: September 18, 2009	Date of Inspection: _____	

GP RESIDENTIAL

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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.

QUALIFICATIONS OF BOB L. GIBSON

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

PROFESSIONAL EXPERIENCE:

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

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

EDUCATION:

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

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

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

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

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

NAIF Income Property Appraising, 1990.

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

The Appraisal Institute - Real Estate Appraisal Methods, 1991.

Uniform Standards of Professional Appraisal Practice, 1991.

Techniques of Income Property Appraising 1991.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Day With the Board, Little Rock AR April 2004

Day With the Board, Little Rock AR April 2005

Day With the Board, Little Rock AR April 2006

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

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

Day With the Board, Little Rock AR April 2007

USPAP Update, RCI, Jonesboro, AR Jan 28, 2008

Mortgage Fraud, RCI, Jonesboro AR Jan 29, 2008

Day With the Board, Little Rock AR April 2008

USPAP, RCI, Russellville, AR April 2009

Basic Income Capitalization, RCI, Russellville, AR April 2009

PROFESSIONAL MEMBERSHIP:

Charter Member of National Society of Environmental Consultants.

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

CERTIFICATION AND DESIGNATION:

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

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

PARTIAL LIST OF CLIENTS:

Belz-Burrow, Regions Bank, Simmons Bank, Caldwell Construction Co., First Financial Mortgage, Fowler Foods, Liberty Bank, Bank of America, Pulaski Bank, BancorpSouth, First Security Bank, Focus Bank, City of Jonesboro, First National Bank, Unico Bank, Integrity First Bank