

SUSAN DUDLEY APPRAISAL SERVICE



DATE

SEPTEMBER 4, 2007

SUBJECT

1205 W HUNTINGTON AVE
LOT 3, SACHS SUBDIVISION
JONESBORO, AR 72401-2530

CLIENT

CITY OF JONESBORO
515 W WASHINGTON, JONESBORO, AR 72401

MULTI-FAMILY APPRAISAL REPORT

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SUPPLEMENTAL ADDENDUM

File No. **9022007**

Borrower/Client			
Property Address 1205 W HUNTINGTON AVE			
City JONESBORO	County CRAIGHEAD	State AR	Zip Code 72401-2530
Lender CITY OF JONESBORO			

SCOPE OF WORK

This report has been prepared for the above referenced client. The report has been performed to assist with determining present market value of subject property. If this report is placed in the hands of anyone other than the client, then client shall make such third party aware of all the assumptions and limiting conditions of this assignment.

The scope of this report consisted of an observation from ground level of readily accessible areas. Crawl spaces and attics were not accessed. The property was measured and a walk-through was done. Photos of the front, rear, street and auxiliary buildings were taken and attached to this report.

The cost approach was not completed due to the age and remodeling of subject property. MLS and public records were researched for similar and recent sales of multi-family investment property in the market area. Those used were the most recent and similar confirmed. Adjustments were made for significant value influencing differences and the resulting value range reconciled. The income approach was processed and considered in the final opinion of market value.

The following report is not an environmental, structural or termite assessment. If such reports are desired they should be ordered from a professional or licensed tradesman. If such reports are received, any detrimental information uncovered during the process should be made available to the appraiser for reconsideration of the value contained in this appraisal report. This appraisal report does not guarantee the property free of defects.

SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	1205 W HUNTINGTON AVE
	Legal Description	LOT 3, SACHS SUBDIVISION
	City	JONESBORO
	County	CRAIGHEAD
	State	AR
	Zip Code	72401-2530
	Census Tract	05031-0002.00-1
	Map Reference	MSA 27860
SALES PRICE	Sale Price	\$ N/A
	Date of Sale	N/A
CLIENT	Borrower / Client	
	Lender	CITY OF JONESBORO
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	1,547
	Price per Square Foot	\$
	Location	URBAN
	Age	A50+ E20
	Condition	AVERAGE
	Total Rooms	7
	Bedrooms	4
	Baths	2.5
APPRAISER	Appraiser	SUSAN DUDLEY
	Date of Appraised Value	SEPTEMBER 4, 2007
VALUE	Final Estimate of Value	\$ 60,500

2-4 UNIT RESIDENTIAL APPRAISAL SUMMARY REPORT

File No.: 9022007

SUBJECT

ASSIGNMENT

MARKET AREA DESCRIPTION

SITE DESCRIPTION

DESCRIPTION OF THE IMPROVEMENTS

Property Address: 1205 W HUNTINGTON AVE

City: JONESBORO

State: AR

Zip Code: 72401-2530

County: CRAIGHEAD

Legal Description: LOT 3, SACHS SUBDIVISION

Assessor's Parcel #: 01-143134-43400

Tax Year: 2007

R.E. Taxes: \$ 477.41

Special Assessments: \$ N/A

Current Owner of Record: ANTIQUE PROPERTIES LLC

Borrower (if applicable):

Occupant: ☐ Owner ☒ Tenant ☐ Vacant

Project Type: ☐ PUD ☐ Other (describe)

HOA: \$ ☐ per yr. ☐ per mo.

Market Area Name: N/A

Map Reference: MSA 27860

Census Tract: 05031-0002.00-1

The purpose of this appraisal is to develop an opinion of: ☒ Market Value (as defined), or ☐ other type of value (describe)

This report reflects the following value (if not Current, see comments): ☒ Current (the Inspection Date is the Effective Date) ☐ Retrospective ☐ Prospective

Approaches developed for this appraisal: ☒ Sales Comparison Approach ☐ Cost Approach ☒ Income Approach (See Reconciliation Comments and Scope of Work)

Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Leased Fee ☐ Other (describe)

Intended Use: FOR DRAINAGE PROJECT PURPOSES

Intended User(s) (by name or type): CITY OF JONESBORO ENGINEERING DEPARTMENT

Client: CITY OF JONESBORO

Address: 515 W WASHINGTON, JONESBORO, AR 72401

Appraiser: SUSAN DUDLEY

Address: 1817 ELLEN DRIVE, JONESBORO, AR 72404

Location: ☒ Urban ☐ Suburban ☐ Rural

Built up: ☒ Over 75% ☐ 25-75% ☐ Under 25%

Growth rate: ☐ Rapid ☒ Stable ☐ Slow

Property values: ☐ Increasing ☒ Stable ☐ Declining

Demand/supply: ☐ Shortage ☒ In Balance ☐ Over Supply

Marketing time: ☐ Under 3 Mos. ☒ 3-6 Mos. ☐ Over 6 Mos.

Predominant Occupancy

2 - 4 Unit Housing

Present Land Use

Change in Land Use

Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): MARKET AREA IS BOUNDED ON NORTH BY BURKE; ON THE SOUTH BY MONROE; ON THE EAST BY NESBITT; AND ON THE WEST BY PURYEAR.

MARKET CONDITIONS REMAIN FAVORABLE WITH FINANCING BEING AVAILABLE AND AT COMPETITIVE RATES.

Dimensions: 50 X 175

Site Area: .20 ACRE

Zoning Classification: R-2

Description: UP TO FOUR FAMILY RESIDENCES

Zoning Compliance: ☒ Legal ☐ Legal nonconforming (grandfathered) ☐ Illegal ☐ No zoning

Are CC&Rs applicable? ☐ Yes ☒ No ☐ Unknown

Have the documents been reviewed? ☐ Yes ☐ No

Ground Rent (if applicable) \$ /

Comments:

Highest & Best Use as improved: ☒ Present use, or ☐ Other use (explain)

Actual Use as of Effective Date: DUPLEX (TWO FAMILY)

Use as appraised in this report: DUPLEX (TWO FAMILY)

Summary of Highest & Best Use: PRESENT VALUE, AS IMPROVED, IS HIGHEST AND BEST USE

Utilities

Off-site Improvements

Frontage

50 FEET ON HUNTINGTON

Other site elements: ☒ Inside Lot ☐ Corner Lot ☐ Cul de Sac ☐ Underground Utilities ☐ Other (describe)

FEMA Spec'l Flood Hazard Area: ☐ Yes ☒ No

FEMA Flood Zone: X

FEMA Map #: 05031C0043C

FEMA Map Date: 9/27/1991

Site Comments: SITE IS TYPICAL OF MANY IN THE AREA.

General Description

Exterior Description

Foundation

Basement

Heating

Interior Description

Appliances

Attic

Amenities

Car Storage

Unit # 1 contains: 5 Rooms; 3 Bedrooms; 1.5 Bath(s); 1,179 Sq.Ft. GLA Above Grade

Unit # 2 contains: 2 Rooms; 1 Bedrooms; 1 Bath(s); 368 Sq.Ft. GLA Above Grade

Unit # 3 contains: Rooms; Bedrooms; Bath(s); Sq.Ft. GLA Above Grade

Unit # 4 contains: Rooms; Bedrooms; Bath(s); Sq.Ft. GLA Above Grade

The Total Gross Building Area for the Subject Property is: Sq.Ft.

GP 2-4 UNIT

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2-4 UNIT RESIDENTIAL APPRAISAL SUMMARY REPORT

File No.: 9022007

IMPROVEMENTS (cont.)

Additional features: THIS WAS FORMERLY A SINGLE FAMILY RESIDENCE. AN EFFICIENCY APARTMENT WAS CONVERTED AT THE REAR OF THE DWELLING.

Describe the condition of the property (including physical, functional and external obsolescence): THERE WAS DEFERRED MAINTENANCE OBSERVED ON THE INTERIOR AS WELL AS THE EXTERIOR OF THE FRONT UNIT. THE EFFICIENCY APARTMENT WAS DONE LATER AND IS IN MUCH BETTER CONDITION.

COMPARABLE RENTAL ANALYSIS

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

FEATURE	SUBJECT	COMPARABLE RENTAL # 1				COMPARABLE RENTAL # 2				COMPARABLE RENTAL # 3			
Address	1205 W HUNTINGTON AVE JONESBORO, AR 72401-2530	202 RICHMOND JONESBORO				1120 W MONROE JONESBORO				423 & 425 W HUNTINGTON JONESBORO			
Proximity to Subject		1.16 miles				0.12 miles				0.69 miles			
Current Monthly Rent	\$ 750	\$ 850				\$ 850				\$ 585			
Less: Utilities	-\$	-\$				-\$				-\$			
Furnishings	-\$	-\$				-\$				-\$			
Plus: Rent Concess.	+\$	+\$				+\$				+\$			
Adj. Monthly Rent	\$ 750	\$ 850				\$ 850				\$ 585			
Adj. Mo. Rent / GLA	\$ 0.48 /sq.ft.	\$ 0.59 /sq.ft.				\$ 0.40 /sq.ft.				\$ 0.22 /sq.ft.			
Data Source(s)	OWNER	MLS				MLS				OWNER			
RENT ADJUSTMENTS	DESCRIPTION	DESCRIPTION +/- \$ Adjust				DESCRIPTION +/- \$ Adjust				DESCRIPTION +/- \$ Adjust			
Rent Control	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Lease Date	UNKNOWN	UNKNOWN				UNKNOWN				UNKNOWN			
Location	URBAN	URBAN				URBAN				URBAN			
Design (Style)	RANCH	RANCH				RANCH				RANCH			
Age	A50+ E20	A52 E15				A35 E15				A65+ E25			
Condition	AVERAGE	AVERAGE				AVERAGE				AVERAGE			
Total GBA		sq.ft.				sq.ft.				sq.ft.			
Total # of Units	2	2				2				2			
Total GLA	1,547 sq.ft.	1,434 sq.ft.				2,100 sq.ft.				2,630 sq.ft.			
Unit Breakdown	Tot. Bed. Baths GLA	Tot. Bed. Baths GLA				Tot. Bed. Baths GLA				Tot. Bed. Baths GLA			
Unit # 1	5 3 1.5 1,179	4 2 1 UNK				5 2 1 1,050				4 1 1 1,315			
Unit # 2	2 1 1 368	6 4 1 UNK				5 2 1 1,050				4 1 1 1,315			
Unit # 3													
Unit # 4													
EXTRAS		NONE				1 FIREPLACE				NONE			
Net Rental Adjustment (Total)		<input type="checkbox"/> + <input type="checkbox"/> - \$				<input type="checkbox"/> + <input type="checkbox"/> - \$				<input type="checkbox"/> + <input type="checkbox"/> - \$			
Indicated Monthly Market Rent		\$ 850				\$ 850				\$ 585			
Analysis of rental data: ALL RENTAL COMPARABLES SHOWN ARE OLDER TWO-FAMILY ATTACHED DWELLINGS. SUBJECT PROPERTY APPEARS TO BE RENTED AT MARKET VALUE. COMPARABLE RENTALS #2 AND #3 ARE CONSIDERABLY LARGER THAN SUBJECT PROPERTY.													

SUBJECT RENT SCHEDULE

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

Unit #	Leases		Actual Rents			Opinion of Market Rent		
	Lease Dates		Per Unit		Total Rents	Per Unit		Total Rents
	Begin Date	End Date	Unfurnished	Furnished		Unfurnished	Furnished	
1	UNKNOWN	UNKNOWN	\$ X	\$	\$ 500	\$	\$	\$ 500
2	UNKNOWN	UNKNOWN	\$ X	\$	\$ 250	\$	\$	\$ 250
3			\$	\$	\$	\$	\$	\$
4			\$	\$	\$	\$	\$	\$
Comments on lease data			Total Actual Monthly Rent		\$ 750	Total Gross Monthly Rent		\$ 750
			Other Monthly Income (itemize)		\$	Other Monthly Income (itemize)		\$
			Total Actual Monthly Income		\$ 750	Total Estimated Monthly Income		\$ 750
Utilities included in estimated rents <input type="checkbox"/> Electric <input type="checkbox"/> Water <input type="checkbox"/> Sewer <input type="checkbox"/> Gas <input type="checkbox"/> Oil <input type="checkbox"/> Trash collection <input type="checkbox"/> Multimedia <input type="checkbox"/> Telephone <input type="checkbox"/> Other								
Comments on actual or estimated rents and other monthly income (including personal property) SUBJECT PROPERTY APPEARS TO BE RENTED AT MARKET RENT.								

INCOME APPROACH

INCOME APPROACH TO VALUE ☐ The Income Approach was not developed for this appraisal.

Gross Rent Multiplier Analysis:

Address	Date	Sale Price	Gross Rent	GRM	Comments
202 RICHMOND	1/30/2006	61,300	850	72.12	
1120 W MONROE	8/15/2007	74,000	850	87.06	
312 & 314 ARLINGTON COURT	10/31/2006	62,000	815	76.07	
Opinion of Monthly Market Rent \$ 750 X Gross Rent Multiplier 76 = \$ 57,000 Indicated Value by Income Approach					
Summary of Income Approach (including support for market rent and GRM): GRMS TAKEN FROM RECENT INVESTOR SALES OF OLDER DUPLEX PROPERTIES. THESE SALES ARE REPRESENTATIVE OF OTHER INVESTOR PURCHASES OF SIMILAR PROPERTIES.					

GP 2-4 UNIT

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Data Source(s): TAX ASSESSMENT RECORD OF OWNERSHIP

Date:

Price:

Source(s):

2nd Prior Subject Sale/Transfer

Date:

Price:

Source(s):

☐ The Sales Comparison Approach was not developed for this appraisal.

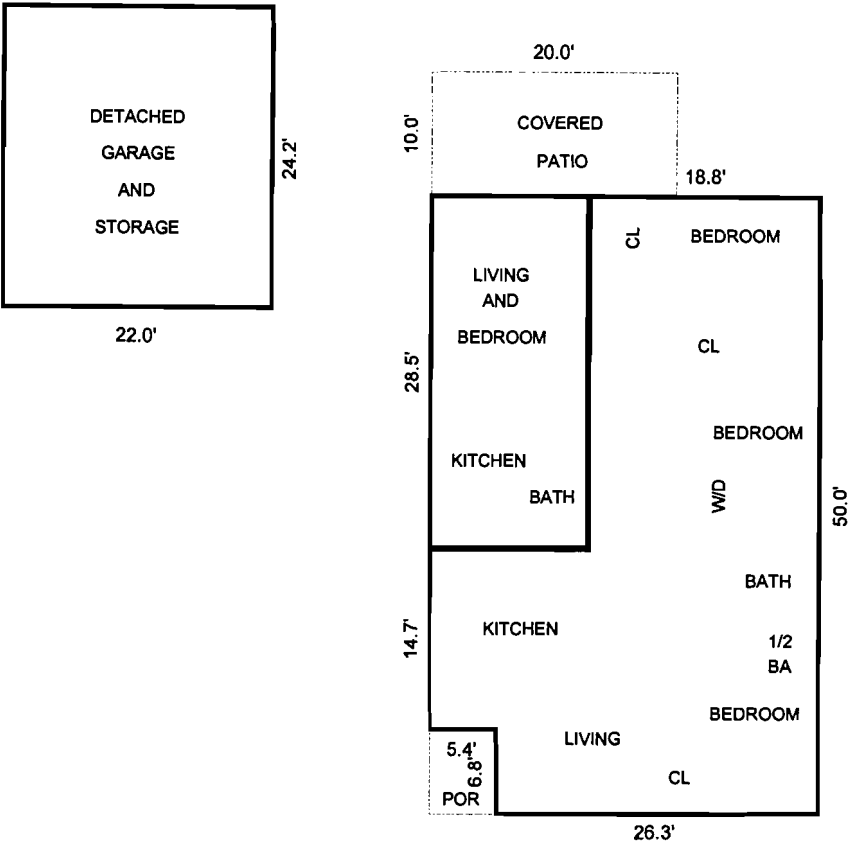
Indicated Value by Sales Comparison Approach \$ 60,500

File No.: 9022007

GP 2-4 UNIT

Building Sketch (Page - 1)

Borrower/Client			
Property Address 1205 W HUNTINGTON AVE			
City JONESBORO	County CRAIGHEAD	State AR	Zip Code 72401-2530
Lender CITY OF JONESBORO			



Sketch by Apex IV™

Comments: INTERIOR ROOM PLACEMENT NOT TO SCALE. THEY ARE SHOWN FOR REPRESENTATIONAL PURPOSES ONLY. SQUARE FOOTAGE DETERMINED BY EXTERIOR DIMENSIONS.

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	FRONT LIVING UNIT	1178.5	1546.6
	REAR UNIT	368.1	
P/P	COVERED PATIO	200.0	
	ENCLOSED PORCH	37.0	237.0
GAR	Garage	531.7	531.7
Net LIVABLE Area		(Rounded)	1547

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
FRONT LIVING UNIT			
	18.8 x	50.0	937.5
0.5 x	0.0 x	0.0	0.2
	12.9 x	14.7	189.5
	6.8 x	7.5	51.2
REAR UNIT			
	12.9 x	28.5	368.1
5 Items			(Rounded) 1547

Location Map

Borrower/Client			
Property Address 1205 W HUNTINGTON AVE			
City JONESBORO	County CRAIGHEAD	State AR	Zip Code 72401-2530
Lender CITY OF JONESBORO			

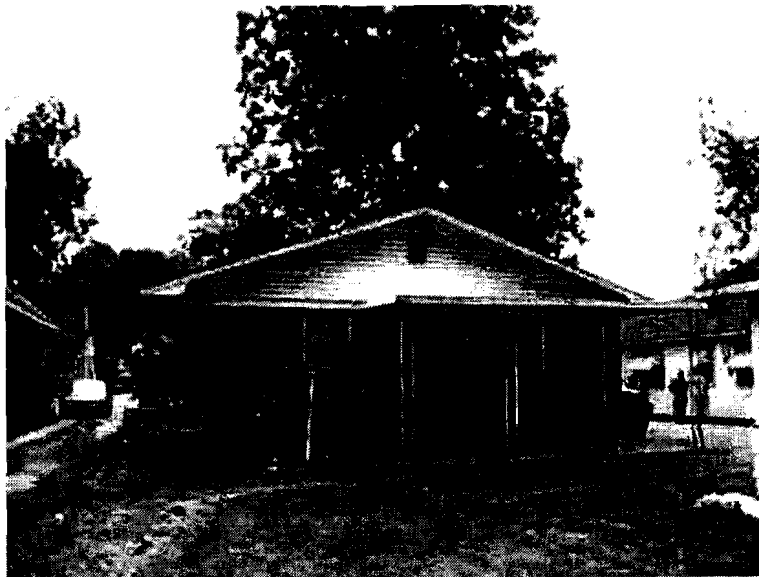


Subject Photo Page

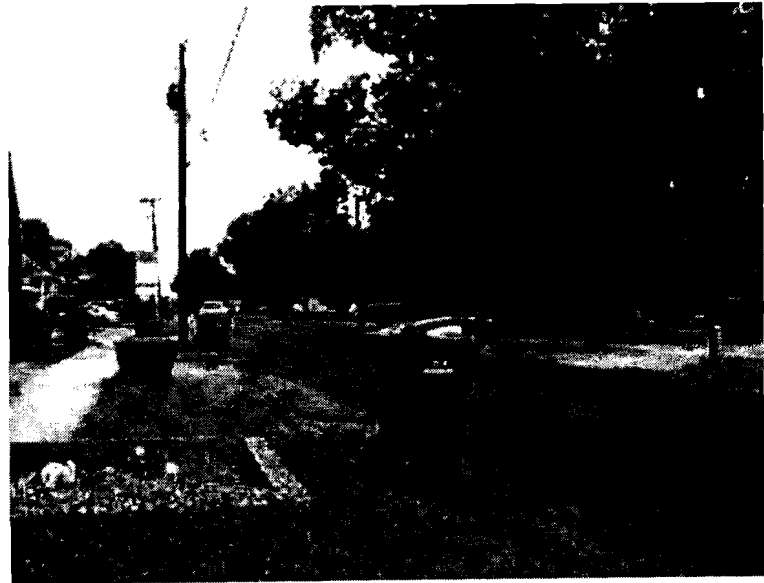
Borrower/Client				
Property Address 1205 W HUNTINGTON AVE				
City JONESBORO	County CRAIGHEAD	State AR	Zip Code 72401-2530	
Lender CITY OF JONESBORO				



Subject Front
1205 W HUNTINGTON AVE
Sales Price: N/A
GBA:
Age: A50+ E20



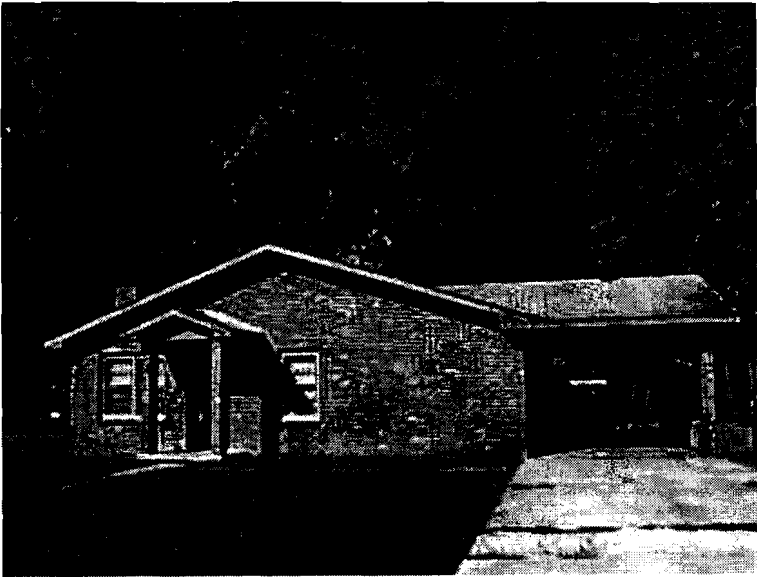
Subject Rear



Subject Street

Comparable Photo Page

Borrower/Client			
Property Address 1205 W HUNTINGTON AVE			
City JONESBORO	County CRAIGHEAD	State AR	Zip Code 72401-2530
Lender CITY OF JONESBORO			



Comparable 1

1120 W MONROE
Sales Price: 74,000
GBA:
Age: A35 E15



Comparable 2

312 & 314 ARLINGTON
Sales Price: 62,000
GBA:
Age: A50+ E20



Comparable 3

202 RICHMOND
Sales Price: 61,300
GBA:
Age: A52 E20

PHOTOGRAPH ADDENDUM

Borrower/Client				
Property Address 1205 W HUNTINGTON AVE				
City	JONESBORO	County	CRAIGHEAD	State AR
Zip Code				72401-2530
Lender CITY OF JONESBORO				



DETACHED GARAGE
AND STORAGE

