

APPRAISAL REPORT

102.58 ACRES
U.S. HIGHWAY 63
JONESBORO, AR 72401

FOR

CITY OF JONESBORO
314 W. WASHINGTON AVE.
JONESBORO, AR 72401

PREPARED BY

STREET REAL ESTATE APPRAISAL SERVICE
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JONESBORO, AR 72403

JOHN W. STREET, IFA, STATE CERTIFIED GENERAL APPRAISER, CG0154

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February 2, 1996

Mr. Hubert Brodell
Mayor-City of Jonesboro
314 W. Washington Ave.
Jonesboro, AR 72401

RE: Appraisal of a 102.58 acre tract of vacant acreage located off of U.S. Highway 63 in Jonesboro, Craighead County, AR.

Dear Mr. Brodell:

As per your request, I have prepared a narrative appraisal of the aforementioned property which is more specifically identified by legal description within this report. As a result of my market research and appraisal analysis, it is my opinion that the market value of the aforementioned property as of January 22, 1996, subject to the limiting conditions presented herein, was:

**ONE MILLION TWENTY FIVE THOUSAND DOLLARS
(\$1,025,000.00)**

The supporting data, analysis, and conclusions upon which this estimate of value is based are contained in the accompanying report. To the best of my knowledge, this report conforms to the current requirements prescribed by the Uniform Standards Board of the Appraisal Foundation as required by Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA). The person signing this report has the knowledge and experience to complete the assignment competently. This is a complete appraisal, transmitted in a summary appraisal report.

Thank you for the assignment; I look forward to serving you again.

Respectfully Submitted,

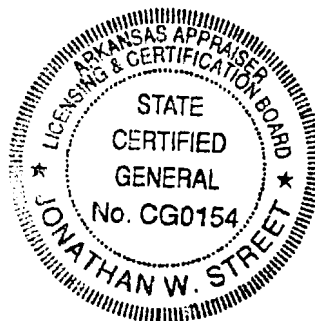


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SALIENT FACTS AND CONCLUSIONS

SUBJECT PROPERTY	102.58 Acres off U.S. Highway 63 Jonesboro, Arkansas
PROPERTY RIGHTS APPRAISED	Fee Simple
DATE OF VALUE ESTIMATE	January 22, 1996
DATE OF THE INSPECTION	January 22, 1996
SIZE OF SITE	102.58 Acres
IMPROVEMENTS	None (Vacant Acreage)
ZONING	R-1 Residential
REAL ESTATE TAXES	\$469.61
ESTIMATED VALUE BY THE COST APPROACH	Omitted
ESTIMATED VALUE BY THE MARKET DATA APPROACH	\$1,025,000.00
ESTIMATED VALUE BY THE INCOME APPROACH	Omitted
FINAL ESTIMATE OF VALUE	\$1,025,000.00

AUTHORIZATION

John W. Street, IFA, CG0154, was authorized to appraise the property described herein, in a conversation with Mr. Hubert Brodell, Mayor of the city of Jonesboro, Arkansas.

PURPOSE AND FUNCTION OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the fee simple estate of the subject property, as defined herein.

The function of this appraisal is to assist the city in evaluating the subject property for possible acquisition.

PROPERTY IDENTIFICATION

The subject property consists of a vacant tract of land with a total of 102.58 acres, located on U. S. Highway 63 in the northwest section of the city of Jonesboro, Craighead County, Arkansas, and is more specifically identified by legal description as follows.

LEGAL DESCRIPTION

A PART OF THE SE 1/4, SW 1/4, OF SECTION 10, AND A PART OF THE NW 1/4, OF SECTION 15, ALL IN TOWNSHIP 14 NORTH, RANGE 3 EAST, ALL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEGIN AT THE NORTHWEST CORNER OF SECTION 15, TOWNSHIP 14 NORTH, RANGE 3 EAST; THENCE N88°30'12"E ON THE SECTION LINE 180.00' TO THE POINT OF BEGINNING PROPER; THENCE N 88°30'12"E ON THE SECTION LINE 720.81'; S0°51'55"E 331.30'; THENCE N80°04'57"E 603.46'; THENCE N46°34'e 193.10'; THENCE N18°11'E 315.60' THENCE N2°46'e 300.3'; THENCE N8°15'E 303.10'; THENCE N7°08'E 302.30'; THENCE N9°45'E 104.70'; THENCE N10°09'E 107.31'; THENCE S76°23'35"E 346.31'; THENCE S77°37'18"E 448.12' TO THE 40 ACRE LINE; THENCE S0°00'49"E ON THE 40 ACRE LINE 1089.74'; THENCE S 0°00'16"W ON THE 40 ACRE LINE 2236.60' TO THE NORTH R/W LINE OF U.S. HIGHWAY NO. 63; THENCE WITH THE MEANDERINGS WITH SAID R/W LINE AS FOLLOWS; N44°21'59"W 19.89'; N74°40'13"W 239.90'; N60°39'45"W 498.45'; N59°32'38"W 97.96'; N59°31'17" W 399.64'; N59°32'59"W 1200.95'; N68°05'00"W 203.02'; N56°07' 08"W 376.20' TO THE SECTION LINE; THENCE N0°02'46"W ON THE SECTION LINE 398.09'; THENCE N88°30'12"E 180.00'; THENCE N0°02'46"W ON THE SECTION LINE 398.09'; THENCE N 88°30'12"E 180.00'; THENCE N0°02'46"W 300.00' TO THE POINT OF BEGINNING PROPER, CONTAINING 109.03 ACRES, MORE OR LESS, SUBJECT TO ALL RIGHTS OF WAY AND EASEMENTS OF RECORD.

AND

A TRACT ON THE SOUTHEAST SIDE OF THE SITE FRONTING DAN AVE, AND MEASURING 232.10' BY 110.36' BY 230.79' BY 110.26' AND CONTAINING 0.58 ACRES.

LESS AND EXCEPT

A TRACT ON THE NORTHEAST CORNER OF THE SITE WITH APPROXIMATE MEASUREMENTS OF 165.99' BY 180.00' BY 720.81' 331.30' BY 918.86' AND CONTAINING 7.03 ACRES.

NOTE The addition of the 0.58 acre tract and the exception of the 7.03 acre tract is subject to a survey as it is not specifically defined in the survey which was provided to the appraiser prior to the property inspection.

DATE OF VALUE ESTIMATE

The date on which the value estimate reported herein applies was January 22, 1996, the date of the property inspection.

STATEMENT OF OWNERSHIP

As of the date of valuation, Craighead County Records indicate that the subject tract was in the name of Dena Construction Company. These records indicate that the subject property has been in continuous ownership for well over three years.

ZONING

The subject property is zoned R-1 Residential, and appears to be in compliance with the current zoning ordinances. A copy of the R-1 Residential Zoning Ordinance for the City of Jonesboro is included in the addenda of this report.

FLOOD ZONE INFORMATION

The subject property is located in a Zone "A" Flood Hazard Area as per panel 39 of 200 of the F.E.M.A. Flood Insurance Rate map for the City of Jonesboro, Map Number 05031C0039 C. The Effective Date is September 27, 1991. A copy of the applicable section of this panel is included in the addenda of this report, and is marked with the approximate location of the subject property for a visual reference.

REAL ESTATE TAXES

Current tax information obtained from the Craighead County Tax Collector indicates annual taxes on the subject property, identified by Parcel #9760-0003-0001 and #9972 is as follows.

PARCEL	ASSESSED VALUATION	x	MILLAGE RATE	=	TAX	+	*BCR	=	TOTAL
9760-	1,200	x	.0392	=	\$ 47.04	\$.12	=	\$ 47.16
9972	9,300	x	.0412	=	\$383.16	\$	38.39	=	\$421.25
						+ Timber Tax	\$		1.20
						TOTAL		=	\$469.61

* Big Creek Drainage District Assessment

Real Estate Taxes appear to be consistent for similar properties in the area.

DEFINITION OF MARKET VALUE

Market value as used in this report is defined as, "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus."

Implicit in this definition is the consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby;

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and each acting in what he considers his own best interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

GENERAL AREA DATA

Jonesboro is the county seat of Craighead County, which is situated in the northeast part of the state. Access to Jonesboro is primarily by U.S. Highway 63. Jonesboro is located about 65 miles northwest of Memphis, Tennessee and 130 miles northeast of Little Rock, Arkansas. Jonesboro has a modern airport which offers daily flights to major metropolitan areas. There is also one bus line, three railroad systems, one parcel service, and more than a dozen trucking firms.

Jonesboro is the home of Arkansas State University, and is the economic hub of Northeast Arkansas. Primarily for these reasons, the population of the city and county has shown significant growth during the past few years, as one can see from the statistics presented below.

<u>AREA</u>	<u>1970</u>	<u>1980</u>	<u>% CHANGE</u>	<u>1990</u>	<u>%CHANGE</u>
Jonesboro	27,040	31,530	+ 16.6%	46,535	+ 32%
Craighead Co.	<u>25,028</u>	<u>31,691</u>	+ 26.6%	<u>68,956</u>	+ 54%
Total	52,068	63,221	+ 21.4%	65,389	+ 45%

Jonesboro has a very balanced economy with several major industries. Agriculture plays an important role in the area's economy, as vast amounts of farmland surround Jonesboro. Employment in the area is categorized on the following page.

<u>CATEGORY</u>	<u>EMPLOYMENT</u>	<u>% OF TOTAL</u>
Agriculture	2,150	7.7%
Durable Manufacturing	3,850	13.7%
Nondurable Manufacturing	2,150	7.7%
Construction	675	2.4%
Transportation-Utilities	1,100	3.9%
Wholesale-Retail Trade	4,975	17.7%
Finance-Insurance-Real Estate	750	2.7%
Services	4,075	14.5%
Government	4,300	15.3%
Other	<u>4,025</u>	<u>14.4%</u>
TOTAL	28,050	100.0%

Arkansas State University is by far the largest single employer in Jonesboro. Shown below are the city's largest employers

<u>EMPLOYER</u>	<u>EMPLOYEES</u>
(1) Arkansas State University	2,000
(2) St. Bernards Regional Medical Cntr.	750
(3) Frolic Footwear, Inc.	560
(4) Jonesboro Public Schools	516
(5) General Electric	365
(6) Delta, Inc. of Arkansas	357
(7) W.A. Krueger Company	350
(8) Hytrol Conveyor Company	600
(9) Southwestern Bell Telephone	300

In total, there are 32 employers in Jonesboro with over 100 employees. Jonesboro has the highest per capita income in Northeast Arkansas (\$21,000.00) and total retail sales in the city are in excess of \$300 Million, as can be seen below.

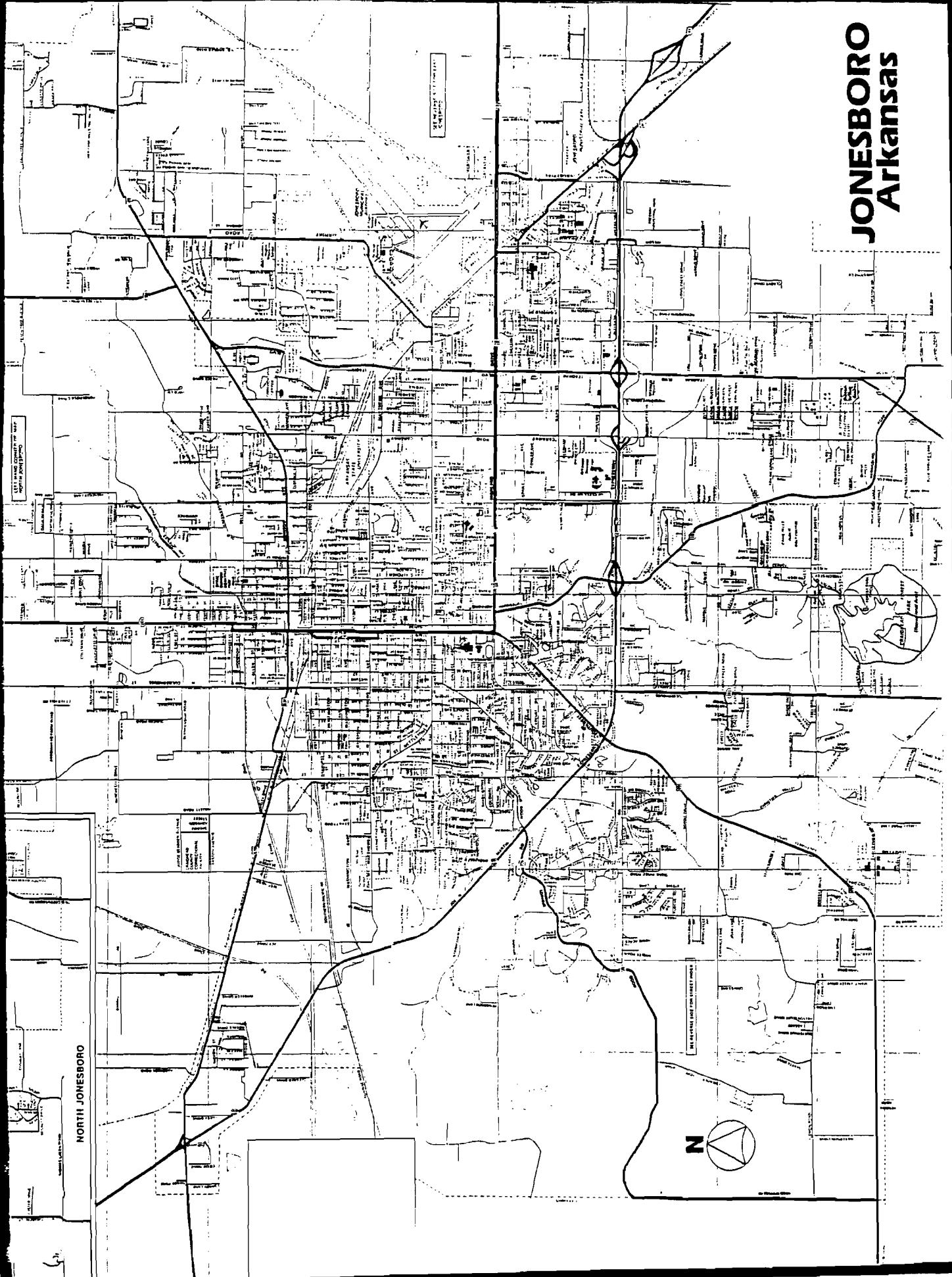
<u>YEAR</u>	<u>TOTAL RETAIL SALES</u>
1977	\$218,270,000
1980	\$279,733,000
1982	\$262,406,000
1984	\$309,501,000

Jonesboro's position as a regional center for Northeast Arkansas is most recognizable in three areas: education, retailing, and medical services. There are 12 shopping centers in Jonesboro, including the newly renovated 400,000 square foot Indian Mall. The city has two hospitals with a total of 425 beds. The hospitals are the St. Bernards Regional Medical Center, and the Methodist Hospital. There are approximately 160 physicians in Jonesboro.

The city has six banks and two savings and loan associations. Jonesboro has a class 4 fire rating. The unemployment rate in Jonesboro is approximately eight percent.

In 1989, the City of Jonesboro annexed over forty five square miles of land. Current population statistics from the 1990 census place the population in Jonesboro at 46,535. It is expected to exceed 50,000, in the near future, which will establish it as a metropolitan area.

JONESBORO Arkansas



NORTH JONESBORO



NEIGHBORHOOD DATA

The subject property is currently vacant acreage, and is located off of U.S. Highway 63 in part of the Southeast Quarter of the Southwest Quarter of Section 10, and a part of the Northwest Quarter of Section 15, Township 14 North, Range 3 East in the most recent annexed part of the western section of the city of Jonesboro.

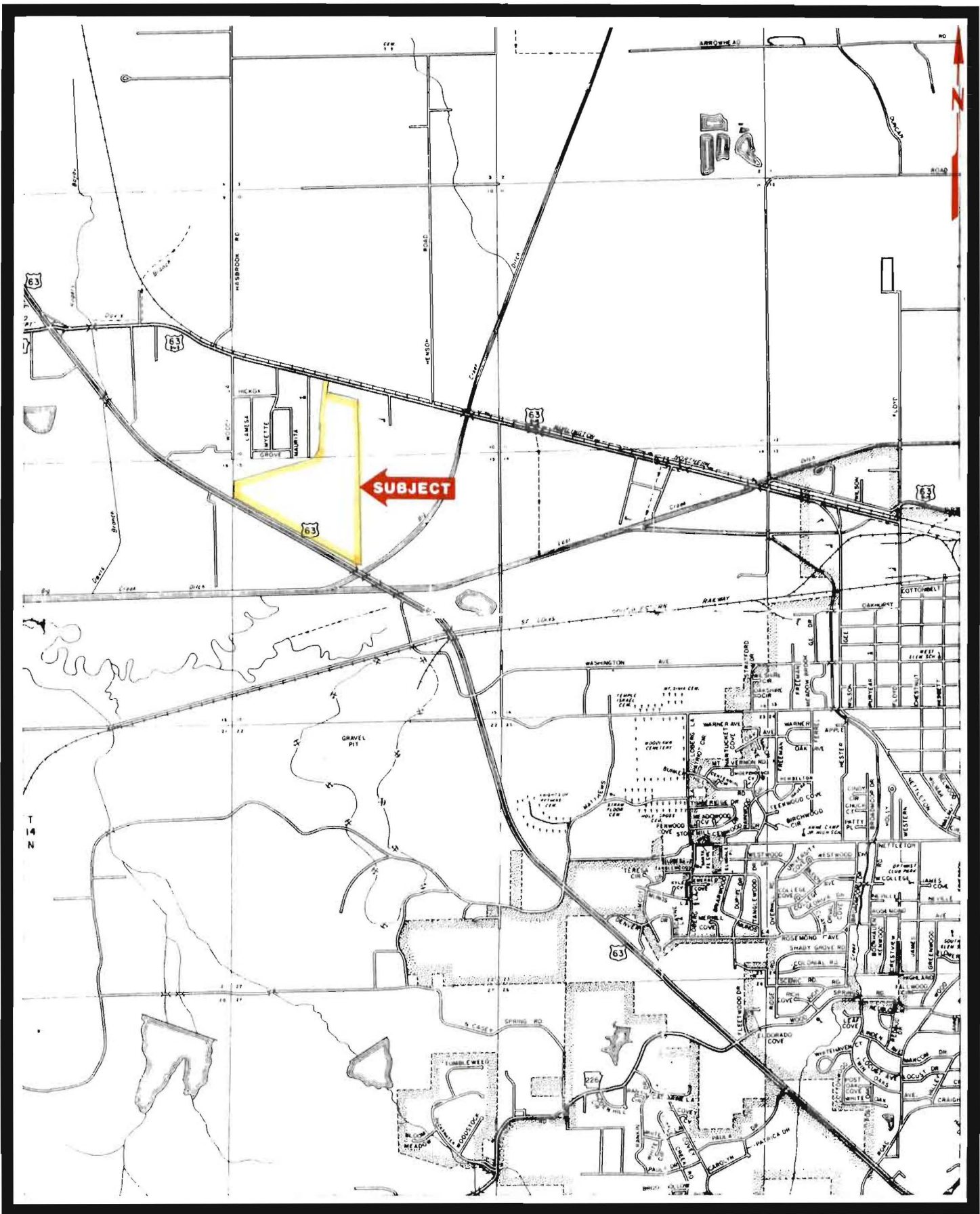
The subject neighborhood is bordered on the south and west by U.S. Highway 63, on the north by Dan Avenue, and on the east by Gee Street. This area of the city has seen steady commercial development along U.S. Highway 63 and Dan Avenue over the last ten years. The general neighborhood is characterized by a mix of commercial, residential, and industrial uses to include a plant nursery, a construction company, an automobile auction, a propane company, a salvage yard, several automotive repair businesses, a truck stop and convenience store, The new Craighead County Jail facility, the American Legion Post building and baseball field, Wheeler Brick Manufacturing, Best Welding, and several other businesses, as well as scattered vacant tracts of land. The mixture of uses is typical for a recently annexed area which had no previous zoning ordinances.

Dan Avenue or Highway 63 B is a two lane, asphalt paved street which connects U.S. Highway 63 to Gee Street and Johnson Avenue, which connects with U.S. Highway 49 North on the eastern edge of the city. Gee Street is a major north-south traffic

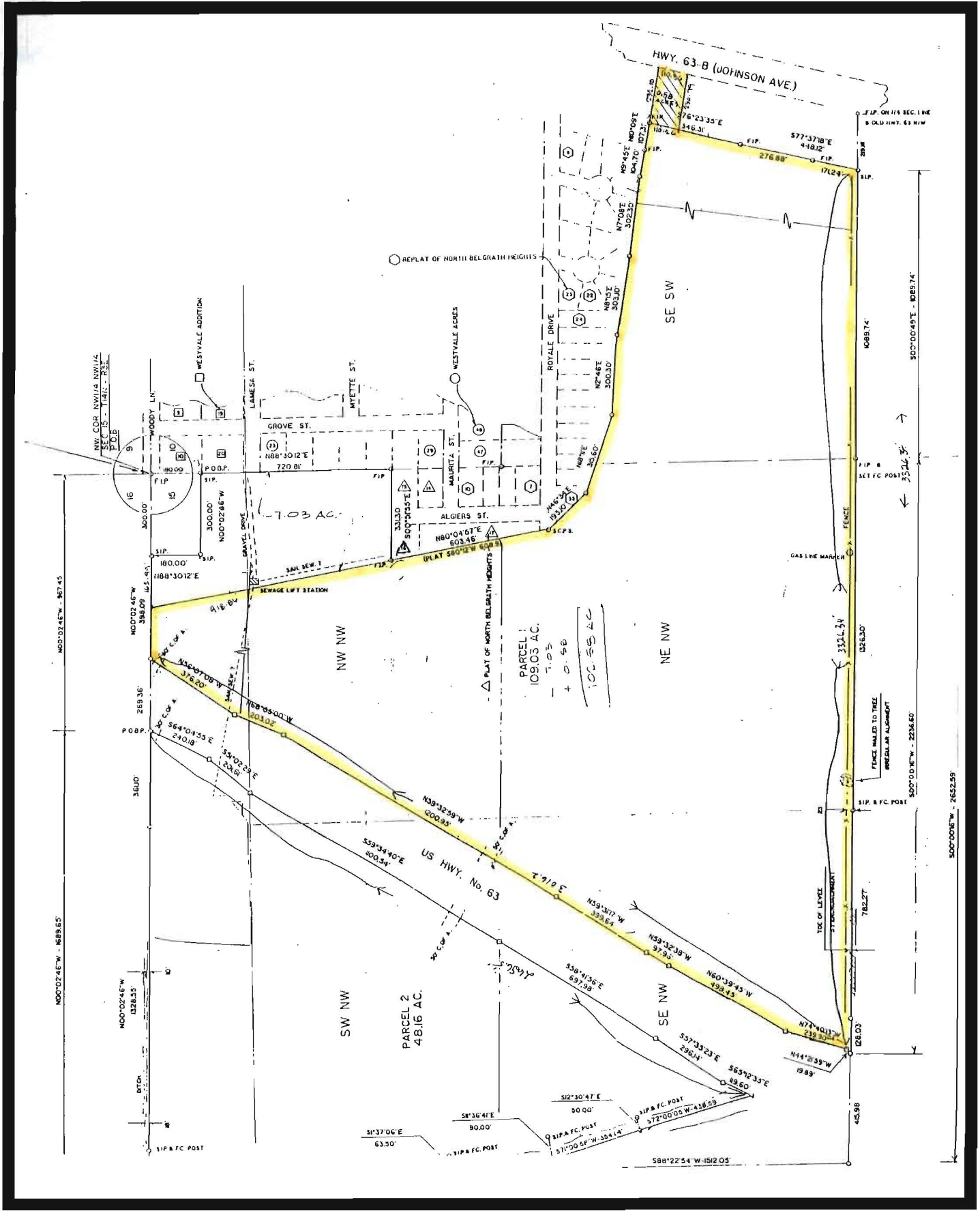
artery running through the western edge of the city, and connects with several streets running through the downtown business district. Johnson Avenue is a major east-west traffic artery which runs across the northern section of the city, and as previously mentioned, connects U.S. Highway 63 to U.S. Highway 49 North. U.S. Highway 63 is four lane at this point, and runs through the south central section of the city with exits at all major north-south traffic arteries across the city. Most of the improvements with frontage along these routes are improved with commercial or industrial properties.

There does not appear to be any adverse influences affecting the general neighborhood. An overpass across U.S. Highway 63 at the intersection of Dan Ave, U.S. Highway 63, and Arkansas Highway 91 is scheduled for future construction.

Public utilites currently available to the area include natural gas (Arkla), City water, sewer, electricity, telephone and cable services. The quality and quantity of these services is adequate to meet the present demand, and any anticipated demand in the near future.



Location Map



Survey

PROPERTY DESCRIPTION

The subject site is irregular in shape, and has an estimated total land area of 102.58 acres more or less. This tract is considered to have good access, and has 110.36 feet of frontage along Dan Avenue, the northernmost property line, and 3,016.2 feet of frontage along the north side of U.S. Highway 63, the subject's southern property line. This site is easily accessible from all sections of the city.

The topography of the site is gently rolling. Drainage appears to be good, and runs in a southeasterly direction. The subject property is located in a Zone A Flood Hazard Area as per F.E.M.A. Map Number 05031C0039 C, Effective Date September 27, 1991. A copy of the applicable section of this map is included in the addenda of this report, and is marked with the approximate location of the subject site for visual reference.

The subject site is bordered on the north by a residential subdivision, and mixed commercial businesses along Dan Ave, on the east by Wheeler Brick Company and vacant land, on the south by U.S. Highway 63, mixed commercial businesses and vacant farmland, and on the west by a mixture of vacant land and residential development.

All public utilities are available to the subject sites to include city water, sewer, electricity, gas (Arkla), cable and telephone service (Southwestern Bell). All of these services appear to be adequate for present use, and any anticipated use.

The subject property has utility and R/W easements, and the survey indicates a slight levee encroachment along part of the subjects southeastern property line, however it appears to be minimal, and should have no adverse effects on its sale or marketability.

The subject property is currently vacant pasture land with a small tract of wooded acreage on the south central part of the tract.

The appraiser is not aware of and did not observe any adverse environmental conditions on the subject site or in the immediate vicinity. This appraisal was done subject to the assumption that the site is free from any contamination.

The demand for similar tracts of land in competing areas around Jonesboro have been relatively good over the last few years due to the increase in residential development. Marketing time for properties in the immediate area is generally between six and twelve months, based upon previous sales of similar use properties.

The subject property is comprised of five soil types. Shown on the following pages is a breakdown of each soil type, the percentage slope, and the compatibility unit as promulgated in the Soil Survey of Craighead County Arkansas.

SOIL TYPES AND ANALYSIS

The subject property is composed of five soil types. *Calloway silt loam, 0 to 1 percent slopes, Foley silt loam, Lafe silt loam, Falaya silt loam, occasionally flooded, and Collins silt loam, occasionally flooded.* Information on these five soil types is provided, along with a soil map for visual reference.

9-CALLOWAY SILT LOAM, 0 TO 1 PERCENT SLOPES.

This somewhat poorly drained, level soil is on broad uplands. Individual areas range from about 20 to 400 acres in size.

Typically, the surface layer is brown silt loam to about 6 inches thick. The upper part of the subsoil is light yellowish brown silt loam to a depth of about 17 inches. The next layer is light brownish gray silt loam to a depth of about 28 inches. The next layer, a brittle fragipan, is grayish brown, yellowish brown, yellowish brown, and mottled yellowish and brownish silt loam to a depth of about 66 inches. Below this is mottled pale brown and light yellowish brown silt loam that extends to a depth of 72 inches or more.

Included with this soil in mapping are a few small areas of Grenada, Henry, Hillemann, and Calhoun soils.

This soil is moderate in natural fertility and organic matter content. The upper part of the soil is medium acid to very strongly acid. The lower part is strongly acid to mildly alkaline. Permeability is slow, and available water capacity is

medium. The fragipan somewhat restricts the penetration of roots and the movement of water but does not seriously affect soil productivity or the choice of plants. Excess water is a moderate hazard, and farming operations are delayed several days after a rain unless surface drains are installed.

This soil has fair potential for most crops grown in the county. Nearly all the acreage is cultivated. Rice, soybeans, and cotton are suitable crops. Winter small grain can be grown if surface drainage is adequate. Adapted pasture plants are Bermudagrass, tall fescue and bahiagrass.

This soil has good potential for cherrybark oak, Shumard oak, sweetgum, and water oak. Wetness is the main limitation to equipment use in managing and harvesting the tree crop, but this limitation is usually overcome by logging during the drier seasons.

This soil has poor potential for most urban uses. Wetness is a severe limitation for dwellings and industrial sites. Slow permeability and wetness are severe limitations for septic tank absorption fields. These limitations are difficult to overcome.

This soil is in capability unit IIw-2

11-COLLINS SILT LOAM, OCCASIONALLY FLOODED

This level moderately well drained soil is on upland drainageways and foot slopes adjacent to Crowleys Ridge. Slope is less than 1 percent. Individual areas range from about 20 to 600 acres in size.

Typically, the surface layer is brown silt loam about 7 inches thick. the next layer is dark yellowish brown silt loam to a depth of about 14 inches over yellowish brown, and brown mottled silt loam to a depth of about 30 inches. Below is light brownish gray, mottled silt loam that extends to a depth of 72 inches or more.

Included with this soil in mapping are a few areas of Falaya soils.

This soil is moderate fin natural fertility. Organic-matter content is low. The soil is strongly acid or very strongly acid throughout except for the surface layer where limed. Permeability is moderate, and available water capacity is high.

This soil has fair potential for row crops and small grain. Occasional flooding for short durations is a slight to moderate hazard. The main crops are soybeans, cotton, and winter small grain. The soil has good potential for pasture and hay crops. Adapted pasture plants include bermudagrass, tall fescue, bahiagrass, and lespedeza. Crops on this soil respond well to fertilization, and tilth is easy to maintain by returning crop residue to the soil.

This soil has good potential for eastern cottonwood, cherrybark oak, and green ash. there are no significant

limitations in woodland use or management.

This soil has poor potential for most urban uses. Occasional flooding is a severe limitation in some areas for community development and sanitary facilities.

This soil is in capability unit IIw-1. It is in woodland suitability group 1o7.

21-FALAYA SILT LOAM, OCCASIONALLY FLOODED

This level, somewhat poorly drained soil is on flood plains of upland drainageways. and in level areas adjacent to Crowleys ridge. Slope is less than 1 percent. Individual areas range from about 40 to more than 1,000 acres in size.

Typically, the surface layer is brown silt loam about 6 inches thick. The upper part of the underlying material is brown, mottled silt loam to a depth of about 14 inches. The middle part is grayish brown and light brownish gray, mottled silt loam and silt to a depth of 48 inches. The lower part is a buried soil that is gray and light brownish gray, mottled silt loam that extends to a depth of 72 inches or more.

Included with this soil in mapping are a few areas of Collins soils.

This soil is moderate in natural fertility. Content of organic matter is low. The soil is medium acid or very strongly acid throughout except for the surface layer where limed. permeability is moderate, and available water capacity is high.

This soil has fair potential for crops. Excess water is a moderate hazard; surface drains are needed. the main crops are cotton, soybeans, and winter small grain. This soil has good potential for pasture and hay crops. Adapted pasture plants include bermudagrass, bahiagrass, white clover, and tall fescue. Crops on this soil respond well to fertilization, and tilth is easy to maintain by returning crop residue to the soil.

This soil has good potential for cottonwood, cherrybark oak, Nuttall oak, and water oak. Wetness is a moderate limitation in managing and harvesting the tree crop.

This soil has poor potential for most urban uses. Wetness and flooding are severe limitations for dwellings, industrial sites, and septic tank absorption fields. These limitations are difficult to overcome.

This soil is in capability unit IIw-1. It is in woodland suitability group 1w8.

22 FOLEY SILT LOAM

This poorly drained, level soil is on broad flats. Slope is less than 1 percent. Individual areas range from about 20 to 600 acres in size.

Typically, the surface layer is dark grayish brown silt loam about 5 inches thick. The subsurface layer is light brownish gray, mottled silt loam to a depth of about 12 inches. The upper part of the subsoil is grayish brown, mottled silt loam to a depth of about 20 inches. The middle part is grayish brown and gray, mottled silty clay loam to a depth of about 48 inches. The lower part is grayish brown, mottled silty clay loam to a depth of about 61 inches. The underlying material is grayish brown silt loam that extends to a depth of 72 inches or more.

Included with this soil in mapping are a few areas of Amagon, Calhoun, Fountain, and Jackport soils.

This soil is moderate in natural fertility. Content of organic matter is low. Permeability is very slow and available water capacity is medium. The surface layer is very strongly acid to medium acid except where limed. The subsoil and underlying material are medium acid to moderately alkaline. The water table is seasonally high; it is within 12 inches of the surface during winter and early spring.

This soil has fair potential for row crops. Farming operations are commonly delayed several days after a rain because of excess water, and surface drains are needed. This soil has fair potential for rice. The main crops are soybeans

and rice. Other suitable crops are cotton, winter small grain, and grain sorghum. Adapted pasture plants include bermudagrass and tall fescue. Crops on this soil respond well to fertilization, and tilth is easy to maintain by returning crop residue to the soil. The high content of sodium and magnesium in the subsoil is a severe hazard if deep cuts are to be made in grading and smoothing. Depth to this layer should be determined before cuts are made.

This soil has fair potential for woodland. Some important trees are sweetgum, cherrybark oak, and water oak. Wetness is the main limitation to equipment use in managing and harvesting the tree crop, but this limitation is usually overcome by logging during the drier seasons.

This soil has poor potential for most urban uses. Wetness is a severe limitation for dwellings, streets, and industrial sites. Very slow permeability and wetness are severe limitations for septic tank absorption fields. These limitations are difficult to overcome.

This soil is capability unit IIIw-2.

28-LAFE SILT LOAM

This level, somewhat poorly drained soil is on narrow flats of loessial and fluvial terraces. Slope is less than 1 percent. Individual areas range from about 10 to 100 acres in size.

Typically, the surface layer is brown silt loam about 10 inches thick. The upper part of the subsoil is pale brown, mottled silty clay loam to a depth of about 35 inches. The lower part is light brownish gray, mottled silty clay loam to a depth of about 50 inches. The underlying material is light brownish gray and light gray, mottled silt loam that extends to a depth of 72 inches or more.

Included with this soil in mapping are a few areas of Calhoun, Foley, and Fountain soils.

This soil is low in natural fertility. Content of organic matter is low. The surface layer is strongly acid to neutral, the subsoil is mildly alkaline to strongly alkaline, and the underlying material is moderately alkaline or strongly alkaline. Permeability is very slow, and available water capacity is medium. Sodium and magnesium, at levels toxic to many plants, are present within 3 to 12 inches of the surface.

Lafe silt loam has poor potential for row crops because of droughtiness and high concentration of sodium and magnesium in the subsoil. Land grading is hazardous because of the high content of sodium and magnesium in the subsoil. Depth to the sodium-affected layers should be determined before cuts are made. Farming operations are commonly delayed several days

after a rain because of excess water.

Lafe soil is not suited to the production of major commercial wood products because of droughtiness and the high concentration of sodium and magnesium in the subsoil. Post oak is the dominant tree on this soil.

This soil has poor potential for most urban uses. Wetness is a severe limitation for dwellings, streets, industrial sites, septic tank absorption fields, and sanitary landfills. These limitations are difficult to overcome.

This soil is in capability unit Vls-1.

GENERAL SOIL MAP FOR BROAD LAND USE PLANNING

Each map unit is a unique natural landscape. Typically, a map unit consists of one or more major soils and some minor soils. It is named for the major soils. The soils making up one unit can occur in other units but in a different pattern.

The general soil map provides a broad perspective of the soils and landscapes in the survey area. It provides a basis for comparing the potential of large areas for general kinds of land use. Areas that for the most part, suited to certain kinds of farming or to other land uses can be identified on the map. Likewise, areas of soils having properties that are distinctly unfavorable for certain land uses can be located.

Because of its small scale, the map does not show the kind of soil at a specific site. Thus, it is not suitable for planning the management of a farm or field or for selecting a site for a road or building or other structure. The kinds of soil in any one map unit differ from place to place in slope, depth, stoniness, drainage, or other characteristics that affect their management.

The soils in the survey area vary widely in their potential for major land uses. Soil properties that pose limitations to the use are indicated. The ratings of soil potential are based on the assumption that practices in common use in the survey area are being used to overcome soil limitations and the probability of soil problems persisting after such practices.

Each map unit is rated for cultivated farm crops, pasture crops, woodland, and urban uses. Cultivated farm crops are those grown extensively by farmers in the survey area. Pasture crops include those grown for livestock forage production. Woodland refers to land that is producing either trees native to the area or introduced species. Urban uses include residential, commercial, and industrial developments.

SOIL CAPABILITY GROUPING

The soils on the subject property were identified and discussed; however, some explanatory comments should be made.

The U.S. Department of Agriculture has developed a system of capability grouping of soils, which shows in a general way, the suitability of soils for most kinds of field crops. In the capability system, all kinds of soils are grouped at three levels: the capability class, subclass, and unit.

Capability Class:

This is the broadest group, which is designated by Roman Numerals I through VIII. The numerals indicate progressively greater limitations and narrower choices for practical use, defined as follows:

Class I soils have few limitations that restrict their use.

Class II soils have moderate limitations that reduce the choice of plants or that require moderate conservation practices.

Class III soils have severe limitations that reduce the choice of plants, require special conservation practices or both.

Class IV soils have very severe limitations that reduce the choice of plants, require special conservation practices or both.

Class V soils are subject to little or no erosion, but have other limitations, impractical to remove, that limit their use largely to pasture, range, woodland, or wildlife habitat.

Class VI soils have severe limitations that make them generally unsuited to cultivation and that restrict their use largely to pasture or range, woodland, or wildlife habitat.

Class VII soils have very severe limitations that make them unsuited to cultivation and that restrict their use largely to pasture or range, woodland, or wildlife habitat.

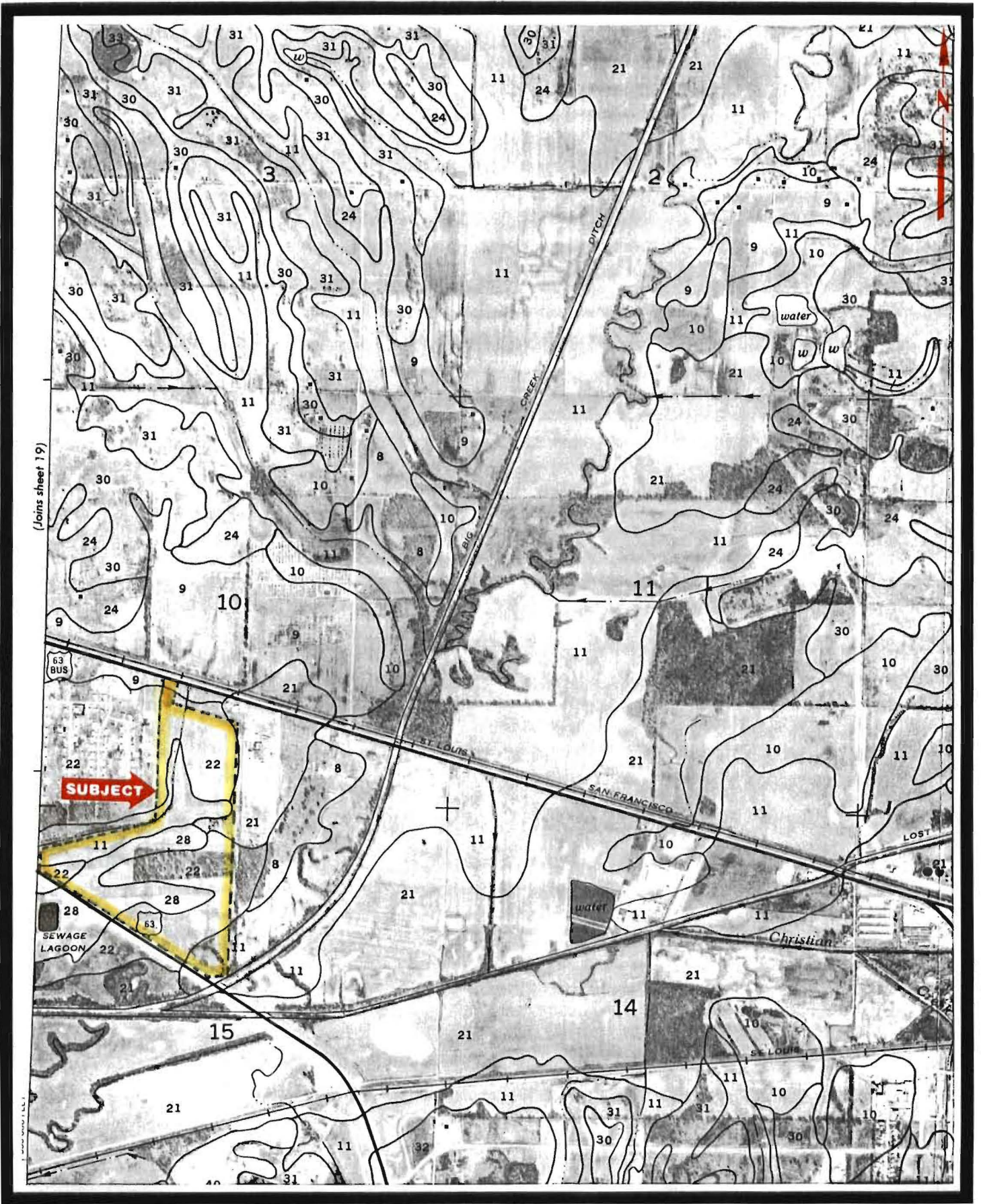
Class VIII soils and landforms have limitations that preclude their use for commercial plants and restrict their use to recreation, wildlife habitat, water supply, or to esthetic purposes.

Capability Subclass:

The capability subclass consists of a soil group within one class that is designated by adding a small letter, e w,s, or c, to the class numeral, for example IIIw. These groups represent the kinds of soil limitations; e - erosion; w - wetness; s - shallow, droughty or stony; and c - climate.

Capability Unit:

This is a group within the subclass. The soils in one capability unit are enough alike to be suited to the same crop and pasture plants, to require similar management and to have similar productivity and other responses to management. Capability units are generally designated by adding an Arabic numeral to the subclass symbol, for example IIIw-5. Consequently, in one symbol, the Roman numeral designates the capability class, or degree of limitation; the small letter indicates the subclass, or kind of limitation; and the Arabic numeral specifically identifies the capability unit within each subclass.



Soils Map

PHOTOGRAPHED JANUARY 22, 1996



LOOKING SOUTH ALONG THE WESTERN PROPERTY LINE
FROM THE SUBJECT'S NORTHWEST CORNER ON DAN AVENUE.



SUBJECT STREET SCENE LOOKING EAST ALONG DAN AVENUE
FROM THE SUBJECT'S EXTREME NORTHWEST CORNER ON DAN AVENUE.

PHOTOGRAPHED JANUARY 22, 1996



SUBJECT STREET SCENE LOOKING WEST ALONG DAN AVENUE
FROM THE SUBJECT'S EXTREME NORTHEAST CORNER ON DAN AVENUE.



LOOKING IN AN EASTERLY DIRECTION ACROSS THE SUBJECT'S NORTHERN
PROPERTY LINE, FROM A POINT ALONG THE SUBJECT'S NORTHWEST CORNER.

PHOTOGRAPHED JANUARY 22, 1996



LOOKING SOUTH ALONG THE SUBJECT'S EASTERN PROPERTY LINE
FROM THE EXTREME NORTHEAST CORNER OF THE SUBJECT TRACT.



LOOKING IN A SOUTHWESTERLY DIRECTION ALONG THE NORTHERN PROPERTY
LINE ON THE WEST SIDE OF THE TRACT FROM THE NORTHEAST

PHOTOGRAPHED JANUARY 22, 1996



LOOKING NORTH ALONG THE SUBJECT'S EASTERN PROPERTY LINE
FROM THE SOUTHEAST CORNER OFF OF U.S. HIGHWAY 63.



LOOKING WEST ALONG THE SUBJECT'S SOUTHERN PROPERTY LINE
FROM THE SOUTHEAST CORNER OFF OF U.S. HIGHWAY 63.

PHOTOGRAPHED JANUARY 22, 1996



LOOKING IN A NORTHWESTERLY DIRECTION ACROSS THE SUBJECT PROPERTY
FROM THE SUBJECT'S SOUTHEAST CORNER OFF OF U.S. HIGHWAY 63.



LOOKING IN A SOUTHEASTERLY DIRECTION ALONG THE SUBJECT'S SOUTHERN
PROPERTY LINE FROM THE SOUTHWEST CORNER OFF OF U.S. HIGHWAY 63.

PHOTOGRAPHED JANUARY 22, 1996



LOOKING IN A NORTHEASTERLY DIRECTION ALONG THE NORTHERN PROPERTY LINE FROM A POINT ALONG THE EXTREME WESTERN PROPERTY LINE.



LOOKING IN A NORTHEASTERLY DIRECTION ACROSS THE SUBJECT TRACT FROM THE SUBJECT'S SOUTHWEST CORNER OFF OF U.S. HIGHWAY 63.

HIGHEST AND BEST USE

In an effort to estimate the value of real estate, an appraiser must formulate an opinion of the best use of a property based on an analysis of prevailing market conditions. "Highest and Best Use" as defined in the text "The Appraisal of Real Estate" Eighth Edition is:

"The reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal.

Alternatively, that use, from among reasonable probable, and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.

The definition immediately above applies specifically to the highest and best use of the land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use."

The subject property consists of a vacant tract of land with no improvements. All market factors tend to indicate that the "highest and best use" of the subject property is for residential development or related residential / community use. Among the more prominent factors supporting this use are: The pace at which comparable vacant tracts are being purchased and developed for residential uses, the desirable location within this section of the city in relation to major shopping and employment centers, and the ease of access to the subject tract from U.S. Hwy. 63 and Dan Avenue, and the R-1 Zoning which restricts its legal and alternative uses.

THE APPRAISAL PROCESS

The valuation of real estate is accomplished by the application of three approaches to value: The Cost Approach, the Income Approach, and the Market Data or Direct Sales Approach. The Cost Approach is based upon the cost of any improvements, recognized depreciation from all sources, and land values in the community. The Sales Comparison Approach is based upon the relationships of sales prices of similar properties once reduced to common factors or denominators. The Income Approach is based upon the relationship of net incomes to sales prices of similar properties which have been sold. After an estimate has been developed from as many approaches as possible, the appraiser then correlates the value indications into a final value estimate.

The Cost Approach was not utilized in this report since there were no improvements on the subject property.

The Income Approach was not utilized in this report because the lack of comparable rental property for a tract of this type would make it impossible to implement this approach with any degree of accuracy or reliability.

The Market Data or Direct Sales Comparison Approach was selected as the only reliable indicator of value for the subject site.

MARKET DATA APPROACH

The Market Data Approach, or sometimes called the "Sales Comparison Approach", is based upon the principle of substitution which suggests that an informed buyer will not pay more to purchase a property than a similar substitute property would cost. This approach gives consideration to actual sales of similar properties which have occurred in the marketplace.

The application of this approach requires the comparing and rating of the subject property once sales prices are reduced to common denominators for comparison. This approach to value is the most direct method of estimating value. However, as no two properties are identical, adjustments are made by the appraiser when comparing sales to the subject property.

After research and investigation of market activity, I have gathered information on various comparable vacant land sales in the general area, which will be used as the basis for the estimate of value by the Market Data or Direct Sales Comparison Approach. These sales are further described on the following pages, along with a sales location map for visual reference.

SITE VALUATION

Listed below are the most recent sales of comparable property in the subject area.

SALE NO. 1

Juanita Ebbert
to
Phillips Investments, Inc.

Warranty Deed
June 8, 1993
Book 442 Page 202

Comments: This sale consists of 56.75 acres of vacant land located on the west side of Harrisburg Rd. in part of the South half of the Southwest Quarter of Section 32, Township 14 North, Range 4 East. It was vacant at the time of sale, and had no improvements. It sold for \$500,000.00 or \$8,811 per acre. This tract was annexed into the city of Jonesboro with a zoning of R-1 Residential.

SALE NO. 2

Lynch and Byars
to
Dacus, Caldwell, and Dudley

Warranty Deed
January 4, 1994
Book 453 Page 582

Comments: This sale consists of 29.04 acres located on the west side of Harrisburg Rd. in part of the Northeast Quarter of Section 31, Township 14 North, Range 4 East. It sold for \$320,000.00 or \$11,019 per acre. It was vacant at the time of sale, and had no improvements. It was developed with high density apartments, with a small commercial strip fronting Harrisburg Rd. It is zoned C-3 Commercial.

SALE NO. 3

Thomas
to
Phillips Investments, Inc.

Warranty Deed
September 25, 1992
Book 429 Page 465

Comments: This sale consists of 36.5 vacant acres located on the west side of Stadium Blvd. in part of the Southeast Quarter of the Northwest Quarter of Section 33, Township 14 North, Range 4 East. It sold for \$438,000.00 or \$12,000.00 per acre. It was vacant at the time of sale, and had no improvements. It is zoned C-3 Commercial.

SALE NO. 4

Lynch
to
Mead

Warranty Deed
July 2, 1992
Book 425 Page 257

Comments: This sale consists of 6 acres located on the south side of Parker Rd. in part of the Northwest Quarter of the Northwest Quarter of Section 32, Township 14 North, Range 4 East. This Tract was vacant at the time of sale, and sold for \$78,000.00 or \$13,000.00 per acre. It is zoned C-3 Commercial.

SALE NO. 5

Lynch
to
J & O Diesel, Inc.

Warranty Deed
January 26, 1993
Book 435 Page 465

Comments: This sale consists of 10.95 acres, and is located on the south side of Parker Rd. in part of the North Half of the Northwest Quarter of Section 32, Township 14 North, Range 4 East. It was vacant at the time of sale, and sold for \$150,000.00 or \$13,699 per acre. It is zoned C-3 Commercial.

SALE NO. 6

Oscar H, Melton et.al.
to
Larry A. Duke Sr. et ux

Warranty Deed
June 5, 1989
Book 377 Page 454

Comments: This sale consists of 13.80 acres located on the south side of Parker Rd., and west of Harrisburg Rd. in part of the Northwest Quarter of Section 31, Township 14 North, Range 4 East. It was vacant at the time of sale, and sold for \$125,000.00 or \$9,058.00 per acre. It is zoned C-3 Commercial.

SALE NO. 7

Arns, Inc.
to
Lindsey Multi-Family Group

Warranty Deed
August 7, 1995
Book 481 Page 171

Comments: This sale is located on Caraway Road in the southern section of the city, and is identified as the South Half of the Southeast Quarter of Section 32, Township 14 North, Range 4 East. This tract has a total of 78.49 acres. It sold on May 30, 1995 for \$624,000.00 and resold on August 7, 1995 for \$1,000,000.00 or \$12,740.00 per acre of land area. It was unimproved at the time of sale, and is zoned R-2 Residential.

SALE NO. 8

Paul Ragsdale
to
Jim Abel

Contract
(Pending Sale)

Comments: This sale consists of 156 vacant acres located south of Parker Road, on the east side of S. Culberhouse, and is in the Southwest Quarter of Section 31, Township 14 North, Range 4 East. The contract price is \$1,248,000.00 or \$8,000.00 per acre of land area. This tract of land is zoned R-1 Residential.

SALE NO. 9

Larry Duke
to
Greenmeadow Dev. Co.

Warranty Deed
April 26, 1993
Book 440 Page 189

Comments: This sale consists of 11.81 acres of vacant land located on the south side of Parker Road in part of the Northeast Quarter of the Northwest Quarter of Section 31, Township 14 North, Range 4 East. It sold for \$123,539.00 or \$10,461.00 per acre of land area. It was zoned C-1 at the time of sale, and has since been rezoned as R-1 Residential.

SALE NO. 10

Mattix and McLavey
to
Bob Gibson

Warranty Deed
June 24, 1991
Book 407 Page 569

Comments: This sale consists of 10.58 acres of vacant land located south of Parker Rd., on the east side of S. Culberhouse in part of the Southwest Quarter of the Northwest Quarter of Section 31, Township 14 North, Range 4 East. It sold for \$110,000.00 or \$10,397.00 per acre. It is zoned R-1 Residential.

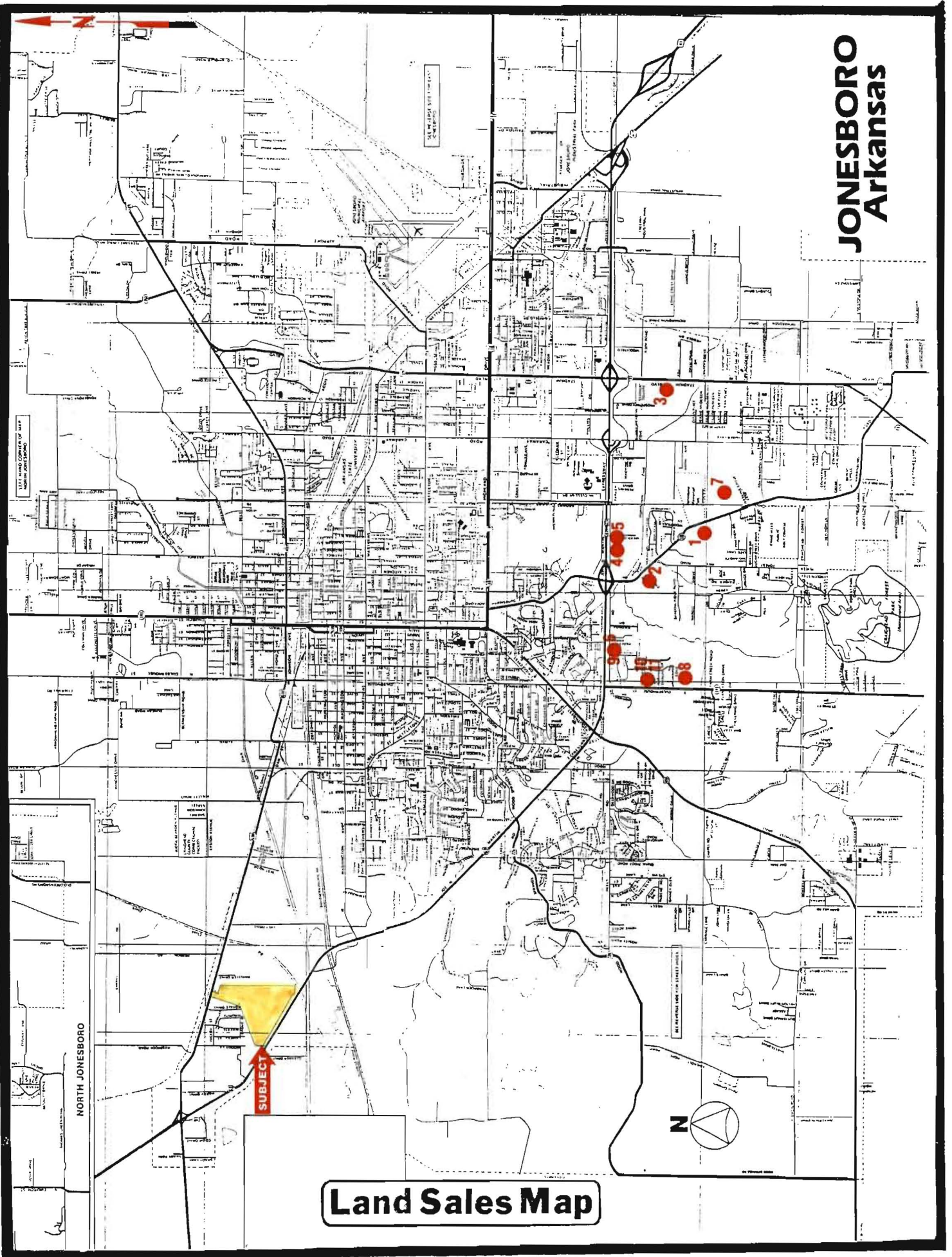
SALE NO. 11

James E. Mattix
to
John Bracey et ux.

Warranty Deed
September 9, 1989
Book 381 Page 298

Comments: This sale consists of 11.70 acres located south of Parker Rd. on the east side of S. Culberhouse in part of the West Half of the Northwest Quarter of Section 31, Township 14 North, Range 4 East. It sold for \$126,000.00 or \$10,769.00 per Acre. and is zoned R-1 Residential.

JONESBORO Arkansas



Land Sales Map

LAND SALES SUMMARY

SALE #	BK/PG	DATE	PRICE	SIZE/ACRE	PRICE/ACRE
1	442/202	06/08/93	\$500,000	56.75	\$ 8,811
2	453/582	01/04/94	\$320,000	29.04	\$11,019
3	429/465	09/25/92	\$438,000	36.50	\$12,000
4	425/257	07/02/92	\$ 78,000	6.00	\$13,000
5	435/465	01/26/93	\$150,000	10.95	\$13,699
6	377/454	06/05/89	\$125,000	13.80	\$ 9,058
7	481/171	08/07/95	\$1,000,000	78.49	\$12,740
8	N/A	Pending	\$1,248,000	156.0	\$ 8,000
9	440/189	04/26/93	\$123,539	11.81	\$10,461
10	407/569	06/24/91	\$110,000	10.58	\$10,397
11	381/298	09/09/89	\$126,000	11.70	\$10,769

These were the most recent land sales available for direct comparison with the subject property. Six of the above verified sales were used in direct comparison with the subject property. Adjustments will be made when warranted in the various categories of comparison such as time, size, location, financing, and other pertinent factors.

The price per acre will be used as the basis for valuation of the subject property, as it is typically the most reliable unit of comparison for a tract of this size. The comparable land sales ranged in price from \$8,000.00 to \$13,699.00 per acre. Shown on the following page is a market comparison chart wherein a range of value is estimated for the subject by this method.

LAND COMPARISON CHART

SALE NO.	1	2	3	5	7	8
DATE	06/93	01/94	09/92	01/93	08/95	PENDING
PRICE/ACRE	\$8,811	\$11,019	\$12,000	\$13,699	\$12,740	\$8,000
ADJUSTMENTS						
TIME	+10%	+05%	+10%	+10%	-0-	-0-
SIZE	-15%	-20%	-20%	-30%	-15%	+15%
LOCATION	+15%	+10%	-0-	-0-	-0-	+10%
PHYSICAL FEATURES	-05%	-05%	-05%	-05%	-05%	-05%
FINANCING	-0-	-0-	-0-	-0-	-0-	-0-
NET ADJUSTMENT	+05%	-10%	-15%	-25%	-20%	+20%
INDICATED VALUE	\$9,251	\$9,917	\$10,200	\$10,274	\$10,192	\$9,600

Six land sales were used in direct comparison with the subject tract. Plus and minus adjustments were made as warranted in the various categories of comparison. A plus adjustment indicates an inferior feature of the comparable property, while a minus or negative adjustment indicates a superior feature. Adjustments are made to the sales price of the comparable tracts to derive an indication of what the property would have sold for had it been essentially similar to the subject. A discussion of each category of comparison follows.

DISCUSSION OF ADJUSTMENTS

TIME:

The comparable sales ranged in age from pending to four years old. Sales 1, 2, 3, and 4 were slightly older, and warranted a slight upward adjustment for appreciation which has been approximately 3% per year. Sales 7 and 8 were recent, and did not require an adjustment.

SIZE:

The comparable sales varied considerably in size. Sales 1 through 7 were all smaller, and required a downward adjustment. Comparable 8 was larger than the subject tract, consequently an upward adjustment was required. This is based upon the premise that smaller tracts will typically sell for more per unit (acre) than larger tracts, and vice versa.

LOCATION:

Sales 1, 2, and 8 required an upward adjustment in this category of comparison as access was considered to be inferior to the subject tract. Sales 3, 4, and 5 were considered to be located in equally desirable and accessible locations, consequently no adjustment was required.

PHYSICAL FEATURES

All of the comparable sales were considered to be superior in this category of comparison, as the subject tract is located in a Zone "A" Flood Hazard Area.

FINANCING:

There were no known financing concessions involved with any of the comparable sales, consequently no adjustment was warranted in this category of comparison.

After adjustments, the six sales used in direct comparison with the subject site indicated a range of value from \$9,251.00 to \$10,274.00 per acre. The mean adjusted sales price was \$9,905.00 per acre, and the median adjusted sales price was \$10,055.00 per acre. After giving consideration to the differences, it is my opinion that the indicated value of the subject property by the direct sales comparison method is \$10,000.00 per acre. Shown below is the indicated value of this tract of the subject property by this method.

102.58 Acres @ \$10,000.00 per Acre =	\$1,025,800.00
CALL	\$1,025,000.00

INDICATED VALUE BY THE DIRECT SALES COMPARISON APPROACH

**ONE MILLION TWENTY FIVE THOUSAND DOLLARS
(\$1,025,000.00)**

CORRELATION AND FINAL VALUE ESTIMATE

Purchasers of large, vacant tracts like the subject property are primarily interested in investment value for some anticipated future use. Investment value is a good indicator of value when sufficient comparable rental data is available. Rentals of this type property in a basically unimproved state are virtually non existent, therefore, the Income Approach was omitted from this appraisal. The Cost Approach was also omitted from this report due to the fact that there were no improvements on the subject property. Therefore, the Market Data or Direct Sales Comparison Approach was considered to be the only valid indicator of value that could be deemed reliable, and was given full consideration in the final estimate of value, because what land is being offered and sold for in the open market tends to be the most reliable method of estimating land when sufficient comparable data is available on similar tracts which have sold.

These were the most recent comparable sales of similar sized vacant tracts of competing properties in the general area, and all were considered to be reliable indicators of value for the subject tract after adjustments were made for the differences.

After considering all factors, I am of the opinion that the Market Value of the fee simple estate of the subject property, subject to the limiting conditions contained herein, as of January 22, 1996 was:

**ONE MILLION TWENTY FIVE THOUSAND DOLLARS
(\$1,025,000.00)**

CERTIFICATION

The appraiser has no present or contemplated future interest in the property appraised; and neither the employment to make the appraisal, nor the compensation is 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. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

The appraiser has no personal interest in or bias with respect to the subject matter of the appraisal report or the participants to the sale. The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

The appraiser has personally inspected the property, both inside and out, and has made an exterior inspection of all comparable sales listed in the report. To the best of the appraiser's knowledge and belief, all statements and information in this report are true and correct, and the appraiser has not knowingly withheld any significant information.

All contingent and limiting conditions are contained herein (imposed by the terms of the assignment or by the undersigned affecting the analysis, opinions and conclusions contained in the report).

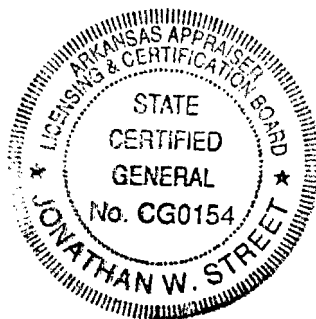
CERTIFICATION (continued)

This appraisal has been prepared in conformity with the code of ethics of the National Association of Independent Fee Appraisers and to the best of my knowledge, conforms to the current requirements prescribed by the Uniform Standards of Professional Appraisal Practice ("USPAP") as required by Title XI of the Financial Institutions Reform, Recovery and Enforcement Act ("FIRREA").

All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the appraiser whose signature appears on the appraisal report, unless indicated as "Review Appraiser". No change of any item in the appraisal report shall be made by anyone other than the appraiser, and the appraiser shall have no responsibility for any such unauthorized change.

In my opinion the market value of the fee simple estate of the subject property, as of January 22, 1996, subject to the limiting conditions presented herein, was:

**ONE MILLION TWENTY FIVE THOUSAND DOLLARS
(\$1,025,000.00)**



John W. Street
John W. Street, IFA, CG0154

ADDENDA

NATIONAL FLOOD INSURANCE PROGRAM

FIRM FLOOD INSURANCE RATE MAP

CRAIGHEAD COUNTY,
ARKANSAS AND
INCORPORATED AREAS

PANEL 39 OF 200

(SEE MAP INDEX FOR PANELS NOT PRINTED)

CONTAINS:

COMMUNITY	NUMBER	PANEL	SUFFIX
JONESBORO, CITY OF	050048	0033	C
UNINCORPORATED AREAS	050427	0039	C



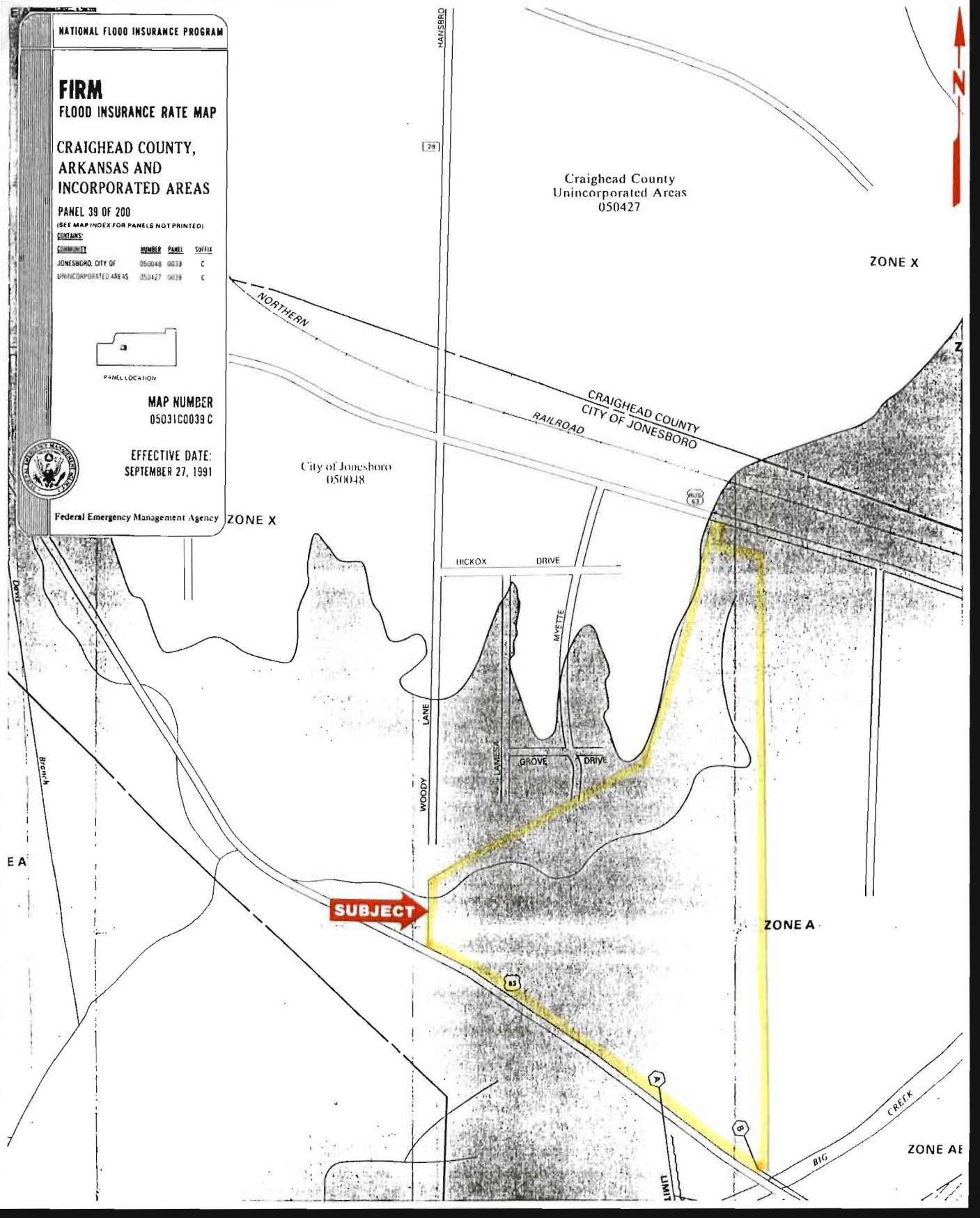
PANEL LOCATION

MAP NUMBER
05031C0039 C

EFFECTIVE DATE:
SEPTEMBER 27, 1991



Federal Emergency Management Agency



Flood Plain Map

JONESBORO CODE

Sec. 24-15. R-1 residential district.

The R-1 residential district is a district of relatively low density population, where children are members of most families and where there is an absence of all activities of a commercial nature including home occupations, in order to preserve the characteristics of the district.

- (a) *Permitted uses.* The following uses shall be permitted in this district:
- (1) *Residential uses.* Single family residences only.
 - (2) *Accessory building uses.* Accessory buildings may be used for the immediate family or domestic servants but may not be used for rental purposes.
 - (3) *Community uses.* Public parks, playgrounds and open spaces; churches, public schools and utility of governmental facilities.
- (b) *Exceptions permitted.* The following uses shall be permitted according to the limitations imposed: Plant nurseries, gardens and farms, but no sales offices for same and no signs.
- (c) *Prohibited uses.* The following uses are prohibited:
- (1) *Commercial and industrial.* All commercial and industrial uses.
 - (2) *Billboards and advertising.* All billboards and advertising displays except as permitted by subsection (d) (9) of this section.
 - (3) *Multi-family residence.* All multi-family residences including duplexes.
 - (4) *Home occupations.* No home occupations are permitted, except such as do not require use of special machinery equipment or goods.
 - (5) *Cattle, etc.* The raising, selling or keeping, for commercial purposes, of any cattle, swine, fowl or other farm type animals.

(d) *Area and bulk regulations.*

- (1) *Height regulations.** There shall be no minimum height requirements in this district.
- (2) *Yard requirements.* Minimum yard requirements shall be 30 feet for the front yard and 10 feet for the side yard, measured from the property line, except on corner lots which shall have a 30 foot yard facing each street.
- (3) *Lot Requirements.* The minimum size lot required in this district shall be 8,000 square feet in area, with a minimum depth of 100 feet.
- (4) *Accessory building requirements.* An accessory building may occupy 10 percent of the gross lot area, must be built not less than 10 feet from any lot line and except for attached garages, must be built to the rear of the principal building.
- (5) *Number of buildings allowed.* Only one principal building shall be built on any lot.
- (6) *Corner visibility.* There shall be no planting, fence or other obstruction to visibility of vehicles from streets closer than 20 feet to the corner of any lot at a street intersection nor on parkways within 40 feet each way of the four corners of such intersection
- (7) *Off-street parking.* One parking space shall be required each dwelling unit, back of building set back line. One additional parking space may be provided in building set back area. One parking space shall be required for every eight seats within a church's main auditorium. Parking for public facilities and schools shall be adequate for employees and the public.
- (8) *Conversion of houses.* No residences shall be converted to more than single-family residences.
- (9) *Signs.* No signs or advertising displays are permitted except that one sign not exceeding four square feet in area may be erected to advertise the entire premises for sale or rent. (Ord. No. 954, Art. III, 1, 4-21-58; Ord. No. 1111, 1, 12-21-64; Ord. No. 1278, 1, 10-5-70; Ord. No. 1288, 1, 12-7-70)

Amendment note - Ord. No. 1111, 1, adopted December 21, 1964 as an emergency measure, amended 24-20 (d) (3) which prior to amendment required a lot size of 7,200 square feet with a 60 foot lot width and 120 foot lot depth. Ord. No. 1288, 1, amended 24-20 (d) (7).

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

The value herein estimated and/or other opinions are predicated on the following:

Fee simple and marketable title is assumed. No responsibility is assumed for matters of a legal nature concerning the appraised property especially those affecting title, such as title defects, encroachments, liens, deed restrictions, easements, overlapping boundaries, etc.

The legal descriptions used herein are assumed to be correct. Any sketches, maps, plats, diagrams, and drawings found herein are to facilitate and aid the reader in visualizing the subject property and are not meant to be used as references in matters of survey.

Any improvements are considered to be within the lot lines (unless otherwise stated); and except as herein noted, are presumed to be in accordance with local zoning and building ordinances.

Any description herein of the physical condition of the improvements, including but not limited to the heating, plumbing, and electrical systems (motors, etc.), is based on visual inspection only, with no demonstration performed, and they are therefore assumed to be in normal working condition. No liability is assumed for same, nor for the soundness of structural members of which no engineering tests were made.

This valuation assumes that there are no hidden or unapparent conditions of the property, subsoil or structure which would render it more or less valuable than otherwise comparable properties. The appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such things.

This appraiser shall not be required to give court testimony or appear in court by reason of this appraisal, with reference to the property described herein, unless prior arrangements have been made otherwise.

Neither, all nor any part of the contents of this report, or copy thereof, shall be used for any purpose by any but the client without the previous written consent of the appraiser and/or the client; nor shall it be conveyed by anyone, including the client, to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the author or firm with which he is connected, or any reference to any professional society or institute or any initiated designations conferred upon the

appraiser, as stated in his qualifications attached hereto.

That this report is to be used in its entirety and only for the purpose for which it was rendered. The possession of this report or a copy thereof does not carry with it the right of reproduction or publication either in its entirety or portions thereof, without the previous written consent of the author and/or firm with which the author is associated.

The distribution of total valuation in this report between land and improvements applies only under the existing program of utilization under the conditions stated. This appraisal and the allocations of land and building values should not be used as a reference for any other purposes and are invalid if used so.

Information, estimates, and opinions furnished to me and considered in this report were obtained from sources considered to be reliable and believed to be true and correct; however, no responsibility for guaranteed accuracy can be assumed by the appraiser.

The property is appraised as though under responsible ownership and competent management.

The report rendered herein is based upon the premise that the property is appraised as if free and clear of all encumbrances, all mortgage indebtedness, special assessments, and liens, unless specifically set forth in the description of the property rights appraised.

The appraisal covers only the property described herein. Neither the figures therein, nor any analysis thereof, nor any unit values thereof derived are to be construed as applicable to any other property, however similar it may be.

Any cash flow calculations included in this report are developed from but one of a few alternatives of a possible series and are presented in that context only. Specific tax counsel should be sought from a C.P.A. or attorney for confirmation that this data is the best alternative. This is advised since a change in value allocation, method or rate of depreciation or financing will have consequences in the taxable income.

That the subject property is in full compliance with all applicable federal, state, and local environmental regulations and laws, unless noncompliance is stated, defined, and considered herein.

No environmental impact studies were requested or made in conjunction with said appraisal, and the appraiser and/or firm hereby reserves the right to alter, amend, revise or rescind any of the value opinions, based upon subsequent environment impact studies, research or investigation.

This appraisal has been made in accordance with the established set of standards and code of ethics of the National Association of Independent Fee Appraisers, and the Uniform Standards of Professional Appraisal Practice.

The appraiser and/or firm has not been requested to make an investigation of the possible existence of Urea-Formaldehyde foam insulation or any potentially hazardous material used in the construction or maintenance of the buildings. In addition, I have not investigated the possible existence of toxic waste which may or may not have been stored on the property. This firm is not qualified to pass on such matters. I strongly urge the client to retain an expert in this field if he desires this type of information.

**QUALIFICATIONS
OF
JOHN W. STREET, IFA**

POSITION: Real Estate Appraiser/Consultant
410 S. Church, P.O. Box 1088
Jonesboro, Ar. 72403
Telephone (501) 972-5788

PROFESSIONAL EXPERIENCE: Staff Appraiser, United Financial Services, Inc., 1984 to 1987.
Independent Fee Appraiser from 1987 to present.

Scope of experience covers most phases of real estate valuation; I have prepared appraisals for various properties including urban acreage tracts; commercial, residential lots and properties; rural tracts and farms.

PARTIAL EDUCATION: B.S. Degree in Business Administration from Arkansas State University.

"Principles of Real Estate Appraisal" from Arkansas State University.

Income Property Appraising; (Course 1A), N.A.I.F.A., Tulsa, Oklahoma.

Uniform Standards of Professional Appraisal Practice; N.A.I.F.A., Jonesboro, Arkansas.

The New URAR; N.A.I.F.A., Jonesboro, Arkansas.

Appraisal Review; N.A.I.F.A, Jonesboro, AR

Concepts, Terminology & Techniques An Overview of the Appraisal Process; N.A.I.F.A., Jonesboro, Arkansas.

Licensed Real Estate Broker (Arkansas), since 1981.

PARTIAL LIST OF CLIENTS: Federal Deposit Insurance Corp. (F.D.I.C.)
Federal Savings and Loan Insurance Corp. (F.S.L.I.C.), Farmers Home Administration (FmHA), East Arkansas Planning and Development, Union Planters Bank, Citizens Bank, Simmons First Bank, Home Federal Savings & Loan, Pocahontas Federal Savings & Loan, Wynne Federal Savings & Loan, Forrest City Savings & Loan, Newport Federal Savings & Loan, The Bank of Salem, Independence Federal Bank, First Financial Mortgage, First Home Mortgage, Security Mortgage Co., Merrill Lynch Relocation Management Corp., Equitable Relocation Services, DuPont Relocation Management Inc., Coldwell Banker Relocation Management, Empire Relocation Corp., (RTC) Resolution Trust Corporation, Boatmen's National Bank, The Arkansas Bank, First Bank of Arkansas, Norwest Mortgage, Inc., and several other lending institutions, Churches, attorney's and individuals in Northeast Arkansas and Southeast Missouri.

**PROFESSIONAL
MEMBERSHIP:**

Designated Member (IFA) of the National
Association of Independent Fee Appraisers.
Certificate number 3840

Member, Board of Directors of the Arkansas
Appraisal Foundation.

Past president of the Northeast Arkansas
Chapter of the National Association of
Independent Fee Appraisers.

**RECERTIFICATION
STATUS:**

The National Association of Independent
Fee Appraisers has a mandatory program of
continuing education for designated
members. Those who meet the required
standards of the program are considered to
have recertified. I am certified under
the program through December 31, 1997.

**STATE
DESIGNATION:**

"STATE CERTIFIED GENERAL APPRAISER" CG0154