

UNIFORM RESIDENTIAL APPRAISAL REPORT

File No. _____

COST APPROACH

ESTIMATED SITE VALUE	= \$	15,000		Comments on Cost Approach (such as, source of cost estimate, site value, square foot calculation and for HUD, VA and FmHA, the estimated remaining economic life of the property): See attached for measurements. Cost figures were from the Marshall & Swift Residential Evaluation Service and from appraiser's knowledge of local market.
ESTIMATED REPRODUCTION COST-NEW-OF IMPROVEMENTS:				
Dwelling 1,733 Sq. Ft. @\$ 52.40	= \$	90,809		
504 Sq. Ft. @\$ 15.00	=	7,560		
Kitchen, Dck, Fnc, Etc	=	2,500		
Garage/Carport _____ Sq. Ft. @\$ _____	=			
Total Estimated Cost New	= \$	100,869		
Less Physical Functional External				
Depreciation 15,130	= \$	15,130		
Depreciated Value of Improvements	= \$	85,739		
"As-is" Value of Site Improvements	= \$	1,000		
INDICATED VALUE BY COST APPROACH	= \$	101,739		

SALES COMPARISON ANALYSIS

ITEM	SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	317 E Cherry Ave Jonesboro	329 E Nettleton Jonesboro		1507 Flint Jonesboro		1120 Olive Jonesboro	
Proximity to Subject		0.29 miles S		0.58 miles SW		0.67 miles W	
Sales Price	\$ NA	\$ 82,000		\$ 92,000		\$ 84,000	
Price/Gross Living Area	\$ 47.14	\$ 39.90		\$ 55.42		\$ 41.71	
Data and/or Verification Source	Inspection Tax Rec/Owner	Comp Service Parcel Card, MLS		Comp Service Parcel Card, MLS		Comp Service Parcel Card	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.
Sales or Financing Concessions		Conv		Cash		FHA	
Date of Sale/Time		None Known		None Known		Typical	
Location	Urban	Urban		Urban		Urban	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	.19 ac	.25 ac		.32 ac		.23 ac	
View	Residential	Residential		Residential		Residential	
Design and Appeal	1.5 Sty	1.5 Sty		1 Sty		1 Sty	
Quality of Construction	Wood/Vinyl-Avg	Vinyl		Brick	-5,000	Metal	
Age	40+-Act/15 Eff	80+-Act/25 Eff	+8,200	40+-Act/20 Eff	+4,600	50+-Act/25 Eff	+8,400
Condition	Average	Average		Average		Average	
Above Grade Room Count	Total Bdrms: Baths	Total Bdrms: Baths		Total Bdrms: Baths		Total Bdrms: Baths	
	6 3 2	8 4 2		4 2 2		7 4 2	
Gross Living Area	1,733 Sq. Ft.	2,055 Sq. Ft.	-6,440	1,660 Sq. Ft.	+1,460	2,014 Sq. Ft.	-5,620
Basement & Finished Rooms Below Grade	504 0%	None None	+7,560	None None	+7,560	None None	+7,560
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	CHA	CHA		CHA		CHA	
Energy Efficient Items	Ins Wds/Drs	Ins Wds/Drs		Ins Wds/Drs		Ins Wds/Drs	
Garage/Carport	Open Space	Open Space		1 Carport	-1,000	Open Space	
Porch, Patio, Deck, Fireplace(s), etc.	Pch,Dck,Patio None	Porches FP	-1,500	Porches None		Porch,Patio FP	-1,500
Fence, Pool, etc.	Fence	Fence		Fence, Stg Bldg	-500	Fence, Stg Bldg	-500
Kitchen	Average	Similar		Similar		Similar	
Net Adj. (total)		⊗ + □ - \$	7,820	⊗ + □ - \$	7,120	⊗ + □ - \$	8,340
Adjusted Sales Price of Comparable		Gross 21.5% \$	89,820	Gross 19.9% \$	99,120	Gross 28.1% \$	92,340

Comments on Sales Comparison (including the subject property's compatibility to the neighborhood, etc.): Those selected represent the best available to the appraiser.

RECONCILIATION

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Date, Price and Data Source, for prior sales within year of appraisal	None in past three years	None in past year	None in past year	None in past year

Analysis of any current agreement of sale, option, or listing of subject property and analysis of any prior sales of subject and comparables within one year of the date of appraisal: City is purchasing subject property. Appraisal made to establish a fair market value.

INDICATED VALUE BY SALES COMPARISON APPROACH \$ 92,000
 INDICATED VALUE BY INCOME APPROACH (if Applicable) Estimated Market Rent \$ N/A /Mo. x Gross Rent Multiplier N/A = \$

This appraisal is made "as is" subject to the repairs, alterations, inspections or conditions listed below subject to completion per plans & specifications.
 Conditions of Appraisal: Assumes marketable title and that all equipment is in good working order.

Final Reconciliation: The Cost, Income & Sales Comparison Approaches were considered. However, the Income Approach was not applicable due to the majority of property in the area being owner occupied. More weight was given to the Sales Comparison Approach in the final reconciliation.

The purpose of this appraisal is to estimate the market value of the real property that is the subject of this report, based on the above conditions and the certification, contingent and limiting conditions, and market value definition that are stated in the attached Freddie Mac Form 439/FNMA form 1004B (Revised 6/93).

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE REAL PROPERTY THAT IS THE SUBJECT OF THIS REPORT, AS OF Feb 22, 2007
 (WHICH IS THE DATE OF INSPECTION AND THE EFFECTIVE DATE OF THIS REPORT) TO BE \$ 92,000

APPRaiser: Signature _____ Name: Bob Gibson Date Report Signed: Feb 26, 2007 State Certification #: CG0247 Or State License # _____

CERTIFIED GENERAL APPRAISER No. CG0247 State AR

SUPERVISORY APPRAISER (ONLY IF REQUIRED): Signature _____ Name: _____ Date Report Signed _____ State Certification # _____ Or State License # _____

Did Did Not Inspect Property

Uniform Residential Appraisal Report

File # 342007

comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 61,000 to \$ 73,900
 4 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 60,000 to \$ 86,400

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
	317 E CHERRY AVE JONESBORO, AR 72401-4170	329 E NETTLETON AVE JONESBORO			805 RICHMOND JONESBORO			1516 E MATTHEWS JONESBORO		
Proximity to Subject		0.31 miles			0.35 miles			0.92 miles		
Sale Price	\$ N/A	\$ 82,000			\$ 68,000			\$ 86,400		
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 39.61 sq.ft.			\$ 54.57 sq.ft.			\$ 64.53 sq.ft.		
Data Source(s)		DEED BK 738/619			DEED BK 728/19			DEED BK 727/381		
Verification Source(s)		PAR #01-144194-06200			PAR #01-144191-43200			PAR #01-144173-06500		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	+ (-) \$ Adjustment	
Sales or Financing Concessions		CONVEN NONE KNOWN			CONVEN NONE KNOWN			CASH NONE KNOWN		
Date of Sale/Time		12/14/2006			7/18/2006			7/6/2006		
Location	URBAN	URBAN			URBAN			URBAN		
Leasehold/Fee Simple	FEE SIMPLE	FEE SIMPLE			FEE SIMPLE			FEE SIMPLE		
Site	.19 ACRE +/-	.25 ACRE/SIM			.21 ACRE/SUP			.27 ACRE/SIM		
View	RESIDENTIAL	RESIDENTIAL			RESIDENTIAL			RESIDENTIAL		
Design (Style)	1.5 STORY	1.5 STORY			RANCH			RANCH		
Quality of Construction	WOOD SID/A	VINYL SID/A			BRICK/SID/A			BRICK/A		
Actual Age	A67 E25	A87 E20			A54 E20			A35 E20		
Condition	AVERAGE	AVERAGE			AVERAGE			AVERAGE		
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths			Total Bdrms. Baths			Total Bdrms. Baths		
Room Count	8 2 2	8 4 2			5 2 2			5 3 1		
Gross Living Area	1,985 sq.ft.	2,070 sq.ft.			1,246 sq.ft.			1,339 sq.ft.		
Basement & Finished Rooms Below Grade	401 Sq.Ft. 0%	121 (0%) 1			NONE N/A			508 (100%) 2-1-1		
Functional Utility	AVERAGE	AVERAGE			AVERAGE			AVERAGE		
Heating/Cooling	CENTRAL	CENTRAL			CENTRAL			CENTRAL		
Energy Efficient Items	TYPICAL	AVERAGE			TYPICAL			AVERAGE		
Garage/Carport	ON SITE PRK	ON SITE PRK			2 CARPORT			1 GARAGE		
Porch/Patio/Deck	PORCH/DECK	PORCHES			PORCHES			GLASSSED POR		
FIREPLACE	NONE	FIREPLACE			NONE			FIREPLACE		
FENCE/STORAGE/ETC.	NONE	FENCE			FENCE			FENCE		
EXTRAS	NONE	SEC SYSTEM			SHOP			NONE		
Net Adjustment (Total)		+ 7,500			+ 3,000			+ 4,000		
Adjusted Sale Price of Comparables		Net Adj. 9.1% Gross Adj. 12.8% \$ 74,500			Net Adj. 4.4% Gross Adj. 45.6% \$ 65,000			Net Adj. 4.6% Gross Adj. 38.2% \$ 82,400		

did did not research the sale or transfer history of the subject property and comparable sales. If not, explain

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) **TAX ASSESSMENT RECORD OF OWNERSHIP**
 My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Source(s) **TAX ASSESSMENT RECORD OF OWNERSHIP**
 Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE #1		COMPARABLE SALE #2		COMPARABLE SALE #3	
Date of Prior Sale/Transfer	NONE WITHIN 36 MOS.	7/6/2005		NONE WITHIN 12 MOS.		NONE WITHIN 12 MOS.	
Price of Prior Sale/Transfer	N/A	\$77,000		N/A		N/A	
Data Source(s)	COUNTY RECORDS	BK 701, PG 253		COUNTY RECORDS		COUNTY RECORDS	
Effective Date of Data Source(s)	3/13/2007	3/13/2007		3/13/2007		3/13/2007	

Analysis of prior sale or transfer history of the subject property and comparable sales **NO INFORMATION KNOWN CONCERNING PREVIOUS SALE OF 329 E NETTLETON.**

Summary of Sales Comparison Approach SALES OF SIMILAR HOUSES IN THE IMMEDIATE AREA WERE NOT LOCATED. THE PROPERTY IS IN AN AREA IMPACTED BY "COMMERCIAL CREEP," MEANING THE AREA IS TRANSITIONAL AT THIS TIME AND IN THE PROCESS OF EVOLVING INTO SOME TYPE OF USAGE, WHETHER IT BE MEDICAL RELATED, MULTI-FAMILY OR SOME OTHER USE OTHER THAN SINGLE FAMILY RESIDENTIAL. THE SALES SHOWN ARE THE MOST RECENT AND SIMILAR IN TERMS OF LOCATION, AGE, DESIGN AND QUALITY THAT WERE LOCATED. SALE #3 WAS BOUGHT BY A HOLDING COMPANY FOR ST. BERNARD'S MEDICAL SYSTEM IN ANTICIPATION OF FUTURE USE. IT SOLD HIGH, RELATIVE TO THE RESIDENTIAL MARKET. IT WAS USED DUE TO SIMILARITY OF DESIGN (BASEMENT) AND THE LOW ELEVATION OF THE LOT. MOST WEIGHT GIVEN TO SALES #1 AND #2.

Indicated Value by Sales Comparison Approach \$ 72,000
 Indicated Value by: Sales Comparison Approach \$ 72,000 Cost Approach (if developed) \$ N/A Income Approach (if developed) \$ N/A

THE SALES COMPARISON APPROACH WAS DEVELOPED TO ESTABLISH AN OPINION OF MARKET VALUE FOR THIS PROPERTY. DUE TO THE AGE AND CONDITION OF PROPERTY, THE COST APPROACH WAS NOT CONSIDERED RELIABLE AS AN INDICATION OF VALUE.

RECONCILIATION

This appraisal is made "as is", subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: **BASED ON THE ASSUMPTION THAT THE PROPERTY DOES NOT FLOOD AND THE DAMAGE IS REPAIRABLE.**

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 72,000 as of MARCH 13, 2007, which is the date of inspection and the effective date of this appraisal.