

CITY OF SPRINGDALE
Committee Agendas
Monday, January 6th, 2014
Multi-Purpose Room #236
City Administration Building
Meetings begin at 5:30 p.m.

Ordinance Committee:

1. **Discussion** of vicious and dangerous dog Ordinance, presented by Ernest Cate, City Attorney. **Proposed Ordinance will be provided at meeting.**
2. **An Ordinance** amending Section 46-51 of the Code of Ordinances of the City of Springdale, Arkansas; declaring an emergency; and for other purposes, presented by Mike Irwin, Fire Chief. **Pg. 2**

Street & CIP Committee:

3. **Discussion** concerning 56th Street north of Har-Ber Avenue, presented by Alan Pugh, Director of Engineer.
4. **Discussion** concerning the purchase of property at 5620 Har-Ber Avenue in conjunction with the Ha-Ber/56th Street Roundabout, presented by Alan Pugh, Director of Engineering. **Pg.'s 3-67**
5. **A Resolution** authorizing funds from the capital improvement project fund for the airport fuel farm improvements, presented by Wyman Morgan, Director of Administration and Financial Services. **Pg. 68**
6. **A Resolution** authorizing funds from the capital improvement project fund for airport terminal building improvements, presented by Wyman Morgan, Director of Administration and Financial Services. **Pg. 69**
7. **A Resolution** appropriating capital improvement funds for the City of Springdale Fire Department, presented by Mike Irwin, Fire Chief. **Pg.'s 70-72**

Personnel Committee:

8. **A Resolution** amending Section 5.12(f) of The Personnel and Procedures Manual for the City of Springdale, Arkansas, presented by Gina Kincy, Director of Human Resources. **Pg.'s 73-81**

Finance Committee:

9. **A Resolution** amending the 2014 budget for the Fire Department, presented by Mike Irwin, Fire Chief. **Pg. 82**
10. **An Ordinance** to waive competitive bidding for purchase of certified wildland gear and technical rescue gear, presented by Mike Irwin, Fire Chief. **Pg. 83**

That which is underlined is added and that which is stricken through is deleted.

ORDINANCE NO. _____

AN ORDINANCE AMENDING SECTION 46-51 OF THE CODE OF ORDINANCES OF THE CITY OF SPRINGDALE, ARKANSAS; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, Section 46-51 of the Code of Ordinances of the City of Springdale, Arkansas, contains the Fire Prevention Code for the City of Springdale, Arkansas;

WHEREAS, it is in the best interest of the City of Springdale, Arkansas, for the City Council of the City of Springdale, Arkansas, to adopt the updated version of the various codes which comprise the Fire Prevention Code for the City of Springdale, Arkansas;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS:

Section 1: There is adopted by reference by the city for the purposes of establishing rules and regulations for the protection of lives and property from fire or explosion, including permits and penalties, a certain document, three copies of which are on file in the office of the city clerk of the City of Springdale, being marked and designated as the Arkansas Fire Prevention Code ~~2007~~ 2012 edition. This document includes: Volume [I] that amends the ~~2006~~ 2012 edition of the International Fire Code; Volume II that amends the ~~2006~~ 2012 edition of the International Building Code; and Volume III that amends the ~~2006~~ 2012 edition of the International Residential Code.

Section 2: All other provisions of Chapter 46 of the Code of Ordinances of the City of Springdale, Arkansas, not specifically amended by this ordinance shall remain in full force and effect.

Section 3: Emergency Clause: It is hereby declared that an emergency exists and that this ordinance being necessary for the preservation of the health, safety and welfare of the citizens of Springdale, Arkansas, become effective immediately upon its passage and approval.

PASSED AND APPROVED this _____ day of _____, 2014.

Doug Sprouse, Mayor

ATTEST:

Denise Pearce, City Clerk

APPROVED AS TO FORM:

Ernest B. Cate, City Attorney



October 1, 2013

Engineering Department
Alan Pugh, Director

Randy and Sheila Cook
5620 Har-Ber Avenue
Springdale, AR 72764

201 Spring Street
Springdale, AR 72764
(479) 750-8105
(479) 750-8539 fax
www.SpringdaleAR.gov

Re: 12BPS8 56th Street (Har-Ber Avenue to Elm Springs Road)
Tract 41 - Offer Letter

Dear Mr. and Mrs. Cook:

As you are aware, the Capitol Improvement Program Committee voted on August 19, 2013 to proceed with a design utilizing roundabout intersections at the Har-ber Avenue and Elm Springs Road connections to the proposed extension of 56th Street. This revised design configuration will almost completely encompass your property, and therefore, the City is prepared to make an offer to purchase your entire property. Per our discussions following this vote, you requested that the City proceed immediately with performing the appraisal valuation of your property and subsequent offer to purchase.

Please find attached the appraisal report dated September 26, 2013 from Reed & Associates, Inc. This report has identified the value of your property to be \$135,000.00 and represents the City's offer of just compensation. This valuation did not include compensation for any personal property including your pool or any outbuildings since you expressed interest in retaining ownership of these features and relocating them to your future residence. Any additional assistance with moving expenses and the timing of the relocation for the pool/outbuildings will be discussed during the negotiation process. Please feel free to contact myself or James Breakfield if you have any questions.

Sincerely,

Alan Pugh, PE
Director

November 13, 2013

Sheila and Randy Cook
5620 Har-Ber Ave
Springdale, AR 72762

City of Springdale
Engineering Department
Alan Pugh, Director
201 Spring Street
Springdale, AR 72764

RECEIVED
NOV 15 2013
PLANNING OFFICE
CITY OF SPRINGDALE

Re: Second Response Letter for 5620 Har-Ber Ave, Springdale, AR

Dear Mr. Pugh and the City of Springdale

As per the conversation about said property on October 24, 2013, there was expression by you that you wanted a more itemized expense and clarification of items as stated prior.

You will find enclosed the second and revised expense rebuttal offer as your office requested. Of course as stated prior, at any time the amount may change an attorney should be aligned with the negotiation process.

Mr. Pugh, you may contact us further on this matter.

Sincerely,

Randy and Sheila Cook

Revised Expenses from Randy and Sheila Cook

November 13, 2013

Totals

Offer by the City of Springdale	\$ 135,000.00	add 10%	\$ 148,500.00
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Improvements

Tankless Water Heater/Furnace/Air Conditioner and Condensing Unit	\$	12,500.00	
Enclosed Patio (improvement)	\$	1,500.00	
French doors	2 @ 900.00 each	\$	1,800.00
Attic ladder		\$	600.00
New flooring (living room)		\$	1,200.00
Ceiling fans	4 at \$100.00 each	\$	400.00
Light Fixture in Kitchen		\$	80.00
Privacy Fence		\$	5,000.00
Pool Deck		\$	4,000.00
	Not Included in this section (under Displacement)		\$ 27,080.00
	are trees described prior. Total number 27 (asking \$2305.00)		

Moving Expenses

Moving of Storage Building	\$	950.00	
Moving of Pool and Set Pool Back UP	\$	3,790.64	
Moving Household	\$	7,913.75	
			12654.39

		Totals
Displacement from current home		
Moving of 27 trees as described below by professional		\$ 22,275.00
Apple trees	5	
Cherry trees	2	
Mulberry trees	2	
Plum trees	5	
Peach trees	2	
Crepe Myrtles	11	
Other landscaping		
Climbing rose bush	\$ 75.00	\$ 365.00
Gooseberry bushes	5 at \$50.00 each	
Snowball bush	\$ 40.00	
<hr/>		
We have an Autistic child. Moving child will place child in mental turmoil. Last move to now our current location took child over one year for adjustment.		\$ 20,000.00
<hr/>		
Not being in close vicinity of ailing parents if not at present location		\$ 10,000.00
<hr/>		
Time lost trying to find another location to live. More than 100 hours have been spent of this activity to this date		
Wages Sheila 100 hours @ \$30.07	\$ 3,007.00	
Wages Randy 100 hours @ 11.05	\$ 1,105.00	
Gas and wear and tear on vehicle while looking at properties	\$ 950.00	\$ 5,062.00
Grand Total		\$ 245,936.39

October 7, 2013

Sheila (Needham) Cook and Randy Cook
5620 Har-Ber Ave
Springdale, AR 72762

RECEIVED
OCT 8 - 2013
PLANNING OFFICE
CITY OF SPRINGDALE

City of Springdale
Engineering Department
Alan Pugh, Director
201 Spring Street
Springdale, AR 72764

RE: Response to "Offer Letter" for 5620 Har-Ber Ave, Springdale, AR

Dear Mr. Pugh and the City of Springdale,

We received your Offer Letter in the mail as an offer of \$135,000 and the report by Reed & Associates, Inc. We are not in agreement on the price to be offered by the City of Springdale for our property.

In the report that was compiled by Reed & Associates it states (page 5) that Market Value is defined as a "buyer and seller are typically motivated." As for our part we are not motivated to sell our property. We have lived here for four years and had no intentions of moving. The City of Springdale is going to place a roundabout intersection where we live. The City of Springdale is enacting improvements causing us displacement, either by asking us or by eminent domain. Reed & Associates (page 5) of report states they are using Fee Simple Estate to give an appraisal analysis; being the definition of "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental power of taxation, eminent domain, police power, and escheat." So we are sure if we object to selling, the City of Springdale, will use eminent domain to acquire our home and property.

In the findings by Reed & Associates, Inc. they failed to inform the City of Springdale that there is a mortgage in reference to our property; (page 9 of their report item #3) states, "The

property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.”
Nowhere in the document does it state that there is a lien holder. This property was purchased
October 2009 where a mortgage was signed and documented and monthly payments have been
made since that time.

In the letter that was sent along with the Reed & Associates, Inc. report, you would
discuss amount of assistance in the negotiation process. We are submitting what our counter
offer is at this time. At any time this might change if an attorney should need to be aligned with
the negotiation process.

Here are the items that we want to be compensated for at this time.

Offer by the City of Springdale	\$135,000
Mortgage to be paid off by City of Springdale (as of 10/1/2013)	82,000
Improvements of property (itemized copy is attached)	29,385
Moving expenses	20,000
<u>Displacement of our family from our present location</u>	<u>120,000</u>
Total amount to be compensated by the City of Springdale	\$386,385

Feel free to contact us to discuss further or contact us during the negotiation process,
which we have not been informed of day and time.

Sincerely,



Randy and Sheila Cook

Home Improvements Made Since Purchase

Improvement		Cost
Tankless Water Heater		
Furnace		
Air Conditioner and Condensing Unit		
All new Duct Work	Total Cost of these items	\$ 12,500.00
Attic ladder		\$ 600.00
Enclosed Back Patio		\$ 1,500.00
French Doors	2 @ \$ 900.00 each	\$ 1,800.00
New Flooring in Living Room		\$ 1,200.00
Ceilings Fans	4 @ \$ 100.00 each	\$ 400.00
Light Fixture Kitchen		\$ 80.00
Privacy Fence around Back Yard		\$ 5,000.00
Pool Deck		\$ 4,000.00
Landscaping		
Apple Trees	5 @ \$ 30.00 each	\$ 150.00
Plum Trees	5 @ \$40.00 each	\$ 200.00
Cherry Trees	2 @ \$100.00 each	\$ 200.00
Peach Trees	2 @ \$ 200.00 each	\$ 400.00
Gooseberry bushes	5 @ \$50.00 each	\$ 250.00
Climbing Rose bush		\$ 75.00
Snow Ball Bush		\$ 40.00
Crepe Myrtles	3 @ \$50.00 each	\$ 150.00
Crepe Myrtles	8 @ \$100.00 each	\$ 800.00
Mulberry trees	2 @ \$20.00 each	\$ 40.00
Total for all of above		\$ 29,385.00



November 25, 2013

Engineering Department
Alan Pugh, Director

Randy and Sheila Cook
5620 Har-Ber Avenue
Springdale, AR 72764

201 Spring Street
Springdale, AR 72764
(479) 750-8105
(479) 750-8539 fax
www.SpringdaleAR.gov

Re: 12BPS8 56th Street (Har-Ber Avenue to Elm Springs Road)
Tract 41 – Counter Offer

Dear Mr. and Mrs. Cook:

Thank you for your time to meet with us and for the consideration given regarding that discussion. We are in receipt of your revised counter offer totaling \$245,936.39. We certainly appreciate your itemizing each cost and I will try and address them from the standpoint of City staff.

Per our conversation, staff does have the ability to negotiate a value up to 10% higher than the appraised value. In this instance the appraised value totaled \$135,000 and the addition of 10% brings the total to \$148,500 of which staff could support. However, given the other items listed, the Capital Improvement Program (CIP) Committee and Council will need to hear and ultimately approve the additional costs.

Regarding the additional items listed on your letter dated November 13, 2013, staff would be prepared to support the following items at the CIP Committee:

Offer by the City of Springdale:	\$135,000.00
Additional 10%:	\$13,500.00
Tankless water heater/Furnace	
Air Conditioner/Condenser	\$12,500.00
Pool Deck	\$4,000.00
Moving Expenses	\$12,654.39
Compensation for Trees	\$2,305.00
<u>Compensation for other landscaping</u>	<u>\$365.00</u>
Grand Total	\$180,324.39

The compensation above for the tankless water heater, furnace, air conditioner and condenser assumes that the city will be able to reclaim those items and utilize them in the CDBG program. Compensation for the pool deck is included as this item was not included in the appraisal as it was considered a portion of the pool. The moving expenses listed in your latest letter seem reasonable to staff and we would support the payment of those moving expenses. However, we would need a copy

of the moving estimate from the moving company and a copy of the invoices for the tankless water heater, furnace, air conditioner and condenser for our records prior to closing.

In regard to the trees listed under the improvements to the home, it does not appear economical for the city to pay to move those trees. Rather, staff would recommend to committee that we compensate you for the trees. The compensation listed is from your original letter itemizing the cost of the trees and other landscaping.

All other items listed would be assumed to be included in the appraisal and/or the additional 10% being offered. However, it should be noted that compensation for relocating your child, not being in vicinity of you parents and time spent looking for a replacement location will need to be presented to the CIP Committee for discussion with the members as it will ultimately be their decision on the compensation amounts if any.

Again, we appreciate your time during these negotiations and the detailed letters presented. If you would like to move forward with the CIP meeting please let me know and I will have an item placed on the agenda. However, if you would like to discuss the items prior to a meeting with the CIP Committee we are happy to meet at your convenience. Please feel free to contact myself or James Breakfield if you have any questions.

Sincerely,



Alan Pugh, PE
Director

**APPRAISAL ANALYSIS
IN RESTRICTED USE FORMAT**

ON

5620 HAR-BER AVENUE,
SPRINGDALE, ARKANSAS;
WASHINGTON COUNTY

FOR

CITY OF SPRINGDALE
SPRINGDALE, ARKANSAS

BY

REED & ASSOCIATES, INC.
3739 N. STEELE BLVD., SUITE 220
FAYETTEVILLE, AR.

File #5172-1

AS OF

SEPTEMBER 9, 2013

Reed & Associates Inc.

Real Estate Appraisers – Consultants

3739 N. Steele Blvd., Suite 140, Fayetteville, AR 72703 * 479-521-6313 * Fax: 479-521-6315 * www.reedappraisal.biz
Tom Reed, MAI • Barbara Rhoads • Shannon Mueller • Brian Kenworthy • Katie Hampton

September 26, 2013

City of Springdale
Attn: Alan Pugh, PE, CFM
Engineering Department
201 North Spring Street
Springdale, AR 72764

RE: 5620 Har-Ber Avenue, Springdale, Arkansas; Washington County

Dear Mr. Pugh:

In compliance with your request and for the purpose of estimating the market value of the above captioned property, I hereby certify that I have made a survey of matters pertinent to the estimation of its value.

I further certify that I have no interest, present or contemplated, in the property appraised and that my fee was not contingent upon the value estimate reported.

The following report contains data gathered in my investigation, information from my files and shows the method of appraisal. This report is presented in a Restricted Use Format. Some of the supporting documentation is retained in the appraisal file.

Based upon an analysis of relevant data and contingent upon the Assumptions And Limiting Conditions which follow and appear later in this report, it is my opinion the market value of the fee simple estate of the subject property, as of September 9, 2013, was:

ONE HUNDRED THIRTY-FIVE THOUSAND DOLLARS
(\$135,000)

The preceding value estimate reflects terms equivalent to cash to the owner and represents that for real property only. No personal property has been included in this valuation.

The following Extraordinary Assumptions are utilized in this report:

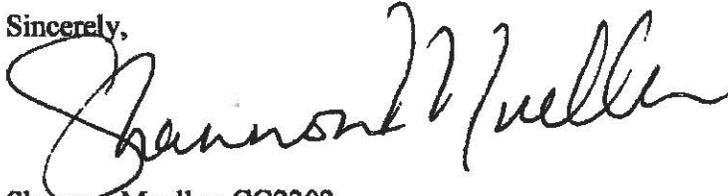
1. Subject and adjacent properties are in compliance with all applicable EPA regulations;
2. Subject dwelling and land sizes are approximately as indicated in this report.

If either, or both of the Extraordinary Assumptions prove to be untrue, the preceding value estimate could be influenced.

Additional Assumptions and Limiting Conditions appear later in the report.

The estimated exposure time for the subject property is one year or less.

Sincerely,



Shannon Mueller, CG2302
REED & ASSOCIATES, INC.



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RESTRICTED USE APPRAISAL REPORT – APPRAISAL ANALYSIS

CLIENT/INTENDED USER: City of Springdale

INTENDED USE: The intended use of this report is to assist the client in establishing the market value of the property.

IDENTIFICATION OF REAL ESTATE: Subject represents a 1,748± square foot (SF) dwelling, and related improvements, situated on a near rectangular shaped site containing an estimated .61± acre. The location is along the north side of Har-Ber Avenue, approximately .25± mile west of the intersection of Oak Grove Road and Har-Ber Avenue in the west part of Springdale, Arkansas. The physical address of the property is 5620 Har-Ber Avenue, Springdale, AR 72762.

The legal description of the site appears on the Warranty Deed pertaining to the subject property. The Warranty Deed is recorded at Instrument 2009/33693 in the Washington County Circuit Clerk's office. A copy is presented in the Addenda of this report.

CURRENT USE: Subject is currently an improved single family dwelling.

HIGHEST AND BEST USE: In my opinion, the highest and best use as vacant is for residential development; Continued residential use as improved.

REAL PROPERTY INTEREST VALUED: Fee simple estate

Fee simple estate is defined as follows:

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."¹

PURPOSE OF THE ASSIGNMENT: The purpose of this appraisal is to estimate the market value of the subject property, as of the effective date.

Market Value is defined as follows:

"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:

- a. buyer and seller are typically motivated;

^{1,2} Appraisal Institute, *The Dictionary of Real Estate Appraisal – Fourth Edition*, (Chicago: Appraisal Institute, 2002), P. 113.

- b. *both parties are well informed or well advised, and each acting in what they considers their best interest;*
- c. *a reasonable time is allowed for exposure in the open market;*
- d. *payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto, and;*
- e. *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.*"²

EFFECTIVE DATE OF VALUE OPINION: September 9, 2013

DATE OF REPORT: September 26, 2013

SCOPE OF WORK: The scope of this assignment involved the following:

- Inspection of the subject property, including the exterior of the subject dwelling; photographs were taken on the inspection;
- Review of the history of the subject property;
- Determination of the highest and best use of the subject property;
- Examination and analysis of comparable sales;
- Estimation of the market value of the fee simple estate of the subject property by applying the Sales Comparison Approach; application of the Cost and Income Capitalization Approaches was not considered necessary to produce credible appraisal results.

REPORT OPTION: This is a Restricted Use Appraisal Report which is intended to comply with the reporting requirements set forth under standards Rule 2-2(c) of the Uniform Standards Of Professional Practice for a Restricted Use Appraisal Report. As such, it does not present discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the appraiser's opinions of value. Supporting documentation concerning the data, reasoning and analysis is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated. The appraiser is not responsible for unauthorized use of this report.

EXTRAORDINARY ASSUMPTION:

1. Subject and adjacent properties are in compliance with all applicable EPA regulations;
2. Subject dwelling and land sizes are approximately as indicated in this report.

HYPOTHETICAL CONDITIONS: None Noted

OPINION OF VALUE: \$135,000

² Appraisal Institute, *The Dictionary of Real Estate Appraisal* -- Fourth Edition, (Chicago: Appraisal Institute, 2002), P. 177-178.

INDICATED EXPOSURE TIME: The estimated exposure time for the subject property is one year or less.

HISTORY: The current owner of the subject property is indicated to be Sheila D. Needham.

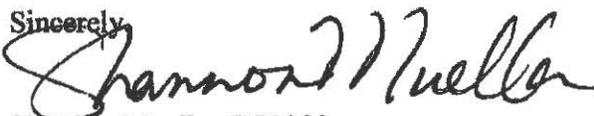
In the three years preceding the effective date of this report no recorded transactions have occurred pertaining to the subject property.

CERTIFICATE

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, which include Uniform Standards of Professional Appraisal Practice.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the subject property and 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 is not contingent upon the reporting of a 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, directly related to the intended use of the appraisal. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I, Shannon Mueller, have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person signing this report.
- I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I Shannon Mueller have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.
- Reed & Associates, Inc. has not previously performed services, as an appraiser, or in any other capacity regarding the property that is the subject of this report.

Sincerely,



Shannon Mueller CG2302
REED & ASSOCIATES, INC.



ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

1. This is a Restricted Use Appraisal Report which is intended to comply with the reporting requirements set forth under standard Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a Restricted Use Appraisal Report. As such, it does not include discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraisers' file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is assumed for the legal description or for matters including legal or title consideration. Title to the property is assumed to be good and merchantable unless otherwise stated.
3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
4. Responsible ownership and competent property management are assumed.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or

private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
12. "Unless otherwise stated in this report, the existence of hazardous materials which may or may not be present on the property was not observed by the appraiser. No responsibility is assumed for any such conditions or any expertise or engineering knowledge required to discover them. The client is urged to retain an expert if desired."

This appraisal report has been made with the following general limiting conditions:

1. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
3. The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
5. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

QUALIFICATIONS OF SHANNON REED MUELLER

EDUCATION

B.S.B.A. in Finance/Real Estate-University of Arkansas, 5-94

PROFESSIONAL EXPERIENCE

May 2006-Present – Certified General Appraiser for REED & ASSOCIATES, INC., Fayetteville, Arkansas
May 2005–May 2006 – State Licensed Appraiser for REED & ASSOCIATES, INC., Fayetteville, Arkansas
April 2003-May 2005 – Appraiser Trainee for REED & ASSOCIATES, INC., Fayetteville, Arkansas
1994-April 2003-Commercial Credit Analyst and Appraisal Review for First National Bank of Springdale, Springdale, Arkansas

PROFESSIONAL AFFILIATIONS AND DESIGNATIONS

Arkansas Real Estate Salesperson's License - 1994
Member of the Northwest Arkansas Appraisal Section
State Certified General Appraiser – Arkansas – CG2302
Associate Member of The Appraisal Institute-2006-Present

PROFESSIONAL COURSES COMPLETED

Real Estate Principles – UA – 1993
Real Estate Investment & Appraisal – UA – 1994
Real Estate Finance – UA – 1993

RELEVANT COLLEGE COURSES

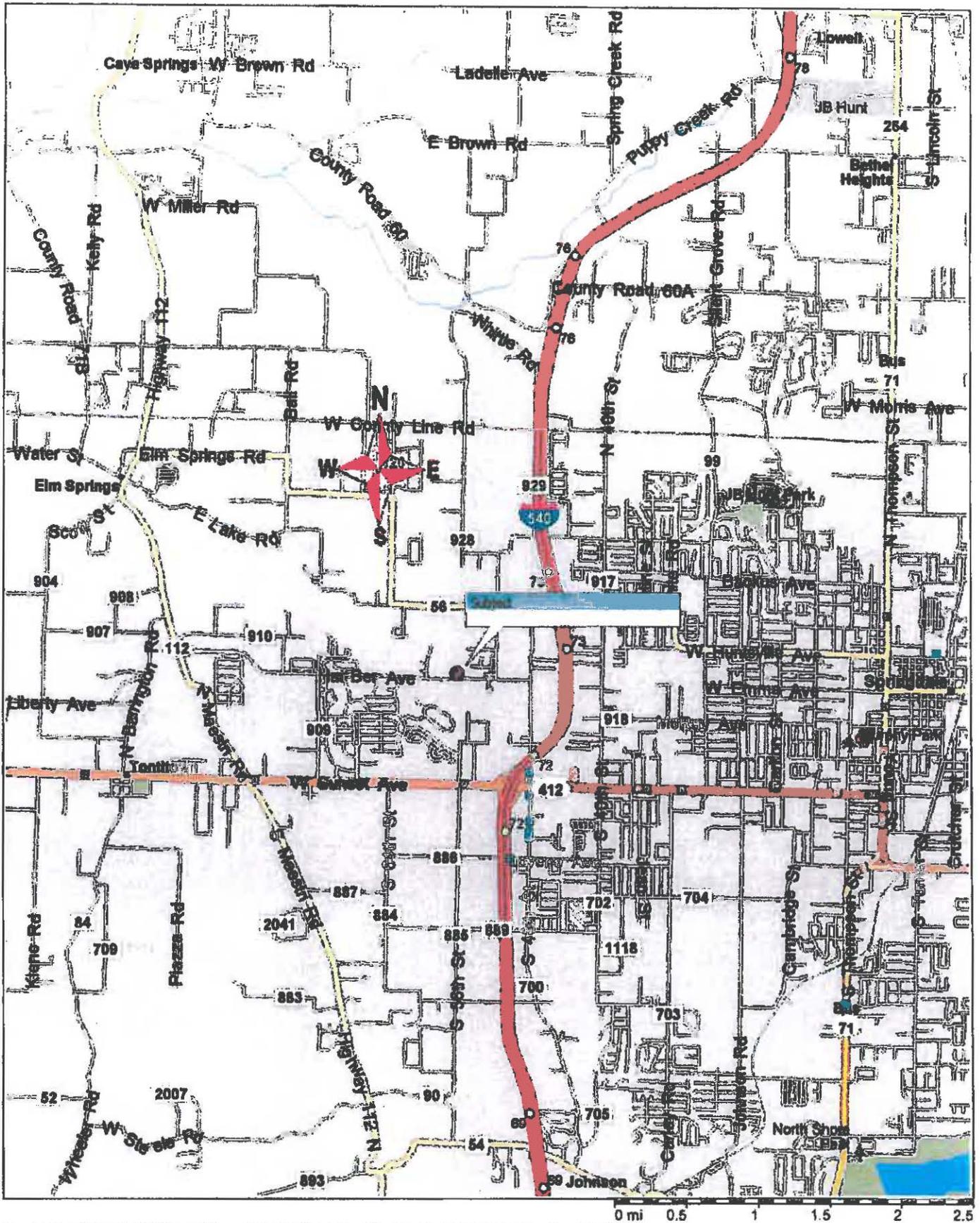
Accounting Principles I & II, Business Law, Microeconomics, Macroeconomics, Financial Theory & Practice, Information Systems Mgt., Organizational Behavioral Theory, Strategic Management, Principles of Marketing, Business Statistics, Principles of Real Estate, Real Estate Investment, Real Estate Finance, Commercial Banking, Principles Of Banking & Finance

PROFESSIONAL COURSES & SEMINARS COMPLETED

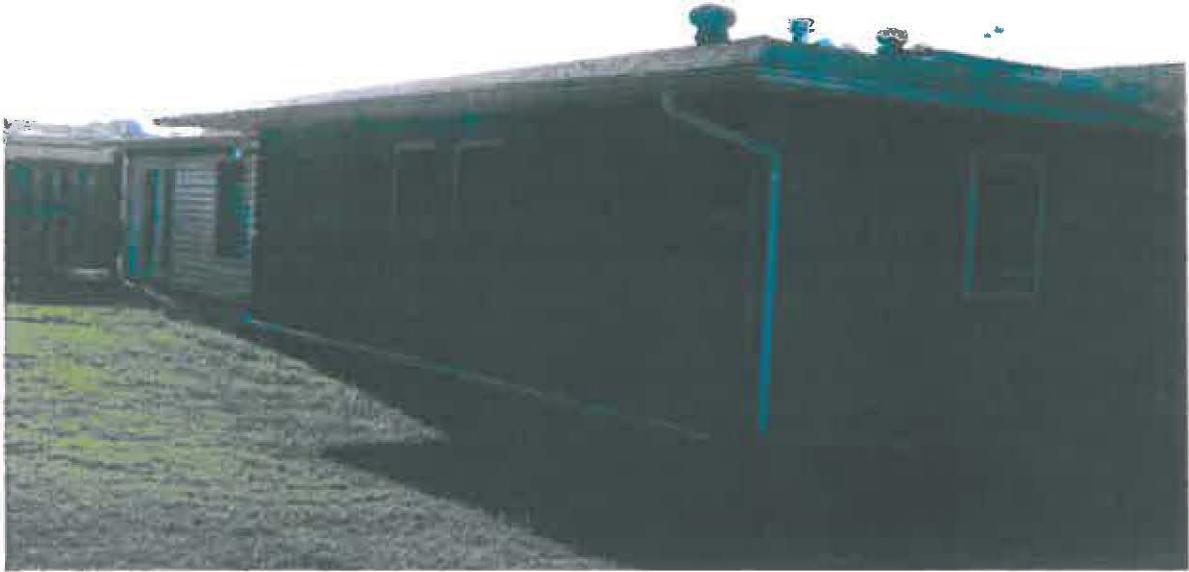
Uniform Standards of Professional Appraisal Practice, (USPAP) – Russellville, AR-2003
Fundamentals of Real Property Appraisal – Russellville, AR-2004
Land/Site Valuation & Sales Comparison Approach – Russellville, AR-2004
Evaluating Residential Construction – Ozark Chapter of The Appraisal Institute, Bentonville, AR-2005
General Report Writing – Appraisal Institute, Chicago, IL-2005
National Uniform Standards of Professional Appraisal Practice, (USPAP Update)-Chicago, IL-2005
Eminent Domain and Condemnation – Appraisal Institute Seminar-2005
Basic Income Capitalization – Ozark Mountain Chapter of The Appraisal Institute, Rogers, AR-2006
Business Practices and Ethics – Ozark Mountain Chapter of The Appraisal Institute, Joplin, MO-2007
National Uniform Standards of Professional Appraisal Practice, (USPAP Update)-Joplin, MO-2007
General Market Analysis and Highest and Best Use – Green Country Chapter of The Appraisal Institute, Tulsa, OK-2008
National Uniform Standards of Professional Appraisal Practice, (USPAP Update)-Fayetteville, AR-2010
Appraising Distressed Commercial Real Estate – Ozark Mountain Chapter of The Appraisal Institute-Rogers, AR-2010
Forecasting Revenue – Ozark Mountain Chapter of The Appraisal Institute-Rogers, AR-2010
Analyzing Rural Residential Outbuildings- Northwest Arkansas Appraisal Section-Fayetteville, AR-2010
Business Practices and Ethics – Ozark Mountain Chapter of The Appraisal Institute, Cassville, MO-2011
National Uniform Standards of Professional Appraisal Practice, (USPAP Update)-Rogers, AR-2012
Advance Income Capitalization-Little Rock, AR-2012

PART I - PROPERTY DESCRIPTION

LOCATION MAP



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SUBJECT DWELLING (REAR)-LOOKING SOUTHEASTERLY



SUBJECT DRIVE - LOOKING NORTHERLY

SUBJECT PHOTOGRAPHS



SUBJECT DWELLING (FRONT)- LOOKING NORTHWESTERLY



SUBJECT DWELLING (WEST SIDE)-LOOKING NORTHEASTERLY



SUBJECT PROPERTY-LOOKING NORTHEASTERLY



FRONTAGE ALONG HAR-BER AVENUE-LOOKING WESTERLY



FRONTAGE ALONG HAR-BER AVENUE-LOOKING EASTERLY



INTERIOR VIEW OF LIVING ROOM



INTERIOR VIEW OF KITCHEN

AERIAL MAP



SITE SKETCH



PROPERTY DESCRIPTION

The subject property is located along the north side of Har-Ber Avenue, approximately .25± mile west of the intersection of Oak Grove Road and Har-Ber Avenue in the west part of Springdale, Arkansas. The physical address of the property is 5620 Har-Ber Avenue, Springdale, AR 72762.

Springdale had a 2010 population of 69,797±, according to the U.S. Census Bureau. The City of Fayetteville is located just to the south of Springdale and had a 2010 population of 73,580±. The majority of Springdale lies within Washington County; the extreme northern portion of Springdale extends into Benton County. The indicated 2010 populations of Benton and Washington Counties were 221,339 and 203,065, respectively. Washington, Benton, and Madison Counties, in Arkansas, and McDonald County, in Missouri, comprise the Fayetteville-Springdale-Rogers MSA. The 2010 population of the MSA was indicated to be 465,780±.

Market Area

Market Area is defined as follows:

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

Subject property is located in a residential/commercial/agricultural Market Area near the west boundary of the Springdale City Limits.

The Market Area appears to consist of properties lying west of I-540, north of U.S. 412 West, east of State Highway 112, and south of Elm Springs Road/Lake Elmdale/Elm Springs City Limits. The Market Area is estimated to be between 50% and 75% built-up.

Property uses visible in the Market Area primarily include residential, agricultural, and commercial. Commercial usage is principally located along U.S. 412, with some commercial use also visible just north of U.S. 412, particularly in the Har-Ber Meadows development. Har-Ber Meadows is a Planned Unit Development located in the central and south parts of the Market Area, containing approximately 400± acres. When totally completed, the project will contain approximately 600 residential units, including patio homes and larger estate and lakefront homes. An elementary school (Bernice Young Elementary) opened in the Fall of 2000, and is located along the south side of Har-Ber Avenue, in the northwest part of Har-Ber Meadows. Approximately 56± acres in Har-Ber Meadows are designated for commercial development, 55± acres for parks, and 35± acres for lakes. Considerable development has taken place in Har-Ber Meadows since the project began in 1995-1996. Noted commercial projects include the Walker Brothers Insurance Office Building, Circle of Life Hospice Facility, branch banks, Harp's Grocery Store, The Maples Nursing Home, The Church of Latter Day Saints, Washington Regional Springdale Center For Health, Arkansas Sports Network Office Building, Farm Bureau

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal – Fourth Edition*, (Chicago: Appraisal Institute, 2002), P. 174-175.

Insurance Office Building, Buffalo Wild Wings, Boomerang Car Wash, branch banks, office and retail/service strip centers, etc.

Commercial development, as stated, is visible in the south part of the Market Area along U.S. 412. Office, retail and service uses were noted. Brush Creek Golf Course, a nine-hole course, is located along the north side of Har-Ber Avenue, north of Har-Ber Meadows.

Newer multi-family and single-family residential construction was noted along Jones Road and Har-Ber Avenue west and north, respectively, of the Har-Ber Meadows development. The Vineyards at Jones Road is a two-family and multi-family project recently completed on the west side of Jones Road, a short distance northerly from U.S. 412. Brandon's Way Subdivision is a single-family development located at the northwest corner of the intersection of Har-Ber Avenue and Bur Oak Road. Covenant Creek is a single-family subdivision located at the northwest corner of Oak Grove Road and Har-Ber Avenue. The Falls is a single-family subdivision located on the north side of Har-Ber Avenue, west of Oak Grove Road. Other nearby subdivisions include Arbor Estates and Tuscany Village. Arbor Estates is located west of Jones Road, a short distance south of Har-Ber High School. Tuscany Village is located along Har-Ber Avenue west/northwest of Hellstern Middle School.

An Assisted Living Facility is located along the west side of Jones Road, south of Har-ber Avenue. Just north/northwest of this site, at the southwest corner of Har-ber Avenue and Jones Road, is Har-ber High School. Hellstern Middle School is located just west of the high school. Har-Ber High School and Hellstern Middle School each opened for the 2005-2006 school year. An extension of the Market Area to the northwest along Elm Springs Road includes a new Elementary School that opened for the 2007-2008 school year.

A short distance south of the Market Area, at the southwest corner of Watkins Avenue and South 56th Street, is the Minor League Ballpark for the Northwest Arkansas Naturals. The Northwest Arkansas Naturals are an AA affiliate of the Kansas City Royals. The stadium was completed for the 2008 season. The City of Springdale is attempting to promote commercial growth around the stadium. South 56th Street interests U.S. 412 in the south part of the Market Area.

The topography of the Market Area is undulating to gently sloping/rolling, for the most part. Soil and subsoil conditions are not generally considered adverse to building construction. Overall, drainage is considered adequate. However, Brush Creek does traverse the north central and east central parts of the Market Area.

Utilities available in the Market Area include public water and sewer, electricity, natural gas, cable T.V., and telephone service. Public sewer is currently not available throughout the entire Market Area.

Accessibility to/from I-540 is available at the U.S. 412 Interchange in the southeast part of the Market Area and at the Elm Springs Road interchange in the northeast part of the Market Area.

The Market Area is in the growth stage of its life cycle, overall; however, growth in the near-term is expected to be much slower than what was experienced in the early to mid-part of the

past decade. This is due to oversupply issues in the Northwest Arkansas real estate market which have been prolonged by the slow improvement in economic conditions. The real estate market in Northwest Arkansas is currently in a correction period that is expected to last through 2013.

Subject Property

The size of the subject site is estimated to be approximately 26,372 ± square feet (SF), or .61± acre. The site is near rectangular in shape. The topography is undulating to gently sloping.

Soil and subsoil conditions are not believed adverse to building construction; however, a soil test report on the site has not been examined. The subject property does not appear to be located with the 100-Year Flood Zone. Please see the Flood Zone Map which appears in the Addenda.

Utilities available to the subject site include electricity, telephone service, natural gas, cable, T.V., public sewer, and public water. No adverse easements or encroachments were noted on the inspection.

Subject site is zoned SF-1, Low Density Single Family Residential.

The site is currently improved with a 1,748± square foot single family dwelling, and related site improvements. The building represents Class "D" construction, with brick veneer and frame exterior. The foundation is closed piers. The roof cover is composition shingle. Interior finish consisted of wood and carpet flooring, paneling and drywall interior walls, and drywall ceilings. The dwelling includes central heat and air, tankless water heater, wood stove, attached porch, 2 bathrooms, 3 bedrooms, kitchen, dining room, living room, and a glass enclosed porch.

The dwelling is considered to be in average condition. The dwelling is indicated to have been completed in 1969. Functional obsolescence is indicated in layout and design when compared to newer structures. External obsolescence is indicated due to present market conditions. In my opinion, the effective age of the dwelling is 25± years and the remaining economic life is 30± years. It should be noted that the functional and external obsolescence is reflected in the effective age.

Additional improvements include: asphalt and concrete drives, above ground pool, 2 outbuildings, chain-link and privacy fence, etc.

A copy of the tax assessment records pertaining to the subject property is presented in the Addendum of this report. The estimated 2012 property tax is \$1,086.54. The 2012 tax is due by October 15, 2013. The property was appraised for tax purposes in 2013 at \$137,600.

The subject property is located within the Springdale Public School District.

PART II - COMPARABLE SALES

Comparable Sale 1



Address: 4313 Alma Street **City:** Springdale **State:** AR
Location Description: East side of Alma Street.

Sale Date: 06/05/2013
Sale Price: \$135,000
Living Area (SF): 1,792
Sale Price/SF: \$75.33
Site Description: 0.28± Acre Lot

Bedrooms:	3	Fireplace:	1-Gas Log
Bathrooms:	1	Garage:	Attached Two Car, 440± SF
Effective Age:	22	Levels:	1
Construction:	Average; Brick		
Condition:	Average		

Remarks: Multiple Listing Service (MLS) records indicate that this dwelling was originally listed for \$138,500. The dwelling includes central heat and air. The dwelling includes attached porches, 3 outbuildings, and chain-link fencing.

Comparable Sale 2



Address: 1803 Willard Street **City:** Springdale **State:** AR
Location Description: East side of Willard Street.

Sale Date: 05/01/2013
Sale Price: \$141,000
Living Area (SF): 1,806
Sale Price/SF: \$78.07
Site Description: .30± Acre Lot

Bedrooms:	3	Fireplace:	One-Gas Log
Bathrooms:	2	Garage:	Attached 2 Car-529± SF
Effective Age:	22±	Levels:	1
Construction:	Average; Brick Veneer		
Condition:	Average		

Remarks: Multiple Listing Service (MLS) records indicate that this dwelling was originally listed for \$148,900. The dwelling includes central heat and air and attached porches. The site includes privacy fencing.

Comparable Sale 3



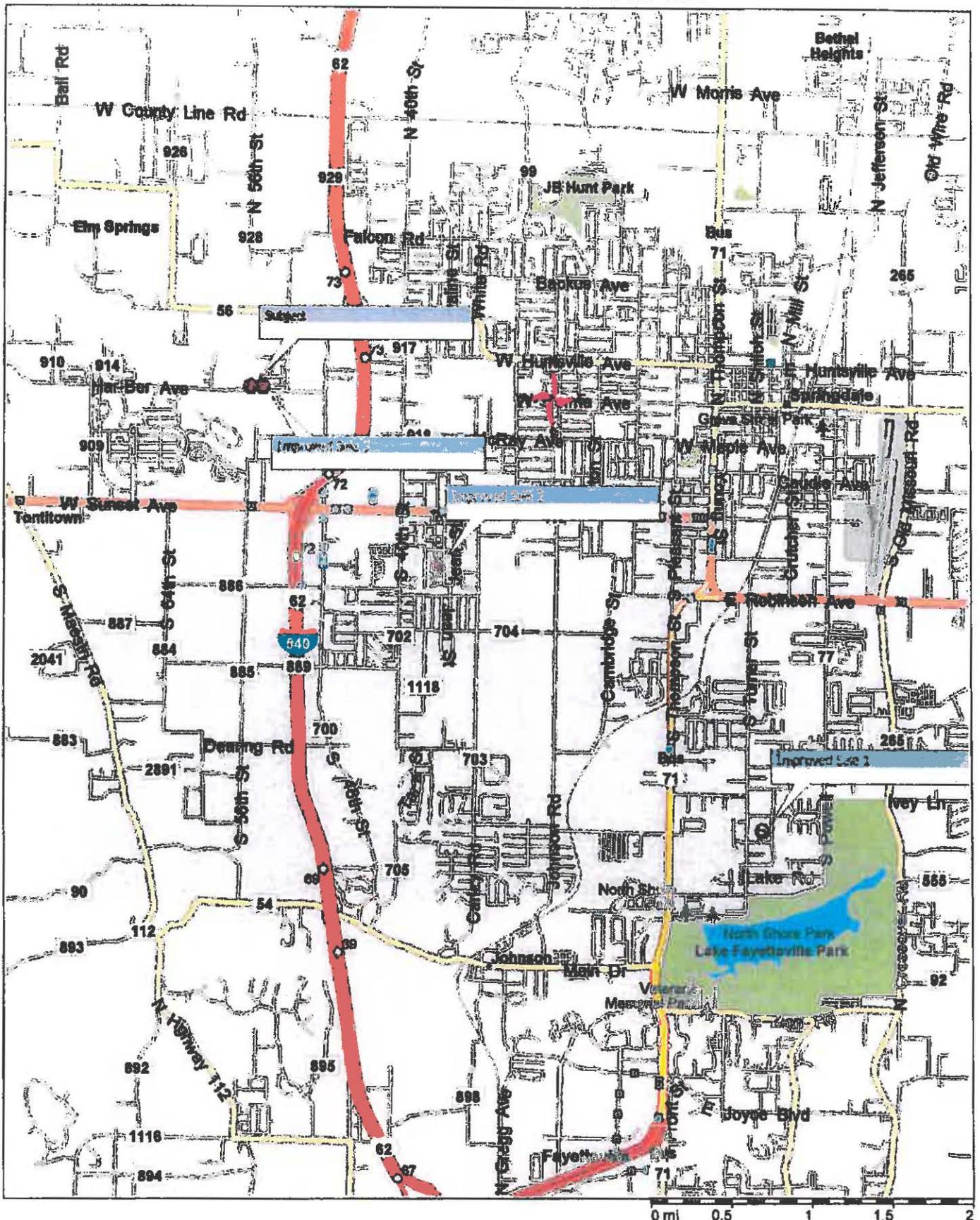
Address: 5508 Har-Ber Avenue **City:** Springdale **State:** AR
Location Description: North side of Har-Ber Avenue

Sale Date: 10/24/2012
Sale Price: \$125,000
Living Area (SF): 1,870
Sale Price/SF: \$66.85
Site Description: .75± Acre Lot

Bedrooms:	4	Fireplace:	None
Bathrooms:	2	Garage:	2-Car Attached-506± SF
Effective Age:	25±	Levels:	1
Construction:	Average; Brick Veneer		
Condition:	Average		

Remarks: Multiple Listing Service (MLS) records indicate that this dwelling was originally listed for \$129,900. The dwelling includes central heat and air and attached porches. The site contains a shop building and storage building.

COMPARABLE IMPROVED SALES MAP



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PART III - CONCLUSION

CONCLUSION

Comparable One is located in Springdale along the east side of Alma Street. This location is east of the intersection of South Turner Street and Henson Street, and southeast of subject. The physical address is 5620 Har-Ber Avenue. The comparable is larger in dwelling size than the subject, and includes a smaller site size. The exterior of the dwelling is brick veneer. This is a 1-level dwelling that has 3 bedrooms, 2 bathrooms, kitchen, living room, dining room, etc. This comparable includes attached porches, and an attached two-car garage. The dwelling has central heat and air, and a fireplace. The overall quality is similar to subject. Site improvements include concrete driveway, fencing, outbuildings, landscaping, etc. Comparable Dwelling One has a superior effective age when compared to subject. Comparable One sold 06/05/2013 for \$135,000. It should be noted that the property is zoned SF-2, Medium Density Residential. The exposure time for this property was 39± days. Overall, this comparable is considered slightly inferior to subject.

Comparable Two is located in Springdale along the east side of Willard Street. This location is a short distance east of South 40th Street, and southeast of subject. The physical address of the comparable is 1803 Willard Street. The comparable is larger in dwelling size than the subject, and includes a smaller site. The comparable includes 3 bedrooms, 2 bathrooms, kitchen, living room, etc. The comparable includes an attached two-car garage, central heat and air, fireplace, and attached porches. Site improvements include a concrete drive, fencing, outbuilding, landscaping, etc. Comparable Dwelling Two is superior in effective age to subject and similar in quality. It should be noted that the property is zoned SF-2, Medium Density Residential. Comparable Two sold 05/01/2013 for \$141,000. The exposure time for this property was 30± days. Overall, this comparable is considered slightly superior to subject.

Comparable Three is also located in Springdale along the north side of Har-Ber Avenue. This location is west of the intersection of Oak Grove Road and Har-Ber Avenue, and just east of subject. The physical address is 5508 Har-Ber Avenue. The comparable is larger than subject in dwelling size, and includes a slightly larger site. The comparable includes an attached two-car garage, 4 bedrooms, 2 bathrooms, kitchen, living room, dining room, etc. Site improvements include a concrete drive, landscaping, fencing, shop building, etc. Comparable Dwelling Three is similar in effective age to subject, however is slightly inferior in quality. It should be noted that the property is zoned A-1, Agricultural. Comparable Three sold on 10/24/2012 for \$125,000. The exposure time for this property was 352± days. Overall, this comparable is considered inferior to subject.

Analysis of Comparable Sales: Three comparable sales were identified in estimating the value of the subject property. All of the sales are located in Springdale, as is subject. The locations are considered reasonably similar to that of subject.

An adjustment grid appears below and reflects the comparison of the sales to the subject properties. The unit of comparison is whole property.

Adjustment Grid

Sale No.	1	2	3
Sales Price	\$135,000	\$141,000	\$125,000
Property Rights	0	0	0
Conditions of Sale	0	0	0
Market Conditions	0	0	0
After Market Conditions	\$135,000	\$141,000	\$125,000
Location	0	0	0
Physical Characteristics			
Site	+10,000	+5,000	0
Dwelling Effective Age	-4,050	-4,230	0
Dwelling Quality	0	0	+12,500
Dwelling Size	-1,320	-1,740	-3,660
Garage/Other	-4,000	-4,000	-4,000
Indicated Value	\$135,630	\$136,030	\$129,840

The three comparable sales utilized in this report occurred between the time period of September 2012 and May 2013. These sales are considered fairly recent and are believed to reflect current market conditions. The mean of the sales is \$133,833, and the median is \$135,630.

Based upon an analysis of relevant data and contingent upon the Assumptions And Limiting Conditions which follow and appear later in this report, it is my opinion the market value of the fee simple estate of the subject property, as of September 9, 2013, was:

ONE HUNDRED THIRTY-FIVE THOUSAND DOLLARS
(\$135,000)

The preceding value estimate reflects terms equivalent to cash to the owner and represents that for real property only. No personal property has been included in this report.

1. Subject and adjacent properties are in compliance with all applicable EPA regulations;
2. Subject dwelling and land sizes are approximately as indicated in this report.

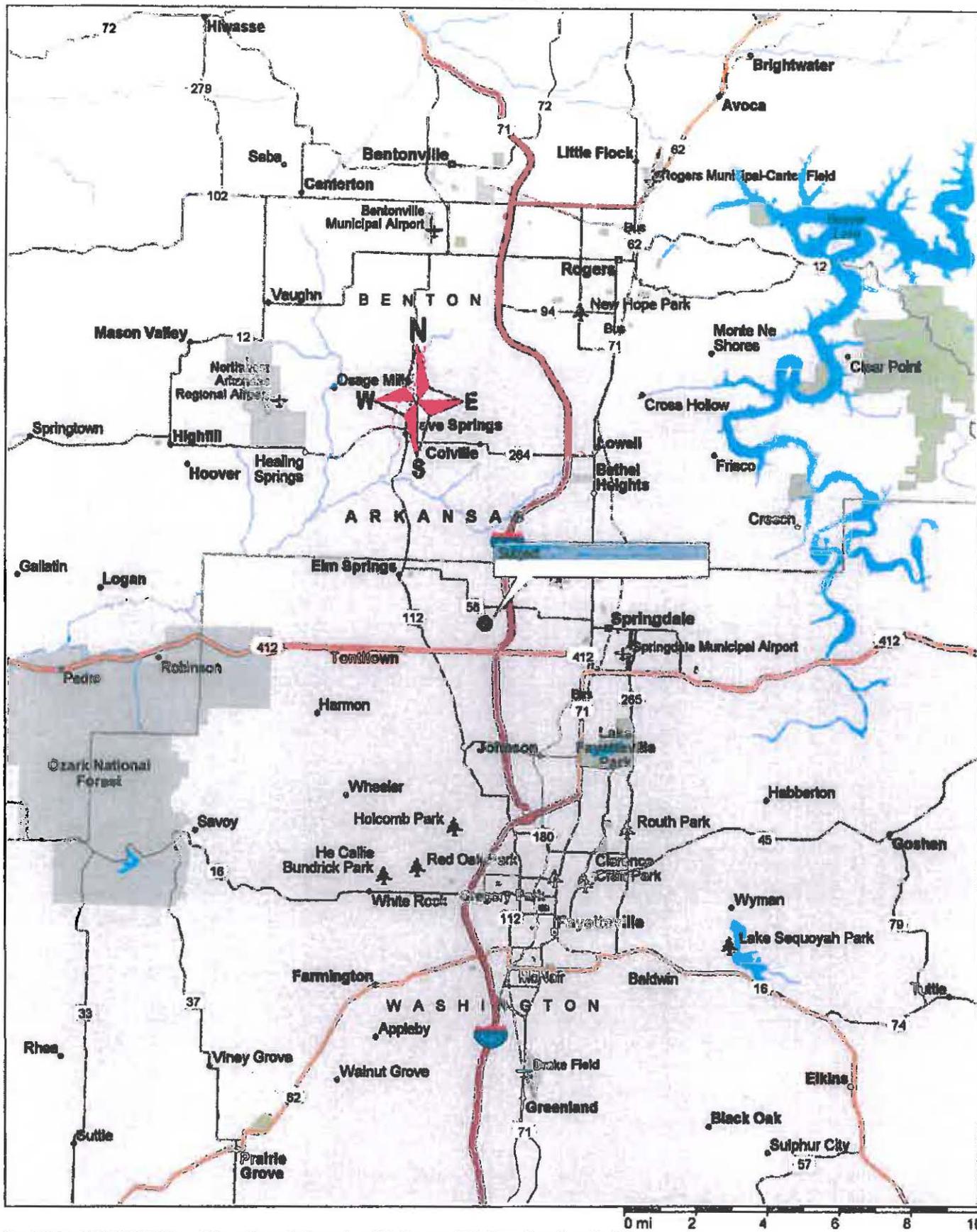
If any, or all of the Extraordinary Assumptions prove to be untrue, the preceding value estimate could be influenced.

Additional Assumptions and Limiting Conditions appear later in the report.

The estimated exposure time for the subject property is one year or less.

PART IV - ADDENDA

AREA MAP



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AREA DATA

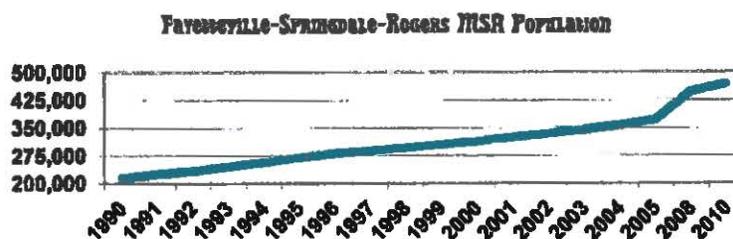
The Trade Area includes Washington and Benton Counties in Arkansas, as well as Madison County, Arkansas and McDonald County, Missouri. The four counties are located in the extreme northwestern part of Arkansas and extreme southwestern part of Missouri, respectively, and make up the Fayetteville-Springdale-Rogers, AR Metropolitan Statistical Area (MSA). This area is bordered by the Oklahoma State line on the west, Newton County (Missouri) on the north, Carroll, Newton and Barry (Missouri) Counties on the east, and Crawford, Franklin and Johnson Counties on the south. The total area of Benton County is 886± square miles, Washington County 963± square miles, Madison County 837± square miles, and McDonald County 540± square miles. It should be noted that 92%± of the population of the MSA is located in Washington and Benton Counties. As a result, figures for this analysis primarily reflect Washington and Benton Counties.

The value of real property reflects and is influenced by the interaction of basic forces that motivate human activity. These forces are divided into four major categories: Social trends; Economic circumstances; Governmental controls and regulations; and, environmental conditions. These forces exert pressure on human activities and are also affected by these activities. The interaction of all the forces influences the value of every parcel of real estate in the market.

Social Forces: Social forces are exerted primarily through population characteristics. The demographic composition of the population reveals the potential, basic demand for real estate services.

The 1980 Census showed population figures of 78,115 and 100,494, respectively, for the two counties. This totals 178,607 for the two-county area. The population of Benton County in 1990 was 97,499, while Washington County indicated a population 113,409. The combined population of the two counties in 1990 was 210,908, representing an 18.1% increase over 1980, or 1.81% per year. The 2000 Census indicated populations for Benton and Washington Counties of 153,406 and 157,715, respectively. The total for the two counties, 311,121, represents a 47.5%± increase over 1990, or 4.75%± per year. The 2007 populations were indicated to be 210,963 for Benton County, and 194,696 for Washington County. Finally, based on data released by the U.S. Census Bureau, the population of the two-county area as of 2010 was 424,404, with Benton County reflecting a total of 221,339 and Washington County a total of 203,065. The growth between 2000 and 2010 is indicated to be 36.4%, or 3.64% per year. The U.S. Census Bureau data reflected the population of the MSA as of 2010 to be 465,780.

The following chart reflects the population trend in the four-county MSA since 1990:



Source: U.S. Census

Bentonville is the County Seat of Benton County. This city is located in the north part of the county. Bentonville had a population of 11,257 in 1990, a 28.6%± increase since 1980. The 2000 population of Bentonville was approximately 19,730. This represents a 75.3%± increase since 1990. The 2005 population was indicated to be 29,530, an increase of 49.7% over the five-year period since 2000, or 9.9% per year. The 2010 population was indicated to be 35,301, a 19.5% increase from 2005. Rogers is the largest city in the county. Its 1990 population of 24,692 reflects a 41.7%± increase since 1980. The 2000 population was indicated to be 38,829. This represents a 57.3%± increase since 1990. The 2005 population was indicated to be 48,353, an increase of 24.5% from 2000, or 4.9% per year. The 2010 population was indicated to be 55,964 a 15.7% increase since 2005. Siloam Springs, located on the Oklahoma line in the southwest part of the county, is the third major city in Benton County. It grew from a population of 8,151 in 1980 to 10,843 in 2000, a 33%± increase. The 2005 population of Siloam Springs was indicated to be 13,604, an increase of 25.5% from 2000, or 5.1% per year. The 2010 population was indicated to be 15,039 a 10.5% increase from 2005.

Some of the smaller cities and towns in Benton County include Gentry, Gravette, Pea Ridge, Lowell, Centerton, Decatur, Cave Springs, Bella Vista, etc. It should be noted that the City of Centerton, located just west of the Bentonville City Limits, reflected an increase in population from 491 in 1990 to 2,146 in 2000, 5,477 in 2005, 8,593 in 2008, and 9,515 in 2010. This reflects an increase of 343% from 2000 to 2010, or 34.3% per year. Within the county, there are a total of 18± incorporated towns and cities. It should also be noted that Lowell, lying between Springdale and Rogers, experienced an increase in population between 1990 and 2000 of 309.6%±. The 2000 population of Lowell was indicated to be 5,013±, while the 2005 population grew to 7,042, an increase of 40.5% from 2000, or 8.1% per year. The 2010 population of Lowell was 7,327.

Fayetteville is the County Seat of Washington County. This city is located in the north central part of the county. Fayetteville had a population of 40,099 in 1990. This represented a 15% increase since 1980. The 2000 population of Fayetteville was indicated to be 58,047. This represents a 37.9%± increase since 1990. The 2005 population was indicated to be 66,656, an increase of 14.8% from 2000, or 3.0% per year. The 2010 population was indicated to be 73,580, an increase of 10.4% from 2005. Fayetteville is also the largest city in the county. Springdale is the second largest city in Washington County. Its 1990 population of 29,941 showed a 27.6% increase since 1980. The 2000 population of Springdale was indicated to be 45,798. This represents a 53%± increase since 1990. The 2000 population figure for Springdale includes an indicated 2,011 people living in that part of Springdale located in Benton County. The 2005 population for Springdale was indicated to be 62,459, an increase of 36.4% from 2000, or 7.3% per year. The 2010 population of Springdale was indicated to be 69,797, an increase of 11.7% from 2005.

Some of the smaller cities in Washington County include Prairie Grove, Lincoln, Farmington, West Fork, Johnson, Elm Springs, etc. There are a total of 13± incorporated cities and towns within Washington County. A small part of Elm Springs is also located in Benton County.

The following table reflects population changes for major cities in the MSA since 1990:

City	2000	2005	2007	2008	2010	2000-2010 % Increase
Fayetteville	58,047	66,656	72,208	73,372	73,580	26.8%
Springdale	45,798	62,459	66,881	68,180	69,797	52.4%
Rogers	38,829	48,353	54,959	56,726	55,954	44.1%
Bentonville	19,730	29,530	33,744	35,526	35,301	78.9%
Lowell	5,017	7,042	7,044	7,173	7,327	46.0%
Centerton	2,146	5,477	8,162	8,593	9,515	343.4%
Siloam Springs	10,843	13,604	14,480	14,825	15,039	38.7%

Source: U.S. Census

The increased population trend is expected to continue in the Benton-Washington County area. This should have a positive effect on real property values. However, it should be noted that the rate of growth has declined significantly since the peak period between July 1, 2004, and July 1, 2005. The net monthly population growth in the Benton-Washington County area between July 1, 2004, and July 1, 2005, was indicated to be 1,256± people. Between 2008 and 2009, the net monthly population growth was indicated to be 748 people. This reflects a 40.4% decline. Oversupply issues in the real estate market and deterioration in economic conditions, particularly the decline in the rate of growth of non-farm employment, have impacted population growth. The country officially went into a recession in December 2007. The recession officially ended in June 2009; however consumer sentiment doesn't necessarily support this.

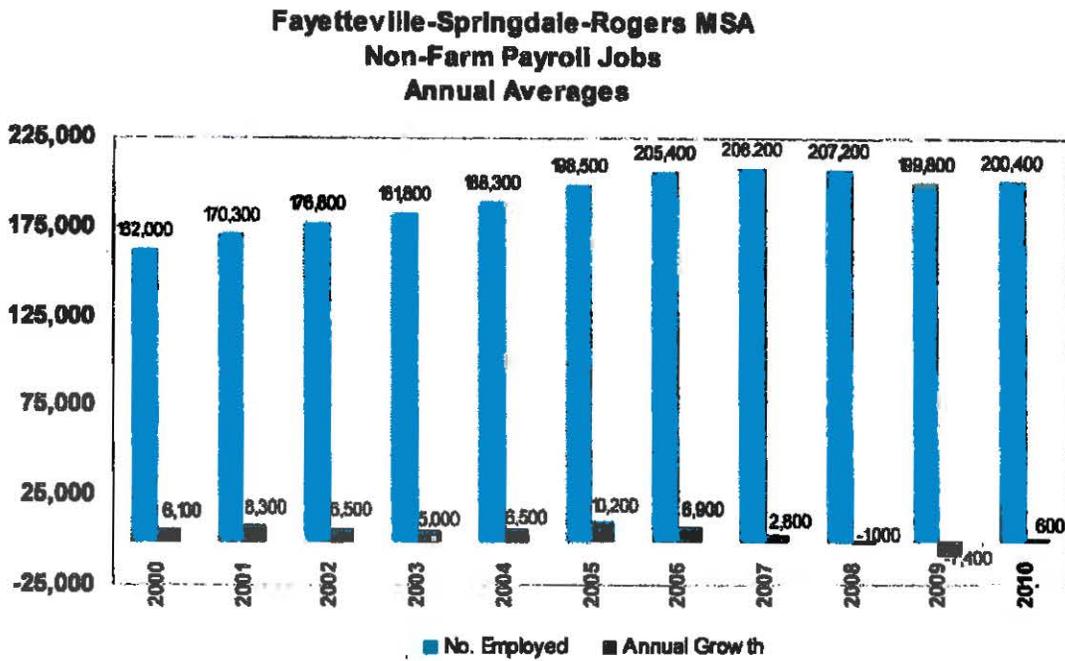
Economic Forces: Economic forces are also significant to real property values. It is necessary to analyze the fundamental relationships between current and anticipated supply and demand and the economic ability of the population to satisfy its wants, needs, and demands through its purchasing power.

For 2003, the Fayetteville-Springdale-Rogers MSA ranked 1st nationally in Forbes/Milliken Institute's "Best Performing Cities: Where America's Jobs are Created" measuring economic vibrancy and potential.

For 2004, the Fayetteville-Springdale-Rogers Metropolitan Statistical Area (MSA) was listed as the 5th "Best Small Metro for Business" by *Forbes*. This publication also listed the MSA as #1 in job growth.

For 2005, The Milliken Index named Northwest Arkansas to the Top Ten in Job Growth.

The following chart represents Non-Farm Employment Growth for the MSA since 2000:



Source: Arkansas Department of Workforce Services

As previously indicated, the country was officially in a recession between December 2007 and June 2009. This recession referred to as the Great Recession, lasted 18 months. The previously longest recorded recessions since the Great Depression, the 1973-75 recession and the 1981-82 recession, each lasted 16 months. The Great Depression lasted 43 months. The recessions in 1991 and 2001 each lasted 8 months.

The recession obviously impacted the rate of job growth in the Fayetteville-Springdale-Rogers MSA. While the United States as a whole experienced negative year on year non-farm employment growth through all of 2008, the Fayetteville-Springdale-Rogers MSA remained positive through part of the year. However, non-farm employment numbers (year on year) did turn negative in this MSA in 2008 and remained negative throughout 2009. Obviously, local economic activity was affected by the national recession. In May 2010, non-farm employment numbers (year on year) turned positive and remained positive through June 2011.

Employment gains for the MSA continue to be concentrated in the service sector. Specifically, education and health services, and professional and business services have exhibited percentage gains. Leisure, hospitality and other services are also creating jobs. The largest losers in employment are the natural resources, mining and construction, manufacturing, trade, transportation, and utilities, government and financial activities sectors.

The civilian labor force in Benton County averaged 108,150 for the year 2010. Washington County averaged 99,925 for the same time period. In 2010, Benton County's unemployment rate averaged 6.4% while Washington County's rate averaged 6.3%. The 2010 average, annual

unemployment rates for the State of Arkansas and the United States were 7.9% and 9.6%, respectively. All of the preceding rates are not seasonally adjusted rates.

U.S. Census data reflect the following income figures for the Benton-Washington County area:

Benton County			
	2000	2010	Change
Median Household Income	\$40,276	\$54,592	35.5%
Average Household Income	\$50,556	\$66,147	30.8%
Per Capita Income	\$19,377	\$24,912	28.6%

Washington County			
	2000	2010	Change
Median Household Income	\$34,683	\$45,544	31.3%
Average Household Income	\$44,747	\$56,617	26.5%
Per Capita Income	\$17,347	\$21,840	29.5%

Combined Counties			
	2000	2010	Change
Median Household Income	\$37,483	\$50,588	40.0%
Average Household Income	\$47,604	\$61,551	29.3%
Per Capita Income	\$18,348	\$23,441	27.8%

The real estate market in Benton and Washington Counties expanded at a rapid rate between 2003 and mid-2006. Oversupply issues in the residential sector became very visible in 2006, particularly in the latter half of the year. There were definite indicators in 2005 that this sector of the market was headed in this direction. As of the second Quarter of 2011, Benton County totaled approximately 9,511 empty, single-family and duplex lots in final, or near final, approved subdivisions. The total for Washington County was approximately 6,637. Based on projected annual household growth, and the historical percentage of households that represent owner occupancy, the total empty lot supply could constitute a 7 to 8 year inventory. This likely overstates the situation as near 20%± of the empty lot inventory should never have been constructed, and does not actually make the market. Regardless, the current lot supply in the two-county area is significant. Housing starts and residential construction activity have been minimal in both counties over the last several quarters; however, new construction picked-up somewhat in the first half of 2011. The stimulus package that was approved by Congress in early 2009, the American Recovery and Reinvestment Act, appears to have positively impacted the housing market nationally. Interest rates are low which is a positive for the housing market; however, this has not spurred refinancing and home purchases as much as expected. This is due to the large number of homeowners with no equity in their home, and also due to the employment picture. The tax credit for first time and move-up home buyers was also a positive factor for both the new and existing home market. This program ended in 2010, and the housing market immediately declined; however, has since rebounded somewhat.

Problems in the housing market are viewed by many as what led us into the recession, and there is a belief that a rebound in this sector is necessary for the country to pull out of the current

economic downturn. Obviously, the decrease in home values and the high rates of residential foreclosures across the country have negatively impacted consumer sentiment. Many economists feel that the housing market bottomed in the Fourth Quarter of 2011, with an average decline in value from peak to trough of 30% to 35%±.

The multi-family residential of the real estate market in Benton and Washington Counties was previously facing oversupply issues; however, vacancy rates have declined significantly in the past several years. In the multi-family sector, the two-county area indicated an overall vacancy rate of 2.58% in the First Quarter of 2013. The Fayetteville multi-family market has a good history of strength, due to the University of Arkansas. It should be noted that a substantial amount of new product has been added over the past 1-2± years. The Rogers, Bentonville, Siloam Springs, and Springdale multi-family markets also appear to each be in good shape with a range of vacancy rates between 1.54% to 3.98% as of First Quarter 2013. The Rogers and Bentonville markets in particular are doing well with vacancy rates of 2.37% and 1.54%, respectively.

With respect to the commercial market, the primary concerns are the professional office, retail, service, and development land sectors. The professional office sector of the market, Class "A" and "B" properties, has been oversupplied for some time in the two-county area. The overall vacancy rate for Class "A" and "B" professional office space for the First Quarter of 2013 was slightly above 15%. This is for investment grade, non-owner occupied space. Obviously, job creation is critical to the absorption of office space. It should be noted that the overall professional office vacancy rate was thought to have peaked in the mid/late 2010, with vacancy slowly decreasing since that time.

The retail sector of the commercial market had been the strength of the market through the first half of 2008; however, in the second half of the year vacancy began to rise. In the Fourth Quarter of 2009 the overall vacancy rate in this sector of the market was estimated between 15% and 16%. Obviously, problems in the national economy impacted the local retail community. The overall vacancy rate in the retail sector slowly declined since 2010 and was near 10% (Class "A" and "B") in the First Quarter of 2013. This too, is for investment grade, non-owner occupied space.

The service sector, hotel/motel and restaurants, are suffering at both the national and local levels. This is due to oversupply issues, change in business travel, cutback in consumer spending, etc. Locally, substantial new hotel and restaurant space has been added over the last few years. Occupancy rates and average daily room rates have been on the decline in the hotel sector. Based on the December 2010, population estimate for the two-county area, there are between 13 and 14 people per full-service restaurant seat.

Lastly, commercial development land must be considered. The two areas of concern are in the north part of Fayetteville and the southwest part of Rogers. Land that was acquired at the peak of prices in 2005/2006 is facing refinancing. With a decline in values in this sector, in order to refinance and keep loan to value ratios within bank guidelines, the borrower may have to bring funds to the closing table. This is the mark to market issue that has been discussed nationally over the past few years.

Following is a listing of building permit values for cities in Benton and Washington Counties:

NWA BUILDING PERMITS

City	2007	2008	2009
Johnson	\$12,894,627.00	\$11,480,561.00	\$2,201,298
Elkins	\$1,448,865.00	\$2,992,700.00	\$1,659,255
Bentonville	\$175,179,387.00	\$84,042,846.00	\$166,253,077
Tontitown	\$9,117,183.00	\$12,317,817.00	\$5,943,915
Rogers	\$364,610,284.00	\$221,417,100.00	\$66,680,186
Lowell	\$23,018,357.00	\$10,507,847.00	\$5,156,363
Siloam Springs	\$26,571,074.00	\$8,369,852.00	\$51,494,178
Fayetteville	\$282,642,878.00	\$301,388,827.00	\$90,257,059
Pea Ridge	\$10,613,632.00	\$11,617,647.00	\$1,701,901
Little Flock	\$1,997,419.00	\$1,801,420.00	\$1,807,373
Bella Vista	\$39,336,280.00	\$19,235,786.00	\$12,059,939
Prairie Grove	\$9,276,304.00	\$7,929,728.00	\$3,298,300
Greenland	\$1,411,691.66	\$173,470.00	\$707,300
Cave Springs	\$9,715,915.00	\$4,835,350.00	\$6,622,764
West Fork	\$2,412,200.00	\$1,568,000.00	\$414,100
Goshen	\$4,246,683.80	\$2,824,327.43	\$2,104,269
Lincoln	\$2,507,545.00	\$0.00	\$191,944
Elm Springs	\$500,000.00	\$150,000.00	\$1,056,647
Farmington	\$11,793,393.00	\$10,730,420.00	\$8,577,800
Springdale	\$114,491,552.00	\$111,956,457.00	\$59,871,046
Gentry	\$2,034,963.90	\$1,705,248.20	\$526,450
Bethel Heights	\$5,582,958.00	\$702,967.00	\$675,967
Centerton	\$18,033,067.00	\$9,928,847.00	\$5,712,560
Decatur	\$1,150,000.00	\$252,000.00	\$9,471,500
Gravette	\$2,149,440.00	\$840,115.00	\$5,726,000
Total	\$1,132,735,699.36	\$838,769,332.63	\$510,171,191

WASHINGTON COUNTY PERMITS

City	2007	2008	2009
Johnson	\$12,894,627.00	\$11,480,561.00	\$2,201,298
Elkins	\$1,448,865.00	\$2,992,700.00	\$1,659,255
Tontitown	\$9,117,183.00	\$12,317,817.00	\$5,943,915
Fayetteville	\$282,642,878.00	\$301,388,827.00	\$90,257,059
Prairie Grove	\$9,276,304.00	\$7,929,728.00	\$3,298,300
Greenland	\$1,411,691.66	\$173,470.00	\$707,300
West Fork	\$2,412,200.00	\$1,568,000.00	\$414,100
Goshen	\$4,246,683.80	\$2,824,327.43	\$2,104,269
Lincoln	\$2,507,545.00	\$0.00	\$191,944
Elm Springs	\$500,000.00	\$150,000.00	\$1,056,647
Farmington	\$11,793,393.00	\$10,730,420.00	\$8,577,800
Springdale	\$114,491,552.00	\$111,956,457.00	\$59,871,046
Total	\$452,742,922.46	\$463,512,307.43	\$176,282,933

BENTON COUNTY PERMITS

City	2007	2008	2009
Bentonville	\$175,179,387.00	\$84,042,846.00	\$166,253,077
Rogers	\$364,610,284.00	\$221,417,100.00	\$6,668,0186
Lowell	\$23,018,357.00	\$10,507,847.00	\$5,156,363
Siloam Springs	\$26,571,074.00	\$8,369,852.00	\$51,494,178
Pea Ridge	\$10,613,632.00	\$11,617,647.00	\$1,701,901
Little Flock	\$1,997,419.00	\$1,801,420.00	\$1,807,373
Bella Vista	\$39,336,280.00	\$19,235,786.00	\$12,059,939
Cave Springs	\$9,715,915.00	\$4,835,350.00	\$6,622,764
Gentry	\$2,034,963.90	\$1,705,248.20	\$526,450
Bethel Heights	\$5,582,958.00	\$702,967.00	\$675,967
Centerton	\$18,033,067.00	\$9,928,847.00	\$5,712,560
Decatur	\$1,150,000.00	\$252,000.00	\$9,471,500
Gravette	\$2,149,440.00	\$840,115.00	\$5,726,000
Total	\$679,992,776.90	\$375,257,025.20	\$333,888,258

The economic base of the region consists of four basic areas: First, agricultural production with the primary commodities being beef cattle, dairy cattle, and poultry. The general offices of Tyson Foods, Inc., the largest poultry producer in the world, are located in Springdale in Washington County. Benton and Washington Counties have a considerable amount of rural

acreage and, therefore, it would stand to reason that agriculture would be important to the area. There is also some cropland in the area, primarily green bean and orchard production (grapes). According to the USDA, Benton and Washington counties had total agricultural sales in 2007 of \$433,957,000 and 417,965,000, respectively. **Second**, influence from the University of Arkansas located in Fayetteville. Total enrollment for Fall 2012 at the University was 24,537, an increase of 5.8% since the Fall 2011. The University provides considerable employment opportunities for area residents. It is not uncommon for residents of the outlying areas of Benton and Washington Counties to work at the University. A second public academic institution, the Northwest Arkansas Community College, is located in Bentonville. Fall 2012 enrollment for the school was indicated to be 8,341, a decrease of 2.2% from the Fall 2011. In addition to the main campus, the N.W.A.C.C. also has branch campuses located in Springdale, Rogers, Fayetteville, and Bella Vista. **Third**, recreational usage primarily in the northeast part of Washington County, and the southeast, east, and northeast parts of Benton County. This recreational usage is primarily provided by Beaver Lake, a Corps of Engineer Reservoir on the White River. Beaver Lake affords typical fresh water sports such as boating, fishing, skiing, swimming, etc. **Fourth**, the large number of manufacturing businesses and industries located within the two counties. Again, residents of outlying areas of the two counties will commute to Fayetteville, Springdale, Rogers, Bentonville, etc. to work at these facilities. The general offices of Wal-Mart, Inc., the world's largest retailer, are located in Bentonville. Wal-Mart has had a tremendous impact on the area, particularly Benton County. Over the past several years, Wal-Mart vendors have been locating branch offices in the Benton County area in order to better service their account with Wal-Mart. Both professional office and residential construction increased significantly due to the influx of these suppliers. The general offices of J.B. Hunt, Inc., a major trucking company, are located in Lowell. As previously indicated, the general offices of Tyson Foods, Inc. are located in Springdale. Most of the major industries are located in the larger cities in the counties. According to the 2002 Economic Census, total value of shipments by manufacturers in Benton County was \$2,615,524,000. According to the 2007 Economic Census, total value of shipments by manufacturers in Washington County was \$3,497,554. Retail sales estimates for Benton and Washington Counties for 2008, from the Economic Census Report, were \$1,487,818,000 and \$2,142,085,000, respectively.

The following table represents major employers in the MSA (as of 2010):

Employer	# of Employees±	Sector/Product	Main Location
Wal-Mart Stores (Home Office, DC's & Stores)	28,500	Retail	Bentonville
Tyson Foods	12,800	Protein Processing/Marketing	Springdale
University of Arkansas	4,578	Education	Fayetteville
Simmons Foods, Inc.	3,922	Poultry Processing	Siloam Springs
J.B. Hunt Transport Services	2,500	Transportation	Lowell
Springdale School District	2,195	Education	Springdale
Arvest Bank Group	2,115	Banking/Finance	Bentonville
George's Inc.	2,000	Poultry	Springdale

Source: Northwest Arkansas Business Journal

In addition, Northwest Arkansas is the home of several satellite offices of Fortune 500 companies supplying products to Wal-Mart Stores, Inc. Fortune 500 companies with a presence in Northwest Arkansas include:

IBM, Coca-Cola, Proctor & Gamble, Pfizer, Gillette, Mattel, Hershey, Sara Lee, Kimberly Clark, Heinz, Colgate, Clorox, Ball Corp., Disney, General Mills, Kellogg, Hormel, Newell Rubbermaid, Johnson & Johnson, Pepsico, Philip Morris, etc.

There are many financial institutions in Benton and Washington Counties. These institutions have typically provided an adequate supply of funds for residential, commercial, industrial, and agricultural growth. It should be noted that credit conditions tightened in 2008 as financial institutions dealt with problem real estate loans, and deteriorating economic conditions. The Federal Government infused funds into the financial market in an attempt to provide liquidity and ease credit. The major financial institutions in the area are located in Bentonville, Fayetteville, Rogers, Siloam Springs, and Springdale, with smaller banks and branches situated in many of the smaller communities. Currently, interest rates on long-term (15-30 years) residential first mortgages are generally in the 3.75% - 4.25% range. Federal Deposit Insurance Corporation (FDIC) data indicate there are a total of 37 financial institutions in the Fayetteville-Springdale-Rogers MSA. Deposits as of June 30, 2011, totaled \$7,491,000± based on the FDIC data.

Real estate development in the area has primarily been centered in the major cities, and in such smaller communities as Centerton, Farmington, Prairie Grove, and Lowell. However, rural development is also occurring with small acreage homesites visible throughout the two counties.

Economic data at the present time is less than favorable in the two-county area. The long-term outlook is that economic forces will have a positive effect on real estate values in Benton and Washington Counties; however, at the present time the two-county area continues in a correction period that is likely to last beyond 2013.

Governmental Forces: Governmental, political, and legal actions at all levels have a great impact on property values.

The county seats of Benton and Washington Counties, as previously discussed, are Bentonville and Fayetteville, respectively. These two cities are some 20± minutes apart via I-540.

County government in each county is under the direction of the County Judge and Quorum Court. Other elected county officials include the County Clerk, Circuit Clerk, Collector, Assessor, Treasurer, Sheriff, Coroner, etc.

Property taxes in Arkansas are collected at the county level and distributed to the counties, cities, and school districts. In Arkansas, all real property, except agricultural land, is to be appraised at market value. Agricultural land is valued based upon soil class productivity. The appraised value is multiplied by a 20% assessment ratio to arrive at the assessed value. The assessed value is then multiplied by the appropriate millage rate to arrive at the annual property tax. However, in 2001, a tax relief act was passed in Arkansas, which limits the annual increase in property tax from the base year. A new term was created, called Taxable Value. Taxable Value is now multiplied by the applicable millage rate to arrive at the annual real estate tax. The annual property tax is due by October 15th in the year after it is levied. Individual property taxes in Benton and Washington Counties have increased significantly, in many cases, due to recent and

continuing reappraisal. Recently, due to declines in real estate values as a result of oversupply issues and deterioration in economic conditions, both Benton and Washington Counties are making adjustments in real estate appraised values for property tax purposes.

Benton County does not have county zoning at the present time. Washington County; however, passed an ordinance introducing zoning regulations to unincorporated parts of Washington County. This zoning ordinance became effective in December of 2007. This zoning is enforced by the Washington County Planning Board. The major cities in the area also have zoning regulations. There are no adverse legislative restrictions on the use and development of real property in the area. However, it should be noted the City of Fayetteville has imposed limitations on property development within a 660' distance of I-540/Fulbright Expressway, as they traverse the city. This is referred to as the Overlay District.

Benton and Washington Counties are considered to have adequate medical, school, lodging, and religious facilities to service the Trade Area.

The following table reflects area schools' enrollments for the previous years:

Area School Enrollment	Fall 2006	Fall 2008	Fall 2009	Fall 2010	Fall 2012
Fayetteville Public Schools	8,450	8,409	8,566	8,838	9,017
Springdale Public Schools	16,500	17,429	18,188	18,810	20,131
Rogers Public Schools	13,220	13,647	13,774	14,145	14,456
Bentonville Public Schools	11,108	12,547	13,701	14,147	14,911
University of Arkansas – Fayetteville	17,938	19,194	19,849	23,199	24,537
Northwest Arkansas Community College Rogers/Bentonville	5,731	7,216	8,006	8,365	8,341
John Brown University – Siloam Springs	2,065	2,046	2,073	2,130	2,183

Source: Schools' Administration Offices

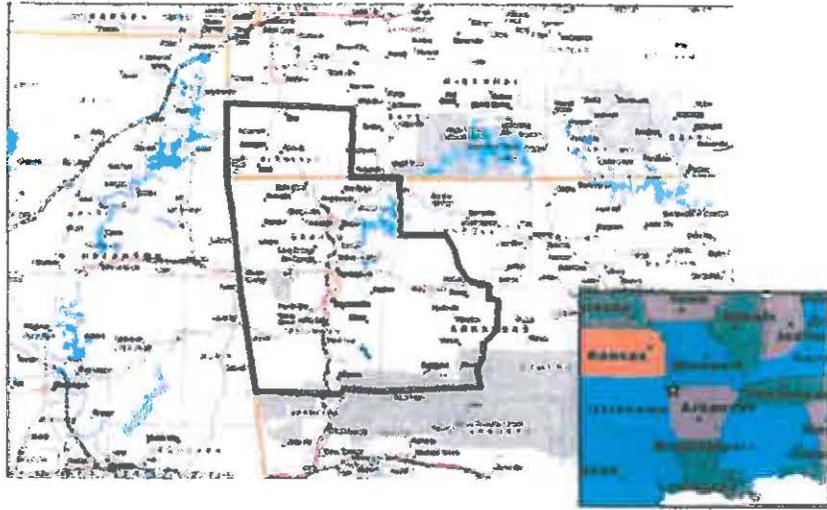
Public utilities available in the rural areas of Benton and Washington Counties include electricity and telephone service. Natural gas and public water are also available in certain areas. Public sewer is available in the major cities and in some of the smaller communities.

Overall, governmental forces in the area provide a positive effect on real property values. Lack of public water and sewer in certain rural areas is a drawback. However, the Two Ton Water Project and Benton-Washington County Water Authorities are addressing rural water needs in the two counties.

Environmental Forces: Both natural and man-made environmental forces influence real property values. Environmental forces include climatic conditions, topography and soil, natural barriers to future development, primary transportation systems, and the nature and desirability of the immediate area surrounding a property.

The two-county area has relatively warm summers and mild winters. High temperatures in summer are often accompanied by high humidity. The average daily temperature is about 57 degrees. Each year there are about 58 days when temperatures go above 90 degrees and only a few days when temperatures drop to freezing or below. The area has an average of 6 to 12± inches of snow annually. Rainfall averages around 46± inches annually.

The following map illustrates the relationship between the cities and counties of the MSA (the four-county MSA is outlined in black):



The area is part of the Ozark Highlands. In Benton County, topography ranges from broad plains and rolling hills in the western and central parts to rocky, rough, steeper hills in the east. Much of the eastern one-third of the county is covered by Beaver Reservoir. The elevation increases from west to east and ranges from 1,000± to 1,700± feet above sea level. The elevation of Washington County also varies from 1,000± to 1,700± feet. In general, the topography of Washington County is rough along the western, eastern, and northwestern boundaries. Extending through the heart of the county, from the Oklahoma line to the City of Springdale, is a plateau-like area consisting of rolling, reasonably level land. The City of Fayetteville, located in the edge of the Boston Mountain Range, is quite hilly. Soil and subsoil conditions within the two counties range from fair to good for agricultural purposes.

There are natural barriers to real property development in the area. These consist primarily of mountainous regions, rivers, etc. However, many of these barriers have a positive effect on agricultural usage.

The primary transportation routes in the two counties are I-540 and U.S. 71B (north-south) and U.S. 412 (east-west). From Fayetteville north to Bella Vista, I-540 provides divided highway access. South from Fayetteville, I-540 provides divided highway access to Interstate 40 at Alma. U.S. 71 south from Fayetteville was made a Scenic Byway in 1998. Divided highway access is now available from the region to Fort Smith to the south via I-540/40 and to Little Rock to the southeast via I-540/40. Also, U.S. 412 provides divided highway access from Tontitown westerly to Siloam Springs near the Oklahoma State Line. Divided highway access is available westerly from the region to Tulsa, Oklahoma. U.S. 71B, I-540 and U.S. 412 are each heavily traveled traffic arteries. U.S. 71B traverses Fayetteville, Springdale, Rogers, Bentonville, and Bella Vista. U.S. 412 traverses Springdale, Tontitown, and Siloam Springs. Construction on a new phase of U.S. 412 east of Springdale was completed in 2001. U.S. 412 is now 5 lanes or divided highway from U.S. 71B east to just east of the small community of Hindsville. Plans and construction are underway for an extension of the U.S. 412 divided highway to the east.

U.S. Highway 62 also provides east-west access. In addition, there are numerous state highways and county roads providing adequate access throughout the area. Proposed major highway construction in the two-county area includes a Bella Vista Bypass and a northern Springdale Bypass. The timing of these new highway construction projects is unknown due to funding problems.

It should be noted that a new airport for the region opened in November 1998. The Northwest Arkansas Regional Airport is located near the small community of Highfill in the northwest part of the region. Total construction cost was estimated near \$109± million. Some 2,185± acres were involved. There are two runways, both 8,800± feet in length by 150± in width. There is also a 75' x 8,800± taxiway. The terminal building was indicated initially near 69,000± square feet in size; however, has been expanded adding a new terminal. The new terminal reportedly cost \$20-25 million, and allowed parking space for twelve additional planes. The addition reportedly added 51,000± SF. Direct flights are now available to many of the major MSA's across the country. In 2010, the airport served some 1,139,801± passengers. New transportation routes to the airport are also projected. The first may be a toll road that will leave I-540 near the Wagon Wheel Road Exit and provide direct access to the airport. Construction of this road is likely years away. This airport, along with improvement in highway transportation routes, represents a major plus for the area. Growth has occurred toward the airport, especially along State Highway 12 from Bentonville. The airport exceeded initial projections on the number of people utilizing the facility.

The two county area is reasonably well located and is within relatively short driving times of major metropolitan areas. Driving time to Tulsa is less than 2± hours, to Little Rock is 2.5-3± hours, and to Kansas City is 3-4± hours.

Environmental forces, for the most part, are considered favorable for real property development in the area.

CONCLUSIONS

Each of the major forces affecting real property values has been discussed in this section. The conclusion is that these forces appear, basically, to favorably influence real property values in the area with the exception of current economic conditions. The trend in Benton and Washington Counties, overall, had been upward through 2005 and into 2006. The long-term outlook is still considered good; however, currently the real estate market in the two-county area is in a correction period. This correction period is the result of excessive supply brought to the market in the 2003 to early 2006 time period, and has been prolonged by the slow improvement in economic conditions. Oversupply problems first became evident in the single-family and professional office sectors of the market. The professional office sector still faces oversupply issues; however, conditions have improved since late 2011. The single-family residential sector also experienced improvement in 2012, and into 2013, and appears to have stabilized and is on the upswing. The Class "A" retail sector had been the strength of the commercial market through the first half of 2008; however, vacancy rates increased during the second half of the year and, as economic conditions continued to deteriorate, remained at higher than desired levels through 2009, 2010, 2011, and 2012. It should be noted; however, that the retail sector has

shown continued slow improvement since 2010. The multi-family residential sector had been very healthy in the Northwest Arkansas Area for several years. As a result of the introduction of substantial new product, the multi-family sector experienced increasing vacancy rates in 2007. Higher than norm vacancy levels continued through 2008, 2009, and 2010. However, significant improvement has occurred in the multi-family residential sector since mid 2010. This sector of the real estate market was the first to rebound from the "Great Recession". Finally, the majority of industrial growth has been limited to the expansion of existing industries. There is also substantial vacancy in the office/warehouse sector of the real estate market in Benton and Washington Counties at the present time; however, this sector of the market has also improved since late 2011.

The Benton-Washington County Area continues to experience a favorable interest rate environment, which is a positive demand indicator. In addition, year on year non-farm employment numbers reflect good positive growth. July 2012/July 2013 preliminary employment numbers reflect a gain of 10,800 non-farm payroll jobs in the MSA. Overall, total non-farm employment in the Fayetteville-Springdale-Rogers MSA was actually at a higher level in mid-2013 than in the 2006 time period. Employment obviously impacts population growth. The latest census figures are through July 2010. At that time the Fayetteville-Springdale-Rogers MSA reflected a total population of 465,780. The unemployment rate for the Fayetteville-Springdale-Rogers MSA remains favorable relative to the national and state levels. The July 2013 unemployment rate for the MSA was reported at 5.9%. The July 2012 rate for the MSA was reported at 6.1%. For July 2013, the State of Arkansas reported an unemployment rate of 7.4%. The Bureau of Labor Statistics reported the United States unemployment rate at 7.4% for July 2013. These represent non-seasonally adjusted rates.

The current correction period in the Benton-Washington County real estate market is expected to last well into 2013, and possibly beyond. As previously stated, the long-term outlook for the Northwest Arkansas Area is considered good.



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Recorded: 10/21/2009 at 02:17:09 PM
Fee Amt: \$20.00 Page 1 of 2
Washington County, AR
Bette Stamos Circuit Clerk
File 2009-00033693

①

Please Return To:

Lenders Title Company
1046 Stearns Road
Fayetteville AR, 72703
Phone: 479-444-3333
Fax: 479-443-4256

File Number: 09-034357-500

Approved as to form by:
J. Mark Spradley, Attorney-at-Law
Transactional data completed by Lenders Title Company

FOR RECORDER'S USE ONLY

**WARRANTY DEED
(MARRIED PERSONS)**

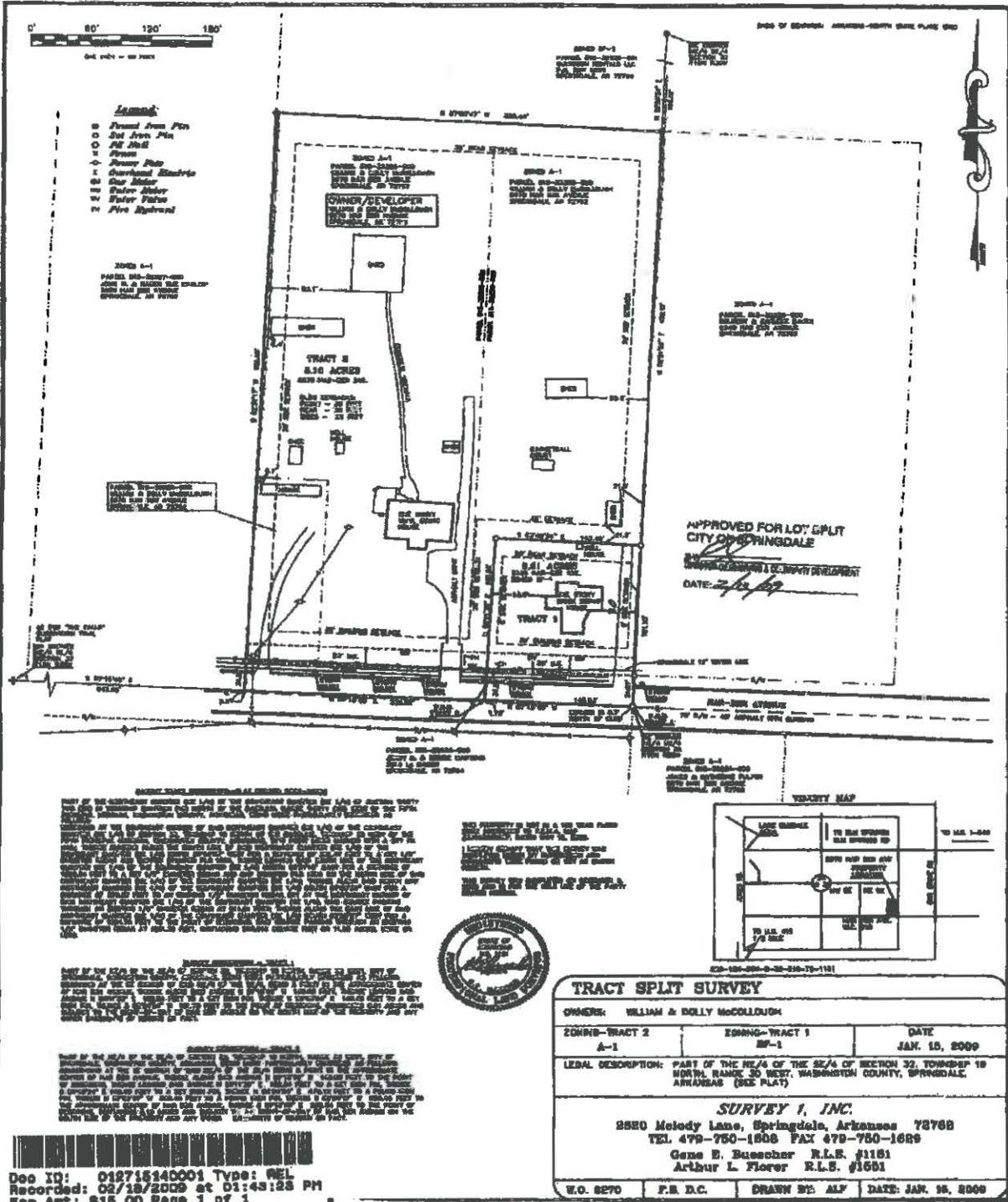
Wm
KNOW ALL MEN BY THESE PRESENTS:

Needham
That, William Stillie McCollough and Dolly McCollough, husband and wife, Grantor(s), for and in consideration of the sum of ~~TEN AND 00/100~~ DOLLARS--(\$10.00)--and other good and valuable consideration in hand paid by Sheila D. Needham, a single person, Grantee(s), the receipt and sufficiency of which is hereby acknowledged, do hereby grant, bargain, sell and convey unto the Grantee(s), and unto her heirs and assigns forever, the following lands lying in the County of Washington and the State of Arkansas to-wit:

LTC. 09-034357-500

Part of the NE 1/4 of the SE 1/4 of Section 32, Township 18 North, Range 30 West, City of Springdale, Washington County, Arkansas, being more particularly described as follows: Beginning at the SE corner of said NE 1/4 of the SE 1/4, being a point in the approximate center of Har Ber Avenue, thence along said avenue N 87°15'40" W 145.93 feet, thence leaving said avenue N 03°11'36" E 182.84 feet to a set iron pin, thence S 86°48'24" E 143.45 feet to a set iron pin; thence S 02°24'54" W 181.70 feet to the point of beginning, containing 0.61 acres and subject to the right-of-way of Har Ber Avenue on the South side of the property and any other easements of record or fact.

Subject to existing assessments, building lines, easements, mineral reservations and/or conveyances, and restrictions, of record, if any.



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 Fee Amt: \$15.00 Page 1 of 1
 Washington County, AR
 Bette Stamps Circuit Clerk

File 2009-00004832

Parcel: 815-36228-001
 Prev. Parcel: 815-36228-000
 As of: 8/19/2013 ID: 113830

Washington County Report

Property Owner		Property Information	
Name:	NEEDHAM, SHEILA D	Physical Address:	5620 HAR- BER AVE
Mailing Address:	5620 HAR-BER AVE SPRINGDALE, AR 72762	Subdivision:	32-18-30 SPRINGDALE OUTLOTS
Type:	(RI) - Res. Improv.	Block / Lot:	/
Tax Dist:	(501) - SPRINGDALE SCH, SPG	S-T-R:	32-18-30
Millage Rate:	52.20	Size (in Acres):	
Legal:	PT NE SE 0.61A		

Market and Assessed Values:

	Estimated Market Value	Full Assessed (20% Market Value)	Taxable Value
Land	\$40,500	\$8,100	\$8,100
Building	\$97,100	\$19,420	\$19,420
Total	\$137,600	\$27,520	\$27,520

Homestead Credit: 350.00 Status: (O) - OwnerOcc Note: Tax amounts are estimates only. Contact the county tax collector for exact amounts.

Land:

Land Use	Size	Units
	1.000	House Lot

Tax History

Year	Taxable Value	Ad Valorem Tax	Imp. Dist. Tax	Timber Tax	Voluntary Tax	A79 Credit	Net Total Tax	Total Tax Paid	Amount Due
2012	\$27,520	\$1,436.54	\$0.00	\$0.00	\$68.80	\$350.00	\$1,155.34	\$1,086.54	\$0.00
2011	\$27,520	\$1,436.54	\$0.00	\$0.00	\$68.80	\$350.00	\$1,155.34	\$1,086.54	\$0.00
2010	\$26,140	\$1,327.91	\$0.00	\$0.00	\$65.35	\$350.00	\$1,043.26	\$977.91	\$0.00
2009	\$32,960	\$1,674.37	\$0.00	\$0.00	\$82.40	\$350.00	\$1,406.77	\$1,324.37	\$0.00

Available Tax Payment Receipt(s)

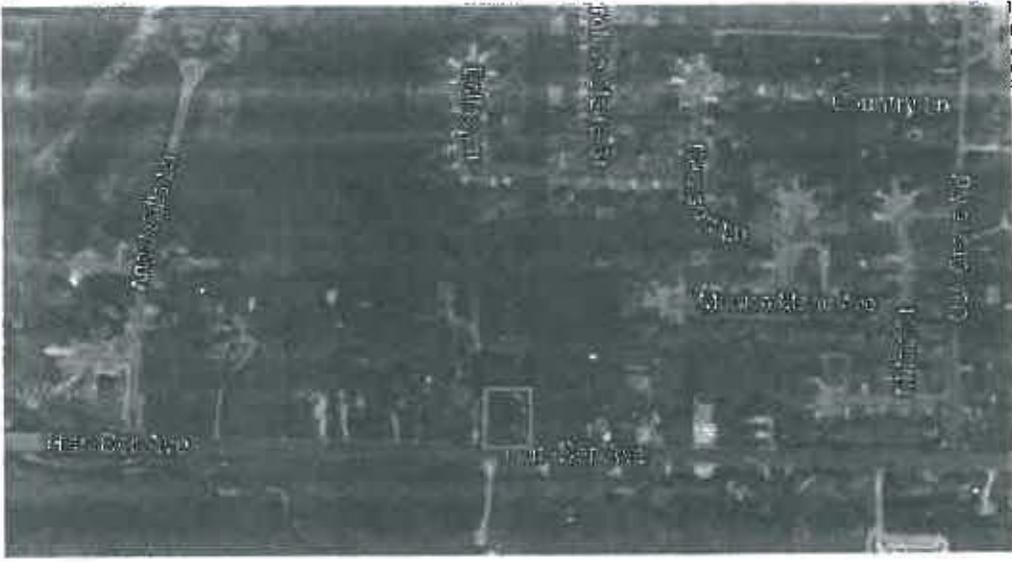
Year	Receipt #	Payment Date	Ad Valorem Tax	Imp. Dist. Tax	Timber Tax	Voluntary Tax	Penalty	Payment
2012	2850	3/21/2013	\$1,086.54	\$0.00	\$0.00	\$0.00	\$0.00	\$1,086.54
2011	2434	3/29/2012	\$1,086.54	\$0.00	\$0.00	\$0.00	\$0.00	\$1,086.54
2010	8857	4/11/2011	\$977.91	\$0.00	\$0.00	\$0.00	\$0.00	\$977.91
2009	28286	7/9/2010	\$1,324.37	\$0.00	\$0.00	\$0.00	\$0.00	\$1,324.37
2009	24346	6/17/2010	\$1,324.37	\$0.00	\$0.00	\$0.00	\$0.00	\$1,324.37

Deed Transfers:

Date	View Deed	Book	Page	Deed Type	Stamps	Est. Sale	Grantee	Code	Type
11/5/2009	<u>2009-4832</u>	2009	4832	SV			NEEDHAM, SHEILA D		
10/20/2009	<u>2009-33693</u>	2009	33693	WD	422.40	128000	NEEDHAM, SHEILA D	UV	I

Details for Residential Card 1

Occupancy	Story	Finish	1st Liv Area	Other Liv Area	Total Liv Area	Grade	Year Built	Age	Condition	Beds
Single Family	ONE	Masonry Veneer	1683	0	1683	4	1969	38	Average	
Exterior Wall:		BV	Plumbing:		Full: 2					
Foundation:		Closed Piers	Fireplace:		Type: 1s Sgl.					
Floor Struct:		Wood with subfloor	Heat/Cool		Central					
Floor Cover:		Carpet & Tile	Basement:		N/A					
Insulation:		Ceilings Walls	Basement Area:		N/A					
Roof Cover:		Asphalt Shingle	Year Remodeled:		N/A					
Roof Type:		Hip	Style:		N/A					



RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING FUNDS FROM THE
CAPITAL IMPROVEMENT PROJECT FUND FOR AIRPORT
FUEL FARM IMPROVEMENTS**

WHEREAS, the Springdale Airport Commission is planning the construction of a new access road to the terminal building, and

WHEREAS, the construction of the access road will require the removal the old fuel farm, and

WHEREAS, the newer fuel farm needs an additional 12,000 gallon tank to have adequate capacity to serve the airport needs, and

WHEREAS, the projected cost of the needed fuel farm improvements is \$150,000.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS, that the expenditure of a maximum of \$150,000.00 of funds from the Capital Improvement Projects Fund is hereby approved for fuel farm improvements at the Springdale Municipal Airport.

PASSED AND APPROVED this 14th day of January, 2014.

Doug Sprouse, Mayor

ATTEST:

Denise Pearce, City Clerk

APPROVED AS TO FORM:

Ernest B. Cate, City Attorney

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING FUNDS FROM THE
CAPITAL IMPROVEMENT PROJECT FUND FOR AIRPORT
TERMINAL BUILDING IMPROVEMENTS**

WHEREAS, the Springdale Airport terminal building has not been remodeled or expanded since it was constructed in 1986, and

WHEREAS, a study done in 2006 by the Arkansas Department of Aeronautics indicated the City of Springdale's economic benefit derived from the municipal airport was estimated to be \$18,563,500, and

WHEREAS, the same study concluded that the airport provided 246 jobs with a total payroll of \$5,890,700, and

WHEREAS, several positive comments about the airport were received in response to a survey by the Chamber of Commerce of its membership, and

WHEREAS, the Springdale Municipal Airport Commission voted on July 28th to request Capital Improvement Funds from the City Council to renovate the terminal building at the Municipal Airport and would like to proceed with the design of the renovations.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS, that the expenditure of a maximum of \$ 71,250.00 of funds from the Capital Improvement Projects Fund is hereby approved for the design of the project of renovation/expansion/remodeling of the Springdale Municipal Airport Terminal Building.

PASSED AND APPROVED this 14th day of January, 2014.

Doug Sprouse, Mayor

ATTEST:

Denise Pearce, City Clerk

APPROVED AS TO FORM:

Ernest B. Cate, City Attorney

RESOLUTION NO: _____

A RESOLUTION APPROPRIATING CAPITAL IMPROVEMENT FUNDS FOR THE CITY OF SPRINGDALE FIRE DEPARTMENT

WHEREAS, the Springdale Fire Department has a need to repair or replace its copy machine, and;

WHEREAS, we have received quotes from three businesses who provide business machines for sale and/or lease, and;

WHEREAS, the Fire Chief has requested an appropriation of \$10,389 from the CIP funds for the purchase of the copier, and;

WHEREAS, the maintenance contract for the copy machine is \$42.75 per month;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS, that \$10,389 of capital improvement funds is hereby appropriated for the purchase of a copy machine for the Fire Department and the Mayor is hereby authorized to execute a copy machine maintenance contract with Preferred Office Products, Inc. for \$42.75 per month.

PASSED AND APPROVED this 14th day of January, 2014.

Doug Sprouse, Mayor

ATTEST:

Denise Pearce, City Clerk

APPROVED AS TO FORM:

Ernest Cate, City Attorney

Springdale Fire Department

Bill To Name

P.O. Box 1521

Springdale, AR. 72765

Stephanie Sisco

Contact

P.O. # _____ Start Date _____

Springdale Fire Department

Ship To Name

417 South Holcomb

Ship To Address

Springdale, AR. 72765

Stephanie Sisco

Contact

Phone # **(479) 751-4510** Fax **(479) 750-8104**

Model Number	MP C4503	ID Tag #	
Start Count		Equipment Serial #	

MAINTENANCE COVERAGE	<input type="checkbox"/>	NO I do not want Maintenance Coverage	Initial Here
	<input checked="" type="checkbox"/>	YES I do want Maintenance Coverage	Initial Here

TYPE OF COVERAGE		TWELVE-MONTH EXTENDED CARE FULL COVERAGE: The company will provide all parts, preventive maintenance and emergency service on the equipment listed above. Drums will be covered. Network support and other consumables (such as toner, paper, and staples) are not covered under this agreement.
	<input checked="" type="checkbox"/>	TWELVE-MONTH EXTENDED CARE INCLUSIVE COVERAGE: The company will provide all parts, drums, preventive maintenance and emergency service on the equipment listed above. Contract is also to include toner, but no other consumables (such as staples and paper) Network is also excluded.
METHOD FOR CONTRACT METER READING COLLECTION		Automated Collection: Configure devices to automatically submit meter readings
		Email: Provide a valid email address for Preferred Office Products to email meter reading requests. Email address: _____
		Website: input meter readings at www.preferred-office.com

PAYMENT PLEASE CHOOSE ONE		ANNUAL PLAN: Customer agrees to pay \$ _____ in advance, which covers one year or _____ B/W Clicks and _____ Color Clicks. Additional copies to be invoiced annually at _____/click for B/W and _____/click for Color Copies.
		QUARTERLY PLAN: Customer agrees to pay in advance \$ _____ per quarter for a period of one year which covers _____ B/W Clicks and _____ Color Clicks per quarter. Additional copies to be invoiced quarterly at _____/click for B/W Copies _____/click for Color Copies.
	<input checked="" type="checkbox"/>	MONTHLY PLAN: Customer agrees to pay in advance \$ <u>42.75</u> per month for a period of one year which covers <u>4,500</u> B/W Clicks and <u>0</u> Color Clicks per month. Additional copies to be invoiced monthly at <u>\$0.0095</u> /click for B/W Copies <u>\$0.055</u> /click for Color Copies.

SEE REVERSE SIDE FOR TERMS AND CONDITIONS APPLICABLE TO THIS AGREEMENT

APPROVED BY _____

CUSTOMER SIGNATURE _____

PREFERRED OFFICE PRODUCTS

TITLE _____

TERMS AND CONDITIONS

PREFERRED OFFICE PRODUCTS EXTENDED CARE WARRANTY AGREEMENT

1. In consideration of the performance and observance by the Company of the terms and conditions hereof, the company agrees, subject to the terms and conditions hereof, to perform preventive maintenance of lubrication, ordinary and necessary adjustments on the described equipment according to factory recommendation. This agreement does include all mechanical and electrical parts at no charge unless the machine malfunction is caused by fire, act of God, vandalism or Customer misuse or neglect. Customer agrees to exert reasonable care in the operation of the equipment. In addition, the Customer is responsible for implementing appropriate safeguards to preserve equipment in storage.
2. Should the Customer decide to move the equipment, the Customer will be responsible for all costs incurred.
3. All scheduled calls and intervening calls will be performed during the Company's normal working hours. Emergency calls Requested for those hours other than the Company's normal working hours will be charged to the Customer at the Company's then current rate for after hours-emergency service. The rate shown on the reverse side is for performing maintenance only at the location listed. Should the Customer relocate the equipment into a different zone the rate would be increased for the balance of the term.
4. Major disassembly, overhauling or rebuilding is not provided under the terms of this agreement. No such work will be performed until a written estimate of charges, including parts, transportation, and labor has been submitted and approved in writing by the Customer.
5. Customer agrees to appoint a key operator, to exert reasonable care in the operation of the equipment and to provide all consumable supply items as frequently as needed for maximum performance.
6. This agreement is automatically renewed under the existing conditions for successive like periods upon invoicing by the company at the rate in effect at the time of renewal. The base charge and excess copy charge of this agreement will increase 5% per year.
7. The Company shall not be obligated to provide services as called for in this agreement unless the Customer is current with all payments due the Company under the terms of this agreement or any agreement relating to the acquisition of the specified equipment.
8. This agreement is subject to the approval of the Preferred Office Products.
9. Any taxes due or imposed by a taxing jurisdiction, now or hereafter shall be the responsibility of the Customer.

Customer Initials _____



RESOLUTION NO. _____

A RESOLUTION AMENDING SECTION 5.12(f) OF THE PERSONNEL AND PROCEDURES MANUAL FOR THE CITY OF SPRINGDALE, ARKANSAS

WHEREAS, it has come to the attention of the City Council that the provisions of the Personnel and Procedures Manual for the City of Springdale, Arkansas, pertaining to the use of paid and unpaid leave are in need of revision;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS, that:

Section 1: Section 5.12(f) of the Personnel and Procedures Manual for the City of Springdale, Arkansas is hereby amended to read as follows:

5.12(f) Use of Paid and Unpaid Leave.

FMLA will run concurrently with accrued paid leave. If an employee has accrued paid leave of less than 12 weeks, the employee will use paid leave first and take the remainder of the 12 weeks as unpaid leave.

If an employee uses leave because of his/her own serious medical condition or the serious health condition of an immediate family member, the employee will first use all paid vacation, paid sick leave when eligible, and accrued compensatory time, and then will be eligible for unpaid leave for the remainder of the 12 weeks. Sick leave may not be used for a medical condition or serious health condition of the employee that is covered by worker's compensation.

An employee using leave for the birth of a child will use paid sick leave and any accrued compensable time for physical recovery after childbirth. The amount of sick leave utilized after this point will be decided on a case by case basis. The employee then may use all paid vacation, and any unused compensatory time, and then will be eligible for unpaid leave for the remainder of the 12 weeks.

An employee using leave for the adoption or foster care of a child will use all paid vacation, paid sick leave or accrued compensable time, and then will be eligible for unpaid leave for the remainder of the 12 weeks.

Section 2: All other provisions of Section 5.12 not specifically modified herein shall remain in full force and effect.

PASSED AND APPROVED, this _____ day of _____, 2014.

Doug Sprouse, Mayor

ATTEST:

Denise Pearce, City Clerk

APPROVED AS TO FORM:

Ernest B. Cate, City Attorney

5.12 Family Medical Leave Act:

As provided by the 1993 Family and Medical Leave Act (FMLA), all eligible employees shall be entitled to take up to 12 weeks of unpaid, job-protected leave during any 12 month period for specified family and medical reasons.

5.12(a) Covered Family and Medical Reasons. An eligible employee shall be entitled to 12 weeks of unpaid leave during a 12 month period for one or more of the following reasons:

- (1) the birth or placement of a child for adoption or foster care;
- (2) to care for an immediate family member (spouse, child, or parent) with a serious health condition; or,
- (3) to take medical leave when the employee is unable to work because of a serious health condition.
- (4) a serious health condition is an illness, impairment, or physical or mental condition that involves:
 - (a) inpatient care (i.e., overnight stay) in a hospital, hospice, or residential medical care facility including any period of incapacity or any subsequent treatment in connection with such inpatient care; or
 - (b) a period of incapacity or more than three consecutive, full calendar days, and any subsequent treatment or incapacity relating to the same condition that also involves:
 - (1) treatment two or more times by a health care provider within 30 days of the first day of incapacity; or
 - (2) treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment under the supervision of the health care provider

- (3) any period of incapacity or treatment for such incapacity due to a chronic serious health condition which requires periodic visits (at least twice a year), continues over an extended period of time and may cause episodic rather than a continuing period of incapacity
- (4) a period of incapacity which is permanent or long-term due to a condition for which treatment may not be effective
- (5) due to a non-medical activity (“qualifying exigency”) that is directly related to a covered family member’s (limited to a spouse, son/daughter, or parent of the employee) active duty or call to active duty in the National Guard or Reserves, in support of a contingency operation. Under terms of the statute, qualifying exigency leave does not extend to family members in the Regular Armed Forces. Leave due to qualifying exigencies may be taken on an intermittent basis.

Qualifying exigencies include:

- Military events and related activities
 - Childcare and school activities
 - Financial and legal arrangements
 - Counseling
 - Rest and recuperation
 - Post-deployment activities
 - Short notice deployment (7 days or less)
- (6) for an eligible employee (limited to a spouse, son/daughter, parent or next of kin of a covered servicemember) to care for a covered servicemember who is a current member of the Regular Armed Forces, National Guard, or Reserves who has incurred and injury or illness in the line of duty while on active duty, provided that such injury or illness renders the servicemember medically unfit to perform the duties of his/her office, grade, rank, or rating.

This leave may be up to 26 work weeks of unpaid leave during a single 12-month period, with the 12 month period measured on the date the employee commences the caregiver leave and ending 12 months thereafter.

An employee may take leave if a serious health condition makes the employee unable to perform the functions of his/her position. Employees with questions about whether specific illnesses are covered under this policy or under the City's sick leave policy are encouraged to meet with the department head.

5.12(b) **Employee Eligibility.** An employee shall be entitled to family leave when he/she meets the following criteria:

- (1) The employee has worked for at least 12 months for the City. The 12 months need not have been consecutive. (If the employee was on the payroll for part of a week, the City will count the entire week. The City considers 52 weeks to be equal to 12 months.)
- (2) The employee has to have worked for the employer for at least 1,250 hours over the 12 months before the leave would begin.
- (3) When both spouses are employed by the City, they are jointly entitled to a combined total of 12 work weeks of family leave for the birth or placement of a child for adoption or foster care, and to care for a parent who has a serious health condition.

5.12(c) **Calculation of Leave.** Eligible employees can use up to 12 weeks of leave during any 12 month period. The City will use a rolling 12 month period measured backward from the date an employee uses any FMLA leave (it will not be measured backward before August 5, 1993). Each time an employee uses leave, the City computes the amount of leave the employee has taken under this policy, subtracts it from the 12 weeks, and the balance remaining is the amount the employee is entitled to take at that time. For example, if an employee has taken 5 weeks of leave

in the past 12 months, he or she could take an additional 7 weeks under this policy.

- 5.12(d) **Maintenance of Benefits.** An employee shall be entitled to maintain group health insurance coverage on the same basis as if he/she had continued to work at the City. To maintain uninterrupted coverage, the employee will have to continue to pay their share of insurance premium payments. This payment shall be made either in person or by mail to the City Clerk's Office by the first day of each month. The City will continue to maintain insurance on the employee until the leave time has ended, regardless of whether the employee pays their share, but the City will deduct from compensation owed to the employee any amounts of the insurance the City paid that the employee was to pay.

If an employee informs the City that he/she does not intend to return to work at the end of the leave period the City's obligation to provide health benefits ends. If an employee chooses not to return to work for reasons other than a continued serious health condition, the City will require the employee to reimburse the City the amount the City contributed towards the employee's health insurance during the leave period.

Other benefits such as the accrual of seniority will not continue during leave. However, the use of family or medical leave will not be considered a break in service when vesting or eligibility to participate in benefit programs is being determined.

- 5.12(e) **Job Restoration.** An employee who utilizes family or medical leave under this policy will be restored to the same job, pay, benefits and other employment terms.

The City may choose to exempt certain highly compensated, "key" employees from this job restoration requirement and not return them to the same or similar position at the completion of FMLA leave. Employees who may be exempted will be informed of this status when they request leave. If the City deems it necessary to deny job restoration for a key employee on FMLA leave, the City will inform the

employee of its intention and will offer the employee the opportunity to return to work immediately.

5.12(f) Use of Paid and Unpaid Leave.

FMLA will run concurrently with accrued paid leave. If an employee has accrued paid leave of less than 12 weeks, the employee will use paid leave first and take the remainder of the 12 weeks as unpaid leave.

If an employee uses leave because of his/her own serious medical condition or the serious health condition of an immediate family member, the employee will first use all paid vacation, paid sick leave when eligible, **and accrued compensatory time**, and then will be eligible for unpaid leave **for the remainder of the 12 weeks**. Sick leave may not be used for a medical condition or serious health condition of the employee that is covered by worker's compensation.

An employee using leave for the birth of a child will use paid sick leave **and any accrued compensable time** for physical recovery after childbirth. The amount of sick leave utilized after this point will be decided on a case by case basis. The employee then may use all paid vacation, and any unused compensatory time, and then will be eligible for unpaid leave for the remainder of the 12 weeks.

An employee using leave for the adoption or foster care of a child will use all paid vacation, paid sick leave **or accrued compensable time**, and then will be eligible for unpaid leave for the remainder of the 12 weeks.

5.12(g) Intermittent Leave and Reduced Work Schedules. In certain cases, intermittent use of the 12 weeks of family or medical leave or a part of a reduced work week may be allowed by the City. Employees wishing to use leave intermittently or to utilize a reduced work week for birth or adoption purposes will need to discuss and gain approval for such use from the employee's department head.

Employees may also use family or medical leave intermittently or as part of a reduced work week whenever it is medically necessary. If the need to use leave is foreseeable and based on preplanned and prescheduled medical treatment, then the employee is responsible to schedule the treatment in a manner that does not unduly disrupt the City's operations. This provision is subject to the approval of the health care provider.

In some cases, the City may temporarily transfer an employee using intermittent or a reduced work week to a different job with equivalent pay and benefits if another position would better accommodate the intermittent or reduced schedule.

5.12(h) Procedure for Requesting Leave. All employees requesting leave under this policy must complete the Family/Medical leave form.

When an employee plans to take leave under this policy, the employee must give the City 30 days notice. If it not possible to give 30 days notice, the employee must give as much notice as possible. An employee undergoing planned medical treatment is required to make a reasonable effort to schedule the treatment to minimize disruptions to the City's operations.

Employees must provide sufficient information for the City to reasonably determine whether the leave may qualify for FMLA and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees must also inform the City if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

When an employee requests FMLA Leave, or the City acquires knowledge of an employee's need for FMLA

leave, the City will notify the employee of his or her eligibility to take leave and inform the employee of his/her rights and responsibilities under FMLA. When the City has enough information to determine that leave is being taken for a FMLA-qualifying reason, the City must notify the employee within five (5) business days that the leave is designated and will be counted as FMLA leave. The Human Resources Department or a management official, but not the employee's direct supervisor, may contact an employee's health care provider for the sole purpose of authenticating or clarifying a medical certification.

5.12(i)

Procedure for Notice and Certification of Serious Health Condition. On occasion, the City may require the employee to provide notice of the need to utilize leave (where it is possible to know beforehand) and/or may require the employee to provide certification of an employee's or immediate family member's serious health condition by a qualified health care provider. The employee should try to respond to such a request within 15 days of the request, or provide a reasonable explanation for the delay.

Qualified health care providers include: doctors of medicine or osteopathy, podiatrists, dentists, clinical psychologists, clinical social workers, optometrists, and chiropractors (limited to certain types of spinal manipulations), physician assistants, nurse practitioners and nurse-midwives authorized to practice under State law and performing within the scope of their practice under state law; and Christian Science practitioners listed with the First Church of Christ Scientist in Boston, Massachusetts.

When seeking certification of a serious medical condition, an employee should ensure that the certification contains the following:

- (1) Date when the condition began; expected duration; diagnosis; and a brief statement of treatment.
- (2) If employee is seeking medical leave for his/her own medical condition, certification should also include a statement that the

employee is unable to perform the essential functions of the employee's position.

(3) For a seriously ill family member, the certification should include a statement that the patient requires assistance and that the employee's presence would be beneficial or desirable.

(4) If taking intermittent leave or working a reduced schedule, certification should include dates and duration of treatment and a statement of medical necessity for taking intermittent leave or working a reduced schedule.

If deemed necessary, the City may ask for a second opinion. The City will pay for the employee to get a certification from a second doctor, which the City will select. If there is a conflict between the original certification and the second opinion, the City may require the opinion of a third doctor. The City and the employee will jointly select the third doctor, and the City will pay for the opinion. The third opinion will be considered final.

As provided by the 1993 Family and Medical Leave Act (FMLA), all eligible employees shall be entitled to take up to 12 weeks of unpaid, job-protected leave during any 12 month period for specified family and medical reasons.

RESOLUTION NO. _____

**A RESOLUTION AMENDING THE 2014
BUDGET OF THE FIRE DEPARTMENT**

WHEREAS, the Springdale Fire Department has a need to acquire a wild land firefighting assemble for front- line firefighters and also upgrade their Haz-Mat ID to the 360 software;

WHEREAS, the City has sufficient Act 833 funds to cover the complete purchase price of \$60,952 for wild land gear, and \$15,000 for the Haz-Mat ID 360 upgrade;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS, that the 2014 budget of the Fire Department is hereby amended as follows:

<u>Department</u>	<u>Account No.</u>	<u>Description</u>	<u>Present Budget</u>	<u>Increase</u>	<u>Decrease</u>	<u>Proposed Budget</u>
Fire	10106014228050	Capital from Reserves	0	75,952		75,952

PASSED AND APPROVED this 14th day of January, 2014.

Doug Sprouse, Mayor

ATTEST:

Denise Pearce, City Clerk

APPROVED AS TO FORM:

Ernest B. Cate, City Attorney

ORDINANCE NO. _____

**AN ORDINANCE TO WAIVE COMPETITIVE
BIDDING FOR PURCHASE OF CERTIFIED
WILDLAND GEAR AND TECHNICAL RESCUE GEAR**

WHEREAS, the Fire Department is in need of wildland and technical rescue gear, and

WHEREAS, the Fire Chief feels that negotiating the purchase instead of taking sealed competitive bids will result in a lower price and shorten the acquisition time, and

WHEREAS, Arkansas Code 14-58-303 states, "The governing body, by ordinance, may waive the requirements of competitive bidding in exceptional situations where this procedure is deemed not feasible or practical";

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS, that

Section 1. This Council finds that due to the immediate need for wildland and technical rescue gear competitive bidding is not feasible and is hereby waived for on purchases not exceed \$60,952.

Section 2. Emergency Clause. It is hereby declared that an emergency exists, and this ordinance being necessary for the immediate preservation of the health, safety, and welfare of the citizens of Springdale, Arkansas, shall be effective immediately upon passage and approval.

PASSED AND APPROVED this 14th day of January, 2014.

Doug Sprouse, Mayor

ATTEST:

Denise Pearce, City Clerk

APPROVED AS TO FORM

Ernest B. Cate, City Attorney