

CITY OF SPRINGDALE  
Committee Agendas  
Monday, June 3<sup>rd</sup>, 2013  
City Council Chambers  
City Administration Building  
Meetings begin at 5:30 p.m.

Health, Sanitation & Property Maintenance:

1. **An Ordinance** ordering the Razing (demolition) and removal of a certain residential structure within the City of Springdale, Arkansas, located at 104 ½ Pierce; to declare an emergency and for other purposes, presented by Ernest Cate, City Attorney. **Pg's 2-6**
2. **An Ordinance** ordering the Razing (demolition) and removal of a certain residential structure within the City of Springdale, Arkansas, located at 104 Pierce; to declare an emergency and for other purposes, presented by Ernest Cate, City Attorney. **Pg's 7-11**

Street & CIP Committee:

3. **A Discussion** regarding potential roundabouts at Don Tyson Parkway/ Hylton and Don Tyson Parkway/ Habberton intersections, presented by Alan Pugh, Director of Engineering. **(Paperwork will be made available on Monday.)**
4. **A Discussion** regarding sight distance concerns at Don Tyson Parkway and Hamm Lane, presented by Alan Pugh, Director of Engineering. **(Paperwork will be made available on Monday)**

Police & Fire Committee:

5. **A Resolution** authorizing an increase in the Springdale Police Department School Resource Officers presented by Kathy O'Kelley, Police Chief. **Pg's 12-14**

Finance Committee:

6. **A Discussion** of the Lane Settlement Offer, presented by Ernest Cate, City Attorney. **Pg's 15-89**

Parks & Recreation Committee:

7. **A Discussion** of grant possibilities for Bobby Hopper Park, presented by Brian Moore, Engineering Services Inc.

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE ORDERING THE RAZING (DEMOLITION) AND REMOVAL OF A CERTAIN RESIDENTIAL STRUCTURE WITHIN THE CITY OF SPRINGDALE, ARKANSAS, LOCATED AT 104 1/2 PIERCE; TO DECLARE AN EMERGENCY AND FOR OTHER PURPOSES.**

**WHEREAS**, Jeff Davis, are the owners of certain real property situated in Springdale, Washington County, Arkansas, more particularly described as follows:

Part of Lot Seventeen (17) and part of Lot Eighteen (18) in Block 1, Sunny Slope Addition to the City of Springdale, Washington County, Arkansas, and being more particularly described as follows: Beginning at the Northeast corner of the above mentioned Lot 18, and running thence South 63 feet, thence West 81.35 feet, thence North 63 feet, thence East 81.35 feet to the point of beginning.

ALSO:

73 feet taken of equal and uniform width off the West side of Lot 19, Block 1 of Sunny Slope Addition to the City of Springdale, Washington County, Arkansas, as shown on the recorded plat of said addition on file in the Office of the Circuit Clerk and Ex-Officio Recorder of Washington County, Arkansas.

Commonly known as 104 1/2 Pierce Avenue, Springdale, Washington County, Arkansas  
Tax Parcel No. 815-26012-000

**WHEREAS**, the structure on the property is unfit for human habitation, constitutes a fire hazard, otherwise is dangerous to human life, or constitutes a hazard to safety or health by reason of inadequate maintenance, dilapidation, obsolescence, or abandonment, and further is unsightly, and is considered an unsafe and unsightly structure in violation of Springdale City Ordinances (§22-32 and §91-37, *et seq.*);

**WHEREAS**, the owner has been notified by the City of Springdale prior to the consideration of this ordinance, that the structure on the property is in violation of various ordinances of the City of Springdale, as well as the Property Maintenance Code of the City of Springdale;

**WHEREAS**, pursuant to Chapter 22-32 of the Ordinances of the City of Springdale, the owner was given thirty (30) days to purchase a building permit and to commence repairs on the property, or to demolish and remove the building from the property;

**WHEREAS**, the owner has failed, neglected, or refused to comply with the notice to repair, rehabilitate or to demolish and remove the building, and as such, the matter of removing the building may be referred to the City Council pursuant to Chapter 22 and Chapter 91 of the Ordinances of the City of Springdale;

**WHEREAS**, under Ark. Code Ann. § 14-56-203 and pursuant to Chapter 22 and Chapter 91 of the Springdale Code of Ordinances, if repair or removal is not done within the required time, the structure is to be razed (demolished) and/or removed;

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

**Section 1.** That the structure located at 104 1/2 Pierce Avenue, Springdale, Arkansas, is dilapidated, unsightly, and unsafe; and it is in the best interests of the City

of Springdale to proceed with the removal of this dilapidated, unsightly, and unsafe structure.

**Section 2.** That the owner is hereby ordered to raze (demolish) and remove the dilapidated, unsightly and unsafe structure located on the aforesaid property; and, is further ordered to abate the unsightly conditions on the property. Said work shall be commenced within ten (10) days and shall be completed within thirty (30) days from the passage of this ordinance. The manner of razing (demolishing) and removing said structure shall be to dismantle by hand or bulldoze and then dispose of all debris, completely cleaning up the property to alleviate any unsightly conditions, in a manner consistent with the Property Maintenance Code, and all other state laws and regulations pertaining to the demolition or removal of residential structures.

**Section 3.** If the aforesaid work is not commenced within ten (10) days or completed within thirty (30) days, the Mayor, or the Mayor's authorized representative, is hereby directed to cause the aforesaid structure to be razed (demolished) and removed and the unsafe, unsanitary and unsightly conditions abated; and, the City of Springdale shall have a lien upon the aforesaid described real property for the cost of razing (demolishing) and removing said structure and abating said aforementioned conditions, said costs to be determined at a hearing before the City Council.

**Section 4. EMERGENCY CLAUSE:** The City Council hereby determines that the aforesaid unsafe structure constitutes a continuing detriment to the public safety and welfare and is therefore a nuisance, and determines that unless the provisions of this ordinance are put into effect immediately, the public health, safety and welfare of the citizens of Springdale will be adversely affected. Therefore, an emergency is hereby declared to exist and this ordinance begin necessary for the public health, safety and welfare shall be in full force and effect from and after its passage and approval.

**PASSED AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Doug Sprouse, MAYOR

ATTEST:

\_\_\_\_\_  
Denise Pearce, CITY CLERK

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Ernest B. Cate, CITY ATTORNEY



# Office Of The City Attorney

201 Spring Street  
Springdale, Arkansas 72764  
Phone (479) 756-5900  
Fax (479) 750-4732  
www.springdalear.gov  
Writer's Email:

ecate@springdalear.gov

April 8, 2013

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

*Ernest B. Cate*  
City Attorney

*Brooke Lockhart*  
Deputy City Attorney

*Jonathan D. Nelson*  
Deputy City Attorney

*Taylor Samples*  
Deputy City Attorney

*Lynda Belvedere*  
Case Coordinator

*Steve Helms*  
Investigator

*Cindy Horlick*  
Administrative Asst.

Mr. Jeff Davis  
443 Madison 7150  
Fayetteville, AR 72703

RE: Property located at 104 1/2 Pierce Avenue, Springdale,  
Washington County, Arkansas,  
Tax Parcel No. 815-26012-000

Dear Mr. Davis:

The Chief Building Inspector for the City of Springdale, Arkansas, has posted notice at 104 Pierce and has mailed notice in writing to you, via certified mail, that a structure located on property owned by you at 104 1/2 Pierce Avenue, Springdale, Arkansas, was unsafe and could not be occupied until the property had been repaired. Furthermore, the owner was instructed to obtain a demolition or repair permit within thirty (30) days and to begin work within ten (10) days of obtaining the permit.

As of this date, you have taken no efforts to demolish or repair the structure on this property. As such, please be advised that the City Council for the City of Springdale will be considering the enclosed ordinance at a meeting that will take place at 6:00 p.m. on Tuesday, June 11, 2013, in the council chambers located at 201 N. Spring Street, Springdale, Arkansas. I strongly encourage you to attend this meeting.

Should the City adopt the enclosed ordinance, you will be given a final opportunity to repair or remove the structure. Should you not take advantage of this opportunity, the City of Springdale will have the right to raze and remove the structure, and then charge the costs of such as a lien against the property. The amount of any such lien would be determined by the City Council, and you would

have the opportunity to be notified and be heard at this meeting. If you should have any questions, please let me know. I am also sending this letter to you via regular mail as well.

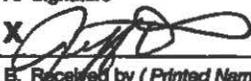
Sincerely,



Ernest B. Cate  
City Attorney

enclosure  
EBC:ch

cc: Mike Chamlee, Chief Building Official

SENDER COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature <span style="float: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</span></p> <p>X </p>
<p>1. Article Addressed to:</p> <p style="text-align: center;"><b>Mr. Jeff Davis</b>  <b>443 Madison 7150</b>  <b>Fayetteville, AR 72703</b></p>	<p>B. Received by (Printed Name) <span style="float: right;">C. Date of Delivery</span></p> <p style="text-align: center;"><i>Jeff Davis</i></p>
	<p>D. Is delivery address different from Item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input type="checkbox"/> No</p>
	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> O.D.D.</p>
<p>2. Article Number          (Transfer from service label)</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p> <p style="text-align: center;"><b>7011 1570 0000 8219 7342</b></p>

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE ORDERING THE RAZING (DEMOLITION) AND REMOVAL OF A CERTAIN RESIDENTIAL STRUCTURE WITHIN THE CITY OF SPRINGDALE, ARKANSAS, LOCATED AT 104 PIERCE; TO DECLARE AN EMERGENCY AND FOR OTHER PURPOSES.**

**WHEREAS**, Jeff Davis, is the owner of certain real property situated in Springdale, Washington County, Arkansas, more particularly described as follows:

Part of Lot Seventeen (17) and part of Lot Eighteen (18) in Block One (1), Sunny Slope Addition to the City of Springdale, Washington County, Arkansas, and being more particularly described as follows: Beginning at the Southeast corner of the above mentioned Lot Eighteen (18), and running thence North 106.50 feet; thence West 81.35 feet, thence South 106.50 feet, thence East 81.35 feet to the point of beginning and containing 8663 square feet or 0.198 acres, more or less.

Commonly known as 104 Pierce Avenue, Springdale, Washington County, Arkansas  
Tax Parcel No. 815-26011-000

**WHEREAS**, the structure on the property is unfit for human habitation, constitutes a fire hazard, otherwise is dangerous to human life, or constitutes a hazard to safety or health by reason of inadequate maintenance, dilapidation, obsolescence, or abandonment, and further is unsightly, and is considered an unsafe and unsightly structure in violation of Springdale City Ordinances (§22-32 and §91-37, *et seq.*);

**WHEREAS**, the owner has been notified by the City of Springdale prior to the consideration of this ordinance, that the structure on the property is in violation of various ordinances of the City of Springdale, as well as the Property Maintenance Code of the City of Springdale;

**WHEREAS**, pursuant to Chapter 22-32 of the Ordinances of the City of Springdale, the owner was given thirty (30) days to purchase a building permit and to commence repairs on the property, or to demolish and remove the building from the property;

**WHEREAS**, the owner has failed, neglected, or refused to comply with the notice to repair, rehabilitate or to demolish and remove the building, and as such, the matter of removing the building may be referred to the City Council pursuant to Chapter 22 and Chapter 91 of the Ordinances of the City of Springdale;

**WHEREAS**, under Ark. Code Ann. § 14-56-203 and pursuant to Chapter 22 and Chapter 91 of the Springdale Code of Ordinances, if repair or removal is not done within the required time, the structure is to be razed (demolished) and/or removed;

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

**Section 1.** That the structure located at 104 Pierce Avenue, Springdale, Arkansas, is dilapidated, unsightly, and unsafe; and it is in the best interests of the City of Springdale to proceed with the removal of this dilapidated, unsightly, and unsafe structure.

**Section 2.** That the owner is hereby ordered to raze (demolish) and remove the dilapidated, unsightly and unsafe structure located on the aforesaid property; and, is further ordered to abate the unsightly conditions on the property. Said work shall be commenced within ten (10) days and shall be completed within thirty (30) days from the passage of this ordinance. The manner of razing (demolishing) and removing said

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**Section 3.** If the aforesaid work is not commenced within ten (10) days or completed within thirty (30) days, the Mayor, or the Mayor's authorized representative, is hereby directed to cause the aforesaid structure to be razed (demolished) and removed and the unsafe, unsanitary and unsightly conditions abated; and, the City of Springdale shall have a lien upon the aforesaid described real property for the cost of razing (demolishing) and removing said structure and abating said aforementioned conditions, said costs to be determined at a hearing before the City Council.

**Section 4. EMERGENCY CLAUSE:** The City Council hereby determines that the aforesaid unsafe structure constitutes a continuing detriment to the public safety and welfare and is therefore a nuisance, and determines that unless the provisions of this ordinance are put into effect immediately, the public health, safety and welfare of the citizens of Springdale will be adversely affected. Therefore, an emergency is hereby declared to exist and this ordinance begin necessary for the public health, safety and welfare shall be in full force and effect from and after its passage and approval.

**PASSED AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Doug Sprouse, MAYOR

ATTEST:

\_\_\_\_\_  
Denise Pearce, CITY CLERK

APPROVED AS TO FORM:



\_\_\_\_\_  
Ernest B. Cate, CITY ATTORNEY



*Office Of The City Attorney*

*201 Spring Street  
Springdale, Arkansas 72764  
Phone (479) 756-5900  
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*Writer's Email:*

*ecate@springdalear.gov*

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*Lynda Belvedere  
Case Coordinator*

*Steve Helms  
Investigator*

*Cindy Horlick  
Administrative Asst.*

April 8, 2013

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Mr. Jeff Davis  
443 Madison 7150  
Fayetteville, AR 72703

RE: Property located at 104 Pierce Avenue, Springdale, Washington  
County, Arkansas,  
Tax Parcel No. 815-26011-000

Dear Mr. Davis:

The Chief Building Inspector for the City of Springdale, Arkansas, has posted notice at 104 Pierce and has mailed notice in writing to you, via certified mail, that a structure located on property owned by you at 104 Pierce Avenue, Springdale, Arkansas, was unsafe and could not be occupied until the property had been repaired. Furthermore, the owner was instructed to obtain a demolition or repair permit within thirty (30) days and to begin work within ten (10) days of obtaining the permit.

As of this date, you have taken no efforts to demolish or repair the structure on this property. As such, please be advised that the City Council for the City of Springdale will be considering the enclosed ordinance at a meeting that will take place at 6:00 p.m. on Tuesday, June 11, 2013, in the council chambers located at 201 N. Spring Street, Springdale, Arkansas. I strongly encourage you to attend this meeting.

Should the City adopt the enclosed ordinance, you will be given a final opportunity to repair or remove the structure. Should you not take advantage of this opportunity, the City of Springdale will have the right to raze and remove the structure, and then charge the costs of such as a lien against the property. The amount of any such lien would be determined by the City Council, and you would

have the opportunity to be notified and be heard at this meeting. If you should have any questions, please let me know. I am also sending this letter to you via regular mail as well.

Sincerely,



Ernest B. Cate  
City Attorney

enclosure  
EBC:ch

cc: Mike Chamlee, Chief Building Official

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Jeff Davis  
 443 Madison 7150  
 Fayetteville, AR 72703

A. Signature

X 

- Agent
- Addressee

B. Received by (Printed Name)

Jeff Davis

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type

- Certified Mail
- Registered
- Insured Mail
- Express Mail
- Return Receipt for Merchandise
- C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number  
 (Transfer from service label)

7011 1570 0000 8219 7328

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION AUTHORIZING AN INCREASE IN  
THE SPRINGDALE POLICE DEPARTMENT  
SCHOOL RESOURCE OFFICERS**

**WHEREAS**, the Springdale Police Department currently has six (6) school resource officers, and

**WHEREAS**, the Springdale School District has requested four (4) additional school resource officers, and

**WHEREAS**, the Springdale School District currently shares in the costs of the present six officers and has agreed to provide like funding for the four additional officers requested;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF SPRINGDALE, ARKANSAS** that the Springdale Police Department's authorization of six school resource officers is hereby increased to ten (10).

**PASSED AND APPROVED** this 11<sup>th</sup> day of June, 2013.

\_\_\_\_\_  
Doug Sprouse, Mayor

ATTEST:

\_\_\_\_\_  
Denise Pearce, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Ernest B. Cate, City Attorney

# MEMO

Date: 5/22/13  
To: Wyman Morgan  
From: Chief Kathy O'Kelley  
Re: 4 additional School Resource Officer positions

Wyman:

I met with Dr. Rollins on 5/20/13 regarding the addition of 4 School Resource Officers (SRO) to work in the Springdale Middle Schools. Dr. Rollins has agreed to assume the cost of those officers as per our current agreement, in which the School District pays 10 months of the salary and benefits for each SRO position (August thru May).

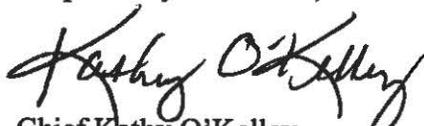
Clearly, in light of the recent tragedy in Newtown Connecticut, families and communities have raised great concern about the safety and security for their children while attending school. The presence of SROs is an important step in increasing school safety and calming community fear. Keeping our children safe should be a prime motivator for us all.

In order to increase the number of SROs the Police Department will need to add 4 positions to replace officers being assigned to the School District. The proposed hire date is June 23, 2013. The 2013 Police Department budget has surplus funding in the salary line item, due to unfilled positions, to cover the cost associated with hiring these 4 officers.

The increase to the 2014 Police Department Budget is expected to be approximately \$70,000.00. It should be noted that no additional vehicles are required; we will keep 4 vehicles in service that were scheduled to be replaced. This will suffice as SROs do not drive under the conditions of normal patrol units.

A summary of the cost related to the expansion of the SRO program is included in this memo. I have attached a spreadsheet which displays the current and future cost of the SRO program for both the City and the School District and the cost associated with hiring 4 additional officers.

Respectfully Submitted,

  
Chief Kathy O'Kelley

**Wyman Morgan**

---

**From:** Laura Favorite [lfavorite@springdalear.gov]  
**Sent:** Monday, May 20, 2013 8:51 AM  
**To:** 'Wyman Morgan'; 'Kathy O'Kelley'  
**Subject:** Police dept salary savings

I estimate current salary savings to be \$475,000.

*Laura Favorite, CPA*

Finance Director  
City of Springdale  
201 Spring St.  
Springdale, AR 72764  
Direct line: 479-750-8177  
Email: lfavorite@springdalear.gov

5/31/2013

**Jonathan D. Nelson**

---

**From:** Jack Butt [JButt@davis-firm.com]  
**Sent:** Monday, March 25, 2013 9:08 AM  
**To:** Jonathan D. Nelson  
**Cc:** lrightlane@aol.com  
**Subject:** Springdale condemnation action: Carol and Richard Lane: Tract 13  
**Attachments:** 13-361HO-4326 Lane Property 48th Street Springdale AR.pdf

Jonathan, my clients the Lanes sought to negotiate with Springdale a higher price than the \$708,000 offered for their 6.39 acres (278,132 square feet per the condemnation complaint). They were advised by the planning office that in order to consider a higher condemnation offer, the Lane's position needed to be supported by an appraisal. They were not able to obtain that within the time necessary to preclude the condemnation and thus the City proceeded with the condemnation. The City's action is based upon its appraisal of the taken property, before and after condemnation, at \$2.50 per square foot (\$695,000), plus the construction easement of 32,808 square feet of \$13,000. The construction easement is based upon the city's appraiser's estimate of \$2.50 per square foot, times 32,808 square feet, times 8% per year, times two years.

Attached is the Lane's appraisal valuing the property at \$4.29 per square foot at the time of condemnation.

The Lanes thus offer to settle the condemnation action for \$4.29 per square foot, resulting in this offer to settle:

Condemned property, 278,132 square feet @ \$4.29 per square foot = \$1,193,186;  
 Construction easement, 32,808 square feet @ \$4.29 per square foot X 8% X 2 years = \$22,519.  
 Total = \$1,215,705.

I note that the City's appraisal is based upon the construction easement being applicable for only two years. Regardless of how this settles or tries, the condemnation needs to take into account that the construction easement is valid for only two years at which time it expires, so that if it continues longer, additional sums would be due.

Thanks for your attention to this information; please advise if the City can settle upon these terms. I look forward to hearing from you.

Jack



**William Jackson Butt II**  
 Davis, Clark, Butt, Carithers & Taylor, PLC  
 P.O. Box 1688  
 Fayetteville, AR 72702  
 Ph. 479-521-7600  
 Fax 479-521-7661  
[www.davis-firm.com](http://www.davis-firm.com)

4/5/2013

**Ernest Cate**

**From:** Jack Butt [JButt@davis-firm.com]  
**Sent:** Wednesday, May 29, 2013 11:45 AM  
**To:** ecate@springdalear.gov  
**Cc:** lrightlane@aol.com  
**Subject:** RE: Springdale condemnation of Lane property: Settlement offer

Ernie, in response to your today's request for the dollar value of settlement requested ["Jack:Your clients appeared at the City Council meeting last night and requested that the Council review your settlement offer. It will go to Committee on Monday, June 3, 2013, at 5:30 p.m. in the City Council chambers. In that regard, I have your settlement offer, but I don't have the total dollar figure your clients are requesting. Can you get that to me so that I can get it to the Council prior to the meeting? Thank you,Ernest"]  
 ?"]

I append below the proposed methodology previously sent, which if we use our settlement proposal of \$4.00 per square foot (less than our appraised value of \$4.29) results in \$20,997.12 for the construction easement, and \$1,223,084 for the permanently/taken property. Please let me know if you need anything else. Jack

**From:** Jack Butt  
**Sent:** Tuesday, May 14, 2013 11:05 AM  
**To:** 'ecate@springdalear.gov'  
**Cc:** lrightlane@aol.com  
**Subject:** Springdale condemnation of Lane property: Settlement offer

Ernie, we have discussed with each other our respective appraisals in this matter and as is always the case, there will be no resolution of the relative merits of those competing appraisals short of a trial.

Each of our appraisers has reached a "before/after" value based on the per square foot value of property taken, yours at \$2.50, ours at \$4.29

We have no objection to your appraiser's method of calculating the value of the construction easement, i.e. the square footage involved (32,808) at the value per square foot, times an 8% return, times the two years of the easement.

We offer to settle this case at the value of \$4.00 per square foot for the 305,771 square feet taken, with the construction easement being calculated on that per square foot value.

Please advise if this will settle this case. Thanks, Jack



**William Jackson Butt II**  
 Davis, Clark, Butt, Carithers & Taylor, PLC  
 P.O. Box 1688  
 Fayetteville, AR 72702  
 Ph. 479-521-7600  
 Fax 479-521-7661  
[www.davis-firm.com](http://www.davis-firm.com)

5/29/2013

To ensure compliance with IRS requirements, we inform you that any tax advice contained in this communication is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

**\*\*This message is from the law firm of DAVIS, CLARK, BUTT, CARITHERS & TAYLOR, PLC, and is intended only for the addressee. This message contains information that may be confidential and protected by the attorney-client or attorney work product privileges. Forwarding, printing, copying, distributing, or using such information is prohibited. If you are not the addressee, promptly delete this message and notify the sender of the delivery error by return e-mail or call us at 479-521-7600\*\***

5/29/2013

# VALUATION REPORT

LANE PROPERTY  
3320 S 48th Street  
Springdale, Washington County, Arkansas 72762  
CBRE, Inc. File No. 13-361HO-4326

*William Jackson Butt, II*  
Attorney at Law  
DAVIS LAW FIRM  
19 E. Mountain Street  
Fayetteville, Arkansas 72702

**CBRE**



438 E Millsap Ste 204  
Fayetteville, AR 72703

T (479) 442-7401  
F (479) 442-7806

www.cbre.com

March 22, 2013

William Jackson Butt, II  
Attorney at Law  
**DAVIS LAW FIRM**  
19 E. Mountain Street  
Fayetteville, Arkansas 72702

RE: Appraisal of Lane Property  
3320 S 48th Street  
Springdale, Washington County, Arkansas 72762  
CBRE, Inc. File No 13-361HO-4326

Dear Mr. Butt:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Summary Appraisal Report.

The subject is an irregularly shaped, 13.08-acre site located at 3320 S. 48th Street in Springdale, Arkansas. The subject has approximately 0.78-acres of surplus land which are excluded from the gross site area, leaving 12.3 acres to be valued as the net site area. The surplus land does provide additional potential visibility, however. The subject has visibility from, and frontage along, I-540 and all utilities are available to the site. As of the effective date of this appraisal report, the subject site is zoned C-2, General Commercial. Existing improvements to the site are considered to be of no contributory value given the zoning, their condition, and expected highest and best use. The subject does not appear to lie in a 100-year flood plain. The subject is more fully described, legally and physically, within the enclosed report.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

<b>MARKET VALUE CONCLUSION</b>			
<b>Appraisal Premise</b>	<b>Interest Appraised</b>	<b>Date of Value</b>	<b>Value Conclusion</b>
As Is	Fee Simple Estate	December 27, 2012	\$2,300,000
Compiled by CBRE			

Data, information, and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and CBRE will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

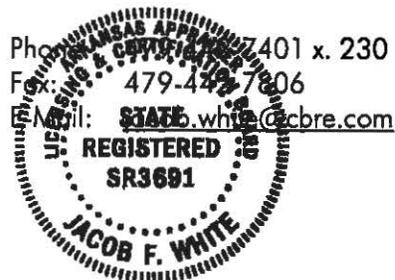
It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE, Inc. can be of further service, please contact us.

Respectfully submitted,

CBRE, Inc. - VALUATION & ADVISORY SERVICES



Jacob White  
Valuation Associate  
AR State Registered No. SR3691



Stephen Cosby, MAI, MRICS  
Managing Director  
AR State Certified General Appraiser No.  
CG0197



**CBRE**

**CERTIFICATION OF THE APPRAISAL**

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of AR.
8. 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 Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Stephen Cosby, MAI, MRICS has completed the continuing education program of the Appraisal Institute.
11. As of the date of this report, Jacob White has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Associate Members.
12. Jacob White and Stephen Cosby, MAI, MRICS have made a personal inspection of the property that is the subject of this report.
13. No one provided significant real property appraisal assistance to the persons signing this report.
14. Valuation & Advisory Services operates as an independent economic entity within CBRE. Although employees of other CBRE divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.

15. Jacob White and Stephen Cosby, MAI, MRICS have not provided services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.



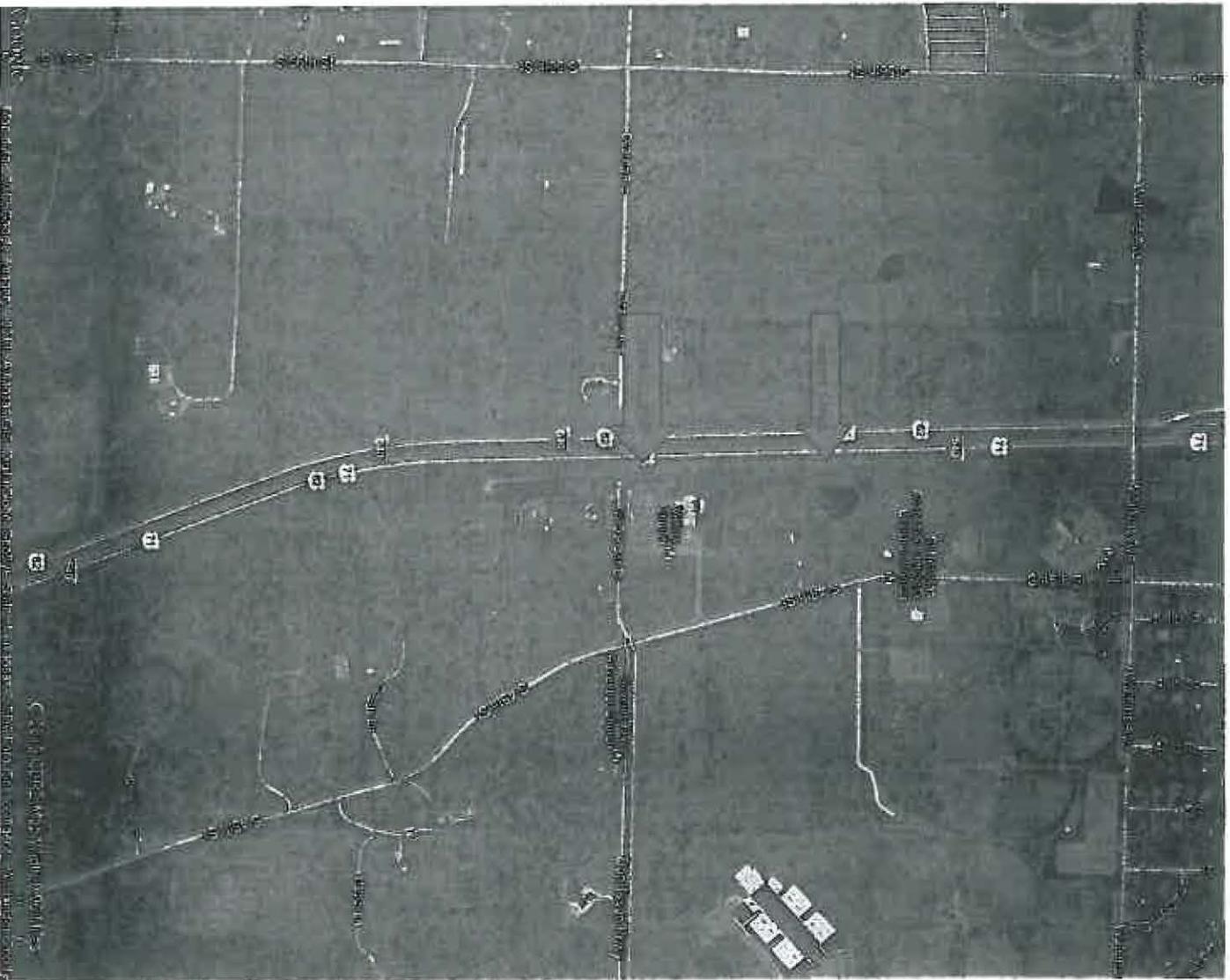
Jacob White  
AR State Registered No. SR3691



Stephen Cosby, MAI, MRICS  
AR State Certified General Appraiser No.  
CG0197



**SUBJECT PHOTOGRAPHS**



**AERIAL VIEW**

**CBRE**



TYPICAL VIEW OF THE SUBJECT



TYPICAL VIEW OF THE SUBJECT



TYPICAL VIEW OF THE SUBJECT



TYPICAL VIEW OF THE SUBJECT

v

**CBRE**



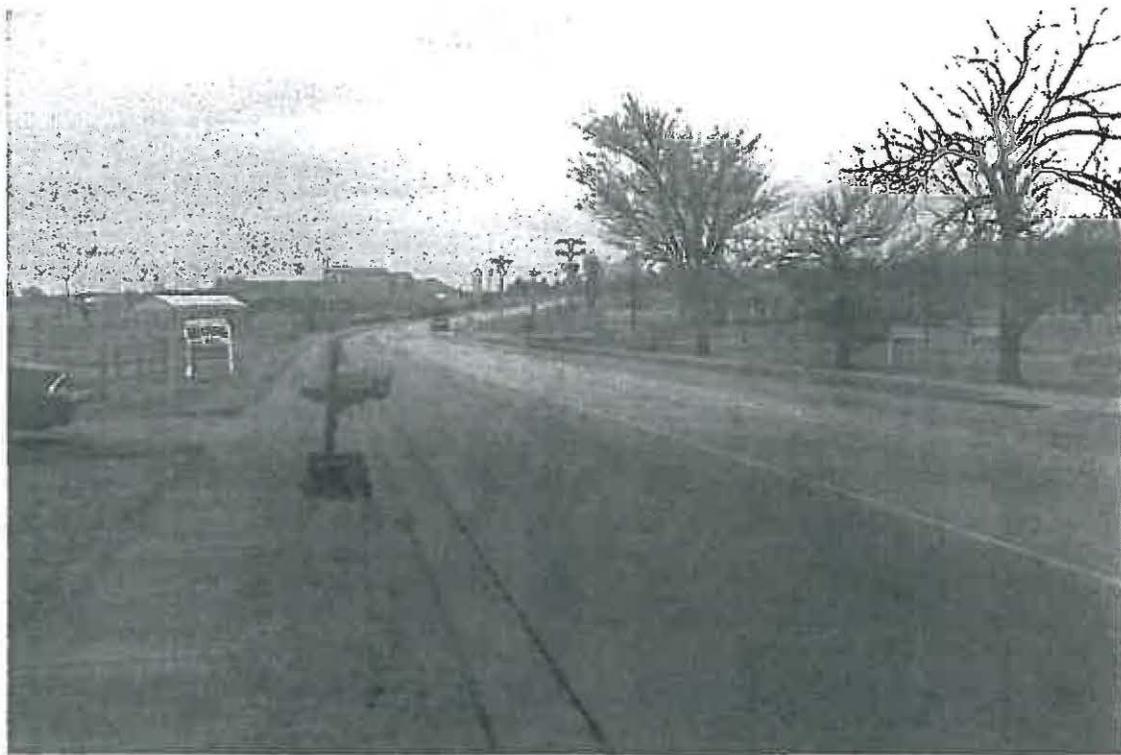
TYPICAL VIEW OF THE SUBJECT



TYPICAL VIEW OF THE SUBJECT



STREET SCENE ALONG SOUTH 48<sup>TH</sup> STREET FACING SOUTH



STREET SCENE ALONG SOUTH 48<sup>TH</sup> STREET FACING NORTH

## SUMMARY OF SALIENT FACTS

<b>Property Name</b>	Lane Property	
<b>Location</b>	3320 S 48th Street, Springdale, Washington County, Arkansas 72762	
<b>Assessor's Parcel Numbers</b>	815-29107-270	
<b>Highest and Best Use</b>	Speculative Holding	
As If Vacant	Fee Simple Estate	
<b>Property Rights Appraised</b>	Fee Simple Estate	
<b>Land Area</b>	12.30 AC	535,788 SF
<b>Estimated Exposure/Marketing Time</b>	24 Months	

<b>VALUATION</b>	<i>Total</i>	<i>Per SF</i>
Land Value	\$2,300,000	\$4.29

CONCLUDED MARKET VALUE			
Appraisal Premise	Interest Appraised	Date of Value	Value
As Is	Fee Simple Estate	December 27, 2012	\$2,300,000

Compiled by CBRE

### STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

Strengths and weaknesses are internal to the subject; opportunities & threats are external to the subject

#### Strengths

- The subject has frontage and visibility along South 48<sup>th</sup> Street and I-540;
- The subject is generally level;
- The subject is zoned C-2, General Commercial;

#### Weaknesses

- Access to the subject is somewhat impaired due to its lack of direct access from I-540;
- The subject is in an area with an abundance of vacant land for sale;

#### Opportunities

- Disposable income within a 3-mile radius of the subject is considered above average for the MSA;
- Economic conditions are improving in Northwest Arkansas;
- Proximity to Randall Tyson Sports Complex;

#### Threats

- A double dip recession continues to remain a possibility as a result of Fiscal Cliff related issues;

### EXTRAORDINARY ASSUMPTIONS

An *extraordinary assumption* is defined as "an assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary

assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.”<sup>1</sup>

The area determined in the defined surplus land was determined by the appraisers. The appraisal is subject to the size of the surplus land being similar to that estimated. Minor variation would not have a material impact on the value conclusion.

### **HYPOTHETICAL CONDITIONS**

A *hypothetical condition* is defined as “that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”<sup>2</sup>

At the direction of the client, we have analyzed the property before a partial taking associated with the I-540/Don Tyson Parkway Intersection project. The effective date of valuation is the date of taking under the filing.

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<sup>1</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010), 73.

<sup>2</sup> *Dictionary of Real Estate Appraisal*, 97.

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ADDENDA

A Land Sale Data Sheets

B Legal Description

C Précis METRO Report - Economy.com, Inc.

D Client Contract Information

E Qualifications

## INTRODUCTION

<b>Property Identification:</b>	Lane Property	
	3320 S 48th Street, Springdale, Arkansas	
<b>Location:</b>	815-29107-270	
<b>Assessor's Parcel Number:</b>	815-29107-270	
<b>Property History:</b>		
<b>Current Owner:</b>	Richard Allan & Carol A Lane	
<b>Current Asking Price:</b>	\$4,948,416 (7.10-Acres)	
<b>Previous Sale Date:</b>	N/A	
<b>Previous Sale Price:</b>	N/A	
<b>Other Sales - Past 3 Years:</b>	None	
<b>Appraisal Premise:</b>	<b>Date of Value:</b>	<b>Property Rights Appraised:</b>
As Is	December 27, 2012	Fee Simple Estate
<b>Date of Inspection:</b>	March 1, 2013	
<b>Date of Report:</b>	March 22, 2013	
<b>Special Appraisal Instructions:</b>	None noted	
<b>Exposure/Mktg Time Information:</b>	<b>Range</b>	<b>Average</b>
<b>Comparable Sales Data:</b>	3 - 36 Months	24.0 Months
<b>Local Market Professionals:</b>	6 - 36 Months	24.0 Months
<b>Estimated Exposure/Marketing Time:</b>	24 Months	
<b>Estimated Marketing Time:</b>	24 Months	

### INTENDED USE OF REPORT

This appraisal is to be used by Davis, Clark, Butt, Carithers & Taylor, PLC for possible litigation purposes. No other use is permitted.

### INTENDED USER OF REPORT

This appraisal is to be used by Davis, Clark, Butt, Carithers & Taylor, PLC as of the effective date of this appraisal report. No other users are allowed.

**Intended Users** - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions

developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.<sup>3</sup>

Title to the subject property is currently vested in the name of Richard Allan & Carol A Lane, who acquired the property on 01/01/1989 for \$0 as recorded in Book 869 / Page 896 of the Washington County Deed records. The subject is currently listed for sale at a price of \$4,948,416 for 7.10-Acres or \$16.00 per square foot. The listing price presumes the presence of the I-540/Don Tyson Parkway Intersection. This project has not yet begun construction.

### **PURPOSE OF THE APPRAISAL**

The purpose of this appraisal is to estimate the market value of the subject property. The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is 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:

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

### **TERMS AND DEFINITIONS**

The Glossary of Terms in the Addenda provides definitions for additional terms that are, and may be used in this appraisal.

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<sup>3</sup> Appraisal Institute, *The Appraisal of Real Estate*, 13<sup>th</sup> ed. (Chicago: Appraisal Institute, 2008), 132.

<sup>4</sup> Office of Comptroller of the Currency (OCC), 12 CFR Part 34, Subpart C – Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010), 122-123. This is also compatible with the RTC, FDIC, FRS and NCUA definitions of market value as well as the updated Interagency Appraisal and Evaluation Guidelines promulgated in 2010.

## SCOPE OF WORK

The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied, all based upon the following problem-identifying factors stated elsewhere in this report:

- Client
- Intended use
- Intended user
- Type of opinion
- Effective date of opinion
- Relevant characteristics about the subject
- Assignment conditions

This appraisal of the subject has been presented in the form of a Summary Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the USPAP. That is, this report incorporates a summary of all information significant to the solution of the appraisal problem. It also includes summary descriptions of the subject and the market for the subject type. CBRE, Inc. completed the following steps for this assignment:

### **Data Resources Utilized in the Analysis**

RESOURCE VERIFICATION	
<b>Site Data</b>	<b>Source(s)/Verification:</b>
Size	Legal Description in partial taking complaint filed for record December 27, 2012
Compiled by CBRE	

RESOURCE VERIFICATION	
<b>Other</b>	<b>Source(s)/Verification:</b>
Zoning	City of Springdale GIS website
Flood Zone	FEMA
Compiled by CBRE	

### **Extent to Which the Property is Identified**

CBRE, Inc. collected the relevant information about the subject from the owner (or representatives), public records and through an inspection of the subject property. The property was legally identified through the following sources:

- postal address
- assessor's records
- legal description
- survey/plat maps

### **Extent to Which the Property is Inspected**

CBRE, Inc. inspected the subject site, as well as its surrounding environs on the effective date of appraisal.

***Type and Extent of the Data Researched***

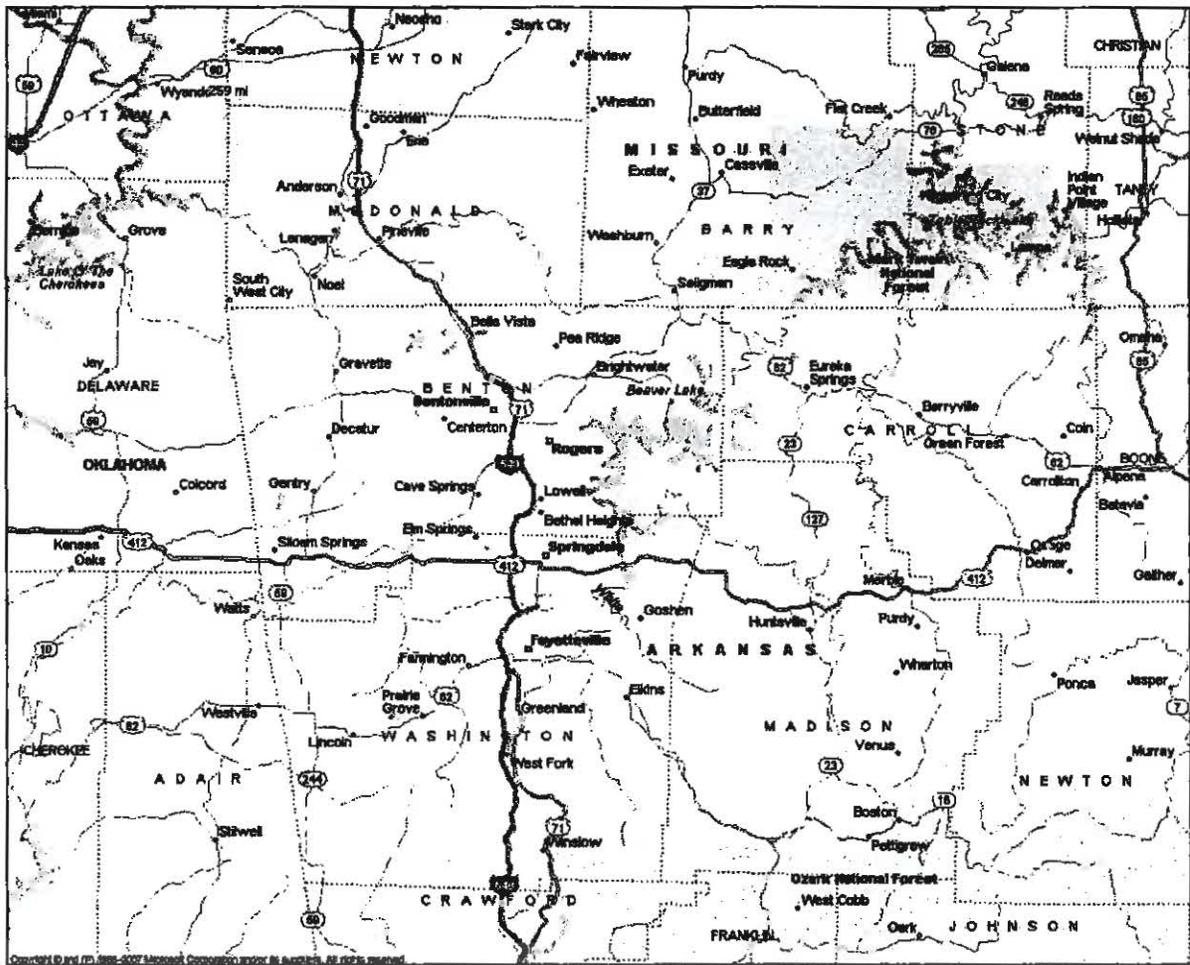
CBRE, Inc. reviewed the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process. This process included interviews with regional and/or local market participants, available published data, and other various resources. CBRE, Inc. also conducted regional and/or local research with respect to the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- income and expense data
- comparable data

***Type and Extent of Analysis Applied***

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section.

AREA ANALYSIS



Moody's Economy.com provides the following Northwest Arkansas metro area economic summary as of November 2012. The full Moody's Economy.com report is presented in the Addenda.

FAYETTEVILLE, AR - ECONOMIC ANALYSIS

Indicators	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gross Metro Product (C\$B)	15.5	16.1	16.0	16.1	15.2	15.8	15.7	16.0	16.5	17.2	17.9	18.6
% Change	5.3	3.6	-0.5	0.2	-5.1	3.4	-0.4	1.9	3.3	4.2	4.3	3.4
Total Employment (000)	198.5	205.4	208.2	207.2	199.3	200.4	202.7	208.4	211.0	216.6	223.6	230.2
% Change	5.5	3.5	1.3	-0.5	-3.8	0.5	1.2	2.8	1.3	2.6	3.2	2.9
Unemployment Rate	3.3	3.6	3.8	4.2	6.2	6.5	6.2	5.6	6.1	5.9	5.4	5.0
Personal Income Growth	7.9	9.4	7.9	4.7	-2.2	5.3	5.8	4.9	3.8	6.2	7.0	6.0
Population (000)	408.0	424.0	436.5	446.6	455.1	465.8	473.8	480.8	487.7	494.4	500.9	507.5
Single-Family Permits	5,264.0	4,029.0	2,259.0	1,221.0	1,067.0	1,081.0	1,289.0	1,575.9	1,762.7	2,532.2	2,711.9	2,584.3
Multifamily Permits	2,329.0	2,064.0	1,114.0	1,545.0	684.0	140.0	48.0	195.4	1,507.4	1,655.2	1,246.9	1,105.3
Existing-Home Price (\$Ths)	134.1	136.4	128.4	118.8	108.5	104.3	101.8	103.5	104.4	110.7	116.6	120.0
Mortgage Originations (\$Mil)	3,178.5	3,134.7	3,077.6	2,290.8	2,951.5	2,073.3	1,800.6	2,452.1	1,618.0	1,340.0	1,525.2	1,747.6
Net Migration (000)	10.2	11.3	6.6	4.4	4.2	6.5	4.2	3.1	3.1	2.9	2.8	2.9
Personal Bankruptcies	3,127.0	855.0	1,308.0	1,889.0	2,491.0	2,443.0	2,101.0	1,862.4	1,789.9	1,879.5	1,925.9	2,032.2

Source: Moody's Economy.com

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## RECENT PERFORMANCE

The Fayetteville-Springdale-Rogers recovery is in high gear and is outperforming those of Arkansas and the U.S. Payroll employment has surpassed its prerecession peak thanks to a boom in tourism, health services and public sector hiring. Manufacturing employment has stabilized in recent months even as food manufacturers are still struggling because of elevated input costs. Higher grain prices caused by the recent drought have forced Fayetteville poultry processors to hike chicken prices and restrain hiring. Thankfully, services have more than picked up the slack for manufacturing. The unemployment rate fell to 5.3% in October, more than 2 percentage points below the national rate.

## TOURISM

Tourism will transform into a key economic driver over the next several years. The addition of the \$150 million Crystal Bridges Museum of American Art in Bentonville is providing a lift to tourism and boosting leisure and hospitality jobs. Employment in the industry is up almost 8% over the past year, compared with a 2% gain nationally. Nearby states-including Texas, which recently transitioned to expansion-are supporting tourism in Northwest Arkansas. According to the Arkansas Department of Parks and Tourism, travel expenditures increased 4.3% across the state in 2011. Further, hotel chains are constructing new facilities to handle the increase in tourism. For example, 21C Hotels will complete its Museum Hotel Bentonville in the first quarter of 2013.

## PUBLIC SECTOR

The public sector will also be a key source of support over the next few years. Arkansas' strong fiscal position will provide funds to expand state payrolls; state government employment in Northwest Arkansas is already up 4.8% over the past year, noticeably better than the 0.5% rise nationally. In addition, local governments are also expanding and hiring. The City of Fayetteville will issue pay raises for its staff in fiscal 2013, supporting wage growth. A rebounding labor market has improved income and sales tax revenues in Fayetteville's municipalities and helped support larger budget expenditures.

## WAL-MART

The metro area will benefit from the presence of Wal-mart's corporate headquarters. The world's largest retailer is aggressively expanding its domestic footprint with the construction of smaller-scale express stores in order to better compete with other discount retailers and dollar stores. Wal-mart recently reported its fifth consecutive quarterly gain in U.S. same-store sales. The mega-retailer is also investing heavily in e-commerce and online marketing technologies to take market share from rivals such as Amazon. Wal-mart is catching up in online sales; the retailer posted its largest share of online sales ever during this year's Black Friday shopping season and was second only to Amazon in terms of total online sales.

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## FOOD PROCESSORS

Food manufacturers will not contribute much to the recovery in the first half of 2013. Though corn and wheat prices have fallen from their high in the third quarter, they remain elevated and are still weighing on food processors' profit margins. Chicken producers, in particular, are feeling the squeeze with input costs high and chicken demand still relatively subdued. All told, it will be some time before Fayetteville's key food manufacturers contribute to the labor market recovery.

## STRENGTHS AND WEAKNESSES

### Strengths

- Arkansas Research and Technology Park supports private research funds
- Headquarters location of several industry leaders, including Wal-Mart
- Home to large research university.
- Solid demographics pave the way for service expansion

### Weaknesses

- Above average employment volatility.
- Well below-average per capita income.

## FORECAST RISKS

### Upside

- Wal-Mart's domestic expansion benefits corporate headquarters and local economy.
- Arkansas' budget provides more fiscal support to Northwest Arkansas than expected.
- Tourism spending rises more than expected because of better-performing nearby states.

### Downside

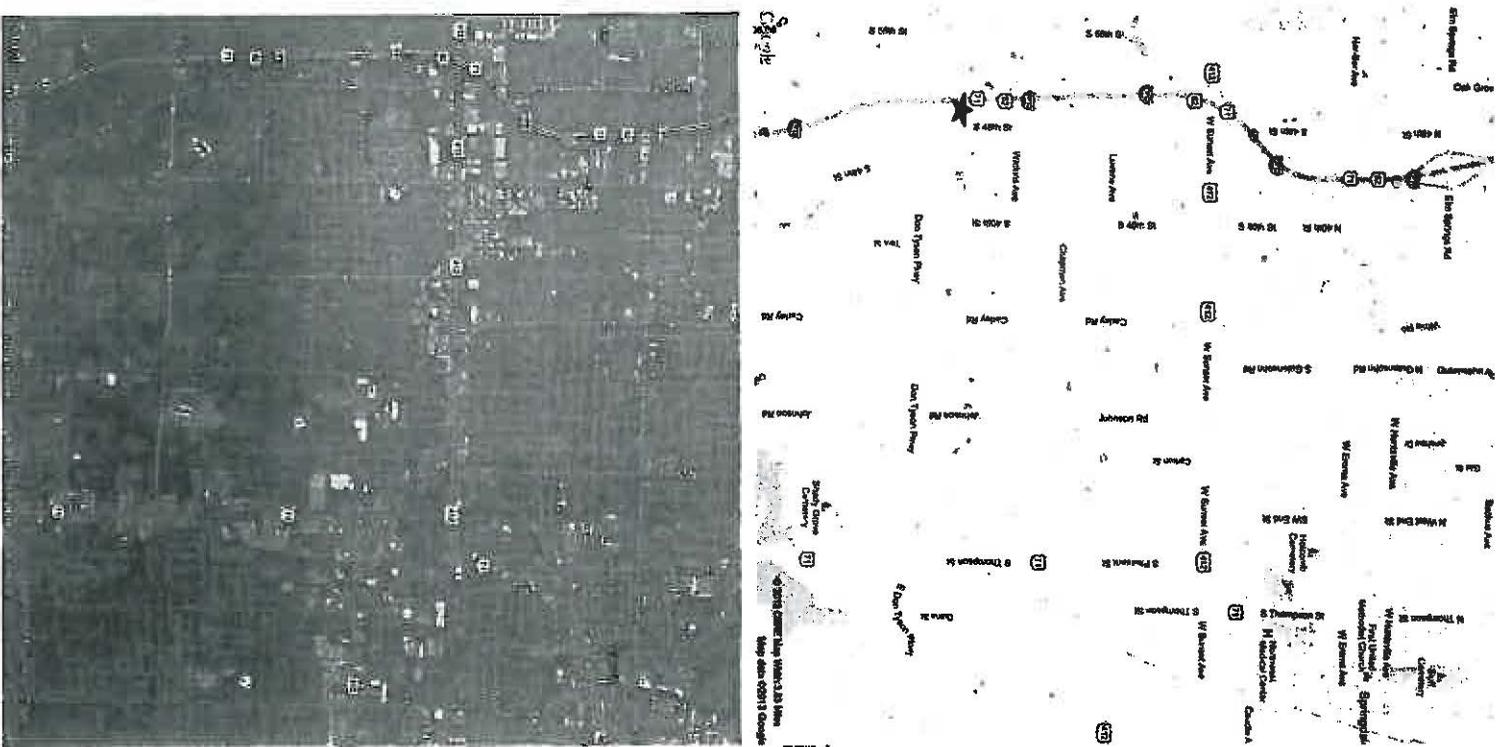
- Nationwide drought keeps grain costs elevated, slowing production and hiring at local food processors.

## CONCLUSION

The Fayetteville-Springdale-Rogers recovery will pick up steam over the near term thanks to growth in both public and private services. Manufacturing will remain stuck in neutral, however, as high input costs weigh on profit margins and restrain hiring. Walmart will remain a primary source of strength

and stability. Longer term, solid demographics, a strong industrial core, and healthy fiscal conditions will enable Northwest Arkansas to expand at an above-average pace.

### NEIGHBORHOOD ANALYSIS



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## LOCATION

The subject is in the city of Springdale and is considered a suburban location. The city of Springdale is situated in north central Washington County, with the subject neighborhood approximately 4 miles north of Fayetteville and about 16 miles southeast of the Wal-Mart General Offices.

## BOUNDARIES

The neighborhood is considered to be best defined as the I-540 corridor extending from approximately the Johnson exit to approximately the Elm Springs Road Exit.

## LAND USE

Land uses within the subject neighborhood predominately consist of commercial uses with a variety of property types including restaurants, retail stores and bank branches. The heaviest commercial development is near the I-540 and Sunset (Highway 412) intersection with varying degrees of development throughout this corridor. Properties on the west side of I-540 are generally of low density but there has been increasing development and interest as a result of the presence of the Arvest Ballpark in the area of the subject. The immediate area of the subject has a combination of residential, office, and religious facility properties. A greater focus on commercial properties occurs further north toward Highway 412. Beyond 412, the focus is then on industrial properties along with residential. The Elm Springs Road intersection has experienced increased commercial activity with Macadoodles and Kum & Go convenience stores added most recently.

## GROWTH PATTERNS

The subject neighborhood is considered to be in the growth stage of its life cycle. The Johnson exit to the south was first developed with the redevelopment of the Johnson Mill followed by the Willow Creek Women's Hospital and a host of other commercial properties. On the southern end of South 48<sup>th</sup> recent development has been minimal, with the most recent development being the Clear Creek apartment complex. At the intersection of Watkins Avenue and South 48<sup>th</sup> Street, are the Randall Tyson Sports Complex and two religious facilities. The Arvest Ballpark is located just west of I-540 in this area. Continuing north is an increasing density of development with the area around the I-540 and West Sunset/412 intersection fully commercial with several large developments. The Elm Springs Road intersection with I-540 is continuing to grow after the addition of two convenience stores and a large automobile dealership. There is a significant amount of vacant land for sale along the I-540 corridor of the subject neighborhood.

## ACCESS

Primary access to the subject neighborhood is provided by Interstate Highway 540. Interstate Highway 540 is a four-lane, controlled access highway, traversing through the neighborhood in a north-south direction. This arterial connects the subject neighborhood with the City of

Bentonville/Rogers to the north, and the City of Fayetteville to the south. Another primary access route to the neighborhood is Highway 412 (Sunset Ave). Highway 412 extends east-west across all of Arkansas entering from Oklahoma at Siloam Springs west of Springdale. Don Tyson Parkway was completed as part of a capital improvement plan by the City of Springdale and provides good access across the southern part of Springdale from the subject area to beyond Butterfield Coach road in east Springdale.

## DEMOGRAPHICS

Selected neighborhood demographics in 1-, 3-, and 5-mile radii from the subject are shown in the following table:

<b>SELECTED NEIGHBORHOOD DEMOGRAPHICS</b>			
<b>3320 South 48th Street Springdale, AR</b>	<b>1 Mile Radius</b>	<b>3 Mile Radius</b>	<b>5 Mile Radius</b>
<b>Population</b>			
2018 Population	3,466	35,421	104,897
2013 Population	3,233	33,547	97,721
2010 Population	3,075	32,263	92,682
2000 Population	2,379	24,847	67,867
Annual Growth 2013 - 2018	1.40%	1.09%	1.43%
Annual Growth 2010 - 2013	0.39%	0.30%	0.41%
Annual Growth 2000 - 2010	2.60%	2.65%	3.17%
<b>Households</b>			
2018 Households	1,318	12,829	37,661
2013 Households	1,227	12,191	35,242
2010 Households	1,166	11,792	33,650
2000 Households	822	9,177	25,584
Annual Growth 2013 - 2018	1.44%	1.03%	1.34%
Annual Growth 2010 - 2013	0.39%	0.26%	0.36%
Annual Growth 2000 - 2010	3.56%	2.54%	2.78%
<b>Income</b>			
2013 Median HH Inc	\$40,972	\$39,828	\$37,741
2013 Estimated Average Household Income	\$56,900	\$56,299	\$53,791
2013 Estimated Per Capita Income	\$21,593	\$20,460	\$19,399
Age 25+ College Graduates - 2010	638	4,972	14,617
Age 25+ Percent College Graduates - 2013	29.4%	23.9%	24.7%
Source: Nielsen/Claritas			

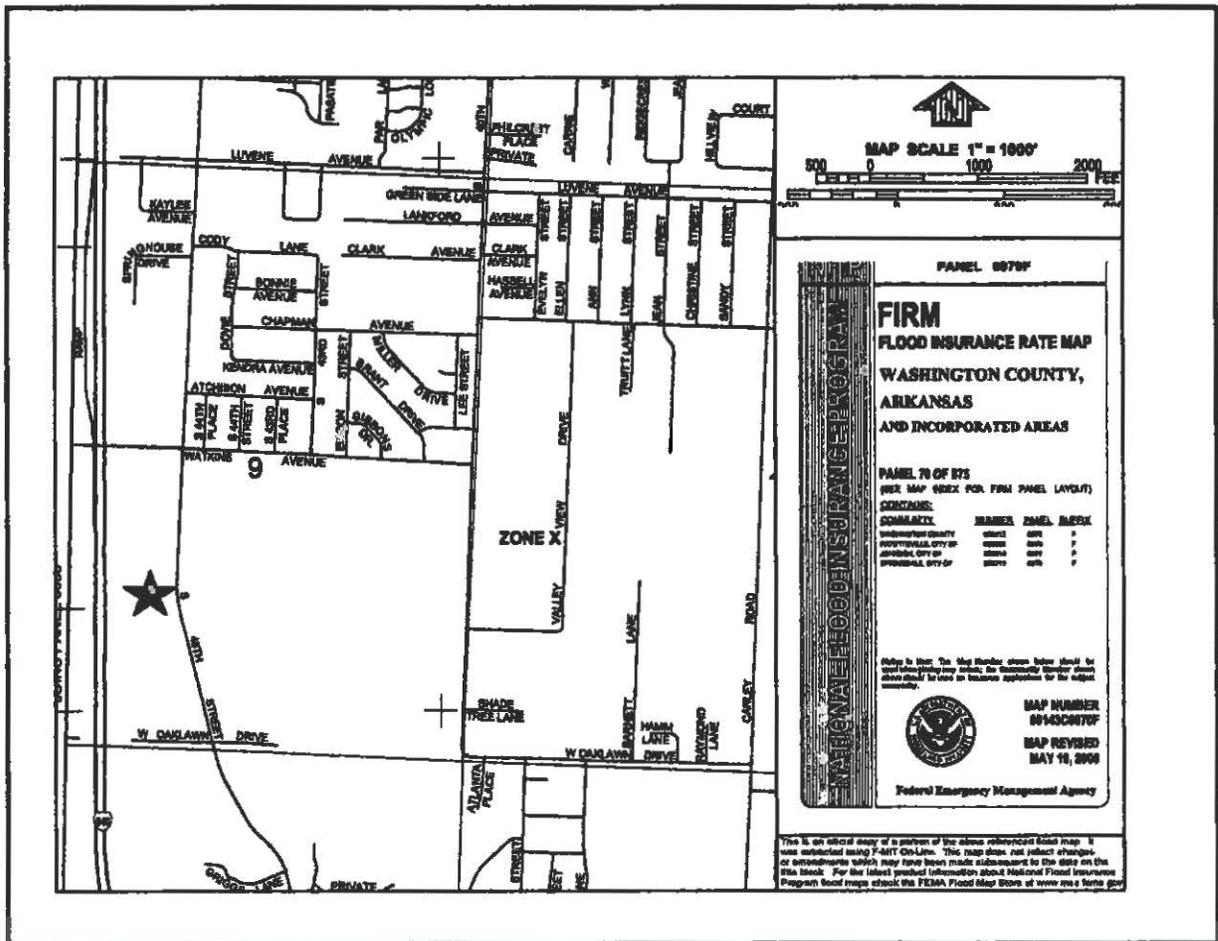
## CONCLUSION

Moderate growth rates were noted between 1990 and 2000. While there has been a minimal decrease in the annual growth, positive trends are expected to continue based on the development activity in the neighborhood and continued population growth in Northwest Arkansas in general. The

outlook for the neighborhood is for continued moderate growth. As a result, the demand for existing developments is expected to be adequate for the foreseeable future.



FLOOD PLAIN MAP



**SITE ANALYSIS**

The following chart summarizes the salient characteristics of the subject site.

<b>SITE SUMMARY AND ANALYSIS</b>			
<b>Physical Description</b>			
Gross Site Area	13.08 Acres	569,765 Sq. Ft.	
Net Site Area	12.30 Acres	535,788 Sq. Ft.	
Primary Road Frontage	South 48th Street		
Excess Land Area	None		
Surplus Land Area	0.78 Acres		
Shape	Irregular		
Topography	Level		
Zoning District	C-2, General Commercial		
Flood Map Panel No. & Date	05143C0070F	16-May-08	
Flood Zone	Zone X		
Adjacent Land Uses	Commercial, residential and special purpose uses		
<b>Comparative Analysis</b>			<b><u>Rating</u></b>
Access	Average		
Visibility	Excellent (I-540)		
Functional Utility	Assumed adequate		
Traffic Volume	Good		
Adequacy of Utilities	Assumed adequate		
Landscaping	Average to None		
Drainage	Assumed adequate		
<b>Utilities</b>		<b><u>Provider</u></b>	<b><u>Adequacy</u></b>
Water	City of Springdale		Yes
Sewer	City of Springdale		Yes
Natural Gas	SourceGas		Yes
Electricity	Ozarks Electric		Yes
Telephone	Various Providers		Yes
Mass Transit	Ozark Regional Transit		Yes
<b>Other</b>	<b><u>Yes</u></b>	<b><u>No</u></b>	<b><u>Unknown</u></b>
Detrimental Easements			X
Encroachments			X
Deed Restrictions			X
Reciprocal Parking Rights			X
Common Ingress/Egress			X
Source: Various sources compiled by CBRE			

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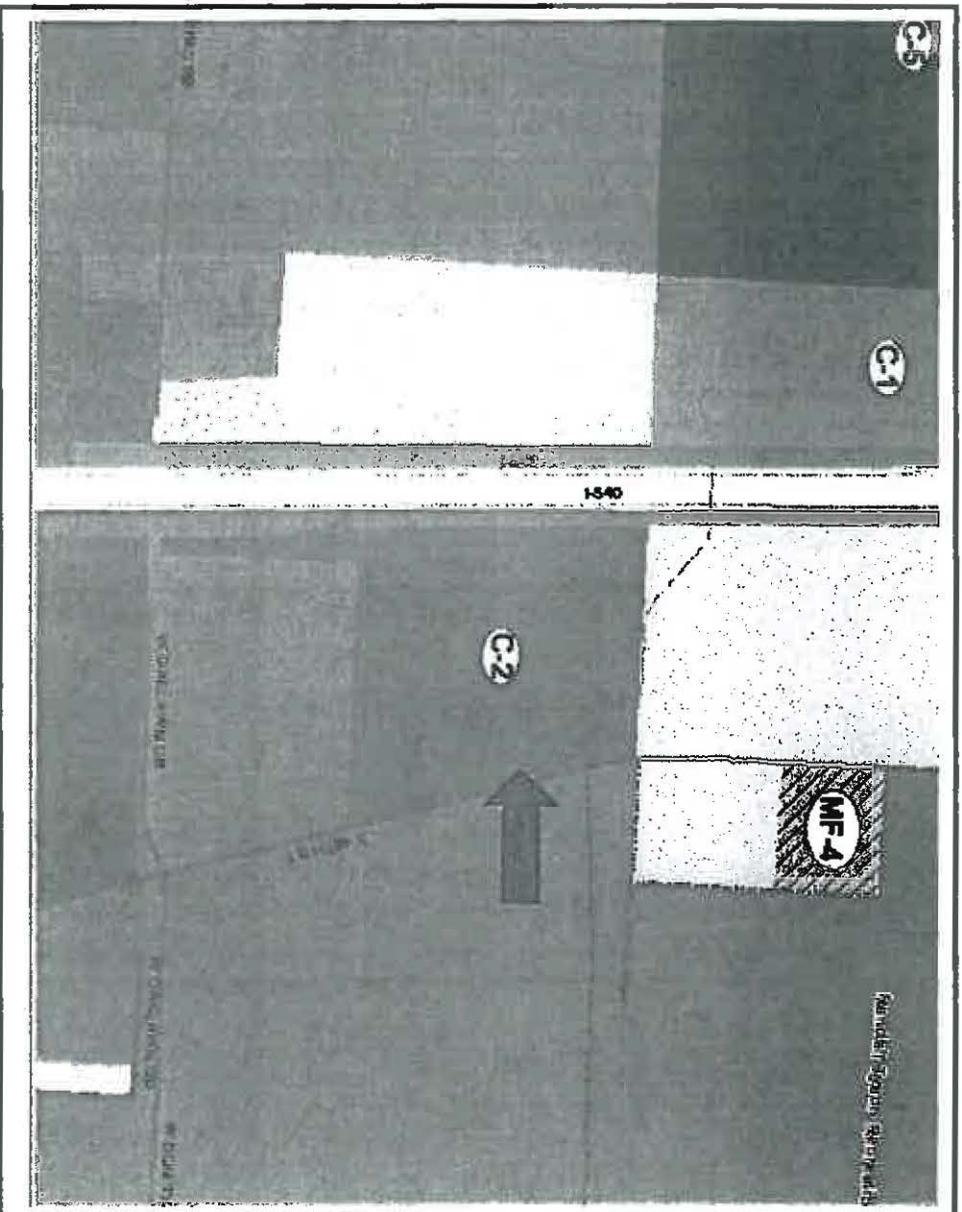
**ENVIRONMENTAL ISSUES**

CBRE, Inc. is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

**CONCLUSION**

The subject is an irregularly shaped, 13.08-acre site located at 3320 S. 48th Street in Springdale, Arkansas. The subject has approximately 0.78-acres of surplus land which are excluded from the gross site area, leaving 12.3-acres to be valued as the net site area. The subject has visibility from I-540 and all utilities are available to the site. As of the effective date of this appraisal report, the subject site is zoned C-2, General Commercial. The subject does not appear to lie in a 100-year flood plain. Existing improvements to the site are considered to be of no contributory value.

ZONING MAP



## ZONING

The following chart summarizes the subject's zoning requirements.

<b>ZONING SUMMARY</b>	
<b>Current Zoning</b>	C-2, General Commercial
<b>Legally Conforming</b>	Yes
<b>Uses Permitted</b>	Permitted uses include most types of retail activity except those involving open displays of merchandise and those which generate large volumes of vehicular traffic or are otherwise incompatible with the purpose and intent of the C-2 general commercial district.
<b>Zoning Change</b>	Not likely
<b>Category</b>	<b>Zoning Requirement</b>
<b>Maximum Height</b>	20 Feet
<b>Minimum Setbacks</b>	
<b>Front Yard</b>	30 Feet
<b>Street Side Yard</b>	0 Feet
<b>Interior Side Yard</b>	0 Feet
<b>Rear Yard</b>	20 Feet
Source: Planning & Zoning Dept.	

## ANALYSIS AND CONCLUSION

The improvements represent a legally-conforming use and, if damaged, may be restored without special permit application. Additional information may be obtained from the appropriate governmental authority.

**TAX AND ASSESSMENT DATA**

The following summarizes the local assessor's estimate of the subject's market value, assessed value, and taxes, and does not include any furniture, fixtures or equipment.

<b>AD VALOREM TAX INFORMATION</b>		
<b>Assessor's Market Value</b>	<b>2012</b>	<b>Pro Forma</b>
<b>815-29107-270</b>	<b>\$117,250</b>	
<b>815-29107-371</b>	<b>\$500</b>	
<b>Subtotal</b>	<b>\$117,750</b>	<b>\$117,750</b>
<b>Assessed Value @</b>	<b>20%</b>	<b>20%</b>
	<b>\$23,550</b>	<b>\$23,550</b>
<b>General Tax Rate (per \$100 A.V.)</b>	<b>5.220000</b>	<b>5.220000</b>
<b>Total Taxes</b>	<b>\$1,229</b>	<b>\$1,229</b>
<b>Source: Assessor's Office</b>		

Based on the foregoing, the total taxes for the subject have been estimated as \$1,229 for the base year of our analysis, based upon an assessed value of \$23,550 . This is at the current assessment.

For purposes of this analysis, CBRE, Inc. assumes that all taxes are current.

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## HIGHEST AND BEST USE

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legally permissible;
- physically possible;
- financially feasible; and
- maximally productive.

The highest and best use analysis of the subject is discussed on the following pages.

### AS VACANT

The subject is zoned C-2, General Commercial, and allows for office or commercial uses except those involving open displays of merchandise and those which generate large volumes of vehicular traffic. The subject is adequately served by utilities, and has an adequate shape and size, sufficient access, etc., to be a separately developable site. There are no known physical reasons why the subject site would not support any legally probable development (i.e. it appears adequate for development. With respect to the legal uses for the subject site, the local commercial market remains impaired however, there has been some recent development of commercial properties in proximity to the subject and continues to this day.

Another possibility would be for multi-family residential use, although, this would require a zoning change. At present, the local multi-family market is generally stabilized. In fact, in the Fayetteville area alone, there are a large number of student housing apartment units proposed, some of which are currently under construction. While the demand for multi-family units in the Springdale area is focused on non-student demand, the subject's size and location would support such a development. Office use would be another consideration. However, the current national and regional economic recession precludes such development as the office market is considered to be, in a word, "soft" at present, although recently, there have been signs of improvement.

These factors indicate that it would be financially feasible to complete a new commercial or multi-family project if the site acquisition cost was low enough to provide an adequate developer's profit. The caution would be properly targeting of demand. It is no longer possible to simply add a retail strip center, office project or apartment complex and expect tenants to arrive as it has been in the past. Therefore, any such development would have to be well demanded and this is not present in quantity at the time. In the case of the subject as if vacant, the analysis has indicated that a new commercial project would be most appropriate – but in the future. Until then, the highest and best use of the subject as if vacant would be for speculative holding, with eventual commercial development.

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## APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available. Based on information contained in the Thirteenth Edition of *The Appraisal of Real Estate*, published in 2008, depending on a specific appraisal assignment, any of the following four methods may be used to determine the market value of the fee simple interest of land:

- Sales Comparison Approach;
- Income Capitalization Procedures;
- Allocation; and
- Extraction.

The following summaries of each method are paraphrased from the text.

The first is the sales comparison approach. This is a process of analyzing sales of similar, recently sold parcels in order to derive an indication of the most probable sales price (or value) of the property being appraised. The reliability of this approach is dependent upon (a) the availability of comparable sales data, (b) the verification of the sales data regarding size, price, terms of sale, etc., (c) the degree of comparability or extent of adjustment necessary for differences between the subject and the comparables, and (d) the absence of nontypical conditions affecting the sales price. This is the primary and most reliable method used to value land (if adequate data exists).

The income capitalization procedures include three methods: land residual technique, ground rent capitalization, and Subdivision Development Analysis. A discussion of each of these three techniques is presented in the following paragraphs.

The land residual method may be used to estimate land value when sales data on similar parcels of vacant land are lacking. This technique is based on the principle of balance and the related concept of contribution, which are concerned with equilibrium among the agents of production--i.e. labor, capital, coordination, and land. The land residual technique can be used to estimate land value when: 1) building value is known or can be accurately estimated, 2) stabilized, annual net operating income to the property is known or estimable, and 3) both building and land capitalization rates can be extracted from the market. Building value can be estimated for new or proposed buildings that represent the highest and best use of the property and have not yet incurred physical deterioration or functional obsolescence.

The subdivision development method is used to value land when subdivision and development represent the highest and best use of the appraised parcel. In this method, an appraiser determines the number and size of lots that can be created from the appraised land physically, legally, and economically. The value of the underlying land is then estimated through a discounted cash flow analysis with revenues based on the achievable sale price of the finished product and expenses based on all costs required to complete and sell the finished product.

The ground rent capitalization procedure is predicated upon the assumption that ground rents can be capitalized at an appropriate rate to indicate the market value of a site. Ground rent is paid for the right to use and occupy the land according to the terms of the ground lease; it corresponds to the value of the landowner's interest in the land. Market-derived capitalization rates are used to convert ground rent into market value. This procedure is useful when an analysis of comparable sales of leased land indicates a range of rents and reasonable support for capitalization rates can be obtained.

The allocation method is typically used when sales are so rare that the value cannot be estimated by direct comparison. This method is based on the principle of balance and the related concept of contribution, which affirm that there is a normal or typical ratio of land value to property value for specific categories of real estate in specific locations. This ratio is generally more reliable when the subject property includes relatively new improvements. The allocation method does not produce conclusive value indications, but it can be used to establish land value when the number of vacant land sales is inadequate.

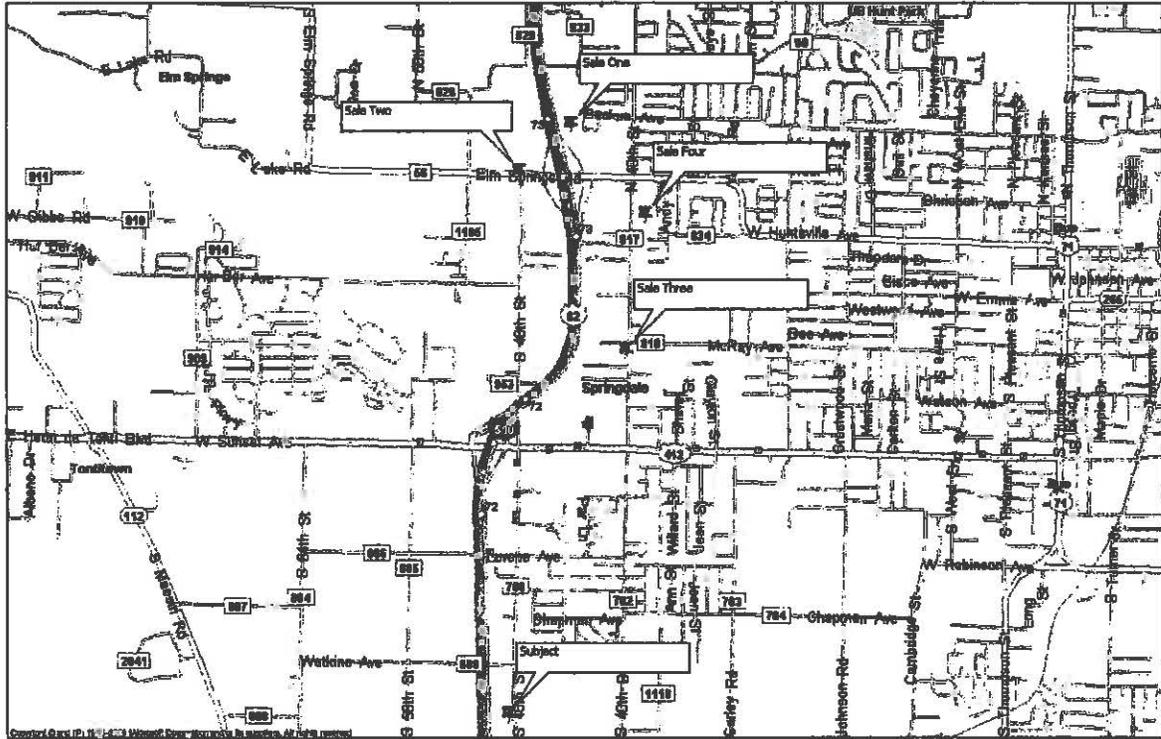
The extraction method is a variant of the allocation method in which land value is extracted from the sale price of an improved property by deducting the contribution of the improvements, which is estimated from their depreciated costs. The remaining value represents the value of the land. Value indications derived in this way are generally unpersuasive because the assessment ratios may be unreliable and the extraction method does not reflect market considerations.

#### **METHODOLOGY APPLICABLE TO THE SUBJECT**

For the purposes of this analysis, we have utilized the sales comparison approach only. The other methodologies are used primarily when comparable land sales data is non-existent. Therefore, these approaches have not been used.

**LAND VALUE**

The following map and table summarize the comparable data used in the valuation of the subject site. A detailed description of each transaction is included in the addenda.



**SUMMARY OF COMPARABLE LAND SALES**

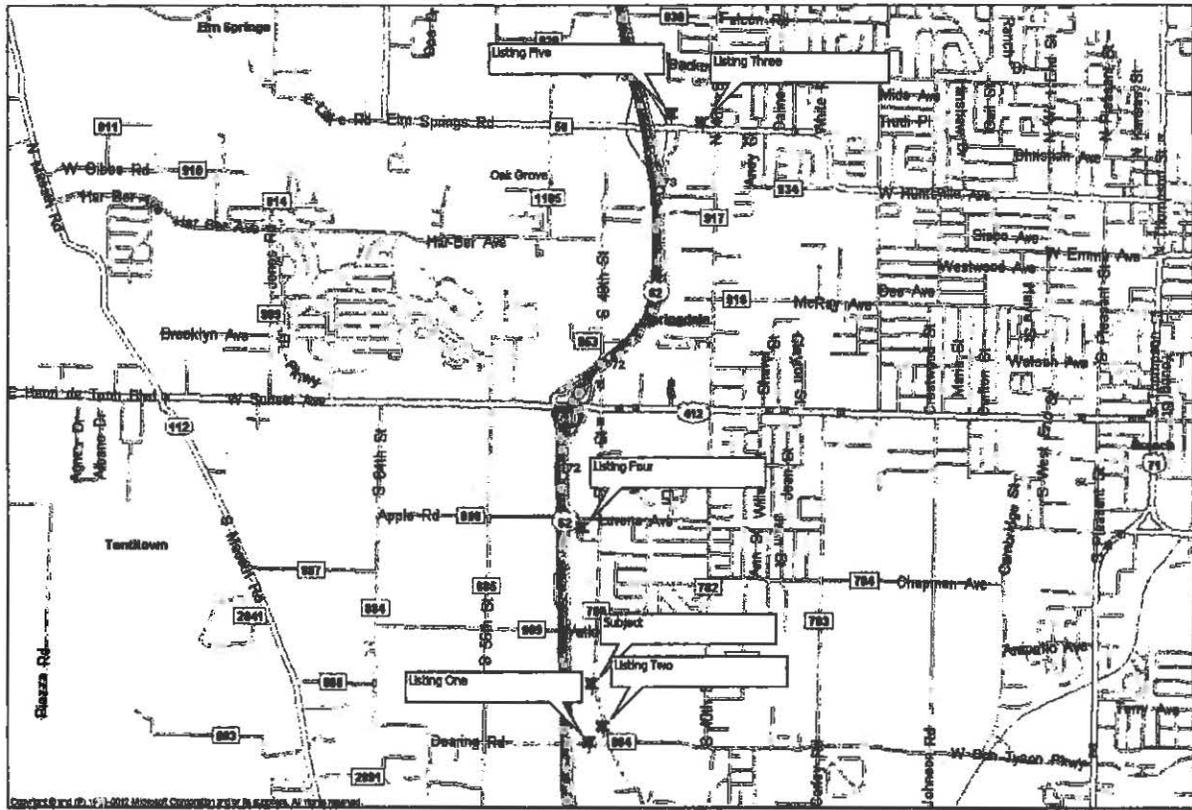
No.	Property Location	Transaction Type	Date	Zoning	Actual Sale Price	Adjusted Sale Price <sup>1</sup>	Size (Acres)	Size (SF)	Price Per Acre	Price Per SF
1	North 45th Street I-540 north of Elm Springs Rd, Springdale, AR	Sale	Jun-12	C-6, Commercial	\$1,046,000	\$1,046,000	3.00	130,680	\$348,667	\$8.00
2	Elm Springs Road at 48th Street, Springdale, AR	Sale	Aug-09	C-5, Commercial	\$1,068,000	\$1,068,000	2.63	114,345	\$406,857	\$9.34
3	522 N 40th Street, Springdale, AR	Sale	Jul-08	C-2 & C-5	\$1,770,000	\$1,770,000	9.07	395,098	\$195,145	\$4.48
4	591 N 40th Street, Springdale, AR	Sale	Jul-08	C-2	\$1,050,000	\$1,050,000	5.70	248,292	\$184,211	\$4.23
Subject	3320 S 48th Street, Springdale, Arkansas	---	---	C-2, General Commercial	---	---	12.30	535,788	---	---

<sup>1</sup> Transaction amount adjusted for cash equivalency and/or development costs (where applicable)  
 Compiled by CBRE

The sales utilized represent the best data available for comparison with the subject and were selected from the greater Springdale area. These sales were chosen based upon their location and physical characteristics. We researched all available sales transactions in Washington County that were commercially zoned and that have frontage along and/or visibility from I-540, which is consistent with

the subject site. These criteria significantly limited the amount of relevant sales transactions and left us with four sales that vary significantly in terms of size and represent slightly older transactions (with exception to Sale One). In this case, the primary consideration is placed upon comparable data with locations along I-540; with secondary emphasis placed on size. While Sale Four doesn't have visibility from I-540 (primarily due to developments obstructing the view) we utilized it because of its frontage along North 40<sup>th</sup> Street within an area that has general similarity to the subject's along South 48<sup>th</sup> Street.

In addition to the sales data, the following listings were also considered.



SUMMARY OF SURROUNDING LAND LISTINGS												
No.	Property Location			Transaction Type	Date	Zoning	Actual Sale Price	Adjusted Sale Price <sup>1</sup>	Size (Acres)	Size (SF)	Price Per Acre	Price Per SF
1	4899	Oaklawn Drive,	Springdale, AR	Listing	Mar-13	C-2	\$2,613,600	\$2,613,600	5.00	217,800	\$522,720	\$12.00
2	48th Street, Springdale, AR			Listing	Mar-13	A-1	\$1,547,251	\$1,547,251	2.20	95,832	\$703,296	\$16.15
3	866	N 40th Street,	Springdale, AR	Listing	Nov-12	C-2	\$1,400,000	\$1,400,000	3.35	145,926	\$417,910	\$9.59
4	McKenzie Street, Springdale, AR			Listing	Mar-13	C-5	\$514,750	\$514,750	1.01	43,996	\$509,653	\$11.70
5	4312	Elm Springs Road,	Springdale, AR	Listing	Mar-13	C-5	\$757,500	\$757,500	0.94	40,946	\$805,851	\$18.50
Subject	3320 S 48th Street, Springdale, Arkansas			---	---	C-2, General Commercial	---	---	12.30	469,141	---	---

<sup>1</sup> Transaction amount adjusted for cash equivalency and/or development costs (where applicable)  
Compiled by CBRE

## DISCUSSION/ANALYSIS OF LAND SALES

### Time/Market Conditions

Sales Three and Four warranted a downward adjustment for the deteriorating market conditions since their dates of sale. Good growth and market conditions were noted up until 2006 / early 2007, which was the peak of the local market. Since then, property values have generally declined up until this point. Some more recent sales have generally shown prices of 5% to 30% since their previous sales during the peak. This adjustment was based on the most recent comparables and our general knowledge of the market. It was also based on the knowledge that Sale One was previously purchased for \$9.75 per square foot in 2010 but has more recently sold for \$8.00. It is acknowledged that the seller of Sale One had purchased the property with the intention of constructing a medical facility but the passage of the law popularly known as "Obamacare" forced those plans to be terminated. This could have caused the seller to have a higher degree of incentive to divest the site. But, the recent purchaser is an adjacent property owner – thus implying the potential for an assemblage premium. Overall, no conditions of sale adjustment is considered necessary for Sale One and the differential in price between its prior purchase in 2010 is an indication of the potential decline in prices since 2009 and prior.

### Size

Size adjustments were applied to all of the comparables. The size adjustment arises from the economic principle that states as a site gets larger, the price per square foot typically gets smaller and vice versa. The relationship of size to unit price is not a straight line but rather, an elliptical curve. As size continues to increase, the effect on unit price decreases at a consistent rate. The typical relationship is a 10% to 20% differential for ever doubling in size, unless the size differential is significant. Due to the significant differential in sizes and the amount of distance between the

comparables, this data set does not lend itself to direct comparisons so the general relationship is used.

### **Frontage**

This adjustment is typically referred to as a location adjustment; however, since comparable Three has significantly less frontage along I-540 but is considered to have a superior location in comparison to the subject; therefore, we have separated these adjustments into two categories. As aforementioned, Sale Three has approximately half of the frontage along I-540 as the subject. Additionally, it has approximately half as much frontage along South 40<sup>th</sup> Street as the subject does along South 48<sup>th</sup> Street. With consideration of the size of Sale Three (9.07-acres) compared to the subject (13.08-acres), a 30% upward adjustment was deemed appropriate. This was determined primarily against Sale Two but the comparison is imperfect

### **Location**

Sales Two, Three and Four required location adjustments. The adjustments for location were applied through ranking of the sales with the subsequent percentage adjustments developed from this ranking. Sale Two received an upward adjustment because it is away from the immediate area of I-540, in comparison the subject; Sale Two would warrant a larger adjustment but it does have some visibility from I-540. Sale Three requires a small downward adjustment because it is located in a denser area of commercial development than the subject and has a closer proximity to West Sunset Avenue and access roads to I-540. Sale Four received a large upward adjustment because it does not have visibility from I-540. The adjustment would be larger but Sale Four is located in a denser area of commercial development than the subject and has a closer proximity to West Sunset Avenue and access roads to I-540. Sale One did not require a location adjustment because it has frontage along I-540 and a similar location in terms of proximity to commercial development.

### **SUMMARY OF ADJUSTMENTS**

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

LAND SALES ADJUSTMENT GRID					
Comparable Number	1	2	3	4	Subject
Transaction Type	Sale	Sale	Sale	Sale	---
Transaction Date	Jun-12	Aug-09	Jul-08	Jul-08	---
Zoning	C-6, Commercial	C-5, Commercial	C-2 & C-5	C-2	C-2, General Commercial
Actual Sale Price	\$1,046,000	\$1,068,000	\$1,770,000	\$1,050,000	---
Adjusted Sale Price <sup>1</sup>	\$1,046,000	\$1,068,000	\$1,770,000	\$1,050,000	---
Size (Acres)	3.00	2.63	9.07	5.70	10.77
Size (SF)	130,680	114,345	395,098	248,292	469,141
Price Per Acre	\$348,667	\$406,857	\$195,145	\$184,211	---
Price (\$ PSF)	\$8.00	\$9.34	\$4.48	\$4.23	
Property Rights Conveyed	0%	0%	0%	0%	
Financing Terms <sup>1</sup>	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	
Market Conditions (Time)	0%	0%	-15%	-15%	
Subtotal	\$8.00	\$9.34	\$3.81	\$3.59	
Size	-50%	-60%	-10%	-30%	
Shape	0%	0%	0%	0%	
Corner	0%	0%	0%	0%	
Frontage	0%	0%	30%	0%	
Topography	0%	0%	0%	0%	
Location	0%	10%	-10%	50%	
Zoning/Density	0%	0%	0%	0%	
Utilities	0%	0%	0%	0%	
Highest & Best Use	0%	0%	0%	0%	
Total Other Adjustments	-50%	-50%	10%	20%	
Value Indication for Subject	\$4.00	\$4.67	\$4.19	\$4.31	

<sup>1</sup> Transaction amount adjusted for cash equivalency and/or development costs (where applicable)  
Compiled by CBRE

## CONCLUSION

Based on the preceding analysis, all of the comparables were representative of the subject site, and warranted consideration. In conclusion, a price per square foot indication within the middle of the range was most appropriate for the subject. The following table presents the valuation conclusion:

CONCLUDED LAND VALUE				
\$ PSF		Subject SF	=	Total
\$4.00	x	535,788	=	\$2,143,152
\$4.67	x	535,788	=	\$2,502,130
<b>Indicated Value:</b>				<b>\$2,300,000</b>
				<b>(Rounded \$ PSF) \$4.29</b>
Compiled by CBRE				

The value equates to approximately \$4.29 per square foot. This falls within the range of \$4.23 PSF to \$9.34 PSF indicated by the comparable sales before adjustments, thereby lending support to our

value conclusion. All listing data prices per square foot fall above this level as well which is to be expected since these are listing prices and have not yet been tested by buyer and seller agreement.

## RECONCILIATION OF VALUE

In the sales comparison approach, the subject is compared to similar properties that have been sold recently or for which listing prices or offers are known. The sales used in this analysis are considered generally comparable to the subject, and the required adjustments were based on reasonable and well-supported rationale. In addition, market participants are currently analyzing purchase prices on investment properties as they relate to available substitutes in the market. Therefore, the sales comparison approach is considered to provide a reliable value indication.

Based on the foregoing, the market value of the subject has been concluded as follows:

<b>MARKET VALUE CONCLUSION</b>			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Fee Simple Estate	December 27, 2012	\$2,300,000
Compiled by CBRE			

**ASSUMPTIONS AND LIMITING CONDITIONS**

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE, Inc. is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. CBRE, Inc., however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. CBRE, Inc. professionals are not engineers and are not competent to judge matters of an engineering nature. CBRE, Inc. has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of CBRE, Inc. by ownership or management; CBRE, Inc. inspected less than 100% of the entire interior and exterior portions of the improvements; and CBRE, Inc. was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, CBRE, Inc. reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. CBRE, Inc. has no knowledge of the existence of such materials on or in the property. CBRE, Inc., however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.
4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to CBRE, Inc. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, CBRE, Inc. has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, CBRE, Inc. reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should

carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify CBRE, Inc. of any questions or errors.

6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, CBRE, Inc. will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. CBRE, Inc. assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. CBRE, Inc. is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. CBRE, Inc. does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of CBRE, Inc.
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of CBRE, Inc. to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
14. This study may not be duplicated in whole or in part without the specific written consent of CBRE, Inc. nor may this report or copies hereof be transmitted to third parties without said consent, which consent CBRE, Inc. reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of CBRE, Inc. which consent CBRE, Inc. reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. CBRE, Inc. shall have no accountability or responsibility to any such third party.
15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.

18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to CBRE, Inc. unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. CBRE, Inc. assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor CBRE, Inc. assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
20. CBRE, Inc. assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
21. 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.
22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
23. The *Americans with Disabilities Act* (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, CBRE, Inc. has not made a specific compliance survey and analysis of this property to determine whether it is in conformance 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 ADA. If so, this fact could have a negative effect on the value estimated herein. Since CBRE, Inc. has no specific information relating to this issue, nor is CBRE, Inc. qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.
24. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client approximately result in damage to Appraiser. Notwithstanding the foregoing, Appraiser shall have no obligation under this Section with respect to any loss that is caused solely by the active negligence or willful misconduct of a Client and is not contributed to by any act or omission (including any failure to perform any duty imposed by law) by Appraiser. Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover, from the other, reasonable attorney fees and costs.

**ADDENDA**

**ADDENDUM A**  
**LAND SALE DATA SHEETS**

## LAND SALE No. 1

### Vacant Site

#### Location Data

Location: **North 45th Street  
Springdale, AR 72762**

County: **Washington**

Parcel No: **815-29800-001**

Atlas Ref:

#### Physical Data

Type:	<b>Retail/Commercial</b>	
Land Area:	<u>Gross</u>	<u>Usable</u>
Acres:	<b>3.000</b>	<b>3.000</b>
Square Feet:	<b>130,680</b>	<b>130,680</b>
Topography:	<b>Generally Level</b>	
Shape:	<b>Irregular</b>	
Utilities:	<b>All</b>	
Zoning:	<b>C-6, Commercial</b>	
Allowable Bldg Area:	<b>0 SF</b>	
Floor Area Ratio:	<b>0.00</b>	
No. of units:	<b>0</b>	
Max FAR:	<b>0.00</b>	
Frontage:		

#### Analysis

Use At Sale:	<b>Vacant</b>
Proposed Use or Dev.	<b>Surgery Center</b>
Price Per Acre:	<b>\$348,667</b>
Price Per SF of Land:	<b>\$8.00</b>
Price Per Unit:	
Price Per SF of Bldg:	



#### Financial Data

Transaction Type:	<b>Sale</b>
Date:	<b>6/2012</b>
Marketing Time:	<b>24 Months</b>
Grantor:	<b>Orthopaedic Clinic, Ltd.</b>
Grantee:	<b>Everett Chevrolet Realty/No 1, LLC</b>
Document No.:	<b>2012-19853</b>
Sale Price:	<b>\$1,046,000</b>
Financing:	<b>Cash to Seller</b>
Cash Eq. Price:	<b>\$1,046,000</b>
Onsite/Offsite Costs:	<b>\$0</b>
Adj. Sale Price:	<b>\$1,046,000</b>
Verification:	<b>Broker</b>

#### Comments

Located on north side of Fletcher Chevrolet. Property has visibility from I-540. Property had been purchased by seller 04/02/2010 for \$1,275,000. The intention was to construct an orthopaedic treatment center/surgery center on this site. The subsequent passage of the health care law resulted in these plans to be terminated. The property was then placed on the market for sale. Purchaser is the adjacent property owner / operator of the automobile dealership.

**CBRE**

## LAND SALE No. 2

### Macadoodles Site

#### Location Data

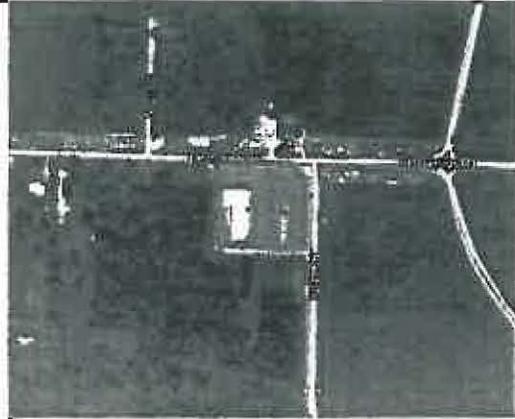
Location: **Elm Springs Road at 48th Street  
Springdale, AR 72762**  
County: **Washington**  
Parcel No: **815-29800-201**  
Atlas Ref:

#### Physical Data

Type: **Retail/Commercial**  
Land Area: **Gross Usable**  
Acres: **2.625 2.625**  
Square Feet: **114,345 114,345**  
Topography: **Generally Level**  
Shape: **Rectangular**  
Utilities: **All**  
Zoning: **C-5, Commercial**  
Allowable Bldg Area: **0 SF**  
Floor Area Ratio: **0.00**  
No. of units: **0**  
Max FAR: **0.00**  
Frontage: **Elm Springs Road - ;48th Street - ;**

#### Analysis

Use At Sale: **Vacant**  
Proposed Use or Dev. **Liquor and Convenience Stores**  
Price Per Acre: **\$406,857**  
Price Per SF of Land: **\$9.34**  
Price Per Unit:  
Price Per SF of Bldg:



#### Financial Data

Transaction Type: **Sale**  
Date: **8/2009**  
Marketing Time: **NA**  
Grantor: **Anders Family Limited Partnership**  
Grantee: **TLJ Properties, LLC**  
Document No.: **2009-28128**  
Sale Price: **\$1,068,000**  
Financing: **Cash to Seller**  
Cash Eq.Price: **\$1,068,000**  
Onsite/Offsite Costs: **\$0**  
Adj. Sale Price: **\$1,068,000**  
Verification: **Contract and deed records**

#### Comments

Now being improved with liquor store and convenience store. Located approximately one block west of the I-540 and Elm Springs Road intersection.

**CBRE**

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## LAND SALE No. 3

### Commercial site - 40th and McKay

#### Location Data

Location: **522 N 40th Street  
Springdale, AR 72762**  
County: **Washington**  
Parcel No: **815-30047-050+**  
Atlas Ref:

#### Physical Data

Type: **Spec-Holding**  
Land Area: **Gross Usable**  
Acres: **9.070 9.070**  
Square Feet: **395,098 395,098**  
Topography: **Generally Level**  
Shape: **Rectangular**  
Utilities: **All**  
Zoning: **C-2 & C-5**  
Allowable Bldg Area: **0 SF**  
Floor Area Ratio: **0.00**  
No. of units: **0**  
Max FAR: **0.00**  
Frontage: **North 40th Street - ;I-540 - ;**

#### Analysis

Use At Sale: **Vacant**  
Proposed Use or Dev.  
Price Per Acre: **\$195,145**  
Price Per SF of Land: **\$4.48**  
Price Per Unit:  
Price Per SF of Bldg:



#### Financial Data

Transaction Type: **Sale**  
Date: **7/2008**  
Marketing Time: **9 Months**  
Grantor: **Washburn Revocable Trust**  
Grantee: **Mathews Investments, LLC**  
Document No.: **2008-23175**  
Sale Price: **\$1,770,000**  
Financing: **Cash to Seller**  
Cash Eq.Price: **\$1,770,000**  
Onsite/Offsite Costs: **\$0**  
Adj. Sale Price: **\$1,770,000**  
Verification: **Appraisal & Pub Rcds**

#### Comments

This comparable is located along the west side of North 40th Street, near its intersection with McKay Avenue.

The property has frontage and visibility from Interstate Highway 540. There is a possibility that in the future some of the comparable's frontage along I-540 will have to be donated to the City for an access road along I-540.

Any improvements located on the site at the time of sale were considered to not have any contributory value.

**CBRE**

## LAND SALE No. 4

### 5.70 Acres

#### Location Data

Location: **591 N 40th Street  
Springdale, AR 72726**

County: **Washington**

Parcel No: **815-29819-060, 815-29819-160**

Atlas Ref:

#### Physical Data

Type: **Retail/Commercial**

Land Area: **Gross Usable**

Acres: **5.700 5.700**

Square Feet: **248,292 248,292**

Topography: **Level, At Street Grade**

Shape: **Irregular**

Utilities: **all**

Zoning: **C-2**

Allowable Bldg Area: **0 SF**

Floor Area Ratio: **0.00**

No. of units: **0**

Max FAR: **0.00**

Frontage: **440' North 40th Street - ;**

#### Analysis

Use At Sale: **vacant**

Proposed Use or Dev. **commercial**

Price Per Acre: **\$184,211**

Price Per SF of Land: **\$4.23**

Price Per Unit:

Price Per SF of Bldg:



#### Financial Data

Transaction Type: **Sale**

Date: **7/2008**

Marketing Time: **10 Months**

Grantor: **Matthews Investments**

Grantee: **Washburn Revocable Trust**

Document No.: **2008-23177**

Sale Price: **\$1,050,000**

Financing: **Cash to Seller**

Cash Eq.Price: **\$1,050,000**

Onsite/Offsite Costs: **\$0**

Adj. Sale Price: **\$1,050,000**

Verification: **MLS# 514040, Lender**

#### Comments

**CBRE**

**ADDENDUM B**  
**LEGAL DESCRIPTION**

**Exhibit "A"**  
**Property Description**

A Part of the Southwest Quarter (SW 1/4) of the Southeast Quarter (SE 1/4) and part of the Southeast Quarter (SE 1/4) of the Southwest Quarter (SW 1/4) of Section 9, Township 17 North of Range 30 West, Washington County, Arkansas, being more particularly described as follows: Beginning at the Northeast corner of the Southeast Quarter (SE 1/4) of the Southwest Quarter (SW 1/4) of said Section 9; running thence South 16 degrees 45 minutes East along center of county road right-of-way 796.97 feet; thence leaving said center of county road right-of-way South 89 degrees 14 minutes 28 seconds West 720.35 feet; thence North 0 degrees 19 minutes 33 seconds West 773.05 feet to the North line of the Southeast Quarter (SE 1/4) of the Southwest Quarter (SW 1/4) of said Section 9; thence South 89 degrees 57 minutes 37 seconds East 495.00 feet to the point of beginning, containing 10.73 acres, more or less. Less and except that portion on the East side embraced in Roadway.

**Exhibit "B"**  
**Property Description**

**Part of the Southeast Quarter of the Southwest Quarter of Section 9, Township 17 North, Range 30 West, Washington County, Arkansas, more particularly described as follows:**

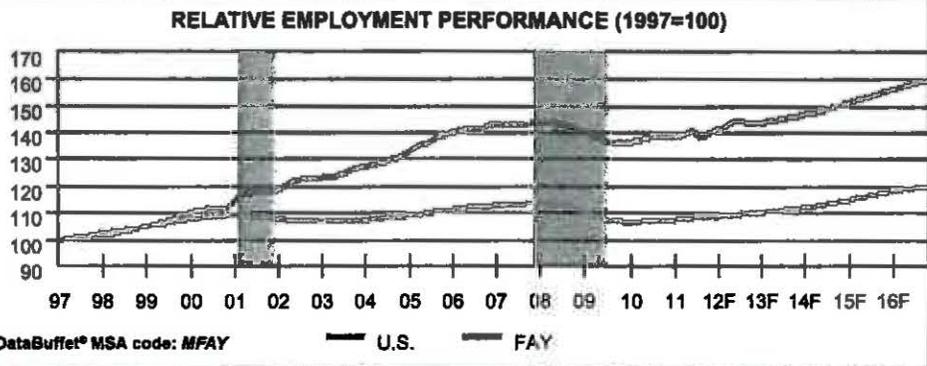
Starting at the Southeast Corner of the Southeast Quarter of the Southwest Quarter of Section 9; thence South 88°29' West along the South line a distance of 499.9 feet to the point of beginning; thence continue South 88°29' West along said South line a distance of 35.9 feet to a point on the Easterly proposed right of way line of Relocated U.S. Highway #71; thence North 06°02' West along said proposed right of way line a distance of 702.9 feet to a point; thence North 03°24'40" West along said proposed right of way line a distance of 629.9 feet to a point on the North line of the Southeast Quarter of the Southwest Quarter of Section 9; thence North 88°02' East along said North line a distance of 122.2 feet to a point; thence South 01°05' East a distance of 1331.3 feet to the point of beginning and containing 2.655 acres more or less which includes 0.02 Acre more or less being used as a public road.

**ADDENDUM C**  
**PRÉCIS METRO REPORT - ECONOMY.COM, INC.**

# FAYETTEVILLE AR

<b>EMPLOYMENT GROWTH RANK</b>		<b>VITALITY</b>	
2011-2015	<b>59</b>	RELATIVE	RANK
15-yr Avg		<b>134%</b>	<b>16</b>
2011-2016		RELATIVE COSTS	
15-yr Avg	<b>44</b>	LIVINGS	BUSINESS
		<b>89%</b>	<b>86%</b>

LIFE CYCLE PHASE: Growth/Recovery



2005	2006	2007	2008	2009	2010	2011	INDICATORS	2012	2013	2014	2015	2016
15.5	16.1	16.0	16.1	15.2	15.8	15.7	Gross metro product (C\$B)	16.0	16.5	17.2	17.9	18.6
5.3	3.6	-0.5	0.2	-5.1	3.4	-0.4	% change	1.9	3.3	4.2	4.3	3.4
198.5	205.4	208.2	207.2	199.3	200.4	202.7	Total employment (000)	208.4	211.0	216.6	223.6	230.2
5.5	3.5	1.3	-0.5	-3.8	0.5	1.2	% change	2.8	1.3	2.6	3.2	2.9
3.3	3.6	3.8	4.2	6.2	6.5	6.2	Unemployment rate	5.6	6.1	5.9	5.4	5.0
7.9	9.4	7.9	4.7	-2.2	5.3	5.8	Personal income growth	4.9	3.8	6.2	7.0	6.0
408.0	424.0	436.5	446.6	455.1	465.8	473.8	Population (000)	480.8	487.7	494.4	500.9	507.5
5,264	4,029	2,259	1,221	1,067	1,081	1,289	Single-family permits	1,576	1,763	2,532	2,712	2,584
2,329	2,064	1,114	1,545	684	140	48	Multifamily permits	195	1,507	1,655	1,247	1,105
134.1	136.4	128.4	118.8	108.5	104.3	101.8	Existing-home price (\$ ths)	103.5	104.4	110.7	116.6	120.0
3,179	3,135	3,078	2,291	2,951	2,073	1,801	Mortgage originations (\$ mil)	2,452	1,618	1,340	1,525	1,748
10.2	11.3	6.6	4.4	4.2	6.5	4.2	Net migration (000)	3.1	3.1	2.9	2.8	2.9
3,127	855	1,308	1,889	2,491	2,443	2,101	Personal bankruptcies	1,862	1,790	1,880	1,926	2,032

## STRENGTHS & WEAKNESSES

- STRENGTHS**
- Headquarters location of several industry leaders, including Walmart.
  - Home to large research university.
  - Arkansas Research and Technology Park supports private research firms.
  - Solid demographics pave the way for services expansion.
- WEAKNESSES**
- Well below-average per capita income.
  - Above-average employment volatility.

## CURRENT EMPLOYMENT TRENDS

	% CHANGE YR AGO, 3-MO MA		
	Feb 12	Jun 12	Oct 12
Total	1.8	2.9	3.9
Construction	1.7	-0.2	2.0
Manuf.	-2.9	-1.4	1.9
Trade	1.8	3.0	4.8
Trans/Utilities	0.7	0.5	-0.3
Information	-1.8	0.1	-0.1
Financial Activities	-3.4	-2.2	0.4
Prof & Business Svcs.	4.6	4.7	3.9
Edu & Health Svcs.	3.1	5.5	6.4
Leisure & Hospitality	4.5	7.9	7.8
Other Services	3.4	3.4	3.7
Government	2.5	3.1	4.0

## FORECAST RISKS

- UPSIDE**
- Walmart's domestic expansion benefits corporate headquarters and local economy.
  - Arkansas' budget provides more fiscal support to FAY than anticipated.
  - Tourism spending rises more than expected because of better-performing nearby states.
- DOWNSIDE**
- Nationwide drought keeps grain costs elevated, slowing production and hiring at local food processors.

## ANALYSIS

**Recent Performance.** The Fayetteville-Springdale-Rogers recovery is in high gear and is outperforming those of Arkansas and the U.S. Payroll employment has surpassed its prerecession peak thanks to a boom in tourism, health services and public sector hiring. Manufacturing employment has stabilized in recent months even as food manufacturers are still struggling because of elevated input costs. Higher grain prices caused by the recent drought have forced FAY poultry processors to hike chicken prices and restrain hiring. Thankfully, services have more than picked up the slack for manufacturing. The unemployment rate fell to 5.3% in October, more than 2 percentage points below the national rate.

**Tourism.** Tourism will transform into a key economic driver over the next several years. The addition of the \$150 million Crystal Bridges Museum of American Art in Bentonville is providing a lift to tourism and boosting leisure and hospitality jobs. Employment in the industry is up almost 8% over the past year, compared with a 2% gain nationally. Nearby states—including Texas, which recently transitioned to expansion—are supporting tourism in FAY. According to the Arkansas Department of Parks and Tourism, travel expenditures increased 4.3% across the state in 2011. Further, hotel chains are constructing new facilities to handle the increase in tourism. For example, 21C Hotels will complete its Museum Hotel Bentonville in the first quarter of 2013.

**Public sector.** The public sector will also be a key source of support over the next few years. Arkansas' strong fiscal position will provide funds to expand state payrolls; state government employment in FAY is already up 4.8% over the past year, noticeably better than the 0.5% rise nationally. In addition, local governments are also expanding and hiring. The City of Fayetteville will issue pay raises for its staff in fiscal 2013, supporting wage growth. A rebounding labor market has improved income

and sales tax revenues in FAY's municipalities and helped support larger budget expenditures.

**Walmart.** The metro area will benefit from the presence of Walmart's corporate headquarters. The world's largest retailer is aggressively expanding its domestic footprint with the construction of smaller-scale express stores in order to better compete with other discount retailers and dollar stores. Walmart recently reported its fifth consecutive quarterly gain in U.S. same-store sales. The mega-retailer is also investing heavily in e-commerce and online marketing technologies to take market share from rivals such as Amazon. Walmart is catching up in online sales; the retailer posted its largest share of online sales ever during this year's Black Friday shopping season and was second only to Amazon in terms of total online sales.

**Food processors.** Food manufacturers will not contribute much to the recovery in the first half of 2013. Though corn and wheat prices have fallen from their high in the third quarter, they remain elevated and are still weighing on food processors' profit margins. Chicken producers, in particular, are feeling the squeeze with input costs high and chicken demand still relatively subdued. All told, it will be some time before FAY's key food manufacturers contribute to the labor market recovery.

**The Fayetteville-Springdale-Rogers recovery will pick up steam over the near term thanks to growth in both public and private services. Manufacturing will remain stuck in neutral, however, as high input costs weigh on profit margins and restrain hiring. Walmart will remain a primary source of strength and stability. Longer term, solid demographics, a strong industrial core, and healthy fiscal conditions will enable FAY to expand at an above-average pace.**

*Brens Campbell  
November 2012*

**EMPLOYMENT & INDUSTRY**

**TOP EMPLOYERS**

Wal-Mart Stores Inc.	25,400
University of Arkansas	6,750
Tyson's Frozen Foods	4,300
J.B. Hunt Transport Services Inc.	2,593
George's Inc.	2,500
Washington Regional Medical Center	2,200
Arvest Bank and Trust	2,200
Northwest Medical Center	1,600
Twin Rivers Group	1,600
Superior Industries	1,461
Mercy Health System of NWA	1,400
Pinnacle Healthcare	1,100
Cargill Corp.	1,000
Rockline Industries	930
Danaher Tool Group	800
Pinnacle Foods Group LLC	718
Rogers Tool Works	700
Crossland Construction	700
Ozark Mountain Poultry	641
Glad Manuf.	600

Sources: Fayetteville Economic Development Council, August 2008, Rogers Chamber of Commerce, 2011, Springdale Chamber of Commerce, June 2008

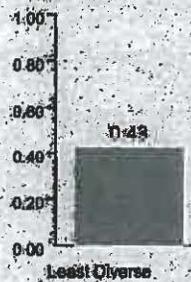
**PUBLIC**

Federal	2,380
State	9,454
Local	16,969

2011

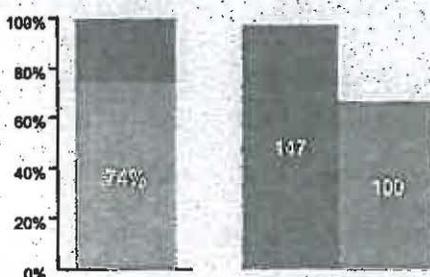
**INDUSTRIAL DIVERSITY**

Most Diverse (U.S.)



**EMPLOYMENT VOLATILITY**

Due to U.S. fluctuations Relative to U.S.



Not due to U.S. Due to U.S. FAY U.S.

**MIGRATION FLOWS**

**INTO FAYETTEVILLE, AR**

**NUMBER OF MIGRANTS**

Little Rock, AR	825
Joplin, MO	641
Phoenix, AZ	281
Tulsa, OK	252
Chicago, IL	191
Total In-migration	17,221

**FROM FAYETTEVILLE, AR**

Little Rock, AR	851
Joplin, MO	645
Fort Smith, AR	586
Dallas, TX	462
Dallas, TX	407
Fort Worth, TX	181
Oklahoma City, OK	173
Los Angeles, CA	169
Springfield, MO	121
Total Out-migration	15,034

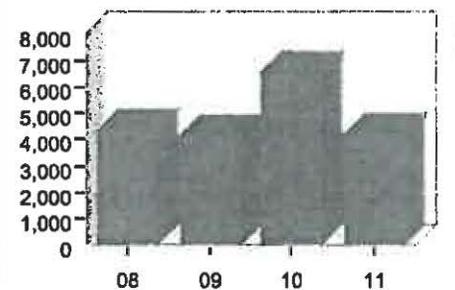
**Net Migration 2,187**

**COMPARATIVE EMPLOYMENT AND INCOME**

Sector	% of Total Employment			Average Annual Earnings		
	FAY	AR	U.S.	FAY	AR	U.S.
Mining	0.1%	0.8%	0.6%	nd	\$49,481	\$80,442
Construction	3.7%	4.0%	4.2%	\$41,155	\$42,890	\$57,059
Manufacturing	13.7%	13.6%	8.9%	\$47,362	\$53,137	\$76,451
Durable	33.6%	49.2%	62.0%	nd	\$55,324	\$78,378
Nondurable	66.4%	50.8%	38.0%	nd	\$50,946	\$73,303
Transportation/Utilities	7.3%	5.1%	3.7%	\$55,255	\$58,007	\$63,289
Wholesale Trade	4.8%	3.9%	4.2%	\$93,908	\$67,768	\$78,458
Retail Trade	10.4%	11.2%	11.1%	\$29,411	\$29,016	\$32,068
Information	0.9%	1.3%	2.0%	\$46,799	\$57,112	\$96,383
Financial Activities	3.5%	4.2%	5.8%	\$37,684	\$34,462	\$50,553
Prof. and Bus. Services	17.5%	10.2%	13.2%	nd	\$46,976	\$61,371
Educ. and Health Services	11.1%	14.4%	15.1%	\$45,094	\$42,657	\$50,771
Leisure and Hosp. Services	8.2%	8.5%	10.1%	\$18,269	\$17,262	\$24,149
Other Services	3.4%	3.7%	4.1%	\$30,016	\$29,500	\$34,601
Government	14.2%	18.9%	16.8%	\$57,086	\$56,083	\$68,458

Sources: Percent of total employment — Moody's Analytics & BLS, 2011; Average annual earnings — BEA, 2011

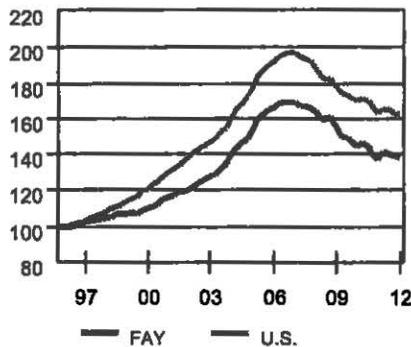
**NET MIGRATION, FAY**



	2008	2009	2010	2011
Domestic	3,050	2,826	5,305	3,199
Foreign	1,370	1,367	1,254	1,014
Total	4,420	4,193	6,559	4,213

Sources: IRS (top), 2010; Census Bureau, 2011

**HOUSE PRICES**



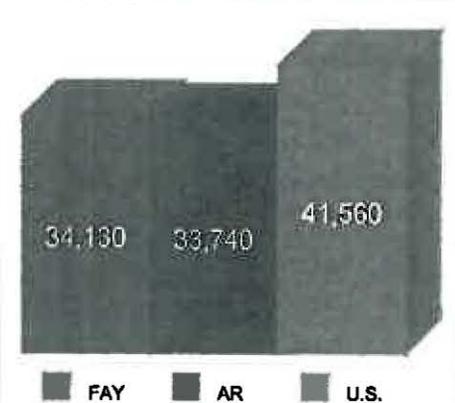
Source: FHFA, 1996Q1=100, NSA

**LEADING INDUSTRIES**

NAICS INDUSTRY	EMPLOYEES (000)
GVSL State & Local Government	26.4
5511 Management of companies and enterprises	18.1
7225 Restaurants and other eating places	13.7
4841 General freight trucking	9.7
3116 Animal slaughtering and processing	9.4
FR Farms	8.1
6221 General medical and surgical hospitals	4.8
4529 Other general merchandise stores	4.2
6211 Offices of physicians	3.7
4251 Wholesale elect. markets, agents, brokers	3.3
5221 Depository credit intermediation	2.8
2382 Building equipment contractors	2.7
5617 Services to buildings and dwellings	2.7
5613 Employment services	2.5
5413 Architectural, engineering, and related services	2.4
High-tech employment	5.5
As % of total employment	2.6

Sources: BLS, Moody's Analytics, 2011

**PER CAPITA INCOME**

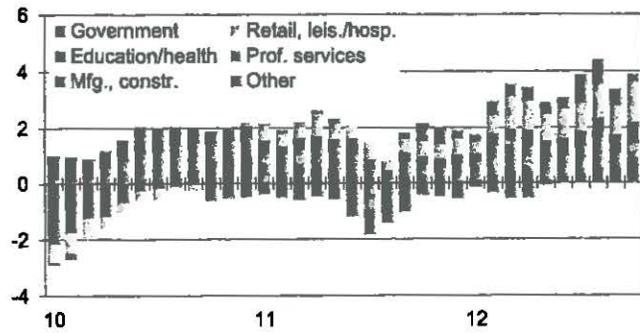


Source: Bureau of Economic Analysis, 2011

**MOODY'S RATING**

**Private and Public Services Lead the Recovery...**

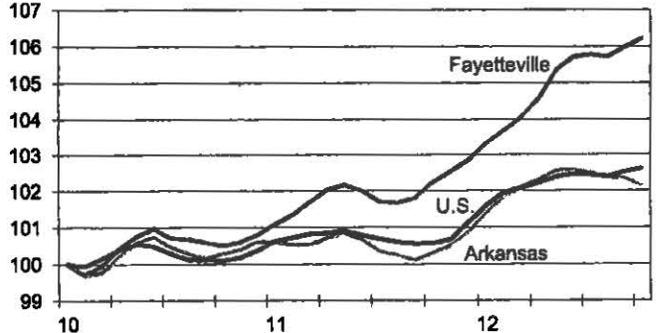
Contribution to employment growth, % change yr ago, ppt



Sources: BLS, Moody's Analytics

**...Driving Fayetteville to Outperform**

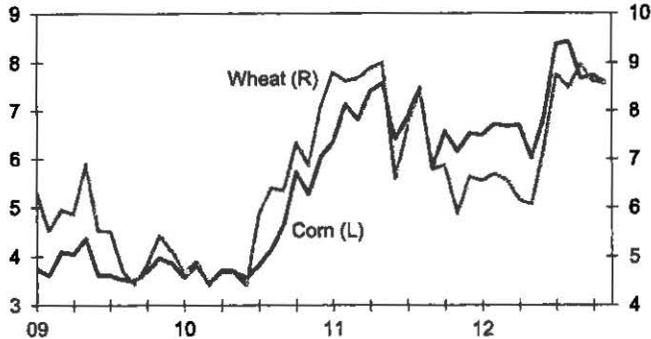
Adversity, Jan 2010=100



Source: Moody's Analytics

**Grain Prices Remain High, Hurt Manufacturers**

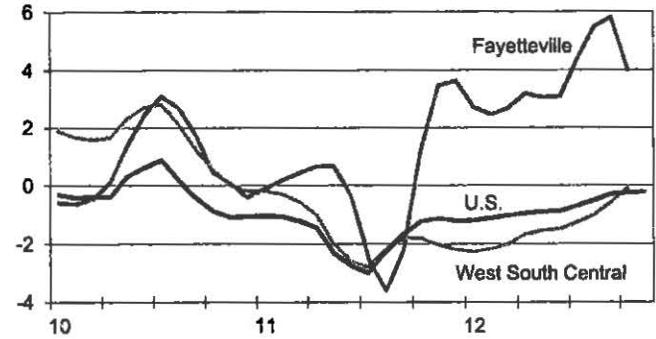
Spot price, \$ per bushel



Sources: CRB, Moody's Analytics

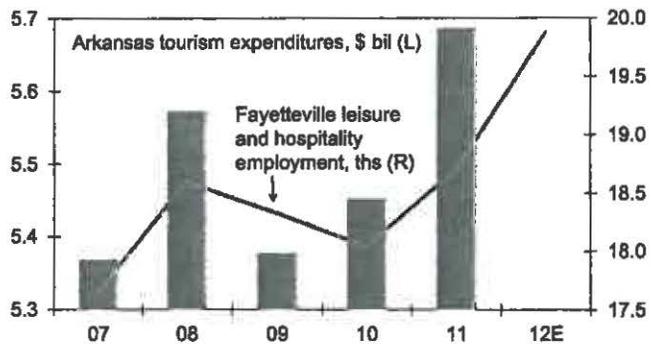
**Healthy Budgets Boost Fayetteville**

Government employment, % change yr ago, 3-mo MA



Sources: BLS, Moody's Analytics

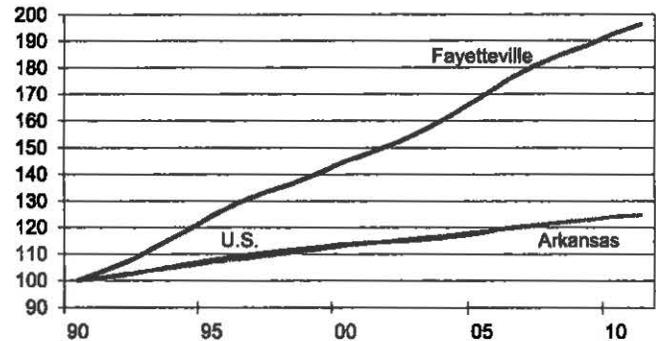
**Tourism Spending and Hiring on the Upswing**



Sources: BLS, State of Arkansas, Moody's Analytics

**Outside Population Growth Supports Services**

Population, 1990=100



Sources: Census Bureau, Moody's Analytics

## About Moody's Analytics Economic & Consumer Credit Analytics

Moody's Analytics helps capital markets and credit risk management professionals worldwide respond to an evolving marketplace with confidence. Through its team of economists, Moody's Analytics is a leading independent provider of data, analysis, modeling and forecasts on national and regional economies, financial markets, and credit risk.

Moody's Analytics tracks and analyzes trends in consumer credit and spending, output and income, mortgage activity, population, central bank behavior, and prices. Our customized models, concise and timely reports, and one of the largest assembled financial, economic and demographic databases support firms and policymakers in strategic planning, product and sales forecasting, credit risk and sensitivity management, and investment research. Our customers include multinational corporations, governments at all levels, central banks and financial regulators, retailers, mutual funds, financial institutions, utilities, residential and commercial real estate firms, insurance companies, and professional investors.

Our web and print periodicals and special publications cover every U.S. state and metropolitan area; countries throughout Europe, Asia and the Americas; and the world's major cities, plus the U.S. housing market and other industries. From our offices in the U.S., the United Kingdom, the Czech Republic and Australia, we provide up-to-the-minute reporting and analysis on the world's major economies.

Moody's Analytics added Economy.com to its portfolio in 2005. Its economics and consumer credit analytics arm is based in West Chester PA, a suburb of Philadelphia, with offices in London and Sydney. More information is available at [www.economy.com](http://www.economy.com).

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**ADDENDUM D**  
**CLIENT CONTRACT INFORMATION**



WRITER'S EMAIL ADDRESS  
JBUTT@DAVIS-FIRM.COM

SIDNEY P. DAVIS, JR.  
CONSTANCE G. CLARK  
WM. JACKSON BUTT II  
KELLY CARITHERS  
DON A. TAYLOR  
CASEY D. LAWSON  
JOSHUA D. MCFADDEN  
COLIN M. JOHNSON  
J. DAVID DIXON  
WILLIAM F. CLARK

January 30, 2013

RE: City of Springdale vs. Richard and Carol Lane;  
Washington County Case No. CIV 2012-3112-2

*Via: Hand Delivery*

Mr. Stephen Cosby  
CBRE, Inc.  
438 Millsap, Ste #204  
Fayetteville, AR 72703

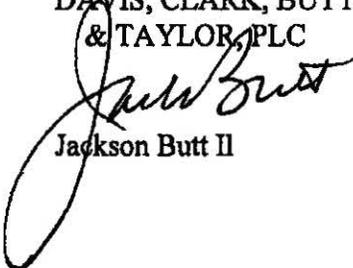
Dear Steve:

I have signed the Engagement Agreement for the Lane property and return it herewith along with this firm's Trust account check in the amount of \$3,600 payable to CBRE, Inc. as stipulated.

I would appreciate your giving me a call promptly upon receiving this to discuss how we proceed. I look forward to hearing from you.

Sincerely,

DAVIS, CLARK, BUTT, CARITHERS  
& TAYLOR, PLC

  
Jackson Butt II

WJB/br  
Enclosures

cc (w/encl): Mr. and Mrs. Richard Lane

CBRE, Inc.  
43B E Millsap Ste 204  
Fayetteville, AR 72703

January 22, 2013

**Stephen Cosby, MAI, MRICS**  
Managing Director

Jack Butt  
Attorney at Law  
**Davis, Clark, Butt, Carithers & Taylor, PLC**  
PO Box 1688  
Fayetteville, AR 72702-1688  
Phone: 479-521-7600  
Fax: 479-521-7661  
Email: jbutt@davis-firm.com

RE: Assignment Agreement  
Lane v. AHTD / Lane v. Springdale Water & Sewer Commission, 3320 S 48th Street  
Springdale, AR 72762

Dear Mr. Butt:

We are pleased to submit this proposal and our Terms and Conditions for this assignment.

**PROPOSAL SPECIFICATIONS**

<b>Purpose:</b>	Just Compensation estimate
<b>Premise:</b>	As Is
<b>Rights Appraised:</b>	Fee Simple
<b>Intended Use:</b>	Possible Litigation purposes
<b>Intended User:</b>	The intended user is Davis, Clark, Butt, Carithers & Taylor, PLC
<b>Inspection:</b>	CBRE will conduct a physical inspection of both the interior and exterior of the subject property, as well as its surrounding environs on the effective date of appraisal.
<b>Valuation Approaches:</b>	One of the three traditional approaches to value will be considered and utilized. Only the sales comparison approach to value will be included.
<b>Report Type:</b>	Summary
<b>Appraisal Standards:</b>	USPAP
<b>Appraisal Fee:</b>	For AHTD partial taking: \$2,600 initial appraisal fee If Springdale Water & Sewer Commission taking is to be appraised in a separate appraisal report: an additional \$1,000 initial appraisal fee (separate reports will be produced for the AHTD and Springdale Water & Sewer Commission takings with the Springdale Water & Sewer Commission presuming that the AHTD taking has already occurred) See below regarding hourly charges for court testimony and related time.
<b>Expenses:</b>	Initial appraisal fees include all expenses with completing the appraisals and preparing the associated reports. Associated expenses for trial/testimony/other expenses will be billed separately
<b>Retainer:</b>	A retainer of \$2,600 is required if only the AHTD appraisal is

**Payment Terms:** engaged. If the additional Springdale Water & Sewer appraisal is engaged, the additional retainer will be \$1,000 for a total of \$3,600. Final payment is due and payable upon delivery of the final report or within thirty (30) days of your receipt of the initial report, whichever is sooner. The fee is considered earned upon delivery of the initial report.

**Delivery Instructions:** We will invoice you for the assignment in its entirety at the completion of the assignment. An Adobe PDF file via email will be delivered to jbutt@davis-firm.com. Charges may apply for hard copies (see Terms and Conditions).

**Delivery Schedule:**

- Preliminary Value:** Not Required
- Draft Report:** Not Required
- Final Report:** 21 calendar days after the Start Date

**Start Date:** The appraisal process will start upon receipt of your signed agreement, the retainer, and the property specific data.

**Acceptance Date:** These specifications are subject to modification if this proposal is not accepted within 5 business days from the date of this letter.

**TERMS AND CONDITIONS**

In addition to the fee for this assignment, the client agrees to compensate us for any time expended by us should we be requested by the client to become involved in any corporate meetings, phone conferences, litigation or legal proceeding in any way involving this engagement, the appraisal report we produce or the property which is the subject of this assignment. Hourly charges for this assignment are as follows:

Expert Witness Testimony/Depositions:	\$400.00
Meetings/Consultation:	\$400.00
General Market Research:	\$250.00
Support Staff:	\$100.00

Further, should we be requested by the client to become involved in any corporate meetings, phone conferences, litigation or legal proceeding in any way involving this engagement, the appraisal report we produce or the property which is the subject of this assignment, the client agrees to reimburse us for the associated costs and expenses incurred by us.

If the assignment or any portion of the assignment is canceled or put on hold in writing by the client, we will bill the client only for the time spent, plus all expenses and travel time to and from the job site, as of receipt of the Notice of Cancellation. Additionally, billable time for all consultation or testimony includes all related travel time.

Jack Butt  
Assignment Agreement  
Page 3 of 6  
January 22, 2013

The attached Terms and Conditions and Specific Property Data Request are deemed a part of this agreement as though set forth in full herein.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

**CBRE, Inc.**  
**Valuation & Advisory Services**



Stephen Cosby, MAI, MRICS  
Managing Director  
As Agent for CBRE, Inc.  
AR State Certified General Appraiser No.  
CG0197  
OK State Certified General Appraiser No.  
11350CGA  
MO State Certified General Appraiser No.  
2002005745  
KS State Certified General Appraiser No. G-  
2280  
LA State Certified General Appraiser No.  
G2907  
TX State Certified General Appraiser No. TX-  
1338559-G  
T 479 442 7401 x. 3  
F 479 442 7806  
[steve.cosby@cbre.com](mailto:steve.cosby@cbre.com)



## TERMS AND CONDITIONS

1. These Terms and Conditions, between CBRE, Inc.-Appraisal Services (Appraiser) and the Client for whom the referenced appraisal service will be performed, shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the state of the CBRE, Inc. office shown on the Agreement.
2. Client is defined as the party signing the Agreement and shall be responsible for payment of the fees stipulated in the Agreement. Payment of the appraisal fee is not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the appraisal report.
3. Final payment is due and payable upon delivery of the final report or within thirty (30) days of your receipt of our draft report, whichever is sooner. If a draft report is requested, the fee is considered earned upon delivery of our draft report.
4. If we are requested to give court testimony, an additional fee will be charged on an hourly basis at our then-prevailing hourly rate. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes appraisal report) and all meetings related to court testimony.
5. In the event Client requests additional services beyond the purpose stated in the Agreement, Client agrees to pay an additional charge for such services, plus reimbursement of expenses, whether or not the completed report has been delivered to Client at the time of the request.
6. It is understood that the Client has the right to cancel this assignment at any time prior to delivery of the completed report. In such event, the Client is obligated only for the pro rated share of the fee based upon the work completed and expenses incurred, with a minimum charge of \$2,000.
7. Appraiser shall have the right to terminate this Agreement at any time for cause effective immediately by written notice to Client upon the occurrence of the fraud or willful misconduct of Client, its employees or agents.
8. Additional copies of the appraisal reports are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping cost of \$30 per report.
9. In the event Client fails to make payments when due and payable, then from the date due and payable until paid the amount due and payable, shall bear interest at the maximum rate permitted in the state in which the office of Appraiser executing the Agreement is located. If Appraiser is required to institute legal action against Client relating to the Agreement, Appraiser shall be entitled to recover reasonable attorney's fees and costs from Client.
10. Appraiser assumes that there are no major or significant items that would require the expertise of a professional building contractor or engineer. If such items need to be considered in Appraiser's studies, such services are to be provided by others at a cost which is not a part of the fee proposal.
11. In the event of any dispute between Client and Appraiser relating to this Agreement, or Appraiser's or Client's performance hereunder, Appraiser and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of Appraiser executing this Agreement is located. The arbitrator(s) shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar type damages. The prevailing party in the arbitration proceeding shall be entitled to recover from the losing party its expenses, including the costs of arbitration proceeding, and reasonable attorney's fees.
12. Client acknowledges that Appraiser is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Client and Appraiser. This assignment shall be deemed concluded and the services hereunder completed upon delivery to Client of the appraisal report discussed herein.
13. All statements of fact in the report which are used as the basis of the Appraiser's analyses, opinions, and conclusions will be true and correct to the best of the Appraiser's knowledge and belief. Appraiser does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to Appraiser by Client.
14. Appraiser shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the property analyzed.
15. Client shall provide Appraiser with such materials with respect to the Assignment as are requested by Appraiser and in the possession or under the control of Client. Client shall provide Appraiser with sufficient access to the real property to be analyzed and hereby grants permission for entry, unless discussed in advance to the contrary.

16. The data gathered in the course of the Assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of Appraiser. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the report and the related data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
17. Unless specifically noted in the appraisal, we will not be taking into consideration the possibility of the existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof. Further, Appraiser understands that there is no major or significant deferred maintenance in the property which would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, and are not a part of this fee proposal.
18. Client shall indemnify and hold Appraiser fully harmless against any loss, damages, claims, or expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of Client (including any failure to perform any duty imposed by law), and for which recovery is sought against Appraiser by that third party; however, such obligation to defend and indemnify shall not apply if the claim or cause of action is based upon or arises in any way out of an act, failure to act or representation of Appraiser. Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party.
19. LIMITATION OF LIABILITY. EXCEPT FOR THE HOLD HARMLESS PROVISION ABOVE, ANYTHING IN THE AGREEMENT TO THE CONTRARY NOTWITHSTANDING, UNDER NO CIRCUMSTANCES WHATSOEVER SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER. EXCEPT FOR THE HOLD HARMLESS PROVISION ABOVE, IN NO EVENT WHATSOEVER SHALL EITHER PARTY'S TOTAL LIABILITY TO THE OTHER FOR DIRECT DAMAGES UNDER THE AGREEMENT OR ANY OTHER DAMAGES WHATSOEVER EXCEED IN THE AGGREGATE THE SUM OF TEN THOUSAND DOLLARS (\$10,000.00).
20. Please note that Appraiser's consent to allow the appraisal report or portions of the report, to become part of or be referenced in, any offering or other material intended for the review of others, or to be submitted to others, will be at Appraiser's reasonable discretion and, if given, will be on condition that Appraiser will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Appraiser, by a party satisfactory to Appraiser. Appraiser does consent to Client submission of the complete final report to rating agencies, loan participants or your auditors without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

**ADDENDUM E  
QUALIFICATIONS**

## **QUALIFICATIONS OF**

**STEPHEN COSBY, MAI, MRICS**  
Managing Director

**CBRE, Inc.**  
**VALUATION & ADVISORY SERVICES**  
438 E Millsap Ste 204  
Fayetteville, AR 72703  
(479) 442-7401 Phone  
(479) 442-7806 Fax  
steve.cosby@cbre.com

### **FORMAL EDUCATION**

University of Arkansas – BSBA, Finance - 1986

### **CONTINUING EDUCATION**

All Continuing Education Requirements Are Complete and Current  
Standards of Professional Practice, Parts A, B & C and Updates  
Subdivision Analysis

Appraising Convenience Stores

Appraisal Consulting

Land Valuation

Scope of Work

Hotel Valuation

Apartment Appraisal

Principles, Procedures, Capitalization Theory and Techniques, Valuation Analysis and Report

Writing, Comprehensive Review

### **PROFESSIONAL AFFILIATIONS & DESIGNATIONS ATTAINED**

Designated Member (MAI)	Appraisal Institute #75067 (awarded 08/02/2001)
Designated Member (MRICS)	Royal Institute of Chartered Surveyors #5682805
Certified General Real Estate Appraiser	State of Arkansas (CG0197), expires 06/30/2013
Certified General Real Estate Appraiser	State of Oklahoma (11350CGA), expires 11/30/2013
Certified General Real Estate Appraiser	State of Missouri (2002005745), expires 06/30/2014
Certified General Real Estate Appraiser	State of Kansas (G-2280), expires 06/30/2013
Certified General Real Estate Appraiser	State of Louisiana (G2907), expires 12/31/2012
Certified General Real Estate Appraiser	State of Texas (TX-1338559-G), expires 06/30/2014

### **EMPLOYMENT EXPERIENCE**

Senior real estate professional with over 27-years experience in real property valuation and consulting. Thorough knowledge of complex real property valuations and regulatory guidelines. Extensive litigation experience.

January, 2006 – Present	CB Richard Ellis, Inc./CBRE, Inc. Valuation & Advisory Services Managing Director	Northwest Arkansas and Little Rock, Arkansas
1993-2005	Cosby & Associates, Inc. President	Fayetteville, Arkansas
1989-1993	Pyron, Cosby & Associates Division Manager	Fayetteville, Arkansas
1983-1989	Associated Appraisers, Inc. Staff Appraiser	Fayetteville, Arkansas

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ARKANSAS  
APPRAISER LICENSING & CERTIFICATION BOARD



20800

© 2013 CBR, Inc.

has complied with the requirements of Arkansas Code Annotated § 17-51-101 et seq. and is the holder of a valid certificate. This card is for identification purposes only.

6/30/2013

Expiration Date

*Rob d. Mahan*  
Chairman

STATE OF ARKANSAS



APPRAISER LICENSING & CERTIFICATION BOARD

*Attest That*

STEPHEN COSBY

On this date was certified as a

STATE CERTIFIED GENERAL APPRAISER

The Arkansas Appraiser Licensing and Certification Board hereby affirms that this Certificate is issued in accordance with all the requirements of Arkansas Code Annotated, Section § 17-51-101 et seq., and subsequently adopted "Rules and Regulations" and shall remain in force when properly supported by a current pocket identification card.

DECEMBER 12, 1991

Date Issued

CGO197

Certificate Number

Chairman, AAL & CB

**QUALIFICATIONS OF**

**Jacob F. White**  
**Valuation Associate**

**CBRE, Inc.**  
**VALUATION & ADVISORY SERVICES**  
**PO Box 8217**  
**Fayetteville, AR 72703**  
**(479) 442-7401 Phone**  
**(479) 442-7806 Fax**  
**Jacob.white@cbre.com**

**FORMAL EDUCATION**

Sam M. Walton College of Business at the University of Arkansas – BSBA, Finance – 2010

**CONTINUING EDUCATION**

Standards of Professional Practice, Parts A, B & C and Updates  
Principles, Procedures

**PROFESSIONAL AFFILIATIONS**

Appraisal Institute	Associate Member	(No. 558071)
State Registered Real Estate Appraiser	State of Arkansas	(No. SR3691), expires 12/31/2013

**EMPLOYMENT EXPERIENCE**

Sept. 2011 - Present	CB Richard Ellis, Inc./CBRE, Inc. Valuation and Advisory Services Valuation Associate	Fayetteville, Arkansas
Oct. 2010 - Sept. 2011	Lindsey Management Co. Staff Accountant	Fayetteville, Arkansas
June 2010 – Oct. 2010	Wal-Mart Accounting Coordinator	Bentonville, Arkansas

ARKANSAS  
APPRAISER LICENSING & CERTIFICATION BOARD

20473



has complied with the requirements of Arkansas Code Section § 17-14-101, et seq., and is the holder of a valid certificate. This card is for identification purposes only.  
12/31/2012  
Expiration Date Chairman

STATE OF ARKANSAS



APPRAISER LICENSING & CERTIFICATION BOARD

Attest That  
**JACOB WHITE**

On this date was approved as a

**STATE REGISTERED APPRAISER**

The Arkansas Appraiser Licensing and Certification Board hereby affirms that this Registration is issued in accordance with all the requirements of Arkansas Code Annotated, Section 17-14-101 et seq., and subsequently adopted "Rules and Regulations" and shall remain in force when properly supported by a current pocket identification card.

**NOVEMBER 15, 2011**

Date Issued

**SR3691**

Registration Number

Chairman, AAL&CB