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REAL ESTATE APPRAISAL REPORT FILE #9648

RETAIL FACILITY
2309-2311 ROGERS AVE
FORT SMITH, AR 72901

REQUESTED BY
BOB COOPER
GHAN & COOPER COMMERCIAL PROPERTIES
4611 ROGERS AVE, SUITE 200
FORT SMITH AR 72903

INTENDED USERS
FORT SMITH PUBLIC SCHOOLS
FORT SMITH SCHOOL DISTRICT NO. 100
3205 JENNY LIND RD
FORT SMITH, AR 72901

INSPECTION/VALUE DATE
APRIL 6, 2023

BY
KEN COLLEY – AR #CG0298, OK #CG10860
LISA K DANIEL – AR #CR1214

Ken Colley & Associates, Inc.

Ken Colley, Owner
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April 11, 2023

Fort Smith Public Schools
Fort Smith School District No. 100
3205 Jenny Lind Rd
Fort Smith, AR 72901

RE: Retail Facility
2309-2311 Rogers Ave
Fort Smith, AR 72901

To Whom It May Concern:

In accordance with your request, the above captioned property has been inspected for the purpose of estimating the market value of fee simple interest. This is an appraisal report in accordance with USPAP Standards Rule 2-2. This appraisal is intended for the sole use of the client.

To the best of my knowledge, this report conforms to the current requirements prescribed by the Uniform Standards of Professional Appraisal Practice of the Appraisal Standards Board of the Appraisal Foundation (as required by the Financial Institutions Reform, Recovery and Enforcement Act "FIRREA").

An inspection of the subject property was made by Ken Colley. A description of the subject property's site and improvements is included in the appraisal report. Data pertinent to the subject property was analyzed, selected data is included in the appraisal, and an opinion of value was determined. It is my opinion that the estimated market value of the fee simple interest for the subject property, as of April 6, 2023, is estimated to be:

\$420,000

The reader should review the limiting conditions and certification included in this report. Should you need further information or have any questions, please call.

Sincerely,

The image shows a handwritten signature of Ken Colley in blue ink. To the right of the signature is a circular professional seal. The seal contains the text: "ARIZONA APPRAISER BOARD", "STATE CERTIFIED GENERAL", "CG0298", and "KEN COLLEY".

Ken Colley, IFA
AR #CG0298; OK #CG10860

TABLE OF CONTENTS

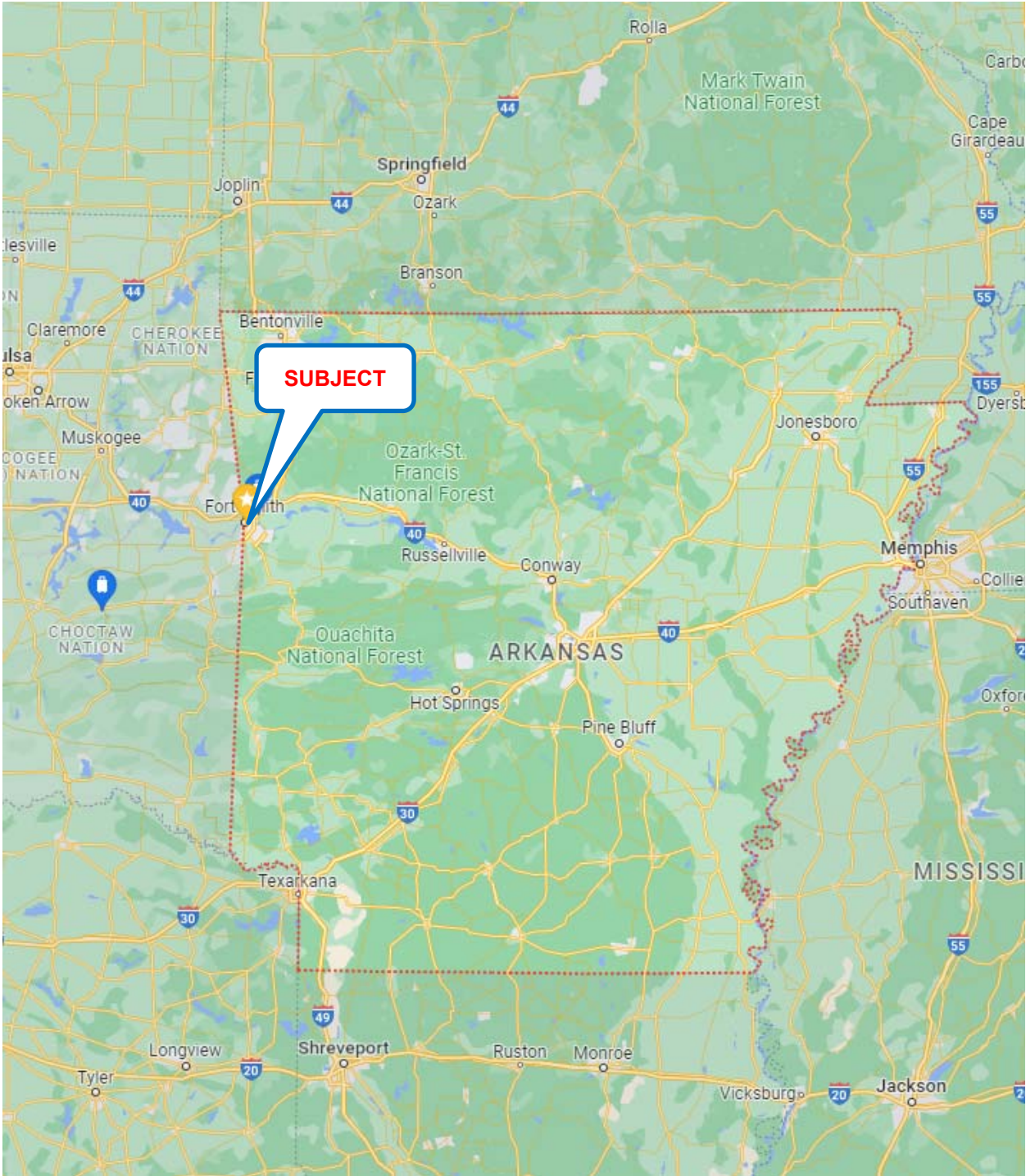
FACTUAL OVERVIEW– FILE #9648	4
AREA MAP	5
FORT SMITH METROPOLITAN AREA	6
FORT SMITH METRO RETAIL MARKET OVERVIEW	9
SEBASTIAN COUNTY DATA	11
FORT SMITH CITY DATA	12
LOCATION MAP #1	17
LOCATION MAP #2	18
NEIGHBORHOOD DESCRIPTION	19
SITE DESCRIPTION	20
AERIAL VIEW & PARCEL MAP	21
ZONING MAP	22
ZONING REGULATIONS	23
FLOOD MAP	25
DESCRIPTION OF IMPROVEMENTS	26
IMPROVEMENT SKETCH	27
SUBJECT PHOTOGRAPHS	28
HIGHEST AND BEST USE	34
THE APPRAISAL PROCESS	36
THE COST APPROACH	38
THE SALES COMPARISON APPROACH	39
COMPARABLE LAND SALES & ADJUSTMENTS	39
LAND SALES LOCATION MAP	41
COMPARABLE IMPROVED SALES & ADJUSTMENTS	42
COMPARABLE SALES PHOTOGRAPHS	44
COMPARABLE SALES LOCATION MAP	45
THE INCOME APPROACH	46
SUBJECT & RENT COMPARABLES	46
RENT COMPARABLE PHOTOGRAPHS	47
RENT COMPARABLES LOCATION MAP	48
INCOME ANALYSIS	49
OPERATING INCOME STATEMENT	50
CAPITALIZATION PROCESS	50
RECONCILIATION OF CAP RATES	52
DISCUSSION OF VALUE ESTIMATE	53
SCOPE OF THE APPRAISAL	54
EXTRAORDINARY ASSUMPTIONS	54
DEFINITIONS	55
DEPRECIATION	57
STATEMENT OF LIMITING CONDITIONS	58
APPRAISER'S CERTIFICATION	59
QUALIFICATIONS OF APPRAISER - KEN COLLEY	60
QUALIFICATIONS OF APPRAISER - LISA K. DANIEL	63
STATE OF ARKANSAS CERTIFICATION – KEN COLLEY	65
STATE OF ARKANSAS CERTIFICATION – LISA DANIEL	66
ENGAGEMENT FOR APPRAISAL	67

FACTUAL OVERVIEW– FILE #9648

INSPECTION/VALUE DATE: April 6, 2023
REPORT DATE: April 11, 2023
TYPE OF PROPERTY: Retail Facility
PROPERTY ADDRESS: 2309-2311 Rogers Ave
Fort Smith, AR 72901
LEGAL: Part Lots 5-7 & All Lot 8, Block RR, Fitzgerald Addition, &
Closed Alley, City of Fort Smith, Sebastian County, AR
PARCEL: 12763-0008-00318-00 \$1,980.94 (2022)
OWNERSHIP/HISTORY: According to the Sebastian County Records, the subject has
been in the name of S & G of Fort Smith, Inc since 6/17/2019
with an indicated purchase price of \$197,000. Previous
ownership – 4/18/2005 Stroud \$140,000.
LISTINGS/PENDING SALE: The subject is not currently listed for sale and there were no
for sale signs on the property at the time of inspection.
LAND SIZE: 13,790+/- sq.ft.
BUILDING SIZE: 7,004+/- sq.ft.
FLOOD DATA: Map #05131C0020E, Zone X, effective 05/20/2010
ZONING: C-2, Commercial Light
ENVIRONMENTAL HAZARDS: See Site Description for further comment.
PURPOSE OF APPRAISAL: Estimation of Market Value of Fee Simple Interest
FUNCTION OF APPRAISAL: Potential purchase
INTENDED USER: Client – Fort Smith Public Schools
MARKETING TIME: 3-12 months
EXPOSURE TIME: 3-12 months
RIGHTS APPRAISED: Fee Simple of surface land
HIGHEST & BEST USE: Retail Facility
VALUE BY EACH APPROACH:
Cost: N/A Sales Comparison: \$420,000 Income: \$380,000
FINAL ESTIMATE OF VALUE:
Land: \$130,000 Improvements: \$290,000

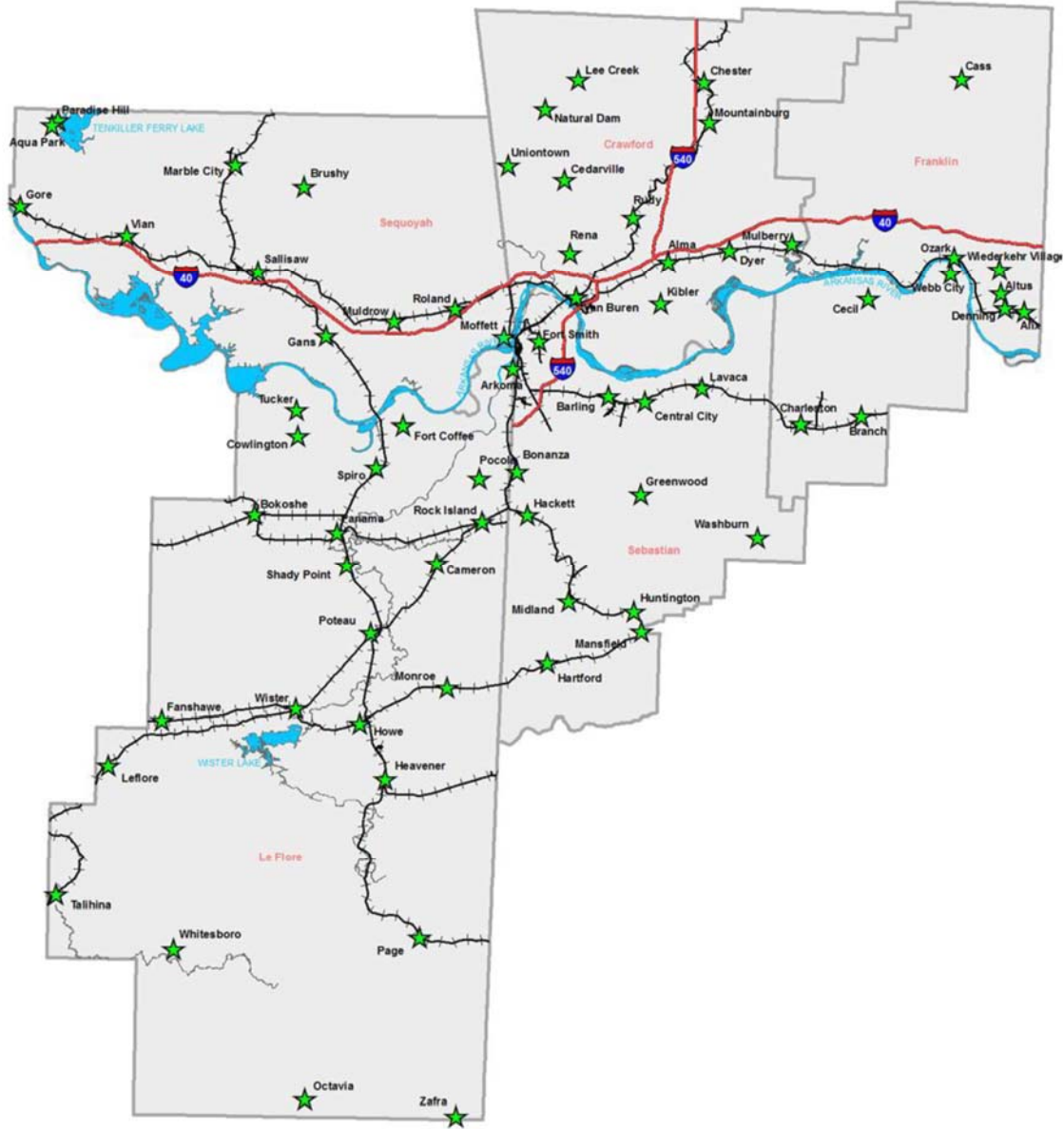
**INDICATED AS IS MARKET VALUE
\$420,000**

AREA MAP



FORT SMITH METROPOLITAN AREA

Based on the US Census Bureau, the Fort Smith Metropolitan Area consists of a five-county area, with three being in Arkansas and two in Oklahoma. The city of Fort Smith is the anchor city which is located in Sebastian County. The major city for Crawford County in Arkansas is Van Buren and for Franklin County is Ozark. In Oklahoma the major city for LeFlore County is Poteau and in Sequoyah County is Sallisaw.



Following is a breakdown on the major city populations and county populations:

COUNTY	2020 POPULATIONS	2010 POPULATIONS
Sebastian Co, AR	127,799	125,744
Crawford Co, AR	60,133	61,948
Franklin Co, AR	17,097	18,125
LeFlore Co, OK	48,129	50,384
Sequoyah Co, OK	39,281	42,391
Fort Smith Metro Area	292,439	298,592

MAJOR CITIES	2020 POPULATIONS	2010 POPULATIONS
Fort Smith, AR	89,142	86,208
Van Buren, AR	23,218	22,791
Ozark, AR	N/A	3,684
Poteau, OK	8,807	8,520
Sallisaw, OK	8,510	8,880

Employment varies consisting of management occupations; business and financial operations; computer and mathematical operations; architectural and engineering; life, physical and social science; community and social service; legal operations; education, training and library; art, design, entertainment, sports and media; healthcare practitioners and technical; healthcare support; protective service; food preparation and serving related; building and grounds cleaning and maintenance; personal care and service; sales and related; office and administrative support; farming, fishing and forestry; construction and extraction; installation, maintenance and repair; production; transportation and material moving.

Following is a breakdown for the Fort Smith Metropolitan Area on occupations, total employed, mean hourly wage and mean annual wage. The data is as of May 2021 and includes full-time and part-time employment. The data source is United States Department of Labor Bureau of Labor and Statistics.

OCCUPATIONAL TITLE	Mean Hourly Wage	Mean Annual Wage	Employment
Management	\$40.92	\$85,110	5,510
Business & Financial	\$28.48	\$59,230	3,610
Computer & Mathematical	\$31.04	\$64,550	970
Architecture/Engineering	\$34.03	\$70,780	650
Life/Physical/Social	\$30.02	\$62,440	360
Community/Social	\$21.18	\$44,040	1,210
Legal	\$31.85	\$66,250	420
Education/Training/Library	\$23.61	\$49,120	5,500
Arts/Design/Sport/Media	\$19.66	\$40,890	540
Healthcare Practitioners/Technical	\$34.89	\$72,580	6,360
Healthcare Support	\$13.25	\$27,560	4,900
Protective Service	\$19.11	\$39,740	2,360
Food Preparation & Serving	\$11.67	\$24,260	9,160
Building/Grounds & Maintenance	\$13.35	\$27,770	2,600
Personal Care	\$12.97	\$26,970	1,290
Sales & Related	\$16.50	\$34,320	10,200
Office & Administration	\$17.01	\$35,380	12,960
Farming, Fishing, Forestry	\$15.32	\$31,870	290
Construction & Extractions	\$19.73	\$41,050	3,660
Installations, Maintenance, Repairs	\$20.46	\$42,550	4,960
Production	\$17.63	\$36,660	12,320
Transportation & Material Moving	\$18.00	\$37,440	12,840

The Fort Smith Metro is a mix of manufacturing, trade, financial, government, education, health services, professional and business services, information, hospitality, natural resources and mining, etc. Following is data from CoStar on the economy:

Fort Smith is located in the northeast section of Arkansas, on the border of Oklahoma. The town has a population of 89,100, growing 3.4% over the past decade, based on the latest estimates from the Census Bureau. The manufacturing and industrial segments have

outsized the local economy, with Rheem, Georgia-Pacific, Gerber, Kraft Heinz, and Mars Petcare having plants in the area. The largest employers include ABB Motors & Mechanical and OK Foods.

FORT SMITH EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	19	1.9	3.26%	2.42%	0.61%	0.77%	-0.92%	-0.03%
Trade, Transportation and Utilities	24	1.1	0.32%	0.83%	0.60%	1.16%	-0.63%	0.07%
Retail Trade	13	1.1	-0.29%	-0.03%	0.46%	0.54%	-0.72%	0.08%
Financial Activities	4	0.6	2.42%	1.34%	-0.20%	1.39%	-0.06%	0.08%
Government	18	1.1	1.17%	1.17%	-0.01%	0.25%	1.28%	0.55%
Natural Resources, Mining and Construction	5	0.8	-1.10%	2.59%	-2.69%	2.40%	-0.28%	0.21%
Education and Health Services	17	0.9	3.51%	3.32%	0.58%	1.72%	-0.01%	0.53%
Professional and Business Services	12	0.7	0.96%	2.34%	-0.23%	2.06%	0.30%	0.33%
Information	1	0.5	-0.62%	4.49%	-0.83%	1.31%	-1.74%	0.22%
Leisure and Hospitality	10	0.8	4.15%	4.67%	1.16%	1.34%	-0.19%	1.03%
Other Services	4	1.0	3.69%	2.53%	0.55%	0.59%	0.60%	0.30%
Total Employment	114	1.0	1.92%	2.29%	0.24%	1.28%	-0.07%	0.37%

Source: Oxford Economics
LQ = Location Quotient

FORT SMITH METRO RETAIL MARKET OVERVIEW

Overview

Fort Smith Retail

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
22.5K	261K	3.3%	4.7%

Retail rents in the Fort Smith market were rising at a 4.7% annual rate during the second quarter of 2023, and have posted an average annual gain of 4.1% over the past three years. There is 41,000 SF currently underway, representing the largest under construction pipeline in over three years. Over the past three years, 72,000 SF has delivered, or a cumulative inventory expansion of 0.4%. Vacancies in the metro were somewhat below the

10-year average as of 2023Q2, and trended slightly down over the past four quarters.

Employment in the metro was recently increasing at an annual rate of 2.0%, or a gain of about 2,200 jobs. While a positive result, this does represent the weakest rate of job creation in the past twelve months, which at one point was as high as 3.1%.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	1,140,462	10.1%	\$14.37	14.7%	0	0	0
Power Center	0	-	-	-	0	0	0
Neighborhood Center	2,606,724	6.9%	\$12.09	7.7%	0	0	0
Strip Center	722,603	2.6%	\$12.78	2.6%	0	0	0
General Retail	12,279,526	1.9%	\$11.03	2.5%	(4,000)	0	40,700
Other	0	-	-	-	0	0	0
Market	16,749,315	3.3%	\$11.50	4.1%	(4,000)	0	40,700

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-1.4%	4.8%	4.1%	6.8%	2020 Q3	2.8%	2016 Q4
Net Absorption SF	261K	134,640	(7,009)	548,574	2008 Q4	(379,514)	2020 Q3
Deliveries SF	22.5K	129,950	51,956	533,045	2008 Q4	12,652	2011 Q4
Rent Growth	4.7%	1.1%	1.6%	5.7%	2022 Q3	-4.7%	2009 Q4
Sales Volume	\$38.5M	\$35.8M	N/A	\$78.3M	2014 Q3	\$2.5M	2008 Q2

Sales

Fort Smith Retail

Fort Smith is a midsized retail metro that had 51 retail sales close over the past 12 months, which was about average for its peer set. That signaled a drop-off in retail deals relative to what the market has seen over the past five years. Annual sales volume has averaged \$52.4 million over the past five years, and the 12-month high in investment volume hit \$73.2 million over that stretch. In the past 12 months specifically, \$38.2 million worth of retail assets sold. Deals involving general retail steered annual sales volume, accounting for \$34.3 million of the metro's sum in the past 12 months.

Market pricing, which is derived from the price movement of every retail asset in the region, sat at \$116/SF during the second quarter of 2023. That figure is an improvement over this time last year, and the price is a large discount to the overall average for the country. In fact, the retail market price in Fort Smith is more than 50% below the average for the entire United States. The 7.9% market cap rate is only a few basis points lower than last year's number, and the cap rate is structurally higher here than those across the country. The current rate is beneath the five-year average for Fort Smith.

Submarkets

Fort Smith Retail

SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Crawford County	232	2,204	13.2%	2	1	4	0.2%	3	0	-	-	-
2	Downtown Ft Smith	180	1,716	10.2%	3	0	0	0%	-	0	-	-	-
3	Greater Ft Smith	674	9,492	56.7%	1	2	4	0%	2	4	35	0.4%	1
4	Le Flore County	159	1,422	8.5%	4	1	4	0.3%	4	0	-	-	-
5	Outlying Sebastian County	97	739	4.4%	6	1	11	1.4%	1	1	5	0.7%	2
6	Sequoyah County	155	1,172	7.0%	5	0	0	0%	-	0	-	-	-

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Crawford County	\$8.99	4	3.9%	6	2.0%	5
2	Downtown Ft Smith	\$9.77	3	4.6%	2	2.3%	2
3	Greater Ft Smith	\$13.25	1	5.0%	1	2.5%	1
4	Le Flore County	\$8.75	5	4.4%	3	2.1%	4
5	Outlying Sebastian County	\$11.42	2	3.9%	5	1.4%	6
6	Sequoyah County	\$7.90	6	4.2%	4	2.1%	3

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Crawford County	23,688	1.1%	2	38,273	1.7%	4	-
2	Downtown Ft Smith	33,619	2.0%	4	(7,407)	-0.4%	5	-
3	Greater Ft Smith	421,194	4.4%	5	157,583	1.7%	1	0
4	Le Flore County	2,000	0.1%	1	56,676	4.0%	2	0.1
5	Outlying Sebastian County	10,505	1.4%	3	39,756	5.4%	3	0.3
6	Sequoyah County	57,367	4.9%	6	(24,019)	-2.0%	6	-

SEBASTIAN COUNTY DATA

Sebastian County is located in the West-central portion of Arkansas with the Arkansas River bordering to the North, Scott County to the South, Franklin County to the East and LeFlore and Sequoyah Counties in Oklahoma to the west. Sebastian County is the smallest county in the state of Arkansas containing 529 square miles.

Sebastian County was established on January 6, 1851. It was created from territory which previously comprised Crawford, Scott, and Polk Counties. It was named after William K. Sebastian, a US Senator and judge of the first circuit court several years after the state was admitted to the Union.

According to the 2020 Census, Sebastian County has a population of 127,799, which is 1.6% increase over the 2010 population of 125,744. The population of Sebastian County has steadily increased since its beginning in 1851. Following a brief summary:

1860 (first census recorded)	9,239
1990	36,935
1950	64,202
2000	115,071
2010	125,744
2020	127,799

Fort Smith is the county seat for Northern Sebastian County, which is the Fort Smith City Limits. Greenwood is the county seat for Eastern and Southern Sebastian County. Fort Smith is rich in history with some historical sites in the downtown area being an attraction to the area.

Law enforcement for the county area is by a County Sheriff with deputies. The larger cities and many smaller communities have City Police Departments.

Fire protection for Fort Smith and a few other smaller cities is by a paid Fire Department. Many of the rural areas have volunteer firemen.

Baptist Health Hospital and Mercy Hospital are both located in Fort Smith. An orthopedic hospital is located in Fort Smith. A variety of medical offices and walk-in clinics are available throughout the county.

Several public school systems are located throughout the county as well. The University of Arkansas at Fort Smith and is located on Grand Avenue west of I-540. The Arkansas College of Osteopathic Medicine is located in Chaffee Crossing.

A small portion of the Ouachita National Forest is located in the extreme Southern portion of the county. A variety of recreation is offered within the county including golf, tennis, swimming, camping and fishing. Camping and fishing are also available along the Arkansas River.

FORT SMITH CITY DATA

FOUNDED

Fort Smith began as a military outpost in 1817. Major William Bradford's troops built the first stockade at Belle Point where the Arkansas and Poteau Rivers join. General Thomas Smith, for whom the Fort was later named, assigned Bradford this duty. In 1871, as the army moved out, the Federal Court for the Western District of Arkansas took over the Fort property. This was the beginning of the growing city know as Fort Smith and the arrival of the "hanging judge", Isaac C. Parker. Part of the original Fort, Judge Parker's Court and the restored gallows are all now a part of the Fort Smith National Historic Site.

LOCATION

Fort Smith is the county seat for Northern Sebastian County. Sebastian County is located in the extreme west-central portion of Arkansas on the Arkansas-Oklahoma border. With a location on the horseshoe bend on the Arkansas River, the city has the stream flowing on three sides. Major highways in the area are Interstate 40 and 540. A new interstate (Interstate 49) is under construction with a portion being opened. U.S. Highways 71, 64, and 271, along with other state highways, give easy access in and out of the Fort Smith area.

The Ozark National Forest located to the North of Sebastian County and the Ouachita National Forest is located to the South. This location between these forests provides for a temperate climate throughout the river valley. The Arkansas River Navigation System connects Fort Smith to 9,000 miles of navigable inland waterways.

Fort Smith is 180 miles East of Oklahoma City, 156 miles West of Little Rock, 200 miles South of Kansas City, and 276 miles North of Dallas.

POPULATION

According to the 2020 census, Fort Smith's population was 89,142, which is a 3.4% increase over the 2010 population of 86,209. Sebastian County's population for 2020 is 127,799. The subject's census tract information is as follows:

Census Tract Code	0008.00	Tract Population	3,893
MSA/MD Code	22900	Tract Minority	43.67%
State Code	5	Number of Families	913
County Code	131	Number of Households	1846
Tract Income Level	Moderate	2022 FFIEC Est Median Family Income	\$62,300
Underserved or Distressed	No	2022 Est Tract Median Family Income	\$49,441

MUNICIPAL SERVICES

Form of Local Government: Administrative – Board of Directors; consisting of Mayor, 7 Board of Directors, City Administrator

Fire Department: 126 Fire Fighters, 10 stations covering 69 square miles, 10 first line engine companies, 3 aerial ladder companies, 2 equipped rescue units, 3 brush fire fighting units, 2 rescue boats, hazardous material trailer, and a bomb response unit.

Fire Insurance Classification: First Class City

Police Department Personnel: 206 – consisting of Chief of Police, Administrative Services Division, Patrol Division, Criminal Investigations Division

Garbage Service Provided: Yes – Municipal

Comprehensive City Plan: Complete

Zoning: Yes

Public Library: Yes

CLIMATE

Weather is temperate with four distinct seasons of equal length. The average annual high is 72 degrees and an average low of 49 degrees. The average growing season is 215 days. Winters are normally mild with occasional snowfall staying on the ground for a few days or less. Temperate extremes range from near zero in the winter to a high of near 100 in the summer. The duration of these extremes is quite short. Precipitation averages 44 inches annually and 7 inches of snow.

WATER SUPPLY

The city's water supply comes from two municipally owned lakes in the Boston Mountains and the Lee Creek Reservoir in the Ozark National Forest.

UTILITIES

Natural gas is provided by A.O.G. Electricity is provided by O.G. & E. Telephone is provided by Southwestern Bell. Cable is provided by T.C.A

ECONOMIC

Fort Smith is the economic center of the six-county area known as the Greater Fort Smith Region. The economy is built on a diverse base of employers that compliments business efforts in the Greater Fort Smith Region. Occupations in the region range from production/manufacturing, transportation and material moving, healthcare, sales and office. The Greater Fort Smith Top 10 Employers are as follows:

1.	O.K. Industries, Inc.	6.	Fort Smith Public Schools
2.	Baldor Electric Co.	7.	Arkansas Best Corporation
3.	Sparks Health System	8.	City of Fort Smith
4.	Mercy	9.	University of AR at Fort Smith
5.	Rheem Manufacturing	10.	Golden Living

The unemployment rate for Fort Smith Metro Area is slightly below to the national average. As the grid below shows, the unemployment rate has steadily decreased since the Covid pandemic in 2020. Following is a breakdown for the United States, State of Arkansas, and the Fort Smith Metro from 2019 to 2022. Data source is the US Bureau of Labor Statics Economy at a Glance.

	LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT	UNEMPLOYMENT RATE
United States (2022)	164,291,000	158,297,000	5,994,000	3.70%
United States (2021)	161,212,000	152,586,000	8,626,000	5.60%
United States (2020)	160,763,000	147,813,000	12,950,000	8.80%
United States (2019)	163,517,000	157,528,000	5,989,000	3.70%
State of Arkansas (2022)	1,349,648	1,304,659	44,982	3.40%
State of Arkansas (2021)	1,331,912	1,277,953	53,960	4.20%
State of Arkansas (2020)	1,356,699	1,274,044	82,654	6.40%
State of Arkansas (2019)	1,368,565	1,319,789	48,776	3.60%
Fort Smith Metro Area (2022)	117,449	113,547	3,902	3.40%
Fort Smith Metro Area (2021)	115,852	111,298	4,554	4.10%
Fort Smith Metro Area (2020)	117,996	110,694	7,302	6.30%
Fort Smith Metro Area (2019)	118,097	113,886	4,211	3.60%

TRANSPORTATION

Fort Smith has several types of transportation available. The Fort Smith Regional Airport has daily flights available to Dallas/Fort Worth with American Airlines. The Fort Smith/Van Buren Bus Depot is in Van Buren offering travel with Greyhound. Railroad providers offering freight service in the area include Arkansas-Missouri Railroad, Fort Smith Railroad and Kansas City Southern. No public transportation is available through the rail carriers. Barge and river transit is available at the Port of Fort Smith on the Arkansas River and is available year-round. The Port of Fort Smith is part of the McClellan-Kerr Arkansas River Navigation System that runs through the heart of the nation providing access to Houston, New Orleans, Pittsburgh, Minneapolis, and the world.

Interstate 540 (running north-south), Interstate 40 (running East-West), Interstate 49 (running north-south and a portion is still under construction), U.S. Highway 71, U.S. Highway 64, U.S. Highway 271, State Highway 59, and State Highway 22 intersects the Fort Smith area.

PUBLIC EDUCATION

TYPE	NUMBER of SCHOOLS	GRADES
Elementary	19	K-5
Middle Schools	4	6-8
High Schools	2	9-12
Innovation Center (Beyond High School)	1	
Adult Education Center	1	

COLLEGE OR UNIVERSITY	LOCATION	DISTANCE
University of Arkansas Fort Smith	Fort Smith, AR	Local
Arkansas College of Osteopathic Medicine	Fort Smith, AR	Local
University of Arkansas	Fayetteville, AR	47 miles
College of the Ozarks	Clarksville, AR	56 miles
Carl Ablert State College	Poteau, OK	28 miles
Arkansas Tech University	Russellville, AR	85 miles

The University of Arkansas at Fort Smith and is located on Grand Avenue west of I-540. The Arkansas College of Osteopathic Medicine is located in Chaffee Crossing. Additional higher education available in Arkansas is in Conway, Little Rock, Jonesboro, and Siloam Springs.

RECREATION

Fort Smith is located within driving distance of many mountain lakes and streams with a variety of activities offered such as camping, hiking, fishing, boating, swimming, etc. The Janet Huckabee Nature Reserve sits on 170 acres. The nature center has indoor exhibits and a gift shop. The nature center overlooks Wells Lake which offers canoeing and fishing and picnicking. Creekmore Park is located in the heart of Fort Smith sitting on 27 acres offering a walking trail, swimming pool, picnic tables, miniature golf, miniature train, basketball court, tennis court, volleyball court, gazebo, and community center with public meeting rooms. The Ben Geren Regional Park sits on 1,300 acres offering offering golfing, tennis, softball, soccer, walking trail, frisbee golf and picnicking facilities. Other parks in the area include Carol Ann Cross Park, Fort Smith Park, Fort Smith Dog Park, Harry E, Kelley Park, Martin Luther King Park, Springhill Park, and Lake Fort Smith State Park.

Golf courses in the area include Ben Geren Regional Park, Fianna Hills Country Club, Hardscrabble Country Club and First Tee of Fort Smith.

CULTURAL ACTIVITIES

A municipal auditorium and convention center provides entertainment in the live arts. Fort Smith Symphony Orchestra, Community Center Association, Fort Smith Little Theatre and the Fort Smith Art Center offer other cultural activities.

MEDIA

NEWSPAPER: Southwest Times Record
Arkansas Gazette
Press-Argus Courier

TELEVISION:

KFSM	CBS	CHANNEL 5
KPOM	NBC	CHANNEL 24/51
KDFD	UPN	CHANNEL 32/36
KHBS	ABC	CHANNEL 40/29
KPBI	FOX	CHANNEL 46

CABLE TV: Cox Communication

RADIO: Several radio stations for AM and FM, ranging from talk, country, easy listening, Christian, oldies, rock, etc.

CHURCHES

There are 115+ churches with the predominate religions being Assembly of God, Baptist, Catholic, Church of Christ, Nazarene, Episcopal, Lutheran, Methodist, Mormon, Presbyterian, etc.

MOTELS/HOTELS

An excellent supply of hotel and motel accommodations is available in Fort Smith. Among the largest are:

Baymont by Wyndham Fort Smith	2123 Burnham Rd, Fort Smith
Best Western Aspen Hotel	2900 S 68th St, Fort Smith
Candlewood Suites	7501 Madison Ave, Fort Smith
Comfort Inn & Suites	6500 Rogers Ave, Fort Smith
Courtyard by Marriott	900 Rogers Ave, Fort Smith
Fairfield Inn & Suites by Marriot	7601 Phoenix Ave, Fort Smith
Hampton Inn	6201-C Rogers Ave, Fort Smith
Holiday Inn Express & Suites	7111 Pheonix Ave, Fort Smith
Homewood Suites by Hilton	7300 Phoenix Ave, Fort Smith
Home2 Suites by Hilton	7400 Phoenix Ave, Fort Smith
LaQuinta Inn & Suites	6700 Boston St, Fort Smith
Quality Inn Fort Smith I-540	2120 Burnham Rd, Fort Smith
Residence Inn by Marriott	3005 S 74th St, Fort Smith
Roadway Inn	6001 Rogers Ave, Fort Smith
Wyndham Fort Smith City Center	700 Rogers Ave, Fort Smith

HEALTHCARE SERVICES

Fort Smith has become one of the nation’s leading regional medical centers. Mercy Hospital has 336 beds; Baptist Health has 492 beds. Mercy and Baptist Health both offer 24-hour emergency care. Additional health care is available in small clinics.

FINANCIAL SERVICES

A variety of lending institutions and mortgage companies are available. There are various other smaller mortgage loan offices.

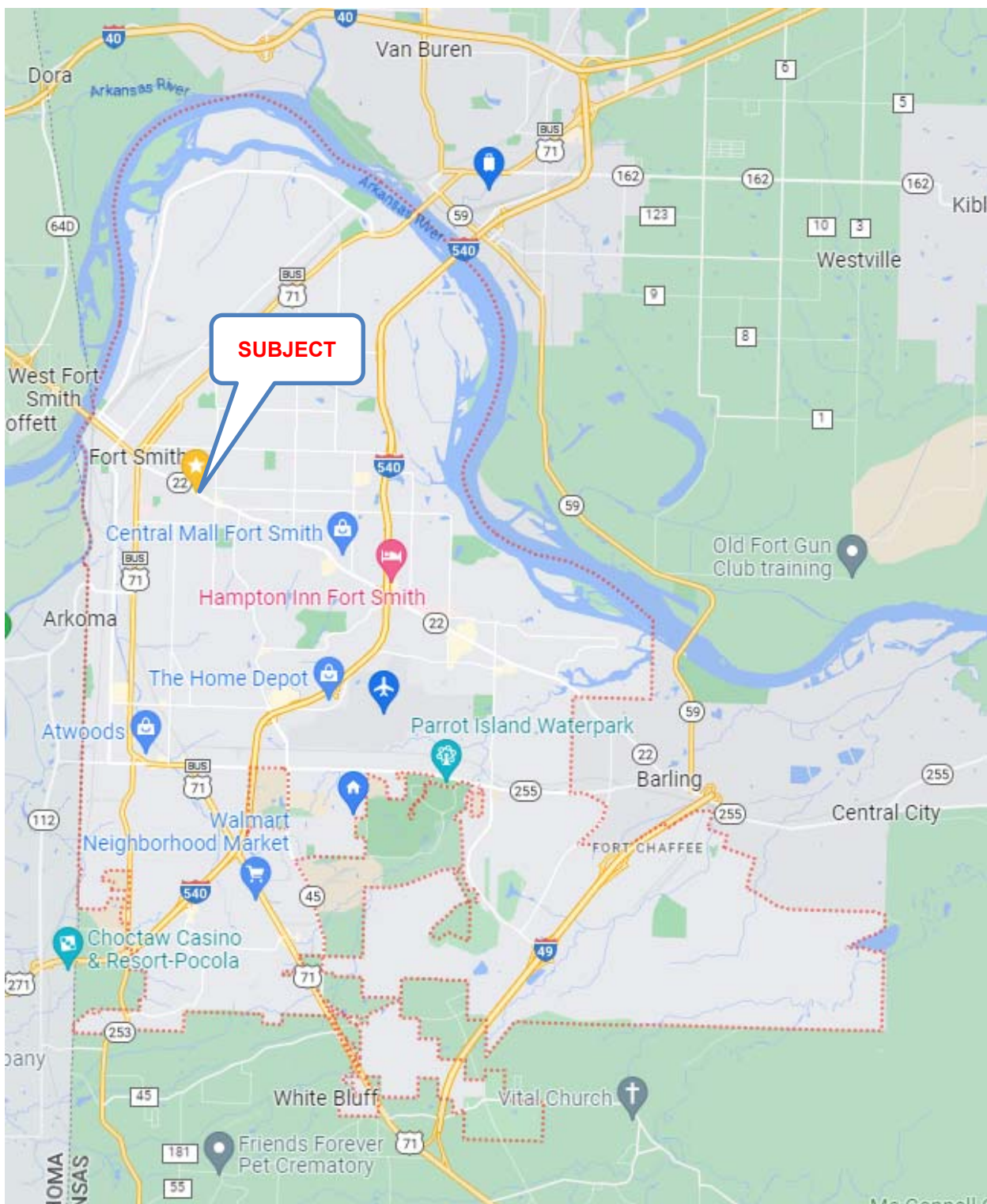
Armstrong Bank
ARVEST Bank
Bancorp South
Bank OZK
Centennial Bank
Chambers Bank
Citizens Bank and Trust Co.
Farmers Bank
First National Bank of Fort Smith
First Western Bank
Firststar Bank
Grand Savings Bank
Regions Bank
Simmons Bank

RETAIL

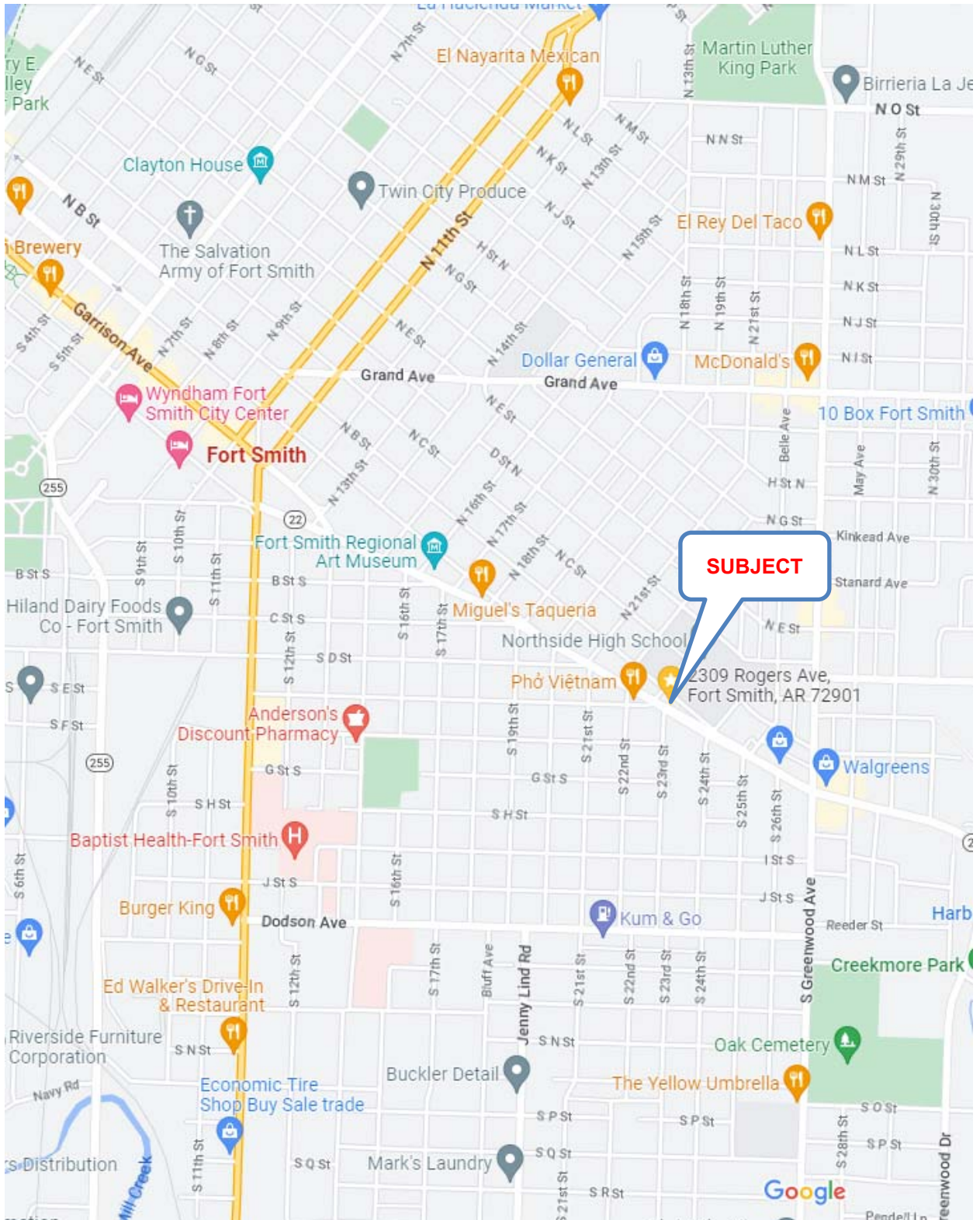
Fort Smith offers a variety of retail shopping with some of the largest as follows:

<u>NAME OF CENTER</u>	<u># OF STORES</u>
Cental Mall	54
Greenpointe Shopping Center	30
Park Plaza	10
May Branch Shopping Center	20
Stonewood Village	20
Williamsburg Square	12
Quarry Shopping Center	8
Massard Crossing	10+
The Pavilion	26

LOCATION MAP #1



LOCATION MAP #2



NEIGHBORHOOD DESCRIPTION

The subject is located in the downtown area of Fort Smith in the 2300 block of Rogers Ave which is across the street to the south of Northside High School. Access to area amenities is good. The neighborhood boundaries primarily run north of Country Club Ave, south of Riverfront Dr, east of the Arkansas-Oklahoma State Line, and west of Waldron Rd.

The subject is located along Rogers Ave, which is a main thoroughfare running east-west through Fort Smith. Rogers Ave has a high volume of traffic. From the subject, Rogers Ave intersects with N Greenwood Ave, Old Greenwood Rd, N Albert Pike Ave, Waldron Rd and Interstate 540 to the east and with Garrison Ave and Towson Ave to the west. Towson Ave is a main thoroughfare providing access to Zero St to the south. N Greenwood Ave, N Albert Pike Ave and N Waldron Rd provide access to Grand Ave. Access to Interstate 540 by way of Grand Ave is within 3.1 miles east-northeast or by way of Rogers Ave is within 2.6 miles southeast. Convenience to all area amenities is good. The subject has adequate access and good exposure. The subject's neighborhood is a mix of historical, commercial, multi-family and single-family.

All properties or neighborhoods experience inclining and declining periods. This cycle includes three phases: inclining (growth period), point of stability (minimal change), and declining period (loses desirability). Neighborhoods can experience this cycle more than once. The subject's neighborhood is a mix of commercial, industrial, residential and multi-family. A majority of properties in the area are 60 years and older. A majority of the properties in the neighborhood appear to have been maintained in a normal manner. The subject's neighborhood is considered to be in a point of stability.

A majority of new construction is taking place in the Chaffee Crossing area for residential and commercial properties. The City of Fort Smith and Chaffee Crossing are working to draw new businesses to the area. The Greater Fort Smith Region is situated in an area with good access to Interstates, U.S. Highways, air transportation, rail transportation and river waterway transportation. Overall, this area is stable and should continue to be in demand due to its location, appeal and affordability for both residential and commercial.

SITE DESCRIPTION

The subject is located in the 2300 block of Rogers Ave, just east of N 23rd St, and across the street to the south of Northside High School.

ADDRESS: 2309-2311 Rogers Ave
Fort Smith, AR 72901

LEGAL: Part Lots 5-7, All Lot 8, Block RR, Fitzgerald Addition, & Closed Alley,
City of Fort Smith, Sebastian County, AR

PARCEL/TAXES: 12763-0008-00318-00 \$1,980.94 (2022)

ASSESSMENT: Land \$16,550
Improvements \$17,570
Total \$34,120
Assessed value is 20% of assessor's appraised value.
Millage rate is \$58.058 per thousand.

SIZE: 13,790+/- sq.ft.
A survey copy was not provided. Lot size was taken from tax records.

SHAPE: Mostly rectangular-shaped

FRONTAGE: Along Rogers Ave on the south; Along N B St along the north

TOPOGRAPHY: Mostly level, at street grade

CORNER LOT: Yes

ALLEY WAY: No

ACCESS: Good, 3 streets

ZONING: C-2, Commercial Light

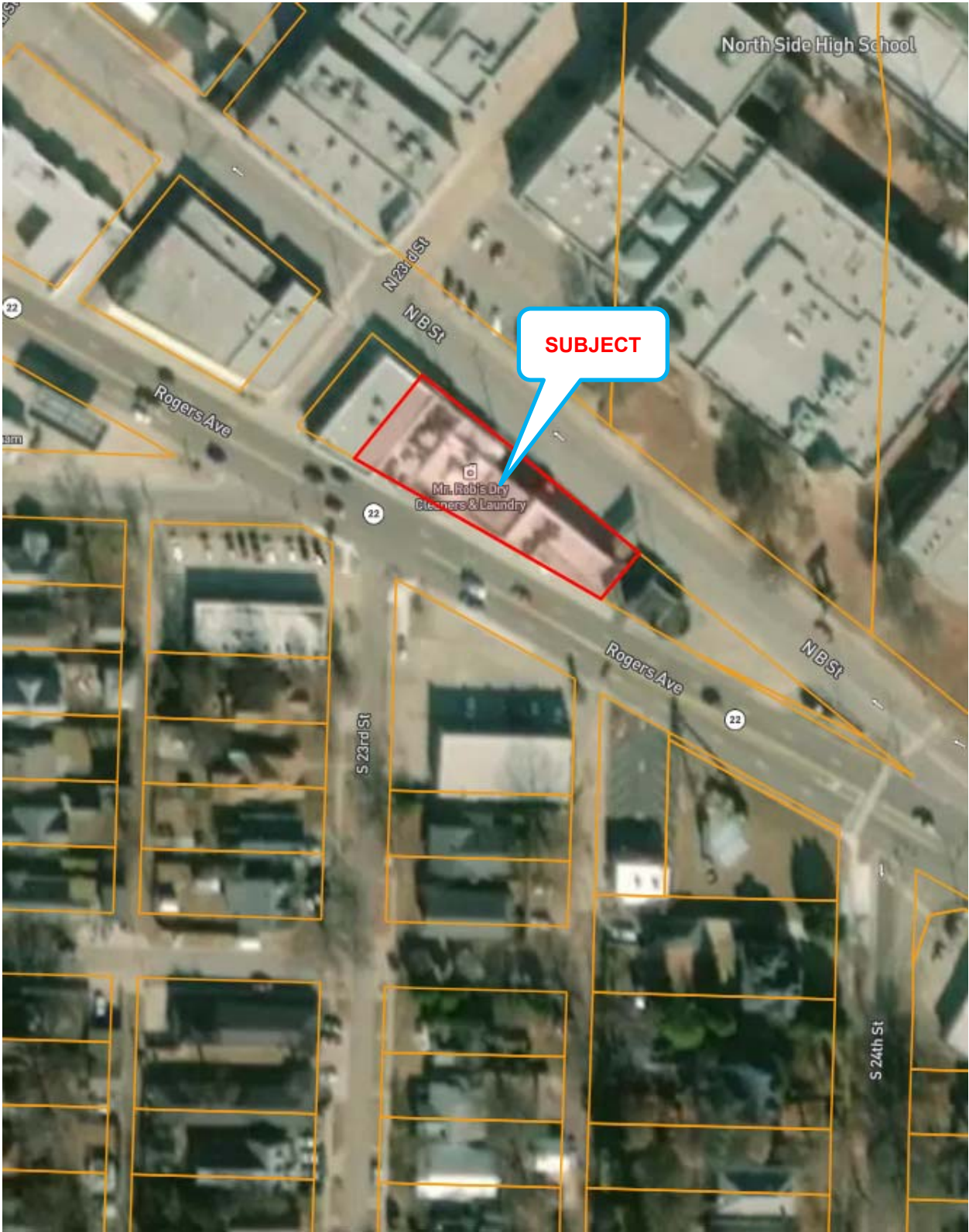
FLOODPLAIN: According to Community Panel #05131C0020E dated 05/02/2010, the subject appears to be in Zone X, which is not in the flood plain.

UTILITIES: Public Water, Sewer, Electric, Gas. All public utilities are readily available to site and are maintained by the various utility companies.

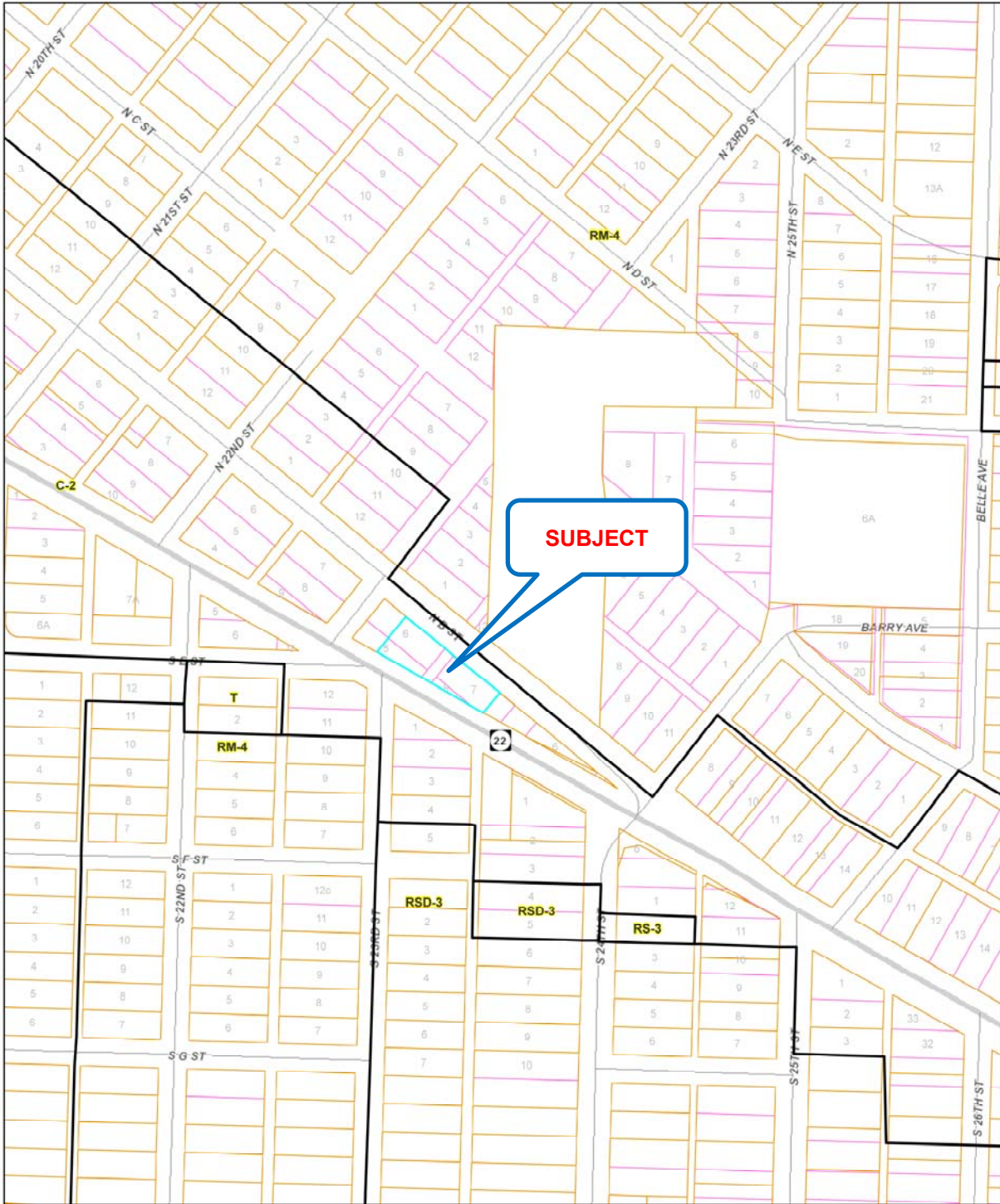
EASEMENTS: Typical utility easements assumed. No other adverse encroachments or easements noted.

ENVIRONMENTAL: No adverse environmental conditions were noted at the time of inspection. However, this appraiser is not an environmental expert. Only a qualified environmentalist could accurately determine by an environmental study if there are any adverse environmental conditions on the site or in the immediate area.

AERIAL VIEW & PARCEL MAP



ZONING MAP



ZONING REGULATIONS

DIVISION IV. - COMMERCIAL DISTRICTS

Sec. 27-420. - General purpose.

The commercial zoning districts established by this chapter are designed to promote the following specific purposes:

- A. To protect the property values of land and buildings, to promote the most desirable use of land and building development, to promote stable commercial development, to strengthen the economic base of the metropolitan area, and to protect the character of the commercial zoning districts and their suitability for particular land uses.
- B. To provide sufficient and appropriate land areas at appropriate locations, to meet the city's current and anticipated future needs for commercial developments within central shopping districts, regional, community and neighborhood shopping centers, as well as all other types of commercial and miscellaneous service facilities.
- C. To provide off-street parking and loading facilities for commercial areas; to encourage commercial establishments to concentrate in planned developments to the mutual advantage of both consumers and merchants, to encourage or require common entrances and exits to businesses thereby limiting the number of curb cuts and promoting shared parking facilities.
- D. To protect both commercial developments and nearby residences against congestion by regulating the intensity of commercial developments by restricting those types of establishments which generate heavy traffic.
- E. Commercial developments shall conform to design guidelines of article 27-600 et seq.

(Code 1992, § 27-420)

Sec. 27-421. - Commercial zones established.

Seven commercial zones are established by this chapter. Their designations are as follows:

- A. Neighborhood compatible (C-1);
- B. Commercial light (C-2);
- C. Commercial moderate (C-3);
- D. Commercial regional (C-4);
- E. Commercial/employment mixed use (CEMU);
- F. Commercial regional (C-5); and
- G. Commercial downtown (C-6).

Sec. 27-423. - Commercial light (C-2).

- A. *Purpose.* To provide office, service, and retail activities that are located within buffer areas near the edge of residential areas but which serve an area larger than adjacent neighborhoods. The C-2 zoning district is intended to accommodate well designed development sites and shall provide excellent transportation access, make the most efficient use of existing infrastructure, and provide for orderly buffers and transitions between commercial and residential land uses. C-2 zoning is appropriate in the commercial neighborhood, general commercial, mixed use residential, and mixed use employment classification of the master land use plan.
- B. *Land uses.* Permitted, conditional and accessory land uses in the C-2 zoning district are identified on the land use matrix in article 27-400, Appendix A. Specific land uses not identified on the list are subject to classification pursuant to section 27-336.
- C. *Area and bulk regulations.*

<i>Min. Lot Size/Max. Bldg. (sq. ft.)</i>	<i>Min. Lot Width</i>	<i>Max. Lot Coverage</i>	<i>Min. Street Frontage</i>	<i>Max. Height</i>
7,000 sq. ft. lot/30,000 sq. ft. bldg.	50 ft.	60%	20 ft.	35 ft.

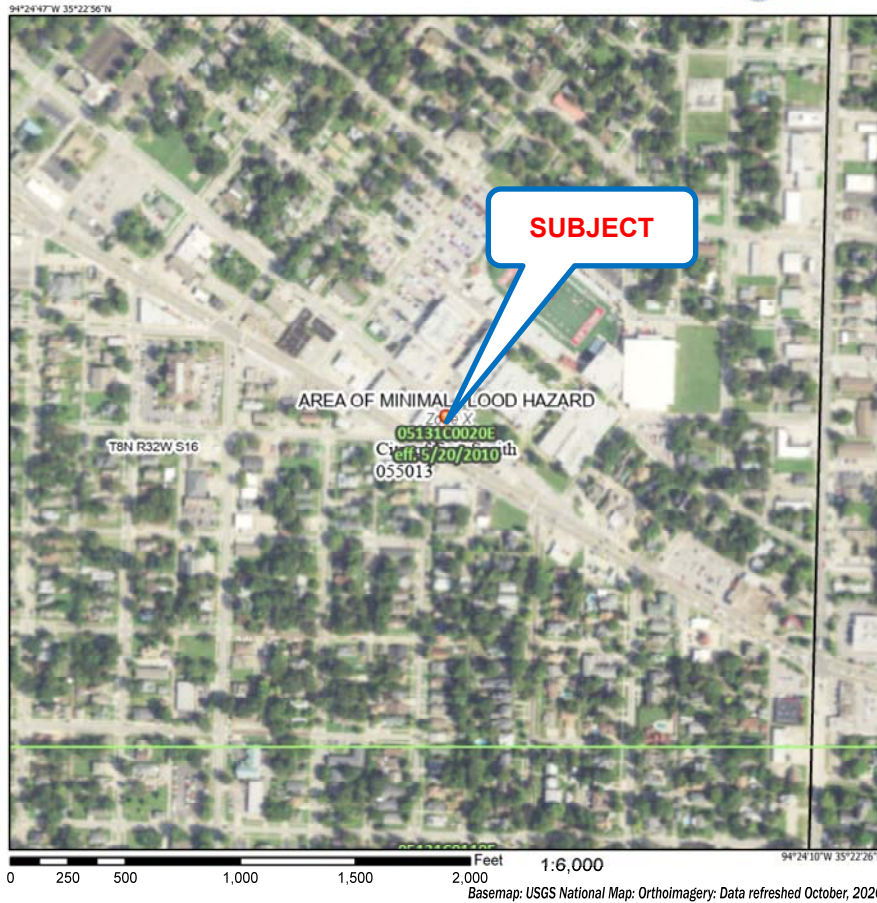
<i>Setback (feet)</i>				
<i>Front</i>	<i>Side</i>	<i>Street Side</i>	<i>Side/Rear (Adjoining SF Res. Dist. Development)</i>	<i>Rear</i>
25 ft.	10 ft.	10 ft.	30 ft.	10 ft.

1. Building separation shall be determined by the current city building and fire code.
 2. Minimum parcel/lot size for rezoning to C-2.
 - a. New district (by classification): 42,000 square feet.
 - b. Existing district (by extension): 7,000 square feet (one lot).
 3. Maximum individual building square footage on a single lot: 30,000 square feet.
 4. Required street access: major collector or higher.
- D. *Reserved.*
 - E. *District standards.*
 1. On-street parking may be included to meet as much as 50 percent of the overall parking requirement with the approval of the engineering department.
 2. All areas unoccupied by buildings, parking lots or used as traffic ways shall be maintained in a safe and orderly condition.
 3. No display of merchandise shall be permitted on public sidewalks or rights-of-way.
 4. Special sales merchandise may be temporarily displayed outdoors, but not to exceed a period for more than 14 days or no more than two occasions per year (total of 28 days per year) provided:
 - a. The display shall be limited to the private walk in front of the store.
 - b. No required parking area shall be used as a display or sales area.

(Code 1992, § 27-423; Ord. No. 47-10, § 2, 10-5-2010; Ord. No. 16-12, § 2, 2-21-2012; Ord. No. 3-14, § 1(att.), 1-7-2014; altered in 2019 recodification)

FLOOD MAP

National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE) Zone A, V, A99
- With BFE or Depth Zone AE, AO, AH, VE, AR
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard. Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee. See Notes, Zone X
- Area with Flood Risk due to Levee Zone D

OTHER AREAS

- NO SCREEN Area of Minimal Flood Hazard Zone X
- Effective LOMRs
- Area of Undetermined Flood Hazard Zone D

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

OTHER FEATURES

- 29.2 Cross Sections with 1% Annual Chance Water Surface Elevation
- 17.1 Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

MAP PANELS

- Digital Data Available
- No Digital Data Available
- Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

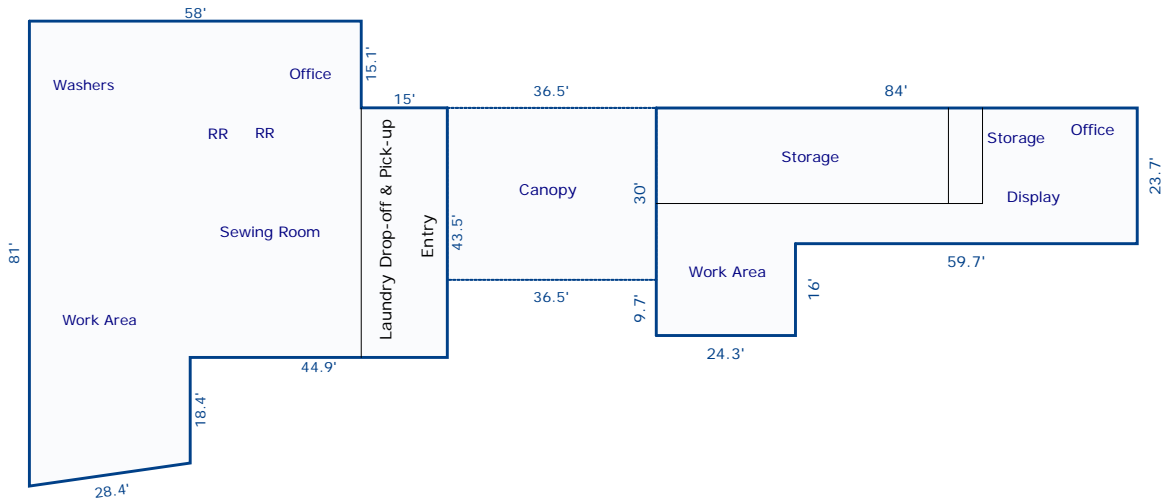
The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 3/8/2023 at 10:29 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

DESCRIPTION OF IMPROVEMENTS

GROSS BLDG AREA:	#2309 – 4,624+/- sq.ft. #2311 – 2,380+/- sq.ft.
STORIES:	1-Story
AGE:	Actual – 1930's~; Effective 20 years
CONDITION:	Average
QUALITY:	Average/Low
EXTERIOR:	
Foundation:	Concrete Slab
Structural System:	Load Bearing
Walls:	Brick
Wall Height:	10' to 14'+/-
Roof:	Built-up
Guttering:	Metal
Windows:	Glass in metal frames
Doors:	Insulated glass in metal frame, Hol-core metal
Porches/Patios:	1,095 sf Covered Drive-thru Porch
INTERIOR:	
Flooring:	Carpet, Ceramic Tile, Asphaltic Tile, Vinyl, Exposed Slab
Insulation:	Assumed adequate in walls and ceiling
Walls:	Gypsum board, Brick, Paneling
Ceiling:	Lay-in Acoustic Tiles, Exposed beams and metal
Heat/Air:	HVAC, Built-in wall air units
Hot Water:	Adequate
Layout:	#2309 – Retail area, Sewing Room, Office, (2) Rest rooms, Open Work Room #2311 – Retail Area, Office, Work Room, Storage, Room, Rest Room
SITE IMPROVEMENTS:	
Parking/Drive:	Concrete Paving
Walks:	Concrete
Fencing:	None

IMPROVEMENT SKETCH



Sketch by Apex Sketch v5 Standard™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GBA1	First Floor	4624.54	
	First Floor	2379.60	7004.14
P/P	Canopy	1095.00	1095.00
Net BUILDING Area		(rounded)	7004

BUILDING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
	58.0	x 15.1	875.80
	18.4	x 28.1	517.04
	73.0	x 43.5	3175.50
0.5	x 28.1	x 4.0	56.20
	16.0	x 24.3	388.80
	23.7	x 84.0	1990.80
6 Items			(rounded) 7004

SUBJECT PHOTOGRAPHS



**2309-2311 Rogers Ave
Fort Smith, AR**

Front View



Rear View



Street Scene



**2309-2311 Rogers Ave
Fort Smith, AR**

Front View #2



Side View



**#2311
Interior View**

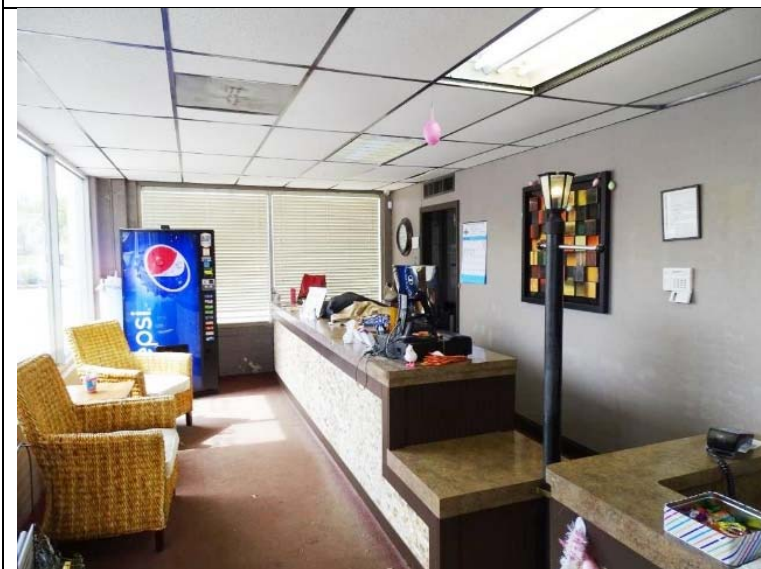


**2309-2311 Rogers Ave
Fort Smith, AR**

**#2311
Interior View**



Covered Area



**#2309
Lobby**



**2309-2311 Rogers Ave
Fort Smith, AR**

**#2309
Office**



**#2309
Rest Room**



**#2309
Rest Room**

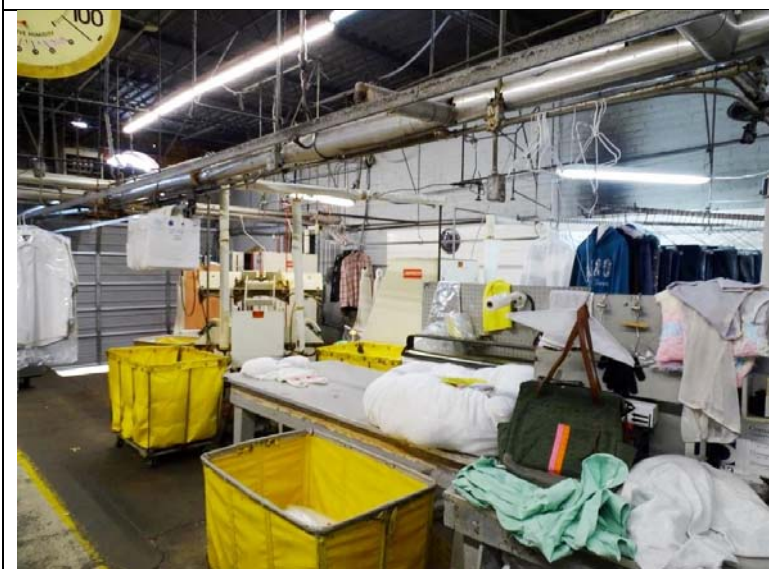


**2309-2311 Rogers Ave
Fort Smith, AR**

**#2309
Storage**



**#2309
Wash Area**



**#2309
Wash Area**

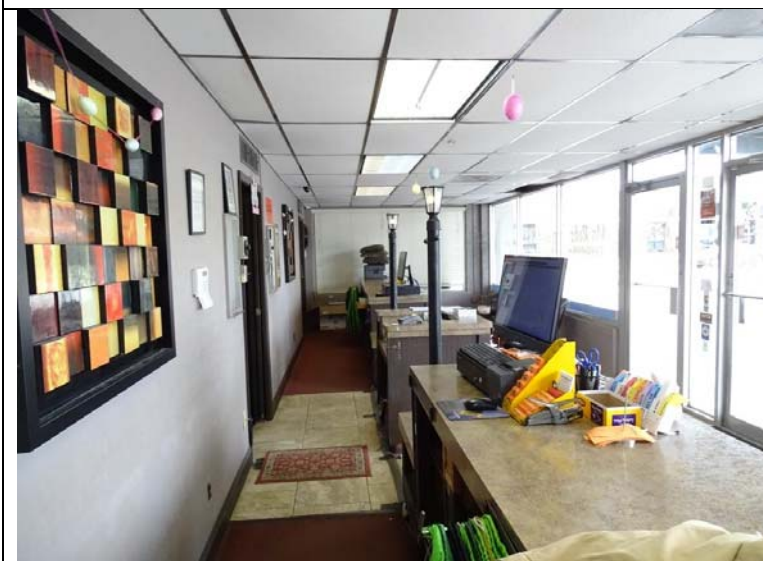


**2309-2311 Rogers Ave
Fort Smith, AR**

**#2309
Equipment Area**



**#2309
Work Area**



**#2309
Retail Area**

HIGHEST AND BEST USE

One of the most important considerations in appraising is considering the Highest and Best Use. Real estate is appraised in terms of its highest and best use, which may or may not be its present use.

HIGHEST AND BEST USE IS DEFINED AS FOLLOWS:

¹The reasonably probably and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible and that results in highest value.

The theory is based on the assumption that the owner, purchaser, or user of the property will put it to its highest and best use.

It is that use of the land, which may reasonably be expected to produce the greatest competitive net return to land over a given period of time. It is also that legal use, which will yield to the land the highest present value, sometimes called optimum use.

The following criteria must be considered in determining highest and best use.

1. Legally Permissible - Zoning, Building codes, Environmental regulations

The subject property is located in the city limits of Fort Smith in the 2300 block of Rogers Ave just east of S 23rd St and just south of Northside High School. The subject is presently zoned C-2, Commercial Light. The subject consists of two units adjoined by a drive-thru carport with a gross building area of 7,004 square feet situated on a 13,790+/- square foot tract of land. The subject is a retail facility occupied as a dry cleaner. The existing use as retail is a conforming use for the area and allowed under the present zoning. The existing use is considered to be a legally permissible use. If the subject were vacant and ready for development, it would likely be for commercial use such as retail, office, or school use.

2. Physically Possible

The subject consists of a tract of land with 13,790+/- square feet that is improved with 7,004 sq.ft. retail facility that is subdivided into 2 units. The subject is an interior lot having access on the south from Rogers Ave and on the north from N B St. The site is adequate for the existing improvements. The layout of the structure on the site is considered to be maximum utilization of the site. The existing use is considered to be physically possible. If the subject were vacant and ready for development, it would likely be for commercial use such as retail, office, or school use.

3. Financially Feasible

The subject property is located in the city limits of Fort Smith in the 2300 block of Rogers Ave just east of N 23rd St and is considered to be good in location. Properties in the immediate area of the subject are a mix of offices, strip centers, churches, restaurants, various other retail, service garages, high school, etc. The existing use as a retail facility is considered to be a financially feasible use. If the subject were vacant and ready for development, it would likely be for commercial use such as retail, office, or school use.

¹ The Fifth Edition of the Dictionary of Real Estate Appraisal by the Appraisal Institute.

4. Maximally Productive

The subject property is located in the city limits of Fort Smith in the 2300 block of Rogers Ave and is just south of Northside High School. The subject has good access to area amenities. The subject is located in an area with a mix of historic, commercial, multi-family and single-family properties. The existing use as a retail facility is considered to be a maximally productive use. Based upon the subject's location, zoning and surrounding uses, the feasible use "as if vacant and ready for development" is for uses allowed for commercial use, retail, office, or school use.

The existing improvements clearly do add value to the site. Based on the previous criteria for developing Highest and Best Use, the Highest and Best Use for the subject property is:

As Improved – Retail Facility

As If Vacant – Retail, Office, or School Use

THE APPRAISAL PROCESS

The appraisal process may be applied to any specific property or property types, and should emulate the thinking of the most probable class of purchaser or investor. The appraisal profession recognizes three classic approaches in which indications of property value are developed. These three approaches are generally known as the Cost Approach, Sales Comparison Approach, and Income Approach.

Each of these approaches utilizes various principles of the market place, the most universal of which is the principle of substitution. This principle affirms that a prudent purchaser has three alternate courses of action available; specifically, to buy a vacant site and build a near identical or similar property without undue delay (Cost Approach), to acquire an equally desirable existing property offering comparable utility (Sales Comparison Approach), or to acquire a substitute income stream of comparable quality, quantity, and durability (Income Approach). In addition to the principles to consider such as supply and demand, opportunity, cost, balance, conformity, contribution, surplus productivity, and externalities. Anticipation and change in the marketplace further impact each of these principles.

After defining the specific appraisal problem market data is collected and analyzed as it may impact the subject property. This includes area and neighborhood analysis, site and application of the three approaches referred to above, and more fully described below.

THE COST APPROACH

The Cost Approach involves the estimation of the current replacement or reproduction cost of the improvements, from which all accrued depreciation is deducted to arrive at a current depreciated value for the improvements. An estimate of the land value as if vacant is added to the estimated depreciated value of the improvements, thereby indicating the value of the whole property. Generally, the land value is obtained through direct comparison of market sales. This approach is most reliable when the improvements are proposed or newly constructed and represent the highest and best use of the site.

THE SALES COMPARISON APPROACH

The Sales Comparison Approach is market derived, in that, recent transactions involving similar and competitive properties are compared. After analyzing the nature and condition of each sale, logical adjustments are made for dissimilar characteristics and a common denominator for comparison is found and applied to the subject property. For land value, this is usually a price per square foot or a price per acre and common denominator may be price per square foot of building area, price per unit, a gross income multiplier or an overall capitalization rate. These common denominators are appropriately applied to the subject property or the subject property's income characteristics to arrive at an overall value.

THE INCOME APPROACH

The Income Approach evaluates the income-producing capabilities of the subject property and applies any of a number of techniques to indicate an overall property value based upon the expectation of benefits to be derived through ownership. Although there are various valuation techniques, it is generally believed that the most appropriate valuation technique is the one which best emulates the marketplace and investor logic at the time of the appraisal.

RECONCILIATION

The final step in the Appraisal Process is the reconciliation and correlation of the indications of value provided by the three approaches. The relative applicability to each of the three approaches is examined as well as the range of indicated values. Consideration is given to the purpose of the appraisal, the type of property appraised, and the adequacy and reliability of the data gathered with major emphasis generally accorded to the approach which appears to have produced the most reliable solution to the specific appraisal problem to arrive at a final estimate of value.

THE COST APPROACH

The subject is approximately 90 years old and the Cost Approach is not as reliable on older facilities. In this case, the Sales Comparison Approach is considered to be most reliable in establishing an “as is” value for the subject and the Cost Approach was not developed.

THE SALES COMPARISON APPROACH

COMPARABLE LAND SALES & ADJUSTMENTS

	SUBJECT	Land Sale #1		Land Sale #2		Land Sale #3	
Address	2309 Rogers Ave	1915 Rogers Ave		1020 Towson Ave		4206 Grand Ave	
		Fort Smith, AR		Fort Smith, AR		Fort Smith, AR	
Source		Sebastian Co Records		Sebastian Co Records		Fort Smith ML #1051169	
Parcel		12763-0012-00082-00		15518-0008-00632-00		18325-0006-00001-00	
Listing Price				Unknown			
Sales Price			\$160,000		\$115,000		\$115,000
Unit Price			\$7.99/sf		\$8.18/sf		\$11.99/sf
Sale Date		3/2/2021		1/4/2022		4/15/2022	
Mkt Cond/Time	Apr-23	Mar-21	10.0%	Jan-22	5.0%	Apr-22	5.0%
Adjusted Sales Price			\$176,000		\$120,750		\$120,705
Adjusted Unit Price			\$8.78/sf		\$8.59/sf		\$12.59/sf
Location	Good	Similar		Similar		Similar	
Size	13,790 sf	20,037 sf	5.0%	14,058 sf		9,590 sf	
Access	Good/2 streets	Good/corner		Good/corner		Good/corner	
Zoning/Use	C-2	Comm		C-5		Comm	
Topography	Level/clear	Level/clear		Level/clear		Level/clear	
Flood Zone	Not in flood	No		No		No	
Traffic Count	23,000	19,000	2.5%	21,000		15,000-17,000	5.0%
Total Adjustments			7.5%		0.0%		5.0%
Adjusted Value			\$9.44/sf		\$8.59/sf		\$12.59/sf
Sales/Ownership		Cole Properties-M idland Ave LL		Vasiliki Investments LLC		Vasiliki Investments LLC	
History		No previous 3 yr transfer		No previous 3 yr transfer		No previous 3 yr transfer	
Market Change Rate		N/A		N/A		N/A	

Land sales along Rogers Ave in the downtown area are very limited, therefore, sales in similar areas along main thoroughfares were considered. Sales were researched for the past 3 years through the Fort Smith MLS, CoStar, and Sebastian County Records online for the past 3 years. A total of three land sales have been selected in establishing a site value for the subject.

The comparable sales were analyzed in relation to their similarity to the subject property in the areas of location, land size, zoning, access, topography, flood zone and any extra attributes. Adjustments are derived from paired sales, appraiser's files or local statistics from local realtors, builders, or investors.

None of the comparable land sales had sufficient information to develop a market change rate. Additional sales were researched in the Fort Smith area and a market change rate of 5% per year can be supported. This data is obtained in the appraiser's work files. Sales #1 is a 2-year 1-month-old sale – a positive adjustment of 10% was applied. Sale #2 is a 1-year 3-month-old sale – a positive adjustment of 5% was applied. Land Sale #3 is 1-year-old sale – a positive adjustment of 5% was applied.

Financing terms, concessions, and market conditions/time are considered to be transactional items. Any transactional items are applied to the original sales price. Any

locational and physical characteristic adjustments are applied to the adjusted sales price which is after transactional items have been applied.

The subject is located in the 2300 block of Rogers Ave just east of N 23rd St and Northside High School is across the street to the north. The subject is considered to be good in location. Land Sale #1 is located in the 1900 block of Rogers Ave just west of the subject and is considered to be similar in location – no adjustment was applied. Land Sale #2 is located at the northwest corner of Towson Ave and S J St and is considered to be similar in location – no adjustment was applied. Land Sale #3 is located at the southeast corner of Grand Ave and N Albert Pike Ave, which is an intersection with a traffic signal, and is considered to be similar in location – no adjustment was applied.

The subject has a total land size of 13,790+/- square feet. Sale #1 is larger in size. Sale #2 is similar in size. Sale #3 is similar in size. Due to economies of scale based on an inverse relationship in size, a positive adjustment of 5% was applied to Land Sale #1, no adjustment was applied to Sale #2, and no adjustment was applied to Sale #3.

The subject has frontage and access from two streets and is considered to have good access. Sale #1 is a corner and is considered to have good access – no adjustment was applied. Sale #2 is a corner lot and is considered to have good access – no adjustment was applied. Sale #3 is a corner lot and is considered to have average access – no adjustment was applied.

The subject’s topography is mostly level, mostly cleared. All sales have similar topography – no adjustment was applied.

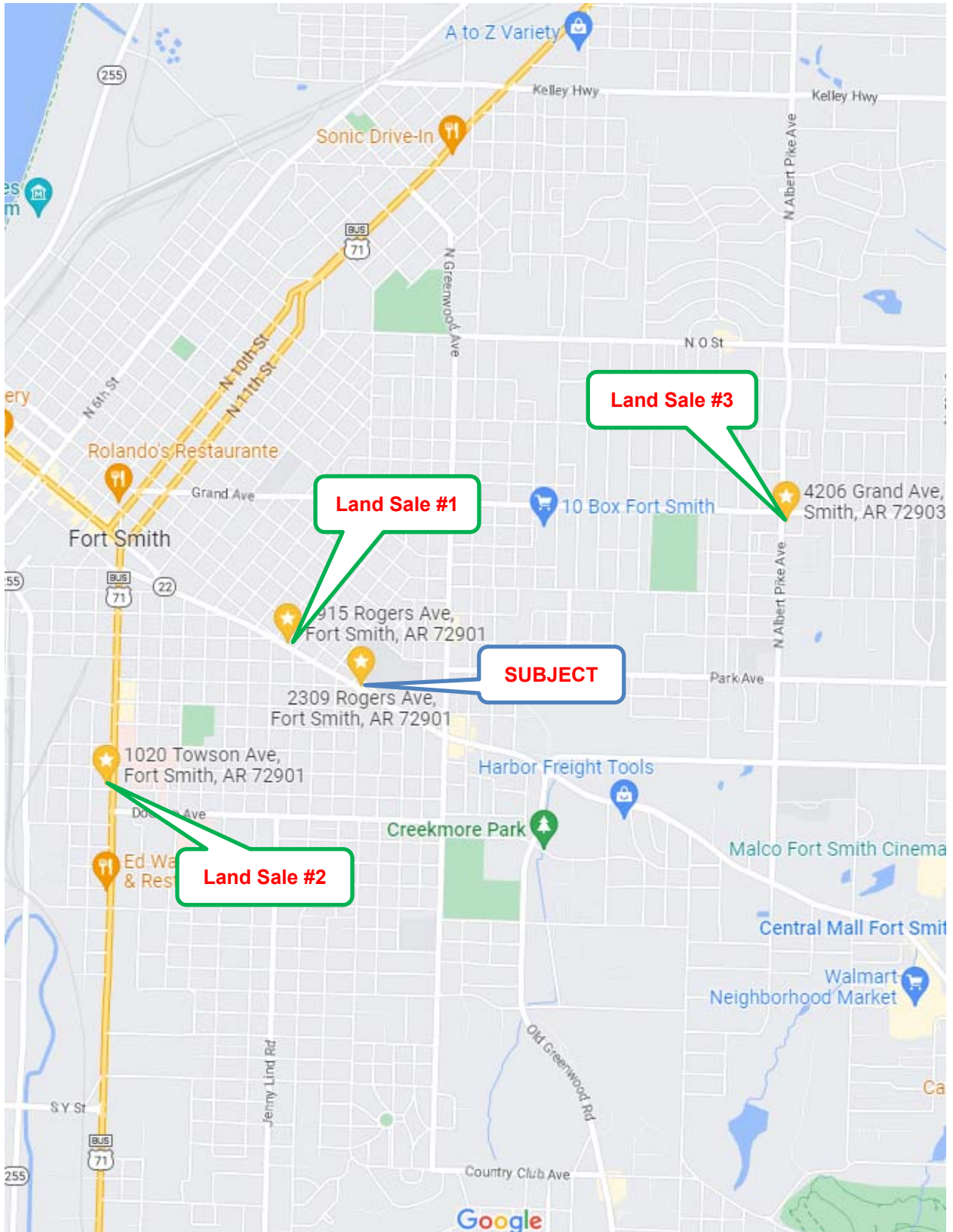
According to the Arkansas Department of Transportation, the subject has a daily traffic count of 23,000. Sale #1 has a daily traffic count of 19,000 which is slightly inferior to the subject – a positive adjustment of 2.5% was applied. Sale #2 has a daily traffic count of 21,000 which is similar to the subject – no adjustment was applied. Sale #3 has a daily traffic count between 15,000 to 17,000, which is inferior to the subject – a positive adjustment of 5% was applied.

All sales were considered. The comparable land sales with their adjusted values range from \$8.59 to \$12.59 per square foot. In considering the subject property and the comparable land sales with their adjusted values, the subject is estimated to have a land value of \$9.40 per square foot.

LAND VALUE BY SALES COMPARISON APPROACH

13,790 X \$9.40/SF =	\$ 129,626
ROUNDED TO:	\$ 130,000

LAND SALES LOCATION MAP



COMPARABLE IMPROVED SALES & ADJUSTMENTS

	SUBJECT	SALE #1		SALE #2		SALE #3	
Address	2309-2311 Rogers Fort Smith, AR	5605 S 14th St Fort Smith, AR		3616 Midland Blvd Fort Smith, AR		4719 Towson Ave Fort Smith, AR	
Source		Fort Smith ML #1060644 14231-0017-00000-00		Fort Smith ML #1062718 15224-0027-00032-00		Fort Smith ML #1054987 18883-0000-01948-00	
Listing Price			\$268,400		\$308,000		\$400,000
Sales Price			\$268,400		\$308,000		\$380,000
Unit Price			\$51.86/sf		\$60.89/sf		\$63.33/sf
Sale Date		10/3/2022		3/10/2023		3/4/2022	
Mkt Cond/Time	Apr-23	Oct-22		Mar-23		Mar-22	5.0%
Adjusted Sales Price			\$268,400		\$308,000		\$399,000
Adjusted Unit Price			\$51.86/sf		\$60.89/sf		\$66.50/sf
Location	Good	Average	20.0%	Avg/Good	10.0%	Good	
Lot Size/Value	13,790 sf	17,063 sf		14,000 sf		16,117 sf	
Land to Bldg Ratio	1.96 : 1	3.30 : 1		2.77 : 1		2.69 : 1	
Stories	1-story	1-story		1-story		1-story	
Exterior	Brick	Metal/Brk front		Stucco/Mtl/Vyl		Metal/Block	
Age	A1930s/E20	A1990/E16	-4.0%	A1940s/E16	-4.0%	A1984/E18	-2.0%
Gross Bldg Area	7,004 sf	5,175 sf		5,058 sf		6,000 sf	
Condition	Average	Average		Avg/Good	-5.0%	Average	
Quality	Average	Average		Average		Average	
Porches/Canopies	Drive-thru porch	Porch		Cov Porch		None	2.0%
Sidewall Height	10'-14'+/-	12'+/-		8'-14'		8'-14'	
Heating/Cooling	HVAC/OSH	HVAC/Osh		HVAC 100%	-2.5%	HVAC/Osh	
Other	None	None		None		None	
Total Adjustments			16.0%		-1.5%		0.0%
Adjusted Value			\$60.16/sf		\$59.98/sf		\$66.50/sf
Sales History		IROC Holdings LLC 9/20/22 Blythe (trustees deed) No previous 3 yr transfer		No previous 3 yr transfer		No previous 3 yr transfer	
Market Change Rate		N/A		N/A		N/A	

The subject is a mix of retail and warehouse space. Sales were researched for the past 3 years through the Fort Smith MLS, CoStar, and the Sebastian County Tax Records. The comparable sales were analyzed in relation to their similarity to the subject property in the areas of site, construction, size, and condition. Adjustments are derived from paired sales or local statistics from local realtors, builders, or investors.

One of the comparable sales had sufficient data to develop a market change rate. Additional sales were researched and an adjustment of 5% per annum can be supported, of which data is obtained in the appraiser's work files. Sale #1 is a 6-month-old sale – no adjustment was applied. Sale #2 is a 1-month-old sale – no adjustment was applied. Sale #3 is a 1-year 1-month-old sale – a positive adjustment of 5% was applied.

Financing terms, concessions, and market conditions/time are considered to be transactional items. Any transactional items are applied to the original sales price. Any locational and physical characteristic adjustments are applied to the adjusted sales price which is after transactional items have been applied.

The subject is located near Northside High School in the 2300 block of Rogers Ave, which is a main thoroughfare, and is considered to be good in location. Sale #1 is located in the 5600 block of S 14th St just east of Towson Ave and is considered to be average in location – a positive adjustment of 20% was applied. Sale #2 is located in the 3600 block of Midland Blvd just south of Spradling Ave and is considered to be inferior in location – a positive adjustment of 5% was applied. Sale #3 is located in the 4700 block of Towson Ave just south of Phoenix Ave and is considered to be similar in location – no adjustment was applied.

The subject has a land size of 13,790+/- square feet having a land to building ratio of 1.96 to 1. All sales are considered to have a similar land to building ratio – no adjustment was applied.

The subject is estimated to have an effective age of 20 years. Sale #1 is estimated to have an effective age of 16 years. Sale #2 is estimated to have an effective age of 16 years. Sale #3 is estimated to have an effective age of 18 years. Sale #4 is estimated to have an effective age of 20 years. It is this appraiser’s opinion that an adjustment of 1% per year be applied for difference in age/effective age.

The subject contains a gross building area of 7,004 square feet. Sale #1 is similar in size. Sale #2 is similar in size. Sale #3 is similar in size. The comparable sales are not considered to have an inverse relationship in size and no adjustment was applied.

The subject is considered to be average condition. Sale #1 is considered to be average condition – no adjustment was applied. Sale #2 is considered to be good condition – a negative adjustment of 10% was applied. Sale #3 is considered to be good condition – a negative of 10% adjustment was applied.

Based on a physical inspection of the subject and The Marshall and Swift Cost Manual Classifications for quality of construction, the subject is considered to be average quality of construction. Sale #1 is considered to be average to average quality of construction – no adjustment was applied. Sale #2 is considered to average quality of construction – no adjustment was applied. Sale #3 is considered to be average quality of construction – no adjustment was applied.

The subject has a mix of HVAC and overhead space heat. Sale #1 has similar type heating and cooling – no adjustment was applied. Sale #2 is 100% heated and cooled – a negative adjustment of 2.5% was applied. Sale #3 has similar type heating and cooling – no adjustment was applied.

All sales were considered. The comparable sales with their adjusted values range from \$59.98 to \$66.50 per square foot. The subject is estimated to have a market value in “As Is” condition of \$60.00 per square foot.

AS IS VALUE BY SALES COMPARISON APPROACH

7,004 SF X \$60.00/SF =	\$ 420,240
ROUNDED TO:	\$ 420,000

COMPARABLE SALES PHOTOGRAPHS



**Comparable Sale #1
5605 S 14th St
Fort Smith, AR**

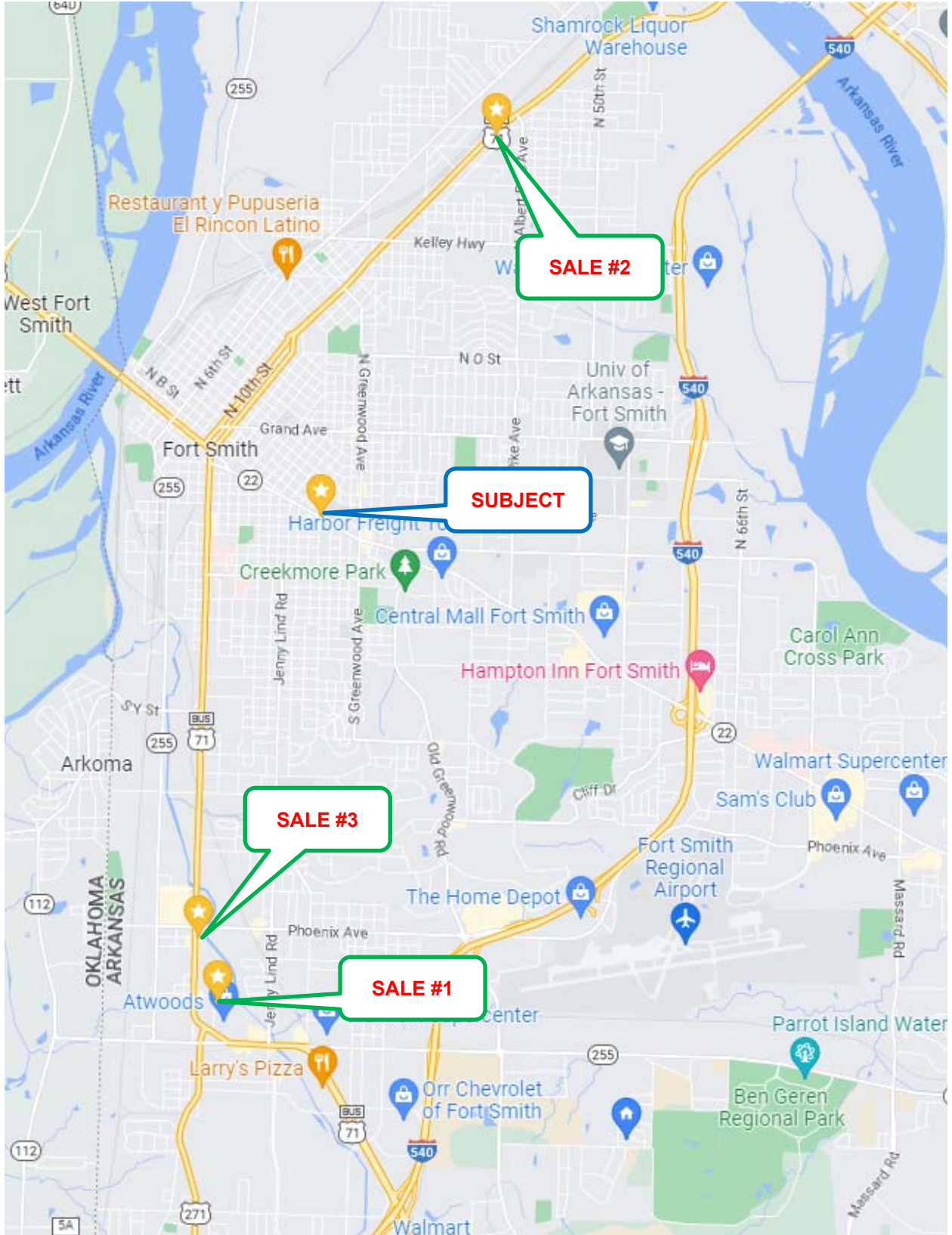


**Comparable Sale #2
3616 Midland Blvd
Fort Smith, AR**



**Comparable Sale #3
4719 Towson Ave
Fort Smith, AR**

COMPARABLE SALES LOCATION MAP



THE INCOME APPROACH

The subject was originally a retail type facility with some unfinished areas with heat only. No rental income for the subject was provided. A projected market rent will be established for the subject property. Projected rents were provided and are summarized as follows:

SUBJECT & RENT COMPARABLES

	SUBJECT	RENT COMP #1	RENT COMP #2	RENT COMP #3
Address	2309-2311 Rogers Fort Smith, AR	1618-24 N A St Fort Smith, AR	1500 Rogers Ave Fort Smith, AR	1410 Hwy 71 S Fort Smith, AR
Source		CoStar #226312581	Appraiser's files	FS ML #1060066
Property Type	Retail	Retail/Office	Multit-unit Retail	Office
Location	Good	Average	Average	Average
Land Area	13,790 sf	7,000 sf	26,103 sf	Pt of larger parcel
Land to Bldg Ratio	1.97 : 1	1.63 : 1	2.57 : 1	
Exterior	Brick	Brick	Brick	Block
Age	A1930's~/E20	A1940s/E20	A1950s~	A1980s/E20
Gross Bldg Area	7,004 sf	4,284 sf	10,153 sf	
Leased Area	7,004 sf	2,600 sf	10,153 sf	1,408 sf
Condition	Average	Average	Average	Average
Quality	Average	Average	Average	Average
Finished Area	Partial	100%	100%	100%
Fire Sprinkler	None	None	None	None
Lease Start Date		01/01/2023	data as of 2/2019	1/4/2023
Term		Unknown	Unknown	1 year minimum
Renewals		Unknown	Unknown	Unknown
Lease Type		Modified Gross	NNN	Unknown
Monthly Rent		\$1,300.00	\$4,767.00	\$1,000.00
Annual Rent		\$15,600.00	\$57,204	\$12,000.00
Rent per Sq.Ft.		\$6.00/sf	\$5.63/sf	\$8.52/sf
Escalations		Unknown	Unknown	Unknown
Adjustments				
Location		2.5%	0.0%	0.0%
Land to Bldg Ratio		0.0%	0.0%	0.0%
Gross Leased Area		0.0%	2.5%	-12.5%
Age/Effective Age		0.0%	0.0%	0.0%
Condition		0.0%	0.0%	0.0%
Quality		0.0%	0.0%	0.0%
Finished Area		-5.0%	-5.0%	-5.0%
Total Adjustments		-2.5%	-2.5%	-17.5%
Adjusted Price/SF		\$5.85/sf	\$5.49/sf	\$7.02/sf

RENT COMPARABLE PHOTOGRAPHS



**Rent Comparable #1
1618-1624 N A St
Fort Smith, AR**



**Rent Comparable #2
1500-08 Rogers & 1501-05 N B St
Fort Smith, AR**

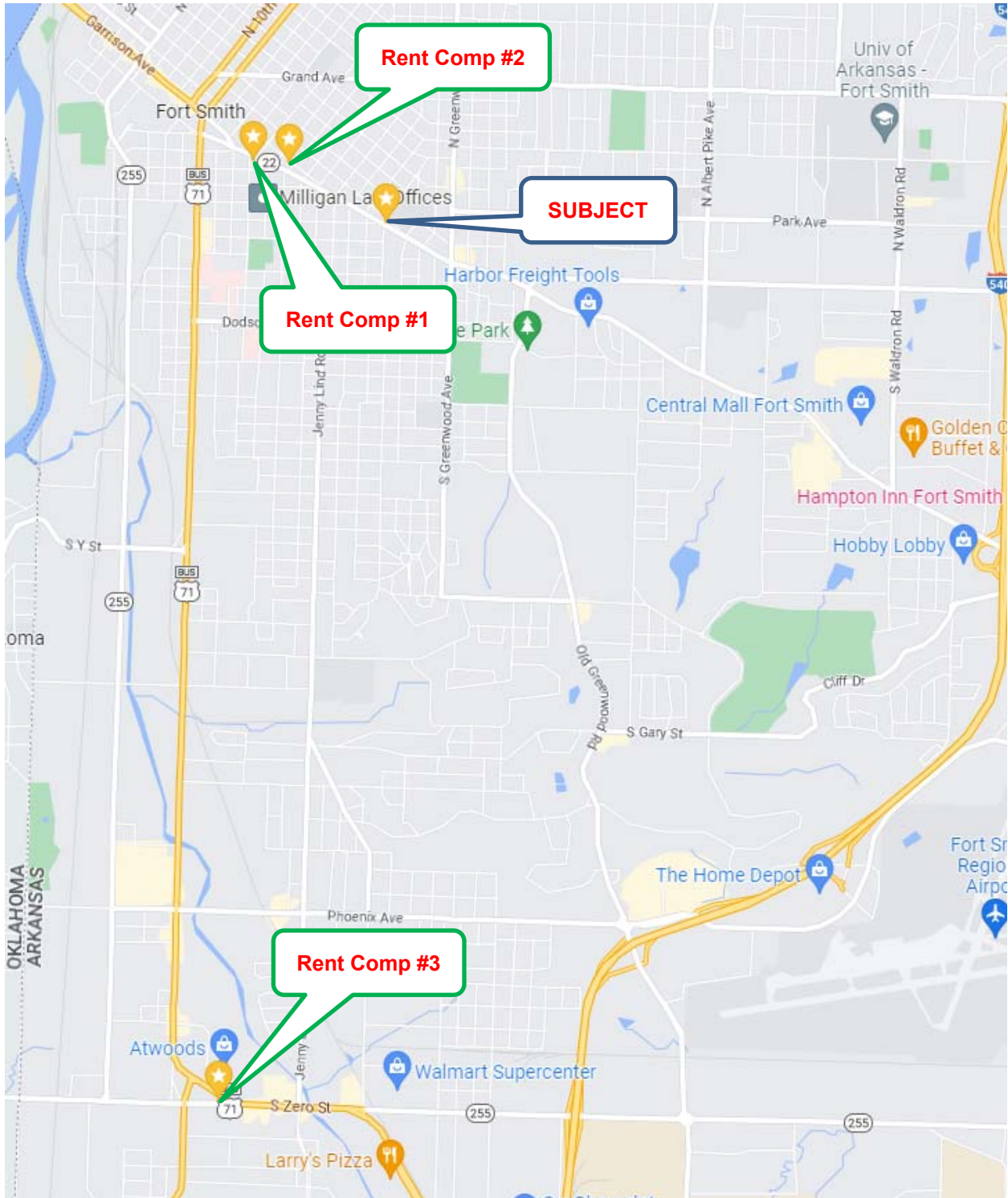


**Rent Comparable #3
1410 Hwy 71 S
Fort Smith, AR**



Rent Comparable #4

RENT COMPARABLES LOCATION MAP



INCOME ANALYSIS

The subject is retail type facility with two units. At the time of inspection, it appeared that the lessee occupied both units. #2309 contains 4,624+/- square feet and is occupied by Mr. Rob's dry cleaners. This unit appears to be maintained in a normal manner and is considered to be average to average/good condition. #2311 contains 2,380 square feet and appears to be currently used for storage and appears to be average to fair condition.

Rent comparables similar to the subject are limited. Rent comparables were researched through the Fort Smith MLS, CoStar, and the appraiser's work files. Three rent comparables have been selected and considered for the subject property.

Rent Comparable #1 is located in the immediate area of the subject but does not have Rogers Ave frontage. This property is considered to be similar in age, condition and quality.

Rent Comparable #2 is located in the immediate area of the subject. This property has been measured and inspected by this appraiser. This property sold on 12/23/2020. At the time of sale, one tenant leased the entire building and subleased units that he did not occupy. This building is considered to be similar in age, condition and quality as the subject.

Rent Comparable #3 is located similar neighborhood as the subject. This property has been measured and inspected by this appraiser. This building is smaller in size but is considered to be similar in age, condition and quality as the subject.

Consideration was given for condition, age, building size, land to building ratio, finished area, and location. The rent comparables with their adjusted values range from \$5.49 to \$7.03 per square foot per year. The subject is considered to be most reflective of the mid rent range. A market rent of \$3,350 per month or \$5.74 per square foot per year is estimated for the subject property.

Typical leases for retail and offices vary from gross to triple net, ranging from 3 to 5 years or longer with options to renew. Existing leases for the subject were not provided. For this appraisal, a modified gross lease will be considered for the subject, where the real estate taxes are prorated and charged back to the tenants. If the assumptions made in the income are different, then, this appraiser reserves the right to re-evaluate the Income Approach after more detailed lease information and operating expenses are provided.

Following is a summary of vacancy rates for CoStar for the current quarter:

Greater Fort Smith Retail –	4.4%
Downtown Fort Smith Retail –	2.0%
Fort Smith Metro Retail –	3.3%

A 4% Vacancy/Collection loss will be used for the subject property in the Income Analysis. No expense information was not provided and has been estimated based on similar type facilities. A 5% Management/Accounting Fee and 2.5% Reserve is estimated for the subject. Based upon the above lease information, the following is developed:

OPERATING INCOME STATEMENT

POTENTIAL GROSS INCOME		
Retail/Warehouse Space	\$3,350/MO X 12 MO =	\$ 40,200
TOTAL ESTIMATED GROSS INCOME		\$ 40,200
VACANCY/COLLECTION LOSS (4%)		\$ (1,608)
EFFECTIVE GROSS INCOME		\$ 38,592
OPERATING EXPENSES		
Real Estate Taxes	Paid by tenants	
Property Insurance	\$2,400	
Management/Accounting	\$2,000	
Exterior Maintenance/Mechanical	\$900	
Interior Maintenance	Paid by tenants	
Utilities	Paid by tenants	
Reserves	\$1,000	
TOTAL OPERATING EXPENSES	\$6,300	\$ (6,300)
NET ANNUAL INCOME		\$ 32,292

CAPITALIZATION PROCESS

Direct Capitalization

With Direct Capitalization, the indication of value of a property is based on a stabilized income amount of net operating income or equity dividend. The stabilized income is based on the past the past, the present and the anticipation for the future as they affect the anticipated income. The process of converting the income stream to a value conclusion is known as Capitalization. In order to arrive at an indicated value the Net Annual Income is divided by the Capitalization Rate.

$$\text{VALUE} = \text{INCOME} \div \text{RATE}$$

The capitalization rate can be developed through several methods. Some of these methods are the Market, Band of Investments, Mortgage-Equity, Equity-Dividend Rate, Residual Techniques, and Discounted Cash Flow.

The 3 steps of the Capitalization Process are as follows:

1. Estimate the Gross Annual Income, make an allowance for vacancy and credit loss to arrive at an Effective Gross Annual Income, and subtract the operating expenses to arrive at a Net Operating Income.
2. Select and develop an appropriate Capitalization Rate.
3. The Net Operating Income is divided by a Capitalization Rate to arrive at a value.

Insufficient income data was available on the comparable sales to develop a cap rate. Therefore, the Band of Investment Method was considered in establishing an overall rate.

Band of Investment Method

In some situations where overall rates cannot be extracted, the band of investment should be considered as a method of estimate the overall yield rate. The band of investment method is based upon three factors in developing an investment return rate. The three factors are as follows:

1. Mortgage Interest Rate
2. Ratio of mortgage to value, expressed as a percentage
3. Demanded rate of yield on equity

Following is current information from RealtyRates.com for permanent financing.

Category: Retail
Interest Rate: 4.64% to 9.69%; Average 7.17%
Debt Coverage Ratio: 1.105 to 2.15; Average 1.39
Loan to Value Ratio: 50% to 80%; Average 70%
Amortization: 15 to 40 years; Average 25 years
Loan Term: 3 to 10 years; Average 6.2 years

Based upon data from RealtyRates.com, local lenders and investors, the following is utilized for the subject property:

Loan to Value Ratio: 70%
Commercial Loan Rate: 6.75%
Commercial Loan Term: 25 years
Required Investor Equity Yield: 12%

The Band of Investment calculations are as follows:

Financing Component .70 (LTV) x 0.08245 = 0.05771
Equity Component .30 (Equity) x .12000 = 0.03600
Capitalization Rate: 0.09371
Or 9.37%

RECONCILIATION OF CAP RATES

There was insufficient data on the comparable sales used in this report to develop a market derived cap rate. Based on data from CoStar, typical market cap rates for the Fort Smith Metro area for the current quarter for office properties range from 8.5% to 9.5%. The Band of Investments and CoStar were considered. Follow is a summary of the two methods:

Market Derived Cap Rate	N/A
Band of Invesments	9.37%
CoStar - Retail (Greater Fort Smith)	7.90%
CoStar - Retail (Downtown Fort Smith)	7.80%
CoStar - Retail (Fort Smith Metro)	7.90%

Based upon an analysis of the current data considered and developed in the Income Approach, a Cap Rate of 8.5% is considered to be a reasonable rate to capitalize the subject's projected income stream. The subject's income stream is capitalized as follows:

CURRENT VALUE

NET ANNUAL INCOME:	\$32,292
DIVIDED BY CAP RATE:	8.50%
INDICATED VALUE:	\$379,906
ROUNDED TO:	\$380,000

DISCUSSION OF VALUE ESTIMATE

In this report, the Sales Comparison and Income Approaches have been utilized in establishing the “as is” market value for the subjectt.

COST APPROACH

The Cost Approach is definitely a guideline in deriving market value and usually sets the upper limit of value. Cost is not always equal to value, but often supports market value. Cost factors used in the appraisal are based on the Marshall and Swift Publications with multipliers applied to the base cost for quality, time and location. Through this method, we have arrived at the estimated replacement cost of the basic structures with additional amounts for extra items added, less depreciation due to wear and tear, design and cost, then, is added to the estimated market value of the land. Due to the age of the subject and the Cost Approach not being as reliable on older facilities, this approach was not developed.

SALES COMPARISON APPROACH

The Sales Comparison Approach is market derived, in that, recent transactions involving similar and competitive properties are compared. The Sales Comparison Approach disclosed that sales of similar type facilities were found in competing areas. Sufficient adjustments were made and are deemed reliable. The Sales Comparison Approach is typically considered to be most reflective of the market and most consideration has been given to this approach.

INCOME APPROACH

The Income Approach is considered a representative value indicator based on current rentals for similar type facilities. This approach is to estimate the economic rent, the operating expenses, and calculating an estimate of potential net income. Then the net income is capitalized into a present value by the use of a derived rate. The subject is an existing retail facility. No rental data for the subject was provided and an estimated market rent was considered. Due to limited data being provided, least consideration has been given to this approach.

CORRELATION

Although each value indication has weaknesses and strengths, the Sales Comparison and Income Approaches were considered with most consideration given to the Sales Comparison Approach. The value indications are as follows:

COST APPROACH:	N/A
SALES COMPARISON APPROACH:	\$420,000
INCOME APPROACH:	\$380,000

Based on the information in this report and our analysis, the subject property is estimated to have a Market Value in as is condition, as of April 6, 2023, of:

\$420,000

SCOPE OF THE APPRAISAL

This appraiser was engaged by Bob Cooper with Ghan & Cooper Commercial Properties. The intended user is Fort Smith Public Schools Fort Smith School District No 100. The value sought by the client is a market value of the fee simple interest in as is condition. In preparing this appraisal, the Scope of Work included the following: A bid for the appraisal was accepted by the client; The appraiser inspected the subject property; the exterior of the improvements were measured; photographs of the subject's interior, exterior, and street scene were taken; included comparable sales photographs and comparable rental photographs; information was gathered from the subject's neighborhood and/or similar competitive neighborhoods; Data sources included the Fort Smith MLXchange, CoStar, on-line public tax records, appraiser files, the Marshall and Swift Cost Manual and data available via internet including zoning, parcel maps and flood maps; The information gathered was analyzed and applied to the Sales Comparison and Income Approaches in establishing an "as is" market value; Based upon an interior/exterior inspection of the subject property, and the data gathered and used in the appraisal, this appraiser(s) developed an opinion of value, and produced a written narrative report.

PURPOSE OF APPRAISAL

The purpose of this appraisal is to set forth the data and reasoning leading to the concluding estimate of "market value" for the subject property as of April 6, 2023. No personal property, which includes fixtures, furniture, and equipment, has been included. Only those items, which are considered to be built-in, have been considered.

FUNCTION OF APPRAISAL

The estimated market value was not based on a requested minimum or a specific value. The function of this appraisal is for potential sale.

HYPOTHETICAL CONDITIONS

1. None.

EXTRAORDINARY ASSUMPTIONS

1. An extraordinary assumption has been considered in the Income Approach. The use of an extraordinary assumption might have affected the assignment results. The lease type for the subject and some operating expenses have been estimated.

DEFINITIONS

DEFINITION OF ESTATE APPRAISED

Fee simple estate is defined as absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power and taxation.

PROPERTY RIGHTS BEING APPRAISED

The property rights appraised are fee simple title or complete ownership with all the bundle of rights as if unencumbered as a whole. These rights include:

1. The right to sell
2. The right to lease or rent
3. The right to use or occupy
4. The right to give away
5. The right to enter or leave
6. The right to refuse any of these rights

FEE SIMPLE

“Fee Simple” is defined as an absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation; An inheritable estate. (Definition taken from Real Estate Appraisal Terminology sponsored jointly by The American Institute of Real Estate Appraisers and The Society of Real Estate Appraisers.)

TYPES OF OWNERSHIP

- Fee Simple – the most common type of value sought. It is the fair market value of the fee simple interest in a property unencumbered by any external factors such as existing leases. In short, fee simple is an estate of land.
- Leased Fee – is probably the second most common value opinion sought. It is the property owner’s interest in a property that is encumbered by existing long term leases which may be at, below, or above prevailing trends.
- Leasehold – is the lessee’s interest in a leased property.

In this case, the client has requested the Fee Simple interest to be appraised and not the Leased Fee or Leasehold interest.

DEFINITION OF INSPECTION

The term “Inspection”, as used in this report, is not the same level of inspection that is required for a “Professional Home/Property Inspection”. The appraiser does not fully inspect the electrical system, plumbing system, mechanical systems, foundation system, floor structure, or subfloor. The appraiser is not an expert in construction materials and the purpose of the appraisal is to make an economic evaluation of the subject property.

EXPOSURE TIME

The market value of the fee simple interest is being appraised. The hypothetical date of sale is the effective date reported in the appraisal. Based upon available commercial sales in Washington, Crawford and Sebastian counties in Arkansas and surrounding areas, marketing times were extracted from these sales. The subject is estimated to have a reasonable exposure time from 3 to 12 months.

Exposure time is defined as: the estimated length of time the property interest being appraised would have been on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive open market.

MARKETING TIME

Marketing time is defined as the time it takes an interest in real property to sell on the market subsequent to the date of an appraisal. Reasonable Marketing Time is an opinion of the amount of time it might take to sell a real property interest at the concluded market value level during the period immediately after the effective date of an appraisal.

Marketing time differs from exposure time. Marketing time is the period immediately after the effective date of an appraisal. Exposure time is always presumed to precede the effective date of an appraisal. The subject is estimated to have a reasonable marketing time of 3-12 months.

DEFINITION OF MARKET VALUE

Given the intended use and scope of this assignment, the following definition of market value is applicable:

²Market Value means 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 at a specified date and the passing of title from seller to the 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 cash in U.S. dollars or in terms of financial arrangements comparable thereto.
5. The price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

² Source: Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C – Appraisals, 34.42(g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the FDIC, FRS and NCUA definitions of market value.

DEPRECIATION

Depreciation is a loss in value for any reason. Depreciation does not apply to the land, as land does not deteriorate, it exists in perpetuity.

There are three kinds of depreciation, which are classified as follows:

PHYSICAL DETERIORATION

Incurable: All those items considered to be "long-lived" such as studs, foundation, rafters, brick, etc.

Curable: Those items considered to be "short-lived" such as roof, fascia, gable ends, windows, doors, screens, etc.

FUNCTIONAL OBSOLESCENCE

Incurable: Poor floor plan, oversized furnace, design fault, improper location of building on site, etc.

Curable: Lack of bath, cabinets, carpet, central air, insufficient closet space, modernization, etc.

Note: Functional obsolescence is always within the property boundaries.

EXTERNAL OBSOLESCENCE

Incurable: Physical and Economic offsite detrimental influences. External Obsolescence could be divided into two types:

1. Economic – High interest rates, major employer shutdown, deflation, etc.
2. Locational – Railroad close to site, heavy traffic, airport noise, etc.

Note: Economic Obsolescence is incurable and is always outside the property boundaries.

DEFINITION OF CURABLE AND INCURABLE

Curable: An item that can be repaired, replaced or removed at a cost less than or equal to the increase in market value after the work is completed.

Incurable: An item that may be physically possible to make such corrections but may not be economically feasible.

STATEMENT OF LIMITING CONDITIONS

Contingent and Limiting Conditions: The certifications of the Appraiser(s) appearing in this appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser(s) on the report.

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. The sketch in this report is included to assist the reader in visualizing the property, and the Appraiser assumes no responsibility for its accuracy. The Appraiser has made no survey of the property.
3. The Appraiser is not required to give testimony or appear in Court, because of having made the appraisal, with reference to the property in question, unless arrangements have been previously made therefore.
4. The distribution of the total valuation in this report between land and improvements applies only under existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisals and are invalid if so used.
5. This Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions or for engineering, which might be required to discover such facts.
6. Information, estimate, and opinions furnished to the Appraiser and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the Appraiser can be assumed by the Appraiser.
7. Disclosures by the Appraiser of the contents of this appraisal report are subject to review in accordance with the by-laws and regulations of the professional appraisal organizations with which the Appraiser is affiliated. The above conforms to the ethics of the National Association of Independent Fee Appraisers.
8. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the Appraiser is connected), shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee paid by the same, the mortgagee or its successors and assigns, mortgage insurers, consultants, financial institution, any department, agency, or instrumentality of the United States or any state of the District of Columbia, without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the Appraiser.

APPRAISER'S CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the subject of this report. Lisa K. Daniel, AR #CR1214, did not inspect the subject property but assisted with the appraisal including drawing/verifying the improvement sketches from the field sheet, gathering, analyzing and selecting data, typing and producing the written report. No other person(s) provided significant real property appraisal assistance to the persons signing this certification.
- I have not performed 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.



KEN C. COLLEY, IFA
AR #CG0298, OK #CG10860
EXPIRATION June 30, 2023; March 31, 2026
DATE SIGNED April 11, 2023
(X) Did Inspect Subject Property
() Did not Inspect Subject Property

QUALIFICATIONS OF APPRAISER - KEN COLLEY

APPRAISING/EMPLOYMENT HISTORY

- Basin Appraisal Co. – 1971 to 1973
- Ken Colley & Associates – 1974 to present

APPRAISING EDUCATION

AMERICAN INSTITUTE OF REAL ESTATE APPRAISERS:

1. Course 1-A University of Nebraska, 1972
2. Course VIII University of San Francisco, 1978
3. Supporting Sales Comparison Grid Adjustments of Residential Properties, April 1999
4. The Appraisal of Local Retail Properties, April 1999

APPRAISAL INSTITUTE

5. Appraising Manufactured Housing, October 2003
6. USPAP Update, April 2008
7. USPAP Update, February 2012
8. General Appraiser Income Approach Part 1, June 2012

ARKANSAS APPRAISER LICENSING & CERTIFICATION BOARD

9. 4th Annual Continuing Education Seminar, April 1997
10. 5th Annual Continuing Education Seminar, April 1998
11. 6th Annual Continuing Education Seminar, April 1999
12. 8th Annual Continuing Education Seminar, April 2001
13. 9th Annual Continuing Education Seminar, April 2002
14. 10th Annual Continuing Education Seminar, April 2003
15. 11th Annual Continuing Education Seminar, April 2004
16. 12th Annual Continuing Education Seminar, April 2005
17. 14th Annual Continuing Education Seminar, April 2007
18. 15th Annual Continuing Education Seminar, April 2008
19. Appraisal Guidelines, Regulations & Laws, January 2011
20. Ten Deadly Mistakes Appraisers Make, April 2014
21. Annual Continuing Education Seminar, May 2019
22. Annual Continuing Education Seminar, October 2022

ARKANSAS BANKERS ASSOCIATION

23. Appraising for FHA, February 2004
24. Underwriting the Appraisal, February 2004
25. Appraising for FHA, May 2006
26. Appraising for FHA, May 2007
27. Appraising for FHA, May 2008

CCIM INSTITUTE

28. Financial Analysis for Commercial Investment Real Estate, February 2015

INTERNATIONAL RIGHT OF WAY ASSOCIATION

29. Course 403 – Easement Valuation, May 1989
30. Course 802 – Legal Aspects of Easements, May 1989

LOWMAN & CO.

31. Residential Site Valuation & Cost Approach, January 2017

McKISSOCK DATA SYSTEMS

32. Uniform Standards of Professional Appraisal Practice, May 2000
33. FHA Appraising Today, January 2005
34. USPAP Update, June 2010
35. 2-4 Family Finances, June 2014
36. USPAP Update 2016-2017, May 2016
37. Residential Report Writing & Case Studies, February 2017
38. The Sales Comparison Approach, November 2017
39. The FHA Handbook 4000.1, November 2017
40. The FHA Handbook 4000.1, March 2020
41. The Income Approach – An Overview, September 2020
42. Residential Construction and the Appraiser, September 2020
43. The FHA Handbook 4000.1, March 2022
44. Residential Construction and the Appraiser, March 2022
45. 2022-2023 National USPAP Update Course, April 2022
46. Supporting Your Adjustments: Method for Residential Appraisers, April 2022

47. Divorce & Estate Appraisals: Element of Non-Lender Work, April 2022
 48. That's a Violation, April 2022
- NATIONAL ASSOCIATION OF INDEPENDENT FEE APPRAISERS:
49. Residential Real Estate Appraisal Course, 1979
 50. Mobile Home Appraising, 1981
 51. Capitalization, 1981
 52. Farm and Ranch, 1984
 53. Condemnation Seminar, 1985
 54. New URAR Form Seminar, 1987
 55. ERC Relocation Form, 1988
 56. Professional Standards, 1988
 57. Video in Appraising, 1988
 58. Subdivision Appraising, 1989
 59. Airport Noise Mitigation, September 1989
 60. Environmental Hazards, September 1989
 61. FNMA Small Residential Income Properties, 1989
 62. Professional Standards of Practice, January 1991
 63. 1.1 Principles of Residential Real Estate Appraising, March 1991
 64. 1.2 Market Data Analysis, June 1991
 65. 2.0 Financial Analysis of Income Properties, September 1993
 66. Uniform Standards of Professional Appraisal Practice, May 1996
 67. 2.1 Techniques of Income Property Appraising, July 1996
 68. 2.2 Techniques of Income Property Appraising, September 1996
 69. 4.9 HUD Review Requirements, June 1999
 70. 4.7 Basic Residential HUD Appraisal Requirements, June 1999
 71. Uniform Standards of Professional Appraisal Practice, May 2001
 72. Uniform Standards of Professional Appraisal Practice, June 2003
- RCI Career Enhancements
73. USPAP Update, April 2006
 74. Statistics, Modeling & Finance, May 2010
- SOCIETY OF REAL ESTATE APPRAISERS AND DEPARTMENT OF FHA
75. FHLMC Single Family Report Writing, 1987
- THE COLUMBIA INSTITUTE
76. Practice of Appraisal Review-FHA Protocol, No. 145, June 2011
 77. Report Writing – The UAD, August 2011
 78. USPAP Update, March 2014
 79. USPAP Update 2018-2019, February 2018
 80. USPAP Update 2020-2021, February 2020

RELOCATION COMPANIES

Altair Global Relocation	Capital Relocation	Corporate Relocation
Dwellworks	Lexicon Relocation	LSI Relocation Solutions

APPRAISER EXPERIENCE - Fee Appraiser for:

Today's Bank (formerly Allied)	2002-Present	FHA Oklahoma	1998-Present
Arkansas Federal Credit Union	2000-Present	Generations Bank(formerly First Bank)	2000-Present
Arkansas Veterans Admin.	1979-1997	First Financial Bank	2004-Present
Armstrong Bank (formerly Benefit)	1999-Present	First Western Bank	2002-Present
ARVEST Bank	1999-Present	Firststar Bank	2012-Present
Bank of the Ozarks	1994-Present	SWBC (formerly Patriot Nat'l Mtg)	1994-Present
Centennial Bank (Liberty Bank)	2006-Present	Regions Bank	1998-Present
Chambers Bank	2000-Present	Simmons First National Bank	1991-Present
Citizens Bank & Trust Co.	1986-Present	U.S. Bank	2002-Present
Farmers Bank of Greenwood	1991-Present	United Federal Credit Union	1998-Present
FHA Arkansas	1985-Present	(formerly First Resource)	
FHA Oklahoma	1984-1988	VA Arkansas & Oklahoma	2017-Present

Various other mortgage companies & AMC's

APPRAISER LICENSING & CERTIFICATION

- Arkansas State Certified – Certified General #0298
- Oklahoma State Certified – Certified General #10860

PROFESSIONAL MEMBERSHIPS

- National Association of Independent Fee Appraisers (NAIFA) – Member 1978 to Present; Designated member – National Association of Independent Fee Appraisers
- Associate Member of the Appraisal Institute – 1997 to Present
- American Association of Certified Appraisers – Designated Senior Member, 1990-1992

MEMBERSHIPS

- Rotary International, Fort Smith – 1990 to Present; President, 1998 term
- Rotary District Governor – 2013 term

COURT TESTIMONY

US District Court 1984-90
Arkansas Claims Commission 1990

TEACHING EXPERIENCE

Academy of Real Estate 1988-89

DEGREES

- John Brown University, Bachelor of Science Degree in Organizational Management, 5/1997
- Oklahoma Military Academy Junior College, Claremore, OK Associate in Science, 5/1969

QUALIFICATIONS OF APPRAISER - LISA K. DANIEL

APPRAISING EDUCATION

COURSE TITLE	DATE	COURSE PROVIDER
1.1 Principals of Real Estate Appraising	4/1993	National Assoc of Independent Fee Appraisers
1.2 Market Data Analysis of Residential Real Estate Appraising	8/1993	National Assoc of Independent Fee Appraisers
3.1 Principals of Farm, Ranch, and Rural Appraising	10/1993	National Assoc of Independent Fee Appraisers
2.0 Financial Analysis of Income Properties	12/1993	National Assoc of Independent Fee Appraisers
Uniform Standards of Professional Appraisal Practice (USPAP)	3/1994	National Assoc of Independent Fee Appraisers
USPAP Update	5/1996	National Assoc of Independent Fee Appraisers
1.3A Basic Construction Terminology	4/1997	National Assoc of Independent Fee Appraisers
5th Annual Continuing Education	4/1998	Arkansas Appraiser Licensing & Cert. Board
The Residential Appraiser Productivity Series Training Class	4/1998	The Residential Appraiser
The Legal Journal	5/1998	The RE Institute for Career Advancement
5.2 Fair Lending Requirements	5/1999	National Assoc of Independent Fee Appraisers
USPAP Update	5/2000	McKissock
Appraising from Blueprints & Specifications	6/2000	The Appraisal Institute
Vacant Land Appraisal	5/2001	McKissock
R.E. Fraud & the Appraiser's Role	5/2001	McKissock
Income Capitalization	6/2002	McKissock
Factory-built Housing	6/2002	McKissock
USPAP Update	6/2003	National Assoc of Independent Fee Appraisers
Flip, Fraud & the FBI	6/2003	National Assoc of Independent Fee Appraisers
Defending, Documenting & Supporting Appraisal Reports	6/2003	National Assoc of Independent Fee Appraisers
Appraising for FHA Residential Construction	2/2004	Arkansas Bankers Association
USPAP Update	4/2004	McKissock
USPAP Update	4/2006	RCI Career Enhancements
On-line Small Hotel/Motel Evaluation	4/2006	The Appraisal Institute
Online Appraisal of Nursing Facilities	5/2006	The Appraisal Institute
Information Technology & the Appraiser	6/2006	McKissock
On-line Fair Housing	3/2008	McKissock
On-line The Dirty Dozen	3/2008	McKissock
On-line 2-4 Family Finesse	3/2008	McKissock
Online Appraising for the Secondary Mkt	4/2008	McKissock
National USPAP Update	5/2008	McKissock
Current Issues in Appraising	3/2010	McKissock
Fannie Mae Form 1004MC, HVCC & more	3/2010	McKissock
Private Appraisal Assignments	3/2010	McKissock
USPAP Update	5/2010	McKissock
USPAP Update	3/2012	The Appraisal Institute
Even Odder – More Oddball Appraisals	5/2012	McKissock
2-4 Family Finesse	6/2012	McKissock
Appraising & Analyzing Office Buildings	6/2012	McKissock
General Appraiser Income Approach Pt 1	6/2012	Appraisal Institute
USPAP Update	3/2014	The Columbia Institute
Intro to the Uniform Appraisal Dataset	4/2014	McKissock
Environmental Issues for Appraisers	5/2014	McKissock
2-4 Family Finesse	5/2014	McKissock
Appraising Self-Storage Facilities	6/2014	McKissock
Financial Analysis for Comm Inv RE	2/2015	CCIM Institute
USPAP Update 2016-2017	5/2016	McKissock
USPAP Update 2018-2019	2/2018	The Columbia Institute
Residential Property Inspection for Appraisers	5/2018	McKissock
Understanding Residential Construction	6/2018	McKissock
Appraisal of Land Subject to Ground Leases	6/2018	McKissock

APPRAISING EDUCATION (continued)

COURSE TITLE	DATE	COURSE PROVIDER
That's a Violation	1/2020	McKissock
Divorce & Estate Appraisals: Elements of Non-Lender Work	1/2020	McKissock
USPAP Update 2020-2021	2/2020	The Columbia Institute
Appraising Small Apartment Properties	4/2020	McKissock
Avoiding Mortgage Fraud	5/2020	McKissock
That's a Violation	12/2021	McKissock
New Construction Essentials: Luxury Homes	1/2022	McKissock
The Odd Side of Appraisals	1/2022	McKissock
USPAP Update 2022-2023	5/2022	McKissock
The FHA Handbook 4000.1	5/2022	McKissock

LICENSING & CERTIFICATION

Arkansas Certified Residential Appraiser, #CR1214 (Since May 1996)

EMPLOYMENT HISTORY

11/92 – Present Ken Colley & Associates, Assistant/Staff Appraiser
12/89-11/92 Secretary

PROFESSIONAL MEMBERSHIPS

National Assoc. of Independent Fee Appraisers (NAIFA) – Candidate Member 1/01/00-12/31/02, ID # 26699

STATE OF ARKANSAS CERTIFICATION – KEN COLLEY



**ARKANSAS
APPRAISER LICENSING &
CERTIFICATION BOARD**
This is to certify that
Ken Colley

License #: CG 0298

**has complied with the requirements of
Arkansas Code Section §17-14-201 et seq.; and
is the holder of a valid certificate.
This card is for identification purposes only.**

6/30/2023

Expiration Date

A handwritten signature in cursive script, reading "John C. Barabini".

Chairman

STATE OF ARKANSAS CERTIFICATION – LISA DANIEL



**ARKANSAS
APPRAISER LICENSING &
CERTIFICATION BOARD**

**This is to certify that
Lisa Daniel**

License #: CR 1214

**has complied with the requirements of
Arkansas Code Section §17-14-201 et seq.; and
is the holder of a valid certificate.
This card is for identification purposes only.**

6/30/2023

A handwritten signature in cursive script, appearing to read "John C. Barsham".

Expiration Date

Chairman

ENGAGEMENT FOR APPRAISAL

Ken Colley & Associates, Inc.

Ken Colley, Owner
Real Estate Appraisers
Commercial & Residential

4111 Massard Rd
Fort Smith, AR 72903

Phone: 479-452-0078
Fax: 479-452-6202

(Email) appraisals@kencolleyinc.com
(Website) www.kencolleyinc.com

March 3, 2023

Fort Smith Public Schools
Fort Smith School District No. 100
3205 Jenny Lind Rd
Fort Smith, AR 72901

RE: Engagement for Appraisal

To Whom It May Concern:

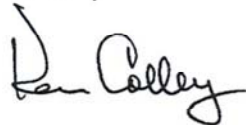
This letter is to follow up with your request regarding the property to be appraised by Ken Colley. In accordance with your request, Ken Colley is to appraise the properties listed below in Fort Smith, AR. It is my understanding that the purpose of this appraisal is to establish a market value of the real estate for potential purchase. The appraisal will not include any value to a business or personal property. Details of the appraisal engagement are as follows:

Property to be appraised:	2309-2311 Rogers Ave, Fort Smith, AR
Parcel Number:	12763-0008-00318-00
Client:	Fort Smith Public Schools
Intended User:	Fort Smith Public Schools
Contact for Property Inspection:	Bob Cooper with Ghan & Cooper, 479-478-6161
Report Type:	Full Narrative
Appraisal Fee:	\$2,600
Anticipated Completion Date:	4/11/2023

It is our policy that payment be received before the appraisal will be released. The best form of payment is by check as we are not set up at the time for payment by credit or debit cards. Payment will need to be received prior to the anticipated completion date of 4/11/2023. Upon completion of the appraisal, we will email the appraisal in pdf format. If you need hard copies as well, we would be happy to provide that, just let us know how many copies. By signing this letter, you agree to the terms of the appraisal engagement.

Thank you for the opportunity to service your appraisal needs. If you have any questions or would like further explanation on the appraisal process, feel free to contact me.

Sincerely,



Ken Colley, IFA
AR #CG0298; OK #CG10860



Client Signature

Date Signed: 3 Mar 23