

APPRAISAL REPORT

FOR

CITY OF JONESBORO

**231 S. MAIN
JONESBORO, AR**

JUNE 25, 2010

BY

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June 30, 2010

City of Jonesboro
307 Vine Street
Jonesboro, AR 72401

ATTN: Joshua Bettis

At your request, we have inspected and appraised the real estate located at 231 S. Main in the city of Jonesboro, AR. The enclosed report is being presented in the form of a "SUMMARY APPRAISAL REPORT" as directed by Standard 2, Rule 2-2^(b) of the USPAP.

The purpose of this appraisal is to express our opinion of the market value of the fee simple interest in the real estate, subject to the definition of value, assumptions and limiting conditions, and certifications contained in the attached report.

It is our understanding that this appraisal report is to be used for the purpose of determining fair market value; it may be invalid if used for any other purpose or valuation date. The intended users are the City of Jonesboro.

Based on the data and conclusions presented in the attached report, it is our opinion that as of June 25, 2010, the market value of the subject property appraised was:

ONE HUNDRED SIXTY-ONE THOUSAND DOLLARS
(\$161,000)

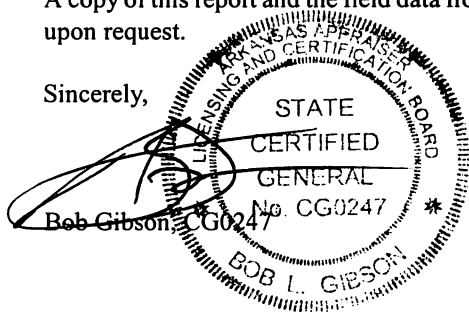
Bob Gibson and Associates has performed the subject appraisal under the requirements and policies of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA). It is our practice to adhere to the Uniform Standards Board of the Appraisal Foundation. In addition, we have followed the implementation rules of the Office of the Comptroller of the Currency and Federal Reserve Board.

Descriptions of the property appraised, together with explanations of the appraisal procedures used, are presented in this report.

A copy of this report and the field data from which it was prepared will be retained in our files and are available for review upon request.

Sincerely,

Bob Gibson, CG0247



SUMMARY OF IMPORTANT DATA AND CONCLUSIONS

LOCATION:	231 S. Main, Jonesboro AR
PROPERTY RIGHTS APPRAISED:	Fee Simple Interest
OWNERSHIP:	City of Jonesboro
ZONING:	C-1 (Commercial)
LAND AREA:	50'x90' or 4500 sf
PRINCIPAL IMPROVEMENTS:	Retail Store currently used as Winter Wonderland
UTILITIES:	Public water and sewer, natural gas, refuse collection, electricity, & telephone services.
AGE OF THE IMPROVEMENTS:	80-100 Years (Actual)/30 Years (Effective)
HIGHEST AND BEST USE:	Commercial
MARKET VALUE:	\$161,000
EFFECTIVE DATE:	June 25, 2010
REPORT DATE:	June 30, 2010

TABLE OF CONTENTS

TITLE PAGE
LETTER OF TRANSMITTAL
SUMMARY OF IMPORTANT DATA AND CONCLUSION

INTRODUCTION

Identification of the Property 1
Purpose of the Appraisal 1
Effective Date 1
Intended Use of the Appraisal 1
Environmental Issues 1
Scope of Work 2
Appraisal Definitions 2

DESCRIPTIVE SECTION

Area Analysis 3
Neighborhood Analysis 4
Location Map 5
Site Data 6
Assessment and Taxes 6
Zoning 7
Zoning Map 8
Improvement Data 9
Condition and Functional Utility 9
Exposure and Marketing Time Estimates 10
Highest and Best Use 11-13

VALUATION SECTION

Appraisal Procedures 14
Comparable Land Sales 15-17
Cost Approach 18
Income Capitalization Approach 19-23
Sales Comparison Approach 24-26
Reconciliation of Value 27

ADDENDA

Plat
Parcel Card
Subject Photos
Building Sketch
Flood Map
Area Data
Assumptions and Limiting Conditions
Certification
Qualifications of Appraiser

IDENTIFICATION OF THE PROPERTY

Subject is the real property and land located at 231 S. Main, Jonesboro AR. A legal description can be found in the addenda of this report.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to express our opinion of the market value of the fee simple interest.

EFFECTIVE DATE

The property was inspected by personnel of Bob Gibson and Associates Appraisal Services, on June 25, 2010, which is also the effective date of the report. This appraisal assumes that there would be no substantial changes between the inspection date and the report date.

INTENDED USE/USER OF THE APPRAISAL

It is our understanding that this appraisal report is to be used to determine fair market value. The client is City of Jonesboro and the intended users are the same. It may be invalid if used for any other purpose or valuation date or by any other user.

ENVIRONMENTAL ISSUES

An environmental assessment of the subject property is beyond the scope of this report. Any reference to environmental issues indicates our research into the environmental aspects affecting the market and is not to be construed as an opinion regarding specific issues concerning the subject property unless otherwise noted in this report.

SCOPE OF WORK

City of Jonesboro asked Bob Gibson & Associates to appraise the property located at 231 S. Main, Jonesboro Arkansas for the purpose of determining fair market value. This report is made for the use of City of Jonesboro only and is being developed to establish fair market value of our subject property as of June 25, 2010 (date of inspection). Subject site and improvements (both interior/exterior) were physically inspected by this appraiser. When performing the inspection of this property, the appraiser visually observed areas that were readily accessible. The appraiser is not required to disturb or move anything that obstructs access or visibility. The inspection is not technically exhaustive. The inspection of subject site does not offer warranties or guarantees of any kind. Appraiser has researched/analyzed market data/trends in both the region and subject neighborhood. Appraiser has researched county records and MLS. He has also had discussions with local Realtors. All market data in this report has been verified by buyer, seller, broker, deed, title company, and/or leasing agent wherever possible. All approaches to value were considered in this report; however, due to the age of the building, the cost approach was not applicable. This report summarizes the significant data found during research as well as appraiser's analysis of this data in support of establishing fair market value of subject property. The appraisal has accordingly been completed under those assumptions and limiting conditions that are contained in this report.

APPRAISAL DEFINITIONS

The following definitions are pertinent to this report.

Market Value

The most probable price which a property should bring in a competitive market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised and each acting in what he considers his own best interest.
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Market Value is synonymous with the legal term "fair market value."

(Source: Rules and Regulations, Federal Register, Vol. 55, No. 129, page 277771)

Fee Simple Interest

Fee simple interest 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.

Reproduction Cost New

Reproduction cost new is the cost of construction, at current prices, of an exact duplicate, or replica, using the same materials, construction standards, design, layout, and quality of workmanship, and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building.

Replacement Cost New

Replacement cost new is the cost of construction, at current prices, of a building having utility equivalent to the building being appraised but built with modern materials and according to current standards, design and layout.

Depreciation

Depreciation is defined as a loss in value from all causes, including factors of deterioration, functional obsolescence, and/or external obsolescence.

JONESBORO AREA ANALYSIS

Jonesboro is the county seat of Craighead County and is the 5th largest city in Arkansas. Jonesboro has a population of 55,515 according to the 2000 census. Craighead County has a population of 82,148. Jonesboro is located in northeast Arkansas. Memphis International Airport is only 1 hour to the southeast. Little Rock, the capital of Arkansas, is only about 2.5 hours southwest of Jonesboro. Jonesboro is serviced by two railroads and a regional airport.

Jonesboro has not experienced the degree of economic downturn that much of the rest of the country has recently experienced. It is one of the state's most dynamically developing centers, growing in areas of industry, retail and medicine. Jonesboro is also a hub of agricultural production (cotton, rice and soybean fields) and the home of Riceland Foods, the largest rice mill in the world. Several large industries support the growing community to include but not limited to Hytrol, Kraft Foods, Frito Lay, and Nestle. Jonesboro has a rich assortment of retail stores to include all major categories of merchandise at various price levels. The Mall at Turtle Creek was recently opened and offers 750,000 sf of retail shopping.

Jonesboro is serviced by 128 police officers and 98 firefighters. It is also home to Arkansas State University. Jonesboro offers many employment opportunities in industry, retail, medical, education, and agriculture. Jonesboro has over 3,200 businesses that may offer opportunities for employment, according to the number of business permits issued. Some of the major employers include St. Bernards Medical Center, Arkansas State University, Wal-Mart Super Centers (2), and Hytrol. A complete list as well as more information on the city of Jonesboro can be found in the addenda of this report.

Information has been taken from the Jonesboro Regional Chamber of Commerce's website. More information can be found at www.jonesborochamber.com.

NEIGHBORHOOD ANALYSIS

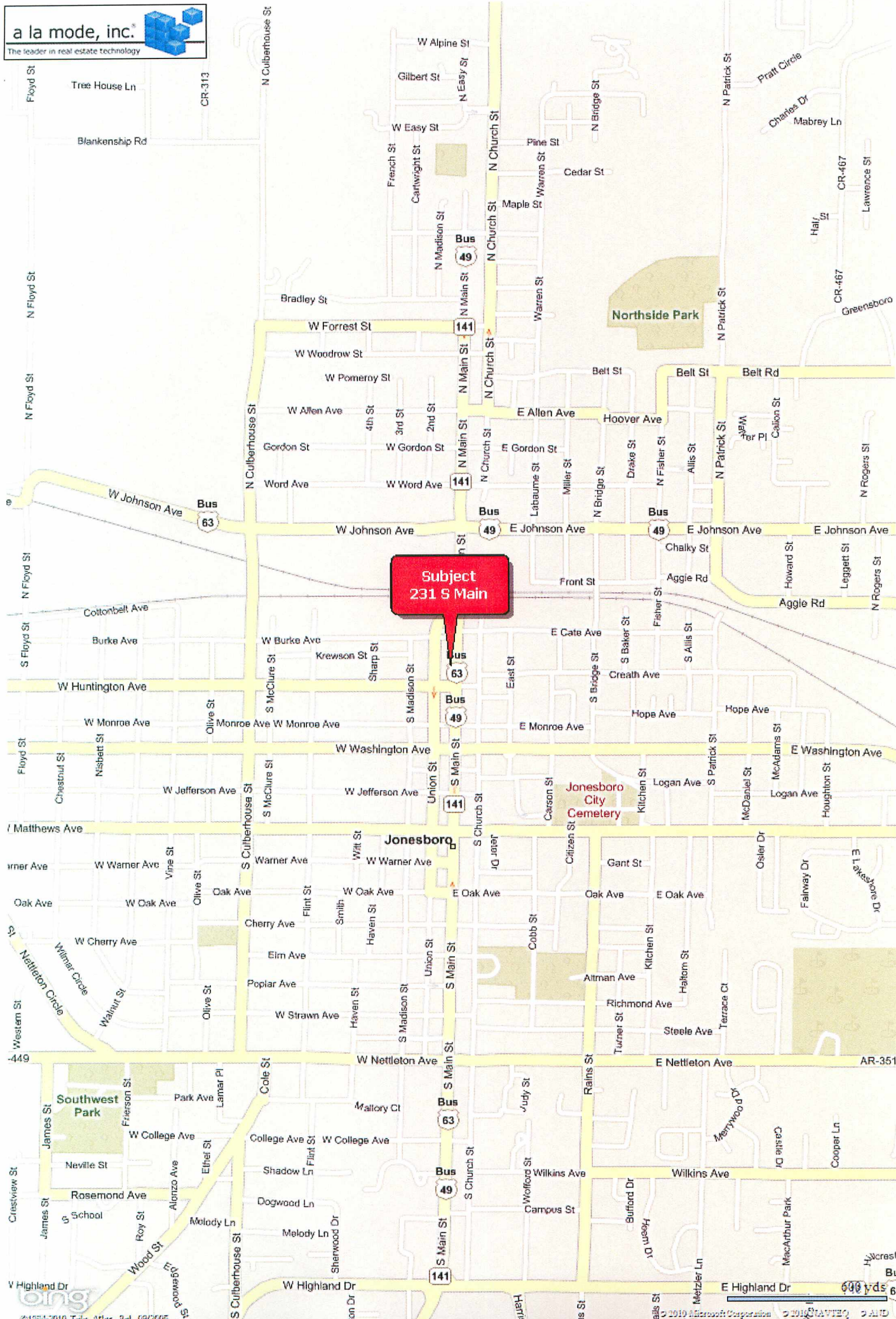
A 'neighborhood', as defined in Real Estate Appraisal Terminology, Revised Edition, copyrighted 1984 is:

"A portion of a larger community, or an entire community, in which there is a homogenous grouping of inhabitants, buildings, or business enterprises. Inhabitants of a neighborhood usually have more than a casual community of interest. Neighborhood boundaries may consist of well defined natural or man made barriers or they may be more or less well defined by a distinct change in land use or in the character of the inhabitants."

The term 'neighborhood' as used in this report is defined as 'a group of complimentary land uses'. Social, economic, governmental and environmental forces influence property values in the vicinity of a subject property which in turn, directly affect the value of the subject property itself. Therefore, it is necessary to delineate the boundaries of the area of influence to conduct a thorough analysis. (From The Appraisal of Real Estate, 12th Edition, published by the American Institute of Real Estate Appraisers, 2001).

In smaller communities, the Area Analysis may conform to the first definition of a neighborhood; whereas the latter definition calls for a more refined analysis. For the purpose of this report, I have considered the Area Analysis synonymous with a Macro Neighborhood Analysis. The following analysis is considered a Micro Neighborhood Analysis.

Subject is located in downtown Jonesboro, south of Johnson Avenue and north of Washington. Subject is located east of Flint Street and west of Bridge Street. The area is predominantly commercial. The neighborhood, for the purpose of this appraisal, may be described as the downtown Jonesboro, central business district. In earlier years, this area served Jonesboro as the primary business district. Like other cities, the primary merchants have located to the shopping malls and retail strip centers. This left an abundance of older, large structures. Various developers have undertaken to remodel these facilities to include retail stores and loft apartments. The effort appears to be successful with numerous new businesses open in the downtown area. Also located in the downtown area are numerous financial, legal, and medical facilities. Downtown Jonesboro is host not only to Craighead county government, but also has a United States District Courthouse as well as St. Bernard's Regional Medical Center. The presence of these entities has had a positive influence on the neighborhood, and thus the area has remained a vital part of the city. There are three main roads which run north and south through the neighborhood. Church Street is a two way street and is considered to be a secondary road. Main and Union Streets are both one way roads. Main facilitates northbound traffic, while Union is used by southbound traffic. Most of the businesses in the area rely on public parking areas, as most do not have onsite parking. There are no parking meters in Jonesboro, but an enforced time limit is placed on public parking. This lack of parking seems to present no substantial barrier, as it is consistent with other downtown areas. There is very little vacant land available in the area.



Subject
231 S Main

Northside Park

Jonesboro
City
Cemetery

Jonesboro

Southwest Park

SITE DATA

Subject site is 50' x 90'. Improvements occupy approximately 50'x85' of the site. There is a small alley that is located at the rear of the improvements.

The exact soil and subsoil content of the subject site and the neighborhood are unknown and there have been no samples or analyses made available. Due to the condition of existing improvements in the neighborhood, there are apparently no atypical soil related construction problems that would make building prohibitive.

The subject is not situated in a HUD flood hazard area according to flood map Community Number 05031C0043C, dated Sept 27, 1991, which is included in the addenda of the report.

Water, gas, electric, sewer, cable and telephone services are available to the site.

The subject is encumbered by various minor utility easements, none of which adversely affects overall site utility.

ASSESSMENT AND TAXES

The Craighead County Tax Assessor's parcel number for the property is 01-144183-53000. By Arkansas statute, real estate is assessed at twenty percent of "market value", which is estimated by the county assessor. According to the records at the Craighead County Assessor's office, the property is currently assessed at \$23,280. Taxes are payable at an applicable millage rate, which is established by a formula for the turn back of state funds by the Arkansas Public Service Commission. Taxes are payable one year in arrears, so the current millage rate apply for the 2009 fiscal year, which is payable by October 10, 2010. The 2009 estimated taxes are \$648.28. Tax increases can be accomplished by two methods only; 1) by public referendum increasing the millage rate, or 2) by an increase in the assessed value. The amount of assessment and the subsequent taxes should not change substantially over the next year under the current usage. The subject land is assessed at \$3,600 and the improvements are assessed at \$19,680.

ZONING

The subject is zoned the following according to the official zoning records of Jonesboro, AR: C-1 Commercial district. The C-1 commercial district is the central business district which provides retailing, personal services and office space for local and regional commercial activities. The regulations are designed to permit a concentrated development of permitted facilities.

(a) permitted uses. The following uses shall be permitted in this district:

1. All or any lawful commercial, retail or wholesale, professional or personal services except as prohibited below.

(b) prohibited uses. The following uses are prohibited from this district:

1. Any new residence.
2. Any industrial or manufacturing plants.

(c) Exceptions permitted. The following uses shall be permitted according to the limitations imposed as variance by the board of zoning adjustment.

1. Any small fabricating or processing establishment, provided that such use is not obnoxious or offensive by reason of the emission of odor, dust, smoke, gas, noise or vibration.
2. Apartments, hotels and motels.

(d) Area and bulk regulations.

1. Loading space. Where an alley exists, one (1) loading space shall be required for each new commercial establishment off the alley.

Source: City Inspectors Office.

IMPROVEMENT DATA

Subject is a part of the original Main Street for Jonesboro, Arkansas. The estimated age is 80-100 years. Total square footage is 4,747. The floor area is concrete slab. Side walls are brick veneer with wood frame. The roof is built-up asphalt. The building has some recent remodeling to include central heat and air, sheetrock on side walls, and drop ceiling on a section of the improvements. Lighting is spot lights in the front area and flourescent in the storage room. There is a small second level over the entry way (approx 12'x50'), with stairs located on each side. The entry way is glass and is recessed approximately 9' into the building. Two restrooms are located in the southwest corner. A small porch is located in the back entry. Ceilings are 15', 17', and 23'. The rear section has been rebuilt with 2x4 studs and metal siding.

CONDITION AND FUNCTIONAL UTILITY

The subject improvements are in average condition and typical of other facilities of this type. The building has an effective age of approximately 30 years. Overall, the property appears to be in reasonably average condition for its age and is functional for its current use.

EXPOSURE AND MARKETING TIME ESTIMATES

A determination of a "reasonable" marketing period must recognize that real property is not generally a highly liquid asset. Marketing periods vary significantly with respect to property type, location and market conditions. Sales, offerings, options, and transactions involving properties having comparable marketability are considered. Information from multiple listing services, Realtors, lenders, owners, and investors is also considered. All data is considered in relationship to current national, regional, and local economic and development trends.

The improved sales indicated that exposure time (i.e. the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded in this analysis as of the date of this valuation) would have been about 12 months. The estimated marketing time (i.e. the amount of time it would probably take to sell the subject property if exposed in the market beginning on the date of this valuation) is estimated to be 12 months.

STATEMENT OF OWNERSHIP

According to the Craighead County Tax Assessor's Office, the property has not had a change in ownership in the last 36 months.

SUBJECT PROPERTY OFFERING INFORMATION

Subject was offered for sale by the city along with a number of city properties. According to news reports, no written offer was submitted. According to a local landowner, a verbal bid of \$90,000 was made.

ITEMS OF PERSONAL NATURE

Items of personal nature were not included in the final value estimate.

HIGHEST AND BEST USE

Highest and Best Use, as used in this appraisal report, is defined as, “The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.” (From The Appraisal of Real Estate 12th Edition, prepared by The American Institute of Real Estate Appraisers.) A basic economic principle applicable in the estimation of highest and best use is the principle of conformity. Again, quoting from the 12th Edition of The Appraisal of Real Estate, “Market forces create market value, so the analysis of market forces that have a bearing on the determination of highest and best use is crucial to the valuation process. When the purpose of an appraisal is to develop an opinion of market value, highest and best use analysis identifies the most profitable and competitive use to which the property can be put.”

When determining the highest and best use of an unimproved site, it is necessary to determine the highest and best use of the site as if vacant and ready to be put to its highest and best use. This use has been determined with regard to what uses are physically possible, legally permissible, financially feasible, and maximally productive. In estimating (determining) the highest and best use, consideration is given to surrounding improvements, deed restrictions, the site’s physical and legal constraints, location and trends in the neighborhood. Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners.

An additional implication is that the determination of highest and best use results from the appraiser’s judgment and analytical skill - that is, that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. (From The Appraisal of Real Estate, 12th Edition, published by the American Institute of Real Estate Appraisers, 2001). The highest and best use of the subject site as vacant will be analyzed based on the aforementioned criteria for determining highest and best use.

Highest and Best Use is defined as “that reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal. Alternatively that use, from among reasonable, probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible and which results in the highest land value.”

The following tests must be passed in determining the highest and best use:

The use must be within the realm of probability; that is, it must be likely, not speculative or conjectural.

The use must be legal.

A demand must exist for such use.

The use must be profitable.

The use must be such as to return to the land, as well as the property on the whole, the highest net return.

Four stages are included in the analysis of highest and best use:

Physically Possible: determine the physically possible uses for the subject site.

Legally Permissible: determine which uses are legally permitted for the subject site.

Financially Feasible: determine which possible and permissible uses will produce a net return to the subject site.

Maximally productive: determine which use, among the feasible uses, is the most profitable use of the subject site.

The highest and best use of the land as if vacant and available for use may be different from the highest and best use of improved property. This is true when the improvements do not constitute an appropriate use. The existing use will continue unless and until land value in its highest and best use exceeds the sum value of the entire property in its existing use and the cost to remove the improvements.

Since the appraisal of the subject property is based on a particular premise of use, the highest and best use analysis determines just what this premise of use should be. A highest and best use analysis consists of considering the highest and best use of a property under two assumptions: (1) with a vacant and available site and (2) with the property as improved. These two assumptions on highest and best use are correlated into one final estimate of highest and best use.

AS VACANT AND AVAILABLE

The first major aspect of the highest and best use analysis is considering the property as if it were vacant and available for development. This assumption is made to determine whether the land alone is worth more than the existing property, as is. In other words, this is the beginning benchmark to compare with the highest and best use of the property as is, to determine whether the site is presently under-utilized.

POSSIBLE USE - The physical aspects of the land impose the first constraints on any possible use of the property. The appraised tract is a rectangular tract consisting of 4,500 sf. The site is level and above street grade and has good access to Main Street. Based on the physical aspects of the land parcel, a variety of land uses are possible.

PERMISSIBLE USE - The subject is zoned C-1. There are no known easements that would negatively affect the development of the tract. Therefore, under the C-1 zoning, a variety of commercial uses would be permissible.

FEASIBLE USES - The demand for vacant land along Main Street is stable since the neighborhood is mature, and very few vacant sites remain unimproved. Development along this area consists of restaurants, retail, professional offices (such as lawyers and accountants), financial institutions, etc. It is my opinion that development of the site for commercial use would provide a positive net return to the land and would, therefore, be considered feasible.

MOST PROFITABLE USE - In the final analysis, a determination must be made as to which feasible use is the highest and best use of the parcel as if vacant. Based on the current demand for commercial space, coupled with the limited number of potential sites with Main Street frontage, my opinion is that if the site were vacant and available, the highest and best use would be for commercial development.

AS PRESENTLY IMPROVED

The appraised property is presently improved with a retail store used by the City for Christmas displays. The present improvements were designed and constructed as a retail store. However, the layout of the building allows for various other uses. The present improvements make a substantial contribution to the total property in excess of the site. Therefore, no alternative legal use will economically justify removal of the existing improvements. The existing facility represents the highest and best use of the site.

CONCLUSION OF HIGHEST AND BEST VALUE

Based on the preceding analysis of the site as if it were vacant and available for development, and also as presently improved, it is my opinion that the highest and best use is as commercial.

APPRAISAL PROCESS

Appraisers commonly think of value in three different ways.

COST APPROACH TO VALUE - The current cost of reproducing or replacing a property less depreciation from all sources, that is, physical deterioration, functional and external obsolescence. This appraisal utilizes replacement costs derived from publications of *Marshall and Swift Valuation Service*. This cost data has been further verified as accurate by interviews with contractors involved in construction of similar facilities.

Although entrepreneurial profit is recognized as a residual cost, it is not included in the replacement cost new estimate. Rather, the reconciliation portion of the report attempts to identify any such profit through other approaches to value.

SALES COMPARISON APPROACH TO VALUE - The value indicated by recent sales of comparable properties in the marketplace.

INCOME CAPITALIZATION APPROACH TO VALUE - The value which the net earning power of the property will support, based upon a capitalization of net operating income of the real estate.

In the majority of our assignments, the appraiser will utilize all three approaches. On occasion he may believe the value indication from one approach will be more significant than the other two, yet he will use all three as a check against each one and to test his own judgement.

There are appraisal problems in which all approaches cannot be applied. A value indication for vacant land cannot be obtained through the use of the cost approach, nor one for a specialized property by the sales comparison approach, and but rarely for an owner-occupied home by the income capitalization approach. The use of all three approaches is pertinent in the solution of most appraisal problems; their application is well established in appraisal technique and held to be part of the fundamental procedure.

In any determination of value, local market data is sought on such factor as sales and offerings of similar properties and tracts of vacant land, current prices for construction materials and labor, rentals of similar properties and their operation expenses, and current rates of return on investments and properties. From this data, values may be developed for the land and the property as a whole.

Three generally accepted methods may be used in the valuation of the fee simple interest on an improved property: the cost approach, the sales comparison approach, and the income approach.

COMPARABLE LAND SALES

Sale #1

Grantor/Grantee: Lone Star/First Baptist Church
Location: NW Corner of Main/Matthews
Date of Sale: 2-8-00
Sales Price: \$251,212
Land Size: 17,326 sf or .4 ac
Price/Sf: \$14.50
Source: Bk 587 Pg 577
Comments: Parking lot constructed for First Baptist Church. Since date of sale, city has taken some of property in order to widen the street. Size shown currently on tax card is smaller than what was actually purchased.

Sale #2

Grantor/Grantee: Huff/City of Jonesboro
Location: NW corner Main/Cate
Date of Sale: 4-6-00
Sales Price: \$40,000
Land Size: 44'x90' or 3960 sf
Price/Sf: \$10.10
Source: Bk 589 Pg 797/Appr Files
Comments: Building has been destroyed and site is currently being used as a parking lot.

Sale #3

Grantor/Grantee: Langford/First Baptist Church
Location: 725 S Main
Date of Sale: 10-18-04
Sales Price: \$200,000
Land Size: 16,150 sf or .37 ac
Price/Sf: \$12.38
Source: Bk 680 Pg 770
Comments: Former site of a funeral home. First Baptist Church constructed a new educational building on this site after purchase.

Sale #4

Grantor/Grantee: Mizell/City Water and Light
Location: Corner of East and Creath
Date of Sale: 7-27-00
Sales Price: \$250,000
Land Size: 19,375 sf or .44 ac
Price/Sf: \$12.90
Source: Bk 594 Pg 416/Appraiser Files
Comments: Site contained a two story brick structure and a small residence at time of purchase, which have been removed. Property was purchased for the land only. City Water and Light has constructed a new facility on the site. Site size was confirmed by a plat of subject site provided to appraiser by CWL.

Sale #5

Grantor/Grantee: Brown/JSA Properties LLC
Location: Corner of E Matthews and Patrick St (1003 E Matthews)
Date of Sale: 6-23-06
Sales Price: \$250,000
Land Size: .51 ac
Price/Sf: \$11.25
Source: Bk 726 Pg 607
Comments: There were buildings on site, but property was purchased for the land only. Owner purchased to resell as medical.

Sale #6

Grantor/Grantee: JLH Ventures/HLC LLC
Location: Cherry St
Date of Sale: 6-7-06
Sales Price: \$500,000
Land Size: 1.25 ac
Price/Sf: \$9.18
Source: Bk 725 Pg 313
Comments: Site was the previous parking lot for Central Baptist Church.

Sale #7

Grantor/Grantee: Jones/Steed and Sunset Jboro LLC/Steed
Location: E Cherry St
Date of Sale: 10-4-06 and 11-30-06
Sales Price: \$45,000 and \$40,000, total of \$85,000
Land Size: total of 17,220 sf or .40 ac
Price/Sf: \$4.94
Source: Bk 733 Pg 870 and Bk 737 Pg 533
Comments: Two lots with homes purchased. Homes tore down and lots combined and rezoned to commercial. Most comparable to our subject after adjustment for zoning.

Sale #8

Grantor/Grantee: Cavanaugh/Jonesboro Blueprint
Location: Madison
Date of Sale: 8-21-09
Sales Price: \$54,750
Land Size: .21 ac
Price/Sf: \$6.00
Source: MLS/Seller
Comments: Vacant lot near corner of Huntington and Madison

Sale #9

Grantor/Grantee: Internal Medicine/Medical Arts
Location: 505 Creath
Date of Sale: 7-27-06
Sales Price: \$55,000
Land Size: .13 ac or 5452 sf
Price/Sf: \$10.09
Source: Bk 728 Pg 805
Comments: Small site sold for medical purposes.

Sale #10

Grantor/Grantee: Brooks Building & Rental LLC/Vance
Location: 120 E Matthews
Date of Sale: 2-4-10
Sales Price: \$83,000
Land Size: .17 ac or 7200 sf
Price/Sf: \$11.53
Source: Bk 814 Pg 314
Comments: Parking lot at corner of Church and Matthews

Ten sales were reviewed in order to determine the site value. They are all considered to be located within the subject's market area. They range in time of sale from February 2000 to February 2010. Downtown Jonesboro is considered to be fully developed. The majority of sales had improvements that have since been removed. The lots were sold for the value of the land only. They range in value per square foot from \$4.94 to \$14.50. After adjustments for time of sale, location, and size, a value of \$12.00/sf was estimated to be the value of our subject site.

Therefore, $\$12.00/\text{sf} \times 4,500 \text{ sf} = \$54,000$.

COST APPROACH

In the cost approach to valuation, an estimate is made of the current cost of replacement of the improvements. This amount is then adjusted to reflect depreciation resulting from physical deterioration, wear and tear, and utility, on the basis of personal inspection and in comparison with component parts of similar new units. This analysis also recognizes factors of functional and economic obsolescence.

Functional obsolescence is a loss in value caused by factors inherent with a building equipment unit, such as changes in construction materials and techniques, which result in excess capital cost in existing facilities, lack of full use of space, and inability to expand or update the property. Economic obsolescence is caused by external factors, such as general economic conditions, availability of financing, or inharmonious uses.

The adjusted indicated cost is then added to the estimated market value of the land.

The estimated cost of replacement new of the building and land improvements is based on data in the Marshall and Swift Valuation Service, adjusted for costs prevailing in the Jonesboro area. Depreciation is based on the observed condition, with consideration given to age and economic life of the improvements and market conditions.

Due to the age of the building, this approach is being omitted.

**INCOME APPROACH
PROPERTY OPERATING STATEMENT**

GROSS ANNUAL INCOME:		
4747 sf @ \$6/sf		<u>\$ 28,482</u>
LESS: VACANCY LOSS (10%)		<u>\$ 2,848</u>
PLUS: OTHER INCOME		<u>\$ -0-</u>
EFFECTIVE ANNUAL GROSS INCOME		<u>\$ 25,634</u>

LESS EXPENSES

Fixed expenses:

Real estate taxes	<u>\$ 648</u>	
Insurance	<u>\$ 1,500</u>	
		<u>\$ 2,148</u>

Operating expenses:

Management Fees (10%)	<u>\$ 2,563</u>	
Utilities	<u>\$ 300</u>	
Maintenance/Repairs/Misc	<u>\$ 1,200</u>	
		<u>\$ 4,063</u>

Reserves for Replacement:

Roof	<u>\$ 2,000</u>	
Heat-A/C	<u>\$ 2,000</u>	
Hot Water	<u>\$ 100</u>	
Floor Cover	<u>\$ 2,000</u>	
		<u>\$ 6,100</u>

ANNUAL EXPENSES AND RESERVES: \$12,311

NET ANNUAL INCOME TO BE CAPITALIZED \$13,323 USING A 9.0139% CAPITALIZATION
RATE SUBJECT PROPERTY WOULD BE VALUED AT \$147,805

ROUNDED \$148,000

Mortgage-Equity Capitalization Copr. 1986 a la mode, inc.

Holding Period (yrs)	=	10
Equity Yield Rate	=	12.00%
Loan Ratio	=	80.00%
Loan Term (yrs)	=	20
Loan Rate	=	8.00%
Appreciation/Depreciation	=	0.00%

Band of Investment Method			Cap Rate
Capital Source	Portion	Rate	
Mortgage Loan	= 80.00%	10.04%	8.0298%
Equity Funds	= 20.00%	12.00%	2.4000%
			=====
Overall Rate			= 10.4298%

Less Equity Buildup through Debt Reduction

Debt Reduction %	=	31.06%	
Sinking Fund Factor	=	0.05698	
Loan Ratio	=	80.00%	1.4159%
			=====
Basic Rate			= 9.0139%

Less Equity Buildup through Appreciation/Depreciation

Appreciation/Depreciation	=	0.00%	
Sinking Fund Factor	=	0.05698	0.0000%
			=====
Final Rate			= 9.0139%

Sufficient capitalization rates could not be extracted from the market because of the scarcity of recent sales. The Mortgage-Equity Capitalization approach is believed to be an acceptable approach when supported by other outside survey information such as the Korpacz Survey.

Korpacz National Market Indicators First Quarter 2010

	REGIONAL MALL		CBD OFFICE		WAREHOUSE		APARTMENT	
	1Q 2010	4Q 2009	1Q 2010	4Q 2009	1Q 2010	4Q 2009	1Q 2010	4Q 2009
Discount Rate (IRR) a								
Range	7.00% - 17.00%	7.00% - 17.00%	6.75% - 13.50%	6.75% - 14.00%	7.50% - 12.50%	7.50% - 12.50%	6.50% - 14.00%	6.50% - 14.00%
Average	10.70%	10.63%	9.58%	9.39%	9.64%	9.74%	10.18%	10.17%
Change (b.p.)		+ 7		+ 19		- 10		+ 1
Overall Cap Rate (OAR) a								
Range	5.00% - 12.00%	5.00% - 11.00%	6.00% - 10.50%	5.60% - 11.00%	7.00% - 12.00%	6.50% - 12.00%	5.00% - 11.00%	5.75% - 11.00%
Average	8.34%	8.06%	8.35%	8.24%	8.73%	8.80%	7.85%	8.03%
Change (b.p.)		+ 28		+ 11		- 7		- 18
Residual Cap Rate								
Range	6.25% - 12.00%	6.25% - 12.00%	6.50% - 10.50%	6.50% - 11.00%	7.50% - 12.00%	6.50% - 12.00%	5.00% - 11.00%	5.75% - 10.75%
Average	8.91%	8.84%	8.51%	8.44%	8.79%	8.73%	8.01%	8.19%
Change (b.p.)		+ 7		+ 7		+ 6		- 18

a. Rate on unleveraged, all-cash transactions Definitions: b.p. basis points Discount Rate (IRR). Internal rate of return in an all-cash transaction, based on annual year-end compounding Overall Cap Rate (OAR). Initial rate of return in an all-cash transaction Residual Cap Rate. Overall capitalization rate used in calculation of residual price; typically applied to the NOI in the year following the forecast Source: Korpacz Real Estate Investor Survey. Personal survey of a cross section of major institutional equity real estate market participants conducted during January 2010 by PricewaterhouseCoopers LLP. For complete information on results of these and other markets covered in the Survey, please call 1-800-654-3387.

RENT ANALYSIS

The income to investment properties consists primarily of rent. Different types of rent affect the quality of the income studied in the income capitalization approach to value. The five types of rent are contract rent, market rent, excess rent, percentage rent, and overage rent.

Contract Rent is the actual rental income specified in a lease. It is the rent agreed on by the landlord and the tenant and it may be higher, lower, or the same as market rent.

Market Rent is the rental income that a property would most probably command in the open market; it is indicated by the current rents paid and asked for comparable space as of the date of the appraisal. Market rent is sometimes referred to as economic rent.

Excess Rent is the amount by which contract rent exceeds market rent at the time of the appraisal. Excess rent is created by a lease that is favorable to the lessor and may reflect an advantageous location, unusual management, or a lease negotiated in a stronger rental market. Excess rent can be expected to continue for the remainder of the lease but, due to the higher risk associated with the receipt of excess rent, it is often calculated separately and capitalized at a higher rate.

Percentage Rent is rental income received in accordance with the terms of a percentage clause in a lease. Percentage rent is typically derived from retail store tenants on the basis of a certain percentage of their retail sales.

Overage Rent is percentage rent paid over and above the guaranteed minimum rent. This type of rent should not be confused with excess rent. Overage rent is a contract rent; it may be market rent, part market and part excess rent, or excess rent only.

To a certain extent, the interest being appraised determines how rents are analyzed and estimated. The valuation of fee simple interests in income-producing real estate is based on the market rent the property is capable of generating. However, to value proposed projects without actual leases, properties leased at market rent, and owner-occupied properties, only market rent estimates are used in the income capitalization approach.

Market rent was used in valuing subject property.

Comparable Rentals

S Main	1800 sf	\$11.33/sf
S Main	1919 sf	\$12.00/sf
Union	1430 sf	\$12.59/sf
Jefferson	1380 sf	\$6.52/sf
Jefferson	390 sf	\$9.23/sf
E Matthews	7200 sf	\$7.75/sf
E Nettleton	11,560 sf	\$4.57/sf

After reviewing the above comparables, \$6.00/sf has been estimated to be the market value of our subject.

SALES COMPARISON APPROACH

In the Sales Comparison Approach to valuation, similar properties recently sold or offered for sale in the local market are analyzed and compared with the property being appraised. Adjustments are made for differences in such factors as time of the sale, location, size, type, age and condition of the improvement, and prospective use. This approach has its greatest value in appraisal situation involving common elements, such as land or improved properties within a particular development, all with similar amenities.

Two methods are utilized to arrive at a value by the sales comparison approach: the effective gross income multiplier and the price per square foot of net leaseable building area.

An effective gross income multiplier is usually not adjusted because the relative desirability in the market is presumable reflected in both the rental rate that the property can command and the selling price.

The price per square foot of net leaseable building area is calculated by dividing the sale price of the comparable by its net leaseable area. After all analysis have been converted, adjustments are made to the price per square foot of net leaseable area. This adjustment can include property rights conveyed, financing, conditions of sale, date of sale, location, and physical characteristics.

Sale #1

Grantor/Grantee: Floyd/Emerson Investments LLC
Location: 245 S Main
Date of Sale: 1-15-09
Sales Price: \$124,000
Bldg Size: 2546 sf
Price/Sf: \$48.70
Land Size: .07 ac
Source: Bk 788 Pg 749/Files

Sale #2

Grantor/Grantee: Innovative Dev/A Squared Investments
Location: 228 S Main
Date of Sale: 10-9-07
Sales Price: \$90,000
Bldg Size: 2470 sf
Price/Sf: \$36.44
Land Size: .06 ac
Source: Bk 759 Pg 450/Files
Comments: Previously sold April 2007 for \$119,000 or \$48.18/sf.

Sale #3

Grantor/Grantee: Balfour/Young Investment Co
Location: 223 S Main
Date of Sale: 4-21-06
Sales Price: \$97,000
Bldg Size: 3750 sf
Price/Sf: \$25.87
Land Size: .05 ac
Source: Bk 721 Pg 773/Files

Sale #4

Grantor/Grantee: Davis Etal/AAA Brothers LLC
Location: 303 S Main
Date of Sale: 3-10-05
Sales Price: \$230,000
Bldg Size: 5229 sf
Price/Sf: \$43.98
Land Size: .08 ac
Source: Bk 692 Pg 924

Sale #5

Grantor/Grantee: Twig Investments/Straub
Location: 315 S Church
Date of Sale: 4-11-08
Sales Price: \$90,000
Bldg Size: 1890 sf
Price/Sf: \$47.62
Land Size: .05 ac
Source: Bk 771 Pg 381/Files

Sale #6

Grantor/Grantee: Isbell/Young Investments
Location: 225 S Main
Date of Sale: 2-7-08
Sales Price: \$250,000
Bldg Size: 6686 sf
Price/Sf: \$37.39 (not including basement)... \$18.59 (including basement)
Land Size: .15 ac
Source: Bk 767 Pg 89
Comments: 6686 sf on upper level, 6764 sf in basement (½ of which is finished)

The six sales selected for use in this report are all very similar in age and quality of construction. Five were selected for adjustments. These 5 are all located on Main Street, such as our subject.

	Subject	#1	#2	#3	#4	#6
Sales Price	NA	\$124,000	\$90,000	\$97,000	\$230,000	\$250,000
Price/Sf	NA	\$48.70	\$36.44	\$25.87	\$43.98	\$37.39 not inc bsmt
Date of Sale	NA	1-09	10-07	4-06	3-05	2-08
Location	Urban	Similar	Similar	Similar	Similar	Similar
Land Size	4500 sf (.10 ac)	2880 sf (.07 ac) +5% or 2.44	2600 sf (.06 ac) +5% or 1.82	2250 sf (.05 ac) +5% or 1.29	3600 sf (.08 ac) +5% or 2.20	6750 sf (.15 ac) -5% or 1.87
Bldg Size	4747 sf	2546 sf -10% or 4.87	2470 sf -10% or 3.64	3750 sf -5% or 1.29	5229 sf	6686 sf +5% or 1.87 6764 sf bsmt -5% or 1.87
Qual of Constr	Brick	Similar	Similar	Similar	Similar	Similar
Age of Bldg	80-100 Act	Similar	Similar	Similar	Similar	Similar
Zoning	Commercial	Similar	Similar	Similar	Similar	Similar
Net		-2.43	-1.82	-0-	+2.20	-1.87
Adj Price/Sf		\$46.27	\$34.62	\$25.87	\$46.18	\$35.52

Due to the lack of current sales, time adjustments were not used. The mean (average) of the five sales, after adjustments, is \$37.69/sf. The median is \$35.52/sf. The mid range (median) is believed to be the best indication of value for our subject.

Therefore, \$35.52/sf x 4747 sf = \$168,613. Rounded \$169,000.

CORRELATION AND FINAL VALUE CONCLUSION

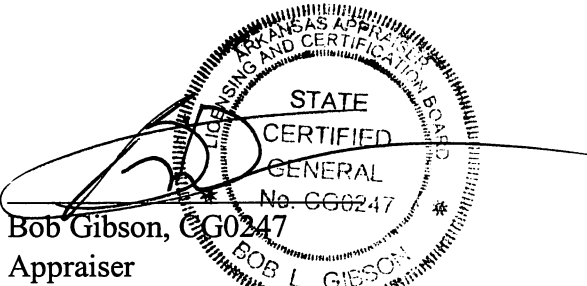
This appraisal was made to express an opinion of the value of the fee simple interest in the real estate as if offered for sale on the open market. Application of the three appropriate appraisal methods resulted in the following indications of value:

LAND VALUE :	\$54,000
SALES COMPARISON APPROACH:	\$169,000
INCOME CAPITALIZATION APPROACH:	\$148,000

The cost approach is most appropriate when the improvements are new or nearly new and represent the highest and best use of the land, or when the facilities are of a special-purpose or specialized-use nature. In other circumstances, the extent of depreciation dictated by the age and character of the improvements and the external influences of the current industrial market make a market estimate by this approach less reliable. Generally, the sales comparison and income capitalization approaches are better indicators of the value of a property in the open market since they more accurately reflect current market activity and the motives of buyers and sellers for use or for investment purposes. The stated value conclusion therefore is heavily weighted on the Sales Comparison Approach.

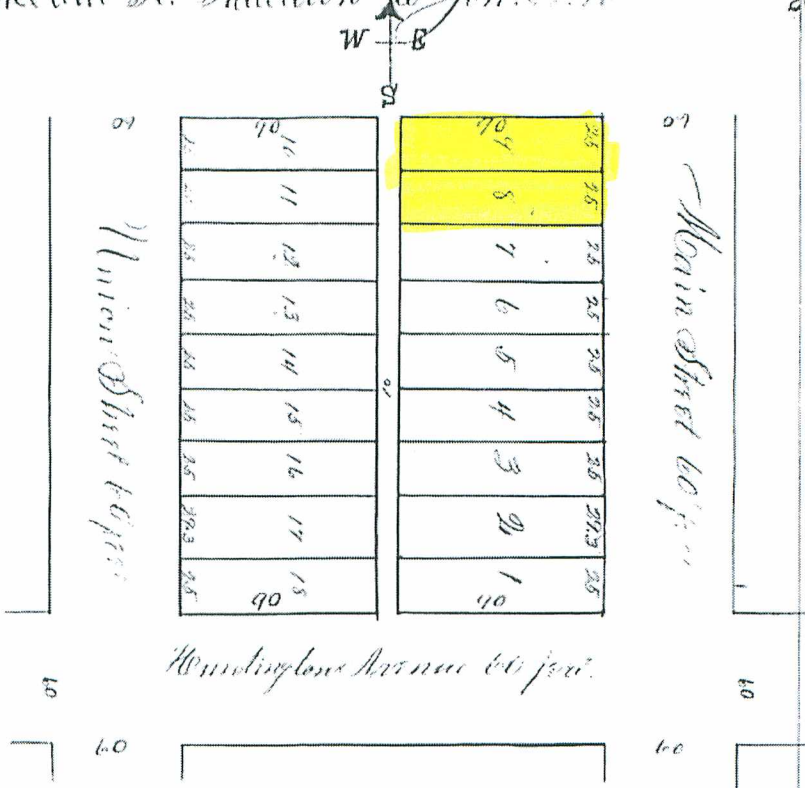
Weighted Average
60% of \$169,000 = \$101,400
40% of \$148,000 = \$59,200
\$160,600 Rounded \$161,000

Based on the investigation and premise outlined, as of June 25, 2010, the Market Value of the fee simple interest in the real estate, assuming it to be offered for sale on the open market is \$161,000 based on an estimated marketing (exposure) time of 12 months.


Bob Gibson, CG0247
Appraiser

ADDENDA

Thorns Main St. Addition to Jonesboro



I hereby certify that the foregoing plat is a true copy of the survey of Thorns Main St. Addition to the Town of Jonesboro, this 10th day of 1890. James H. Baird
Co. Surveyor.

State of Arkansas }
County of Craighead }

I, D. H. Thorn of the State of County of Craighead do hereby pass and grant this plat of a tract of land situated in the North East quarter of the South West quarter of Section Eighteen (18) Township Fourteen (14) North, Range Four (4) East; and lying North of and adjoining Huntington Avenue, and lying West of and adjoining Main St. in the Town of Jonesboro as shown by the plat of Thorns Addition to Jonesboro that an record in the Records Office of Craighead County is Book Record Vol. 101 at pages 252 & 253 to be designated as "Thorns Main St. Addition to the Town of Jonesboro Arkansas"

All Rights and Claims as indicated on this Plat are for a good and valid consideration hereby.

Parcel Detail Report: Craighead County

Created: 6/8/2010 1:33:35 PM

[Print](#) | [Close](#) | [Printing Problems?](#)

Basic Information

Parcel Number: 01-144183-53000
County Name: Craighead County
Ownership Information: CITY OF JONESBORO
 231 S MAIN
 JONESBORO, AR
[Map This Address](#)
Billing Information: CITY OF JONESBORO
 515 W WASHINGTON
 JONESBORO AR 72401
Total Acres: 0.00
Timber Acres: 0.00
Sec-Twp-Rng: 18-14-04
Lot/Block: 8-9/
Subdivision: THORNES MAIN ST ADD
Legal Description: THORNES MAIN ST ADD LOTS 8-9
School District: J JB JONESBORO CITY
Homestead Parcel?: No
Tax Status: Exempt
Over 65?: No

Land Information

Land Divisions:	Land Type	Quantity	Front Width	Rear Width	Depth 1	Depth 2	Quarter
	COMM	4,500 sqft	50	50	90	90	

Valuation Information

	Appraised	Assessed
Land:	18,000	3,600
Improvements:	98,400	19,680
Total Value:	116,400	23,280
Taxable Value:		16,580
Millage:		0.0391
Estimated Taxes:		\$648.28
Assessment Year:		2009

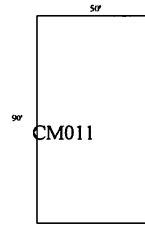
Sales History

Date	Price	Grantor	Grantee	Book	Page	Deed Type
5/5/1998	0	REAL ESTATE	CITY OF J'SBORO	558	186	WD(WARRANTY DEED)
5/5/1998	0	WALESZONIA	CITY OF J'BORO	558	184	WD(WARRANTY DEED)
4/12/1994	0				458568	
11/19/1993	25,000					

Improvement Information

Commercial Improvements

Commercial Improvement #1



Building Section #: 1

Business Name: WINTER WONDERLAND

Location: 231 S MAIN

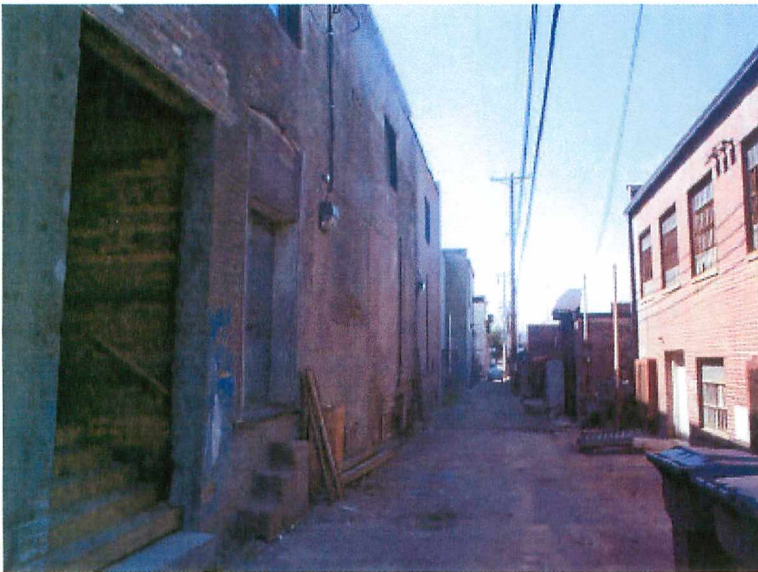
Total SF: 4,500

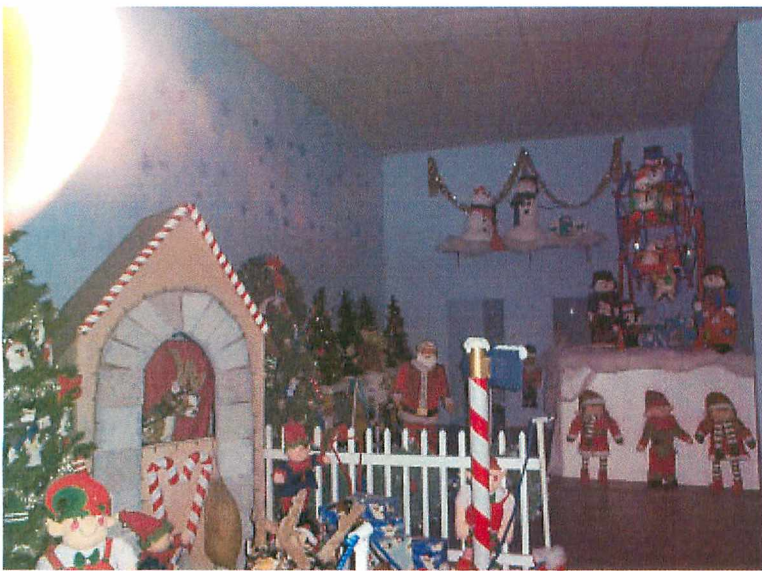
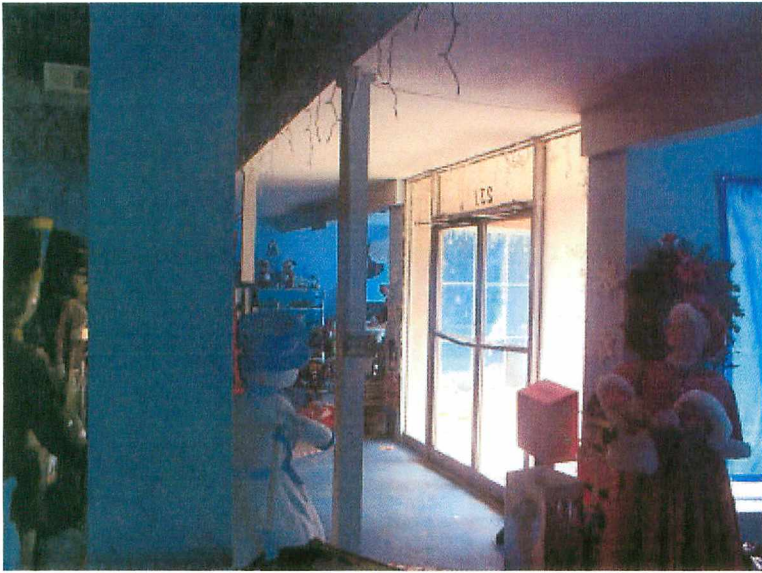
Stories: 1

Year Built:

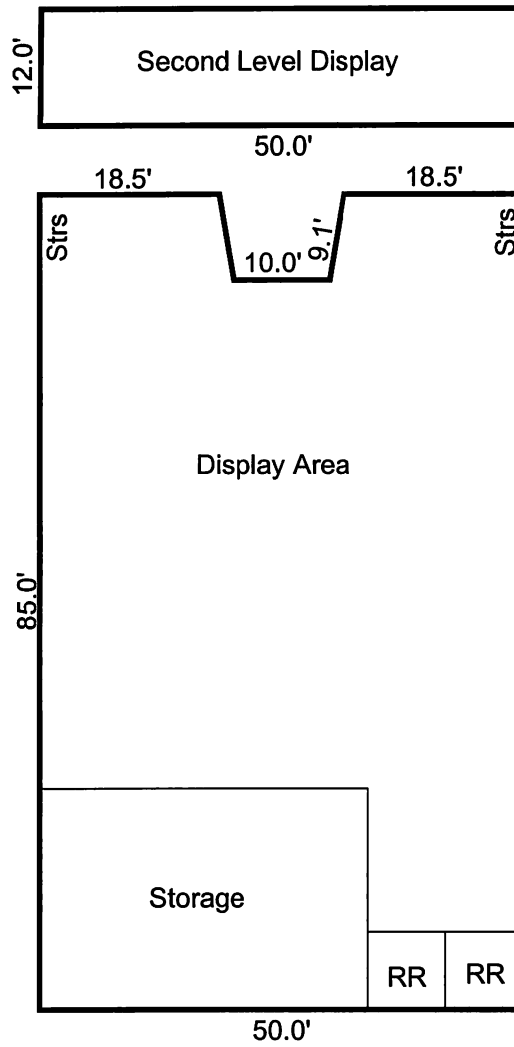
Effective Age: 28

Occupancy:	Code	Description	Class	Percent
	353	Retail Store	C-1	100%









ments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GBA1	First Floor	4146.5	4146.5
GBA2	Second Floor	600.0	600.0
Net BUILDING Area		(Rounded)	4747

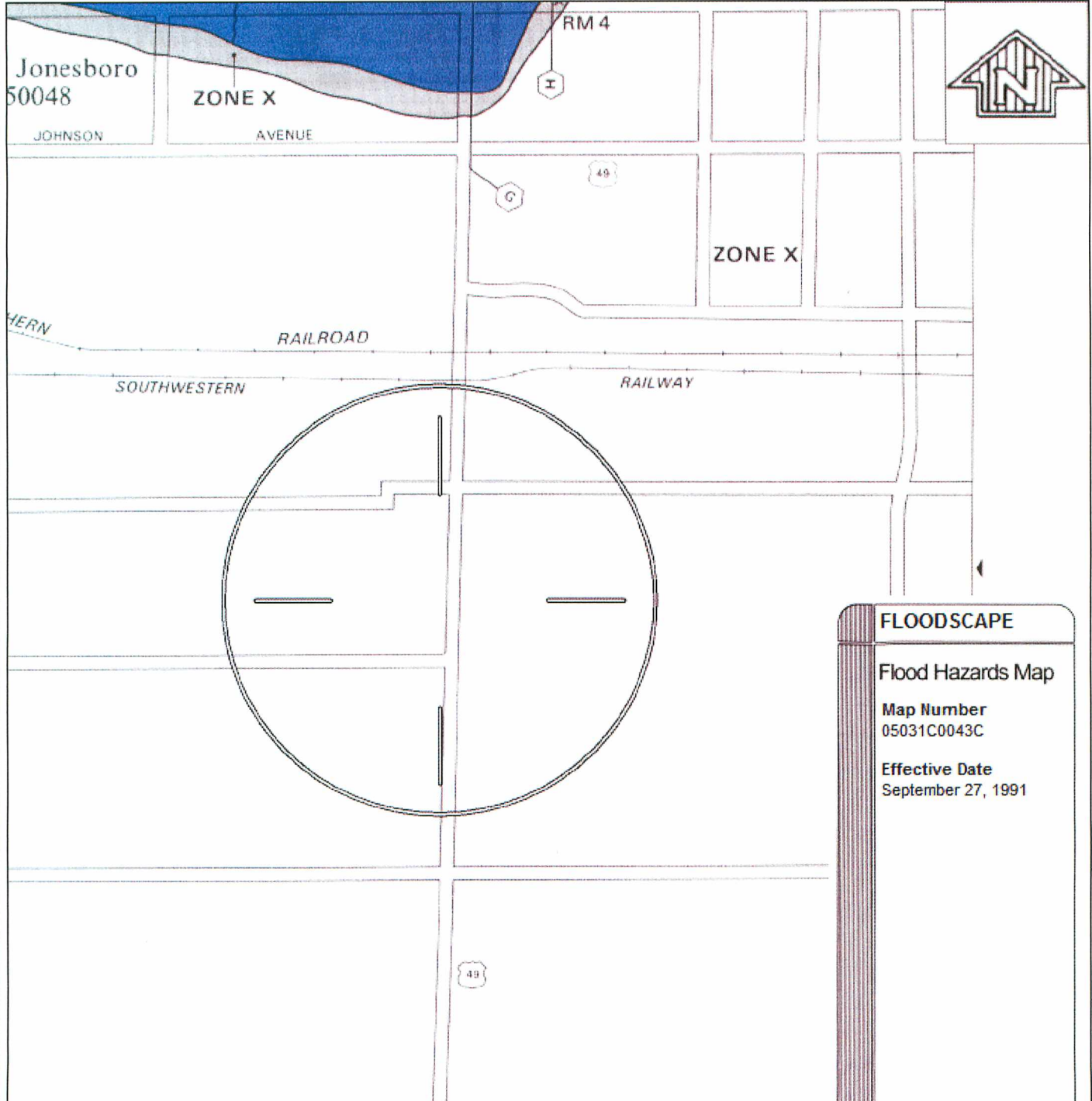
BUILDING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
0.5 x	9.0 x	1.5	6.8
0.5 x	9.0 x	1.5	6.8
	13.0 x	76.0	988.0
	18.5 x	85.0	1572.5
	18.5 x	85.0	1572.5
Second Floor			
	12.0 x	50.0	600.0
6 Items	(Rounded)		4747

InterFlood



www.interflood.com • 1-800-252-6633

Prepared for:
Bob Gibson Appraisal Service



FLOODSCAPE

Flood Hazards Map

Map Number
05031C0043C

Effective Date
September 27, 1991

Powered by FloodSource
877.77.FLOOD
www.floodsource.com

AREA DATA

Info taken from the Jonesboro Regional Chamber of Commerce website
www.jonesborochamber.com

The Founding of Craighead County

Late in the year 1858, it had become apparent to many members of the Arkansas General Assembly that there needed to be further divisions of the existing large counties in order to govern and administer them better.

The main proponent of the move to establish another county in Northeast Arkansas was Sen. William A. Jones who was the representative from Poinsett and St. Francis Counties. Senator Thomas B. Craighead, however representing Crittenden and Mississippi counties, was stubbornly opposed to the idea since the proposed new county would include alluvial land, which had been providing a lucrative source of revenue to some of his constituents in Mississippi County.

Senator Jones introduced the bill calling for creation of a new county from land in Mississippi, Greene and Poinsett counties. Each time an attempt was made to move it up on the senate calendar Senator Craighead prevented it.

A master of political strategy, Jones waited until Craighead was absent from the senate chamber to call for a final vote on the measure.

With their leader gone, the opposing forces were unable to swing the vote in their favor, and the bill passed, much to the consternation of Craighead when he found out.

In a spirit of goodwill, however, Jones moved that the new county be named after the senator who had been most opposed to its creation. Thus, Craighead County came into being on February 19, 1859.

Soon afterwards, the county seat was named Jonesboro in honor of the legislator who had worked so successfully on behalf of the new county.

Excerpts from The Story of Craighead County by Charles A. Stuck

The Founding of Jonesboro

Soon after the creation of Craighead County on February 19, 1859 a location in the center of the county was sought for the new county seat, Jonesboro.

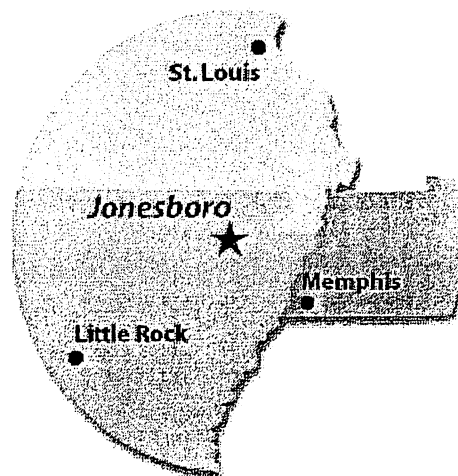
The actual site was selected after Fergus Snoddy offered to give 15 acres. J.N. Burk, County Surveyor chose the location of the plot because there was a sort of opening in the forest at that point. A site for the county courthouse was selected as the center of the town.

The choice for the location received some opposition from area hunters. It was one of the best deer crossings in this section of the country, during the winter thousands of ducks roosted in the swampy ground east of the present Water & Light plant, the banks of Lost Creek (a little north of that point) were excellent feeding grounds for wild turkey and bear had been killed there. It was felt to build a small and probably temporary town was to destroy, for all time, one of the good hunting grounds in the area.

Progress prevailed and the underbrush was cleared. The town site was laid out by surveyor Burk, creating a large center plot to be used for a courthouse. Ninety-two town lots were then laid out around the center plot. The fifteen acres were bounded by Monroe Avenue on the north, Church Street on the east, Jefferson Avenue on the south, and Madison Street on the west.

Jonesboro was first incorporated shortly after it was founded and Aden Lynch was elected the first Mayor, but interest in a formal government did not seem to appeal to the citizens. The first charter of incorporation was allowed to lapse. A second try was made and it also failed to interest the citizens. In 1882 with the prospects of a railroad coming through the town, a number of prominent citizens agreed that it should become an incorporated town with necessary instruments of government. The third charter was granted and M.A. Adair was elected Mayor in 1883.

Jonesboro is the 5th largest city in Arkansas and the 2nd largest in square miles. Form a triangle by connecting Little Rock, St. Louis, and Memphis, and you'll see Jonesboro stands out as the largest metropolitan city in what amounts to a 17,000 square-mile triangle area. The Jonesboro region is a proven leader in a number of categories attractive to business, including geography, favorable climate, viable economy, advantageous tax structure, affordable housing, low crime rate, growing medical community, opportunity for education, expanding retail and industrial community, recreational opportunities, cultural, sports and civic organizations, plus low utility costs. The Jonesboro MSA was recently recognized as 7th strongest in the nation for manufacturing.



There are more than 100 industrial plants or facilities in the Jonesboro area. The city includes not only attractive plant sites in four industrial parks, but also a high-quality transportation infrastructure. Jonesboro is served by two railroads; 42 trucking companies, and a regional airport which offers airline service to Dallas/Fort Worth. Memphis International Airport is only 1 hour away.

Industries located in Jonesboro find a highly productive, motivated work force, cooperative local officials, a favorable tax structure, and a central location. The Jonesboro Regional Chamber of Commerce, working with local businesses and professionals, and with local and state officials, comprise an active, effective industrial recruitment team. Their objectives are not limited to attracting new industries, but also include rendering vital help to existing industries. Such help may involve many aspects such as expansion, utilization of excess plant capacity, coordination of efforts to improve infrastructure serving plant sites and more.

Jonesboro's industrial community includes plants of major U.S. firms such as Nestlé, Butterball, L.L.C., Frito-Lay, Hytrol, Post Cereals, Riceland Foods, International Paper, Thomas & Betts, Great Dane Trailers, Quebecor World, Alberto - Culver, Nice-Pak, and Nordex.

Community Briefing

County: Craighead
County Seat: Jonesboro
Area code: 870

Population	
Jonesboro	55,515
Craighead County	82,148
**2000 Census	

Government

City: Mayor/Council
County: County Judge/Quorum Court

Climate

Climate is moderate, with temperatures normally ranging from 41 degrees to 80 degrees. Average annual precipitation totals approximately 50 inches of rainfall and six inches of snowfall. Relative humidity is 80 percent in the summer and 60 percent in the winter. The growing season averages 225 to 260 days.

Average Temperatures	
July Average Temperature	92.3 F (Normal Maximum) 71.1 F (Normal Minimum)
January Average Temperature	45.3 (Normal Maximum) 27.9 (Normal Minimum)
Annual Average Rainfall: 47.19 Inches	Annual Average Snowfall: 6.50 Inches
Mean Daily Minimum Temperature: 50 F	Mean Daily Maximum Temperature: 65 F
Average Wind Speed: 6-10 MPH	Direction of Prevailing Winds: Southwest
Elevation: 274 Ft. MSL	Degree Days to 65 F Base: 3.446
Minimum Temperature (Days of 32 F and Under): 50 Days	Maximum Temperature (Days of 90 F and Over): 20 Days
Normal Humidity:	
(Mean Daily Noon-Time): 45%	(Mean Daily Midnight) 55%

Economy

Jonesboro is one of the state's most dynamically developing centers, growing in areas of industry, retail and medicine. As a hub of agricultural production, Jonesboro has delta cotton land to the east and rice and soybean fields to the southwest. Jonesboro is the home of Riceland Foods, the largest rice mill in the world.

Several large industries help to support our growing community. Among these include: Hytrol Conveyor Company, Kraft Foods - Post Division, Con-Agra, Thomas & Betts, Frito Lay, Nestle and Great Dane.

Retail

Jonesboro has a rich assortment of retail stores representing all major categories of merchandise at various price levels.

The city is a regional shopping area for northeast Arkansas and southeast Missouri. The Mall at Turtle Creek offers 750,000 square feet of retail shopping. Jonesboro has almost every product available on the worldwide market represented in its retail offerings to make living in the area comfortable and convenient.

Retail Trade Area	
County	Total Population (2000 U.S. Census)
Clay	17,609
Craighead	82,148
Cross	19,526
Greene	37,331
Independence	34,233
Jackson	18,481
Lawrence	17,774
Mississippi (one-half of county)	28,989
Poinsett	25,614
Randolph	18,195
Sharp	17,119
Dunklin, Missouri	33,155
Total Primary Trade Area	347,111

Important Addresses and Phone Numbers

Government	
Craighead County Clerk County Courthouse 511 S. Main Jonesboro, AR 72401 Phone: (870) 933-4520	Jonesboro City Clerk City Hall 515 West Washington Jonesboro, AR 72401 Phone: (870) 935-0305

Housing	Employment
Jonesboro Board of Realtors 1218 Stone Jonesboro, AR 72401 Phone: (870) 972-8425	Arkansas Department of Workforce 2311 E. Nettleton Ave. Jonesboro, AR 72403 Phone: (870) 935-5594

Utilities		
City Water & Light 400 E. Monroe Jonesboro, AR 72401 Phone: (870) 935-5581	Center Point Energy Gas 3013 Old Feed House Rd. Jonesboro, AR 72401 Phone: (870) 972-6682	Craighead Electric Cooperative 4314 Stadium Blvd. Jonesboro, AR 72403 Phone: (870) 932-8301

Telephone	Auto & Truck Licenses
AT&T 723 S. Church Jonesboro, AR 72401 1-800-464-7928	Arkansas Revenue Department 206 Southwest Drive Jonesboro, AR 72401 Phone: (870) 932-2716

Cable/Television	
Sudden Link Communications 1520 S. Caraway Jonesboro, AR 72401 Phone: (870) 935-3615	KAIT Channel 8 PO Box 790 472 CR 766 Jonesboro, AR 72401 Phone: (870) 931-8888

Newspaper		
The Jonesboro Sun 518 Carson Street Jonesboro, AR 72401 Phone: (870) 935-5525	NEA Business Today 401 S. Main St. Jonesboro, AR 72401 Phone: (870) 931-9900	Hispano 3600 Marzee Ann Jonesboro, AR 72401 Phone: (870) 316-8045

Library	
Craighead County / Jonesboro Public Library 315 West Oak Jonesboro, AR 72401 Phone: (870) 935-5133	Dean B. Ellis Library Arkansas State University State University, AR 72467 Phone: (870) 972-3077

Government Services

Solid Waste Landfill			
Tipping Fees	Operated By	Classification	Life Expectancy
\$26 Per Ton	Craighead County Solid Waste Disposal Authority	Class 1 and Class 4	Over 500 Years

Hazardous Waste Landfill	
Location of Closest One	Emelle, Alabama
Name of Operator	Chemical Waste Management Emelle, Alabama

Source: Craighead County Solid Waste Disposal Authority, July 7, 2006.

Police	
City	128 Officers
County	28 Deputies

Form of Government	
City	Mayor / Council
County	Judge / Quorum Court

Fire	
City	98 Firefighters
Equipment	16 Units
Fire Insurance Class Rating	Class 3

Source: City of Jonesboro and Craighead County Sheriff's Office, June 27, 2006

Taxes

Local Taxes

Applicable Local Ad Valorem Taxes	
\$44.10 per \$1,000 Assessed Value	
(Nettleton School District)	
Rate:	
County General	.0040
County Road	.0021
Library	.0020
Policemen's Pension	.0005
Firemen's Pension	.0005
Nettleton School Millage	.0350
TOTAL	.0441

Rate of Assessment
Residential, Industrial Real and Industrial Personal Property is assessed at a rate of 20% of Fair Market Value

Payment in Lieu of Property Tax
Real and personal property financed by revenue bonds and general obligation bonds may be exempt from property taxes during the lease-amortization period in which a local government retains title to the property. Payments by businesses to local governments in lieu of property taxes are generally encouraged and negotiated between the parties involved.
The negotiated Payment in Lieu of Property Taxes shall not be less than 35% of the property taxes that would have been paid if the property were on the tax rolls.

Raw Materials, Goods-in-Process Inventory and Finished Goods Inventory
Tangible personal property in transit through Arkansas and inventory tangible personal property manufactured, processed or refined in Arkansas and stored for shipment outside the state are exempt from taxes.

Applicable Municipal Related Taxes on Employees
NONE

Source: Craighead County Tax Assessor, July 2006; Arkansas State Sales Tax, July 2006.

Sales Tax

Combined Sales Tax	
Arkansas State Sales Tax	6.0%
City Sales Tax	1.0%
County Sales Tax	1.0%
TOTAL	8.0%
*Note: City and County Sales Tax each have a \$25 cap per purchase.	

Arkansas State Taxes

Taxes levied by the State of Arkansas include the following:

- Corporate and Personal Income Tax
- Sales and Use Tax
- Unemployment Insurance Tax
- Corporate Franchise Tax
- Capital Gains Tax Reduction
- Property Tax

For details, please visit the Arkansas Department of Economic Development Website at: www.1800arkansas.com.

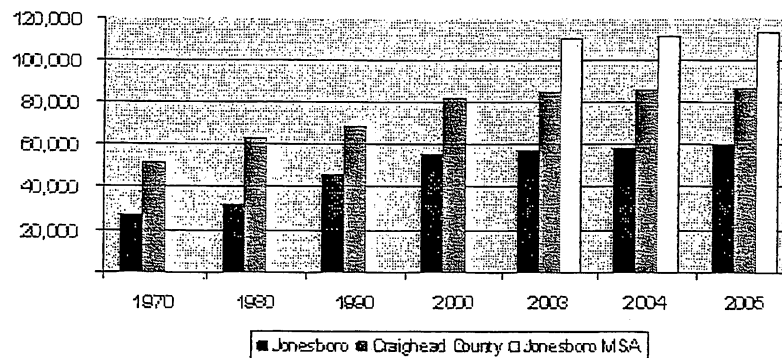
Population

Jonesboro
59,358

Jonesboro MSA
(Craighead and Poinsett Counties)
113,084

Jonesboro Labor Market Area
(Craighead, Clay, Greene, Jackson, Lawrence, Mississippi,
Poinsett, Randolph, New Madrid, MO, Dunklin, MO Pemiscot, MO Counties)
339,716

Population Trends



Jonesboro's current population is 59,358 and Craighead County population is 86,735. Jonesboro has a 7% population of persons under the age of 5 years old, 27.1% population of persons under 20 years old and a population of 11.6% persons 65 years old and older.

*ALL OF THE ABOVE INFORMATION WAS REPORTED ON THE 2005 ESTIMATE DEMOGRAPHICS NOW

Climate

Climate

July Average Temperature	92.3° (Normal Maximum)
	70.9° (Normal Minimum)
January Average Temperature	45.3° (Normal Maximum)
	25.8° (Normal Minimum)
Annual Average Rainfall	47.18 Inches
Annual Average Snowfall	3.9 Inches
Average Wind Speed	6-10 MPH
Direction of Prevailing Winds	Southwest
Elevation	315 Ft. MSL
Mean Daily Maximum Temperature	70.5°
Mean Daily Minimum Temperature	49.0°
Mean Average Temperature	59.8°
Normal Humidity (Mean Daily Noon-Time)	45%
Normal Humidity (Mean Daily Midnight)	55%

Source: Southern Region Climate Center, July 7, 2006

Utilities

Jonesboro provides low cost utilities and has excess capacity available for current and future manufacturing City Water & Light has not had as increase since 1984. In 2006, the average Kuh rate for industry was 4.1.

Education

Jonesboro offers excellent schools, all of which have won national Awards of Merit, for your child's education. There are four school districts within the city limits of Jonesboro - Jonesboro School District, Nettleton School District, Valley View School District and Westside School District. There are three private schools - Blessed Sacrament (K-6th grade), Concordia Christian Academy and Ridgefield Christian School.

Workforce

Jonesboro offers many employment opportunities for you and your family. Our growth in all areas of industry, retail, medical, education and agriculture offer diverse options for employment.

According to the number of business permits issued, Jonesboro has over 3,200 businesses that may offer opportunities for your employment.

Buildings, Industrial, and Business Parks

There are more than 100 industrial plants or facilities in the Jonesboro area. The city includes not only attractive plant sites in four industrial parks, but also a high-quality transportation infrastructure. Jonesboro is served by two railroads; also by 34 interstate trucking companies, and a municipal airport which offers airline service to Dallas/Fort Worth.

Industries in Jonesboro find a highly productive motivated work force, cooperative local offices, a favorable tax structure, and a central location. The Jonesboro Regional Chamber of Commerce, working with local businesses and professionals, and with local and state officials, comprise and active, effective industrial recruitment team. Their objectives are not limited to attracting new industries, but also include rendering vital help to existing industries. Such help may involve many aspects such as expansion, utilization of excess plan capacity, coordination of efforts to improve infrastructure serving plant sites, and more.

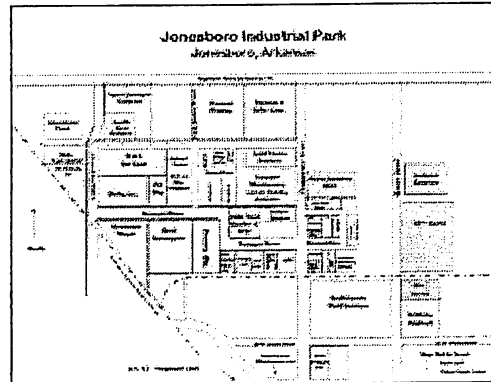
Jonesboro Industrial Park

2006 AVERAGE COST PER KWH FOR CWL INDUSTRIAL CUSTOMERS WAS 4.10 CENTS

Developed in 1969 by the City of Jonesboro, the Jonesboro Industrial Park has sites available from 3 - 50 Acres for location by industry. The park is fully developed, with all utilities and infrastructure in place.

Home to the following Industries:

- A-State Asphalt
- Action Graphix
- Applied Industrial Technologies
- Art Advertising
- ASU Technical Center & Workforce Training Consortium
- ASU Center for Economic Dev.
- B & C Die Cast
- BAMA Corporation
- Best Conveyors
- Delta Consolidated Industries
- Gilbert Industries
- Gorton Hydraulics
- Habasit Globe
- Hytrol Conveyor Company
- International Paper
- JK Products & Services
- JMS Metal Services
- Jonesboro Manufacturing Co.
- Jonesboro Tool & Die
- Kenney Manufacturing
- Kraft Foods—Post Division
- Kroeter, Inc.
- MTS
- NEAT Pressworks
- Nettleton Concrete
- O'Neal Steel
- Pinpoint Printing
- Quebecor World
- Smurfit-Stone Container Corp.
- Southern Cast Products, Inc.
- Southern Tool & Die
- Spirit Fitness Products
- Stone Container Corp.
- Swanson
- Thomas & Betts Corporation



AVAILABLE BUILDINGS:

LINCOLN BUILDING - 375,082 SQUARE FEET
DUPONT BUILDING - 158,520 SQUARE FEET

SPECIFICATIONS:

Owner.....City of Jonesboro
Location.....Jonesboro, Arkansas / Craighead County
Airport.....1 Mile
Rail Service.....Burlington Northern / Santa Fe
Natural Gas.....4-inch and 8-inch-Center Point Energy Arkla
Electricity.....13.8 KV-Jonesboro City Water & Light
Water.....6-inch to 24-inch-Jonesboro City Water & Light
Wastewater.....8-inch to 24-inch-Jonesboro City Water & Light

Henry P. Jones III Business Park

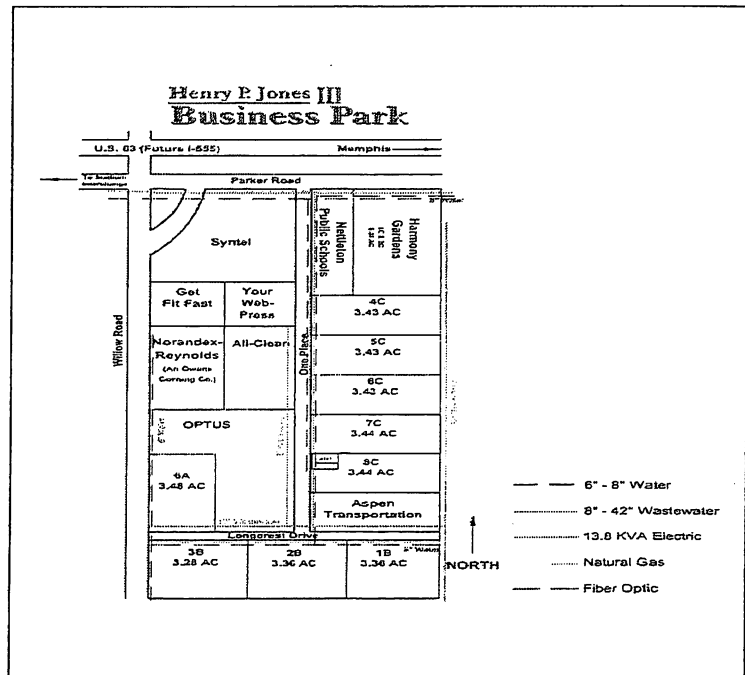
2006 AVERAGE COST PER KWH FOR CWL INDUSTRIAL CUSTOMERS WAS 4.10 CENTS

Home to the following Industries:

- Aspen Transportation
- Nettleton Public Schools
- Optus, Inc.
- Syntel, Inc.
- YourWebpress.com
- Get Fit Fast
- Norandex-Reynolds
- Harmony Gardens

LESS THAN ONE HOUR FROM THE NATION'S DISTRIBUTION CENTER (MEMPHIS)

The Henry P. Jones III Business Park was developed in 1990 and is marketed by the Jonesboro Economic Development Corporation. The park is fully developed, with all utilities and infrastructure in place. Please see the map below for available sites.



SPECIFICATIONS:

Owner.....Jonesboro City Water & Light
 Location.....Jonesboro, Arkansas / Craighead County
 Airport.....2 Miles
 Natural Gas.....2-inch - Center Point Energy Arkla
 Electricity.....13.8 KV-Jonesboro City Water & Light
 Water.....6-inch to 8-inch - Jonesboro City Water & Light
 Wastewater....8-inch to 42-inch - Jonesboro City Water & Light

Craighead Technology Park

2006 AVERAGE COST PER KWH FOR CWL INDUSTRIAL CUSTOMERS WAS 4.10 CENTS

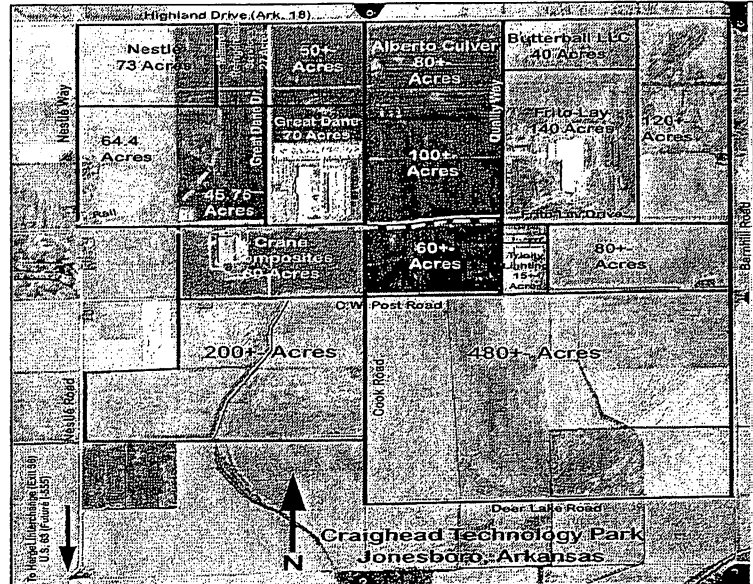
Developed in 1986 by the Jonesboro Economic Development Corporation, the Craighead Technology Park is a 1,730 -acre park with over 1,280 acres available for location by industry. The park is fully developed, with all utilities and infrastructure in place.

Home to the following Industries:

- Butterball LLC
- Crane Composites
- Frito-Lay, Inc.
- Great Dane Trailers
- Millard Refrigerated Services
- Nestlé Prepared Foods Co.
- Trinity Lighting
- Alberto Culver

LESS THAN ONE HOUR FROM THE NATION'S DISTRIBUTION CENTER (MEMPHIS)

FOR UTILITY INFRASTRUCTURE PLEASE [CLICK HERE](#)



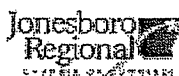
SPECIFICATIONS:

Owner.....Jonesboro Economic Development Corporation
 Location.....Jonesboro, Arkansas / Craighead County
 Airport.....3 Miles
 Rail Service.....Burlington Northern / Santa Fe
 Natural Gas.....4-inch and 8-inch-Center Point Energy Arkla
 Electricity.....13.8 KV-Jonesboro City Water & Light
 Water.....12-inch, 16-inch and 24-inch-Jonesboro City Water & Light
 Wastewater.....18-inch, 21-inch and 24-inch-Jonesboro City Water & Light

Major Employers

St. Bernards Medical Center	1,986
Arkansas State University	1,342
Wal-Mart Super Centers (2)	834
Hytrol Conveyor Company	726
Quebecor World	700
Jonesboro Public Schools	650
Frito-Lay	575
NEA Clinic	525
NEA Medical Center	475
City of Jonesboro	471
Thomas & Betts Corporation	450
Nestlé Prepared Foods Company	425
Nettleton Public Schools	400
Wolverine Slipper Group	400
Great Dane Trailers LLC	390
Crowley's Ridge Development Council	386
Airtex Products	383
Riceland Foods, Inc.	352
Delta Consolidated Industries	350
Mid-South Health Systems	350
Liberty Bank of Arkansas	323
Dillard's	300
Roach Manufacturing	300
Craighead County	285
Arkansas Glass Container Corporation	280
Jonesboro Human Development Center	250
Trumann Public Schools	250
Westside Consolidated School District	250
First Community Bank	215
HealthSouth Rehabilitation Hospital	210
Fowler Foods	208
Valley View Public Schools	197

Kraft Foods - Post Division	186
City Water & Light	185
Columbia Forest Products, Inc.	185
Lowe's of Jonesboro	180
ConAgra Foods	170
JC Penney Company	170
U.S. Postal Service	170
Brookland Public Schools	165
Harrisburg Public Schools	165
RGB Mechanical Contractors	149
Optus, Inc.	146
Skill Care Nursing Center	145
Crane Composites	142
Sam's Club	141
International Paper	140
Colson Caster Corporation	130
Craighead Nursing Center	130
Holiday Inn / Holiday Inn Express	126
The Jonesboro Sun	126
Boling Security Guard, Inc.	125
JK Products & Services, Inc.	125
Ramsons, Inc.	125
East Poinsett County Public Schools	122
Colson Plastics	119
Sears	110
G & K Services	100



Jonesboro Regional Chamber of Commerce
 P.O. Box 789 • Jonesboro, AR 72403
 Phone: (870) 932-6691 • Fax: (870) 933-5758
 email: jonesboroinfo@jonesborocofc.org

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Information from:

Jonesboro Economic Development Council
Annual Meeting - February 2, 2009

Nestlé Prepared Foods Company announced an expansion in March. The expansion is underway and should be completed by September 2009. Nestlé partnered with Nations Pizza and is constructing a bakery facility to produce frozen pizzas. This will provide an additional 200 jobs.

StarTek, Inc., announced a Jonesboro location in the former Price Chopper building on April 14. StarTek retrofitted the building and are doing great. They are already at 575 jobs and have received a very high quality rating for the Jonesboro facility.

N.E.W. Customer Service announced 120 work-at-home customer care jobs for the Jonesboro area. They will provide customer care support for DirecTV.

Alberto Culver held their grand opening on August 19. The company is already expanding and adding another product line. They are very impressed with the quality of our workforce.

Nice-Pak Products, Inc. announced they would locate in the former Haworth facility on October 13. They are in the process of retrofitting the building. The company announced a \$40 million investment providing 300 new jobs for the region. They have already hired the first 30 people and sent them for training in Green Bay, Wisconsin. The first product is scheduled to ship in March.

Nordex USA, Inc. announced they would locate a wind-turbine facility in Jonesboro on October 24. This will be a \$100 million investment and will bring 700 jobs to the region. Young met in December with the Procurement Manager to talk about the recruitment of key suppliers to the area. H & M Construction has been chosen as the design firm.

ASSUMPTIONS AND LIMITING CONDITIONS

Paragraph 1. There is no accountability, obligation or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all the limiting conditions and assumptions of the assignment and related discussions. The Appraiser assumes no responsibilities for any cost incurred to discover or correct any deficiencies in the property.

Paragraph 2. This appraisal is for no purpose other than property valuation, and the appraisers are neither qualified nor attempting to go beyond that narrow scope. The reader should be aware that there are also inherent limitations to the accuracy of the information and analysis contained in this appraisal. Before making any decision based on the information and analysis contained in this report, it is critically important to read this entire section to understand these limitations.

Appraisal is not a survey.

Paragraph 3. It is assumed that the utilization of the land and improvements is within the boundaries of the property lines of the property described and that there is no encroachment or trespass unless noted within the report.

Paragraph 4. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in this report are intended only for the purpose of showing spatial relationships. The reliability of the information contained on any such map or drawing is assumed by the appraiser and cannot be guaranteed to be correct. A surveyor should be consulted if there is any concern on boundaries, setbacks, encroachments, or other survey matters.

Appraisal is not a legal opinion.

Paragraph 5. No responsibility is assumed for matters of a legal nature that affect title to the property nor is an opinion of title rendered. The title is assumed to be good and marketable. The value estimate is given without regard to any questions of title, boundaries, encumbrances, or encroachments. We are not usually provided an abstract of the property being appraised and, in any event, we neither made a detailed examination of it nor do we give any legal opinion concerning it.

Paragraph 6. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report. A comprehensive examination of laws and regulations affecting the subject property was not performed for this appraisal.

Paragraph 7. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined, and considered in the appraisal report. Information and analysis shown in this report concerning these items is based only on a rudimentary investigation. Any significant question should be addressed to local zoning or land use officials and/or an attorney.

Paragraph 8. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based. Appropriate government officials and/or an attorney should be consulted if an interested party has any questions or concerns on these items since we have not made a comprehensive examination of laws and regulations affecting the subject property.

Appraisal is not an engineering or property inspection report.

Paragraph 9. This appraisal should not be considered a report on the physical items that are a part of this property. Although the appraisal may contain information about the physical items being appraised (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed physical report. The appraisers are not construction, engineering, environmental, or legal experts, and any statement given on these matters in this report should be considered preliminary in nature.

Paragraph 10. The observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, insulation, electrical service, and all mechanicals and construction is based on a casual inspection only and no detailed inspection was made. For instance, we are not experts on heating systems and no attempt was made to inspect the interior of the furnace. The structures were not checked for building code violations, and it is assumed that all buildings meet applicable building codes unless so stated in the report.

Paragraph 11. Some items such as conditions behind walls, above ceilings, behind locked doors, or under the ground are not exposed to casual view and therefore were not inspected. The existence of insulation, if any is mentioned, was found by conversation with others and/or circumstantial evidence. Since it is not exposed to view, the accuracy of any statements about insulation cannot be guaranteed.

Paragraph 12. It is assumed that there are no hidden or unapparent conditions of the property, sub-soil, or structures that would render it more or less valuable. No responsibility is assumed for such conditions, or for the engineering that may be required to discover such factors. Since no engineering or percolation tests were made, no liability is assumed for soil conditions. Sub-surface rights (mineral and oil) were not considered in making this appraisal.

Paragraph 13. Wells and septic systems, if any, are assumed to be in good working condition and of sufficient size and capacity for the stated highest and best use.

Paragraph 14. We are not environmental experts, and we do not have the expertise necessary to determine the existence of environmental hazards such as the presence of urea-formaldehyde foam insulation, toxic waste, asbestos or hazardous building materials, or any other environmental hazards on the subject or surrounding properties. If we know of any problems of this nature which we believe would create a significant problem, they are disclosed in this report. Nondisclosure should not be taken as an indication that such a problem does not exist, however. An expert in the field should be consulted if any interested party has questions on environmental factors.

Paragraph 15. No chemical or scientific tests were performed by the appraiser on the subject property, and it is assumed that the air, water, ground, and general environment associated with the property present no physical or health hazard of any kind unless otherwise noted in the report. It is further assumed that the lot does not contain any type of dump site and that there are no underground tanks (or any underground source) leaking toxic or hazardous chemicals into the groundwater or the environment unless otherwise noted in the report.

Paragraph 16. The age of any improvements to the subject property mentioned in this report should be considered a rough estimate. We are not sufficiently skilled in the construction trades to be able to reliably estimate the age of improvements by observation. We therefore rely on circumstantial evidence which may come into our possession (such as dates on architectural plans) or conversations with those who might be somewhat familiar with the history of the property such as property owners, onsite personnel, or others. Parties interested in knowing the exact age of improvements on the land should contact us to ascertain the source of our data and then make a decision as to whether they wish to pursue additional investigation.

Paragraph 17. Because no detailed inspection was made, and because such knowledge goes beyond the scope of this appraisal, any observed condition or other comments given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is made as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating system, air conditioning system, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any particular item, we would strongly suggest that a construction expert be hired for a detailed investigation.

Appraisal is made under conditions of uncertainty with limited data.

Paragraph 18. As can be seen from limitations presented above, this appraisal has been performed with a limited amount of data. Data limitations result from a lack of certain areas of expertise by the appraiser (that go beyond the scope of the ordinary knowledge of an appraiser), the inability of the appraiser to view certain portions of the property, the inherent limitations of relying upon information provided by others, etc.

Paragraph 19. There is also an economic constraint, however. The appraisal budget (and the fee for this appraisal) did not contain unlimited funds for investigation. We have spent our time and effort in the investigative stage of this appraisal in those areas where we think it will do the most good, but inevitably there is a significant possibility that we do not possess all information relevant to the subject property.

Paragraph 20. Before relying on any statement made in this appraisal report, interested parties should contact us for the exact extent of our data collection on any point which they believe to be important to their decision making. This will enable such interested parties to determine whether they think the extent of our data gathering process was adequate for their needs or whether they would like to pursue additional data gathering for a higher level of certainty.

Paragraph 21. Information (including projections of income and expenses) provided by local sources, such as government agencies, financial institutions, accountants, attorneys, and others is assumed to be true, correct, and reliable. No responsibility for the accuracy of such information is assumed by the appraiser.

Paragraph 22. The comparable sales data relied upon in the appraisal is believed to be from reliable sources. Though all the comparables were examined, it was not possible to inspect them all in detail. The value conclusions are subject to the accuracy of said data.

Paragraph 23. Engineering analyses of the subject property were neither provided for use nor made as a part of this appraisal contract. Any representation as to the suitability of the property for uses suggested in this analysis is therefore based only on a rudimentary investigation by the appraiser and the value conclusions are subject to said limitations.

Paragraph 24. All values shown in the appraisal report are projections based on our analysis as of the date of the appraisal. These values may not be valid in other time periods or as conditions change. We take no responsibility for events, conditions, or circumstances affecting the property's market value that take place subsequent to either the date of value contained in this report or the date of our field inspection, whichever occurs first.

Paragraph 25. Since projected mathematical models and other projections are based on estimates and assumptions which are inherently subject to uncertainty and variation depending upon evolving events, we do not represent them as results that will actually be achieved.

Paragraph 26. This appraisal is an estimate of value based on an analysis of information known to us at the time the appraisal was made. We do not assume any responsibility for incorrect analysis because of incorrect or incomplete information. If new information of significance comes to light, the value given in this report is subject to change without notice.

Paragraph 27. Opinions and estimates expressed herein represent our best judgment but should not be construed as advice or recommendation to act. Any actions taken by you, the client, or any others should be based on your own judgment, and the decision process should consider many factors other than just the value estimate and information given in this report.

Appraisal report limitations.

Paragraph 28. Appraisal reports are technical documents addressed to the specific technical needs of clients. Casual readers should understand that this report does not contain all of the information we have concerning the subject property or the real estate market. While no factors we believe to be significant but unknown to the client have been knowingly withheld, it is always possible that we have information of significance which may be important to others but which, with our limited acquaintance of the property and our limited expertise, does not seem to be important to us.

Paragraph 29. Appraisal reports made for lenders are technical documents specifically made to lender requirements. Casual readers are cautioned about their limitations and cautioned against possible misinterpretation of the information contained in these reports.

Paragraph 30. The appraiser should be contacted with any questions before this report is relied on for decision making.

Paragraph 31. This appraisal was prepared at the request of and for the exclusive use of the client to whom the appraisal is addressed. No third party shall have any right to use or rely upon this appraisal for any purpose.

Paragraph 32. There are no requirements, by reason of this appraisal, to give testimony or appear in court or any pretrial conference or appearance required by subpoena with reference to the property in question, unless sufficient notice is given to allow adequate preparation and additional fees are paid by the client at our regular rates for such appearances and the preparation necessitated thereby.

Paragraph 33. This report is made for the information and/or guidance of the client and possession of this report, or a copy thereof, does not carry with it a right of publication. neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organization of which the appraiser is a member be identified without the written consent of the appraiser.

Paragraph 34. It is suggested that those who possess this appraisal report should not give copies to others. Certainly legal advice should be obtained on potential liability issues before this is done. Anyone who gives out an incomplete or altered copy of the appraisal report (including all attachments) does so at their own risk and assumes complete liability for any harm caused by giving out the incomplete or altered copy. Neither the appraiser nor this company assumes any liability for harm caused by reliance upon an incomplete or altered copy of the appraisal report given out by others. Anyone with a question on whether their copy of an appraisal report is incomplete or altered should contact our office.

Paragraph 35. Values and conclusions for various components of the subject parcel as contained within this report are valid only when making a summation; they are not to be used independently for any purpose and must be considered invalid if so used. The allocation of the total value in this report between land and improvements applies only under the reported highest and best use of the property. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

Paragraph 36. Additional Certification: (1) This appraisal conforms to the Uniform Standards or Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation, except that the Departure Provision of the USPAP does not apply. (2) Their compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. (3) This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

AMERICANS WITH DISABILITIES ACT (ADA)

The appraisers have made no audit as to the compliance/non-compliance of the subject property, whether existing or proposed, and assume no responsibility for implementation of Title III of the Americans With Disabilities Act. We recommend that certification of compliance be obtained from the builder and/or appropriate entities before new construction or significant alterations are made, or a purchase finalized.

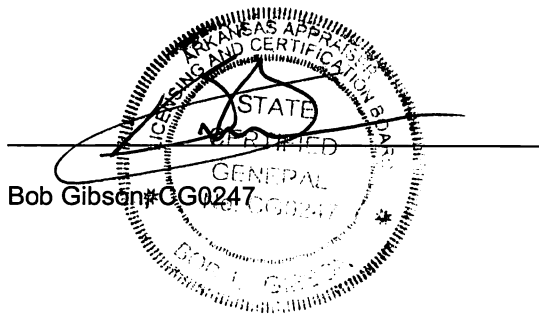
Gramm-Leach-Bliley (GLB) Act Compliance/Intended User:

This report has been prepared for the Lender/Client as shown on page one of the report. The purpose of the report is to aid in determining the suitability of the subject property as collateral for a mortgage. The borrower is neither the appraiser's client or the intended user of this report. In accordance with the GLB Act, no non-public information regarding the borrower and/or the subject property has been conveyed by the appraiser to the Lender/Client only, except the following when/if they are observed: Differences with public records regarding dwelling size, dwelling condition, or areas finished that are not shown in public records; any safety or environmental problems/conditions observed; whether or not the subject property is owner occupied, vacant, or tenant occupied. Zoning compliance will be reported. When a property is rented, actual rent and lease information will be reported to the Lender/Client. Any apparent encroachments, easements, functional and external obsolescence will also be reported to the Lender/Client

Additional Certifications to Comply with new requirements of Appraisal Standards Board changes to Standards Rule 2-3.

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 reported 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.
- No one provided significant professional assistance to the person signing this report.



I have not appraised subject property in the 3 years prior to this appraisal.

QUALIFICATIONS OF BOB L. GIBSON

POSITION: Real Estate Appraiser/Consultant, 420 W. Jefferson, Jonesboro, AR, 72401 Telephone: (870) 932-5206.

PROFESSIONAL EXPERIENCE:

Chief Appraiser for Home Federal Savings. 1965 to 1975, Fee Appraiser for area financial and real estate concerns, 1965 to 1980.

President of H.S.C. Service Corporation. Developed three (3) Subdivisions, constructed single-family homes, one hotel , and numerous condominiums from 1975 to 1990

EDUCATION:

B.S. Degree in Business Administration and Minor in Economics from Arkansas State University in 1965.

Graduate of School of Savings & Loans at University of Indiana, Bloomington, Indiana, 1979 to 1982.

U.S. League of Savings Associations Appraised Study Course, 1965.

Principles of Real Estate Appraising-1968 Audit, Arkansas State University.

National Association of Independent Fee Appraisers, Principles of Residential Real Estate, 1990.

NAIF Income Property Appraising, 1990.

Marshall and Swifts Valuation Guides Seminar - Residential and Commercial Cost Approach, 1990.

The Appraisal Institute - Real Estate Appraisal Methods, 1991.

Uniform Standards of Professional Appraisal Practice, 1991.

Techniques of Income Property Appraising 1991.

Uniform Residential Appraisal Report Seminar, IFA, Jonesboro, AR 1993.

FIRREA: Overview and Practical Application Seminar, IFA, Jonesboro, AR 1994.

American Disabilities Act Seminar, I.F.A., Jonesboro, AR 1993.

HUD Guidelines - Lender Selection of the Appraiser, I.F.A., Little Rock, AR, Dec. 7, 1994 - Member of Lender Appraiser Selection Roster, HUD, Little Rock, AR.

Appraiser Accountability and Legal Liabilities Seminar, Arkansas Appraisal Foundation, Little Rock, AR, May 10, 1995.

Standards of Professional Practice, I.F.A., Jonesboro, AR, 1996.

HUD/FHA Appraiser Training, HUD/FHA, Hot Springs, AR, 1996.

Legal Journal, West Memphis, AR, April 30, 1998.

Principles of Condemnation, San Antonio, TX, June 3, 1999.

Arkansas Appraisal Board Annual Meeting, Little Rock, AR April 18, 2000.

USPAP, Kelton Schools, Jonesboro, AR, May 17, 2000.

USPAP Update, RCI, Jonesboro, AR, January 20, 2003.

USPAP, Lincoln Graduate Center, San Antonio TX Feb 21-22, 2004.

Fannie Mae Underwriting, NEA Mortgage Bankers, Jonesboro AR July 8, 2004.

Day With the Board, Little Rock AR April 2004

Day With the Board, Little Rock AR April 2005

Day With the Board, Little Rock AR April 2006

USPAP Update, RCI, Jonesboro, AR, March 27, 2006

Effective Communications in Appraisal Practice, RCI, Jonesboro, AR, March 27, 2006

Day With the Board, Little Rock AR April 2007

USPAP Update, RCI, Jonesboro, AR Jan 28, 2008

Mortgage Fraud, RCI, Jonesboro AR Jan 29, 2008

Day With the Board, Little Rock AR April 2008

USPAP, RCI, Russellville AR April 2009

Basic Income Capitalization, RCI, Russellville AR April 2009

Report Writing, RCI, Russellville, AR Oct 2009

USPAP Update, RCI, Jonesboro AR Jan 2010

PROFESSIONAL MEMBERSHIP:

Charter Member of National Society of Environmental Consultants.

Master Senior Appraisers (MSA), National Association of Master Appraisers.

CERTIFICATION AND DESIGNATION:

State Certified Residential Appraiser #CG0247, December 28, 1991.

State Certified General Appraiser #CG0247, January 6, 1992.

PARTIAL LIST OF CLIENTS:

Belz-Burrow, Regions Bank, Simmons Bank, Caldwell Construction Co., First Financial Mortgage, Fowler Foods, Liberty Bank, Bank of America, iBERIABANK/sb, BancorpSouth, First Security Bank, Focus Bank, City of Jonesboro, First National Bank, Unico Bank, Integrity First Bank