APPRAISAL REPORT

SUMMARY OF SALIENT POINTS AND CONCLUSIONS

Date: August 27th, 2009

Client: Marcus Stern
Pro Publica, Inc.

Owner: Stephen L. LaFrance Pharmacy, Inc.
2100 Brookwood Drive
Little Rock AR 72202

Subject Property: 1430 West First Street North
Prescott, Nevada County, AR 71857

Current Estimated Market Value: One Hundred Ninety Eight Thousand Five Hundred Dollars ($198,500.00)

Effective Date of Value: August 27th, 2009

Facility: Site is currently occupied by a one story, concrete block building, and is occupied by a retail pharmacy.
Location: A location map is included in this appraisal to provide reader of appraisal with a better understanding of the exact location. Subject location is on the East side of U.S. Highway 67 (same as 1430 West First Street North), between Fred's Discount Store and Christus St Michael local clinic. Fred's Discount Store is located in same building as Rehkoph's Grocery Store (the only grocery store in Prescott, AR). The abandoned and closed Nevada County Hospital is across previously mentioned street on the West side. Most of the commercial building activity has occurred on this stretch of road in the past few years.

Neighborhood: Site is urban in nature, and considered to be the most rapidly developing area in Prescott, AR except for the two truck stops located at Exit 44 and Exit 46 on Interstate 30, both being inside City Limits of Prescott, AR.

There are two general practitioner medical doctors located due North of subject property, and a third general practitioner across the highway behind the abandoned Nevada County Hospital.

Property Interest: Fee simple – an absolute fee, a fee without limitation, any particular class of heirs or restrictions, but subject to the limitation of imminent domain, escheat, police power, and taxation.

Ownership History: Subject appears to have been continuously owned by Congressman Michael A. Ross and Holiday H. Ross from 1997 until 2007 when a transfer of ownership occurred to Current owner.

Legal Description: A copy of the Warranty Deed from Ross to Owner is attached with this appraisal.
Property Description: Site contains a one story, concrete block building that is almost a rectangular building, except for the offset entrance at the northwest corner, otherwise, building would be 100 feet running east and west and 42 feet running north and south. Offset entrance makes a 33 ft frontage running north and south on the west end of building and 91 ft running east and west on the north side of building. Building contains approximately 4,240 square feet. Land containing building contains 0.8263 acre, more or less.

Interior finish floor of building is concrete with 12 inch X 12 inch floor tile in most of area and indoor/outdoor carpet in a small area. Ceiling is basically a 24X24 fiber tile with some 24X24 ceiling tiles located in the storeroom near the rear end of the building. Walls are painted sheetrock. Storeroom has unpainted floor with a 4ft steel door and flake board walls, and contains a large breaker box with 36 110 volt breakers and 4 220 volt breakers. Also a “canteen” located on west wall has a double stainless steel sink with formica counter top and cabinets and drawers both beneath and overhead. A small guarded room is designated as the “IV” room, and is not available to the public. A natural gas meter is located at rear of building on outside wall. Electric meter loop is on City utility pole approximately 50 feet due East of Building. Windows and doors in building are insulated. A 5 ft mansard metal overhang surrounds most of upper exterior roof. There are several petitions on inside of building. Uses of petitions have been designated as “consulting”, pharmacy, and storage on the east rear end of building, front four half of floor space is devoted to merchandise, both medical and typical drug store auxiliary items for sale.

Photos of subject are included, to give reader a better look.
Additional location information: Prescott, AR is approximately halfway between Memphis and Dallas, approximately 40 miles northeast of Texarkana, and 100 miles southwest of Little Rock on Interstate 30.

Subject is best accessed from the two exits on Interstate 30, being Exit 46 and Exit 44, that both lead into the Town of Prescott, and converge at State Highway 371 and Greenlawn Street, and come together as West Main Street and eventually going into West First Street, at which point a left hand turn at a red light, starts on West First Street and goes direct to subject of this appraisal.

Current Use: Current use is as a retail pharmacy with auxiliary services, i.e. medical equipment and rentals.

Purpose of appraisal: Purpose of appraisal is to estimate current fair market value of property as of August 27th, 2009.

Intended Use of Appraisal: Appraisal report is to be used by Client for providing Client with an estimated market value.

Intended User of Appraisal: Client and any of its designated sources, furnished in writing.

Scope of Appraisal and Scope of Work: Scope of appraisal and scope of work is to determine work to be performed to recognize the problem, and then develop solutions to the problem, using the Appraisal Method such as type and extent of research, analysis in this appraisal assignment. Report is to provide intended user with an understanding of my actions in arriving at the assignment conclusion, which will be credible and worthy of belief. Investigation of land and building sales, neighborhood population, area observations, acquisition of Nevada County Courthouse data on comparable sales, and also use of maps and interviews with knowledgeable people to gain a further background of subject, and especially comparables, has been used as a tool to provide client with necessary information to understand each section of this report.
Estimated Market Time: To the best of my knowledge, there is no current market for a lot and building of this subject's description. There is however, one other pharmacy in Prescott, but no other indication of a similar retail or medical outlet considering purchase of this type property. Six months to one year would be an extreme speculation, but might be a reasonable length of time if property were advertised on a regional, state wide, and possibly national basis.

Basis of Appraisal: Final value conclusion is based on an inspection of site, both interior of building, exterior of building, and surrounding grounds.

Highest and Best Use: The only legally permissible use of subject site is zoned for commercial occupancy. Thus, the maximally productive and highest and best use of subject site as though vacant would be for retail or medical facility.

Highest and best use as though improved: Neither demolition of existing improvements and redevelopment of subject site, nor modification of existing improvements would result in a higher return to the land than is currently being achieved.

Current marketing conditions: Marketability is an unknown factor, as is the estimated marketing time, because of the drastic drop in manufacturing payroll employees, specifically Potlatch has closed permanently their sawmill that has existed for over fifty years, and Firestone Building Products has cutback their employees from a high in excess of 600 down to a low of approximately 300. These two sudden drops have cut the workforce in half, creating a questionable marketability. There are two major road construction contracts currently underway, being the widening of Highway 371 through the east end of Main Street, and a new overpass over the Union Pacific Trunkline Railroad, which is a multi million dollar project that will probably last for another twelve to eighteen months.
Zoning: C-1 Central Business. Site appears to conform to zoning classification.

Utilities: Site is served as follows:
- Centerpoint for natural gas
- CenturyTel for telephone
- City of Prescott for electricity
  - fire protection
  - police protection
- Prescott School District #14 – school bus service for Grades K-12
- And local senior citizen health related transportation facility, is operated by the county and state.
- City of Prescott – trash and cleanup collection
- Local company – cable television

Streets and Roads: Road leading from both exits on Interstate 30 to site are maintained by Arkansas Highway and Transportation Department, and are asphalt based roads, that are continually recovered and maintained.

Traffic Count: Arkansas Highway and Transportation Department 2008 Traffic Count Map indicates approximately 1,100 vehicles daily.

Flood Map Reference: Site does not appear to be in the Department of Housing and Urban Rural Development Federal Insurance Administration Flood Hazard Boundary Map. No part of site is in Zone A Area.
Easements: Normal utility easements for water lines, electric lines, gas lines, and other public service entities are in place.

Real Estate Taxes: The Nevada County Collectors Office indicate a total ad valorem tax of $2,552.62 for the tax year 2008.

Parcel Number: 070-01745-001C
OTHER ASSUMPTIONS AND LIMITING CONDITIONS

1. This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under the Standard Rule of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analysis that were used in the appraisal process to develop my opinion of value. Supporting documentation concerning the data, reasoning, and analysis is retained in my file, which would be available to the Clients at any time. The depth of discussion contained in this report is specific to the needs of the client and for the intended use and intended users stated in the report. I am not responsible for unauthorized use of this report.
Subject is valued according to the following definitions and terms:

**DEFINITION OF MARKET VALUE**

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

1. Buyer and Seller are typically motivated.
2. Both parties are well informed or well advised, and each acting in what he considers his best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

**DEFINITION OF HIGHEST AND BEST USE**

The reasonable, 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. The four criteria the highest and best use must meet are legal permissibility, financial feasibility, and maximum profitability.

**HIGHEST AND BEST USE**

That reasonable 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. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum profitability.

**PHYSICALLY POSSIBLE**

No physical restrictions known with proper engineering as site would be adequate for building improvements as improved with adequate drainage, and adequate access of existing streets. It is within a reasonable distance of the consuming public so that good demand might be available.
FINANCIALLY FEASIBLE

Subject is an adequate site similar to most other properties in the area, and with this good location should be able to command a very competitive to average demand as a commercial site that should compete for an adequate return, for some time to come.

LEGALLY PERMISSIVE

No legal restrictions known to use for commercial or other alternative uses that are reasonable and appropriate for the area, and is in conformity with current zoning. It is assumed all laws are being and will be compiled with concerning applicable permits, waste disposal, contamination or pollution, and zoning.

MAXIMUM PRODUCTIVE

Subject potential use will conform to surrounding uses, area markets are available, and support facilities, such as roads, utilities and other services, are readily available.

Conclusion: Considering the above four criteria, the current and potential use as a commercial site should provide the Highest and Best Use and provide that greatest net return due to physical properties, current zoning and location.
SALES COMPARISON APPROACH

By a verbal agreement with the Client, the Sales Comparison Approach is the sole approach used in this appraisal. The Income Approach was not applicable because there was no financial data available to make an income comparison. The Cost Approach was not considered to be relevant, because of the increased cost of reconstruction as compared to the market value.

A. Comparable Sales Presentation: In the Sales Comparison Approach, typical sales of vacant land and improvements similar to the subject are used in order to compare these sales with subject and let them serve as a guide toward the value estimate. Data from official records was obtained for each of the sales, and the sales were inspected and photographed, for a clearer view and understanding of the comparison or contract.

B. Sale to Subject Comparison: In using the Sales Comparison Approach, differences or variables between comparable sales and subject, must be identified and adjustments made to the subject, so that an estimate of value of the subject can be determined from each sale of property. In selecting the variables between the subject and comparable sale properties, the following are normally taken into consideration; time or date, size, location, land differences, building improvements, modernization items such as energy efficient doors and windows and central heat and air conditioning. Each sale is analyzed for value differences on each of these factors in relation to the City of Prescott.

C. Several recent sales were researched, inspected, and used as comparables, that most nearly fit building and site that is address in this appraisal report. The five sales listed on the next page were chosen as the nearest thing to comparable sales in this area. These five sale dollars varied from $85,000 up to $330,000. Building square footage ranged from 2,850 square feet up to 5,000 square feet. Acreage varied from 0.340 up to 0.949. Dates of sale were from 2006 through 2008.

In addition to the above three sales, a sale was examined in Camden, AR, Glenwood, AR, and Arkadelphia, AR. Although these three sales were not close comparable, they gave a market indication of this area in Southwest Arkansas and helped support the final conclusion for a value estimate.
## DISCUSSION OF COMPARABLE SALES

<table>
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<tr>
<th>Year</th>
<th>Seller</th>
<th>Buyer</th>
<th>Acreage</th>
<th>Bldg Sq Ft</th>
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<td>Joe Graham</td>
<td>Dalrymple</td>
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<td>Prescott, AR</td>
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<td>D&amp;E Rental</td>
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<td>Two Sisters</td>
<td>Palmer</td>
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<td>2008</td>
<td>Wild West</td>
<td>Randall</td>
<td>0.610</td>
<td>3,600</td>
<td>Hope, AR</td>
<td>$140,000</td>
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</table>
CONCLUSIONS FROM THE APPROACH TO VALUE

Cost Approach: not applicable
Income Approach: not applicable
Sales Comparison Approach: One Hundred Ninety Eight Thousand Five Hundred Dollars ($198,500.00)
Effective Date of Value: August 27th, 2009
Date of Report: September 10th, 2009
ASSUMPTIONS AND LIMITING CONDITIONS:

1. As agreed upon with the client prior to the preparation of this appraisal, this is a Limited appraisal because it invokes the Departure Provision of the Uniform Standards of Professional Appraisal Practice. As such, information pertinent to the valuation has not been considered and/or the full valuation process has not been applied. Depending on the type and degree of limitation, the reliability of the value conclusion provided herein may be reduced.

2. This is a summary appraisal report which is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice for a summary appraisal report. As such, it might not include full discussions of the data, reasoning, and analysis that were used in the appraisal process to develop the appraiser’s opinion of value. Supporting documentation concerning the data, reasoning, and analysis is retained in the appraiser’s file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

3. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.

4. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.

5. Responsible ownership and competent property management are assumed unless otherwise stated in this report.

6. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

7. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

8. It is assumed there are not hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

9. It is assumed there is full compliance with all applicable federal, state, and local Environmental regulations and laws unless otherwise stated in this report.

10. It is assumed all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
11. It is assumed all required licenses, certificates of occupancy, 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 estimates contained in this report are based.

12. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report.

13. It is assumed the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

14. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicted on the assumption there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

15. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the American with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

16. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.

17. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
18. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.

19. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, new sales, or other media without prior written consent and approval of the appraiser.
CERTIFICATION

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

1. The statements of fact contained in this report are true and correct.

2. The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.

3. I have no present or prospective interest in the property that is the subject of this Report and I have no personal interest or bias with respect to the parties involved.

4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimated, the attainment of a stipulated result, or the occurrence of a subsequent event.

5. This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

6. My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

7. I have made a personal inspection of the property that is the subject of this Report.

8. No one provided significant professional assistance to the person signing this Report.

Adam Guthrie, Jr.

State Certification SL0596
Expiration Date 6/30/10
**Ownership Description**

- **Name:** LAFRANCE, STEPHEN L. PHARMACY, I
- **ATTN:** REAL ESTATE
- **2100 BROOKWOOD DR.**
- **LITTLE ROCK** AR 72202
- **Subd.:** PS0330
- **04-11-22 PRESCOTT CITY METES & BOUNDS**
- **S-T-R: 04-11-22**
- **Acres:** 0.82
- **Tax Unit:** 14C PRESCOTT
- **Location:** 1430 W 1ST N
- **Legal:** PT W/2 W/2 SE

**Assessment Summary**

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**Review Record**

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**Utilities**

- Improving, Concrete
- Static, Asphalt
- Declining, ChatSeal
- New, Gravel
- Old, Dirt
- No Water
- No Sewer
- No Gas
- No Electric
- No Telephone
- Sloping

**Topography**

- High
- Low
- Rough
- Flat
- Poor

**Landscaping**

- Excellent
- Good
- Average
- None

**Building Permit Record**

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**Ownership Record**

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**Land Record**

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**TAXES**

- 2004: 62
- 2005: 552

Total: 26,000