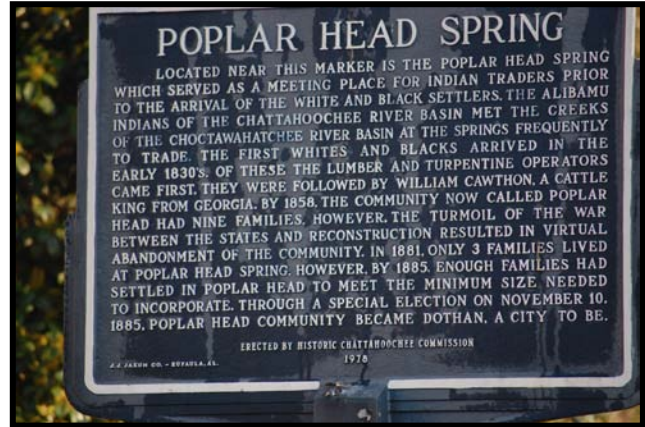


SECTION I: LOCATION & DEMOGRAPHICS

Original natives of the Dothan area were tribes of the Alabama and Creek Indian Nations. During the later years of the 1700s until the early 1800s, wagons carrying pioneers and their belongings stopped at a spot known as ‘Poplar Head’.

Poplar Head was a site where an underground spring welled up and was encircled by poplar trees. In the 1830s, a fort on the Barber Plantation, twelve miles east of Poplar Head, served as a haven for settlers of Poplar Head as well as surrounding towns and hamlets when threatened by Indians. The fort disappeared soon after the Indian wars in Alabama ended sometime during the 1840s.



On November 11, 1885, the people of Poplar Head voted to incorporate and rename the town to Dothan to avoid confusion with another town in Alabama with a post office known as ‘Poplar Head’. The name ‘Dothan’ was selected after a town mentioned in Genesis 37:17 of the Bible – “For I heard them say, let us go to Dothan.”

An infestation of boll weevil devastated the local cotton crop in the 1930s. Although it brought economic strife, it also taught local farmers to diversify and they began planting peanuts. Today almost one-half of all peanuts produced nationwide are grown within 100 miles of Dothan. The first National Peanut Festival was held in 1938 to honor local peanut growers and celebrate their harvest. This festival has become a much anticipated annual fall event.

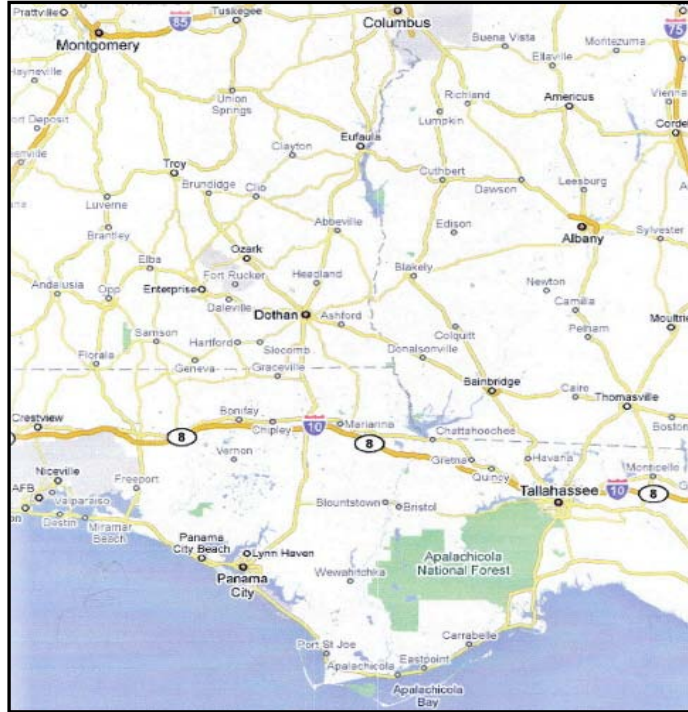
Houston County, the youngest county in Alabama, was formed on February 9, 1903 from portions of Henry, Dale, and Geneva Counties. The County was named in honor of Alabama Governor George Smith Houston. Houston County is the twelfth most populated county in the state and Dothan is the county seat. The County, which covers 578 square miles, is located in the southeastern corner of Alabama and is bordered on the east by the state of Georgia at the Chattahoochee River and on the south by the state of Florida. The little Choctawhatchee River forms the boundary in the northwest part of the County with Dale County.

REGIONAL POSITION

The City of Dothan is located in the northwest portion of Houston County, approximately ninety miles from Montgomery, the State Capitol. Dothan is approximately ninety miles northwest of Tallahassee, the Florida State Capitol, and ninety miles north of the Gulf of Mexico and Panama City, Florida. The location map on the following page shows Dothan’s relative position in the region.

Lake Eufaula is less than one hour north of Dothan and Lake Seminole lies approximately the same distance to the southeast. Both lakes offer quality water recreational sports opportunities and are each acclaimed spots for bass fishing.

Dothan boasts four golf courses, one of which is part of the nationally-recognized Robert Trent Jones Golf Trail. For those who enjoy the beaches, Dothan's location is less than 90 miles from the white sands of Florida. We are also within easy access to several Alabama, Florida and Georgia State Parks, where guests may camp, picnic, swim, hike, bike, and fish in season.



ECONOMY

In addition to being a retail trade center, Dothan is also home to two regional hospitals and a regional airport offering connections through Hartsfield-Jackson International Airport in Atlanta, Georgia. The Dothan area economy also includes agriculture, aerospace, distribution, entertainment, medical, and advanced technology. Fort Rucker, a large U.S. Army installation currently the home of Army Aviation, is located less than 20 miles from Dothan.

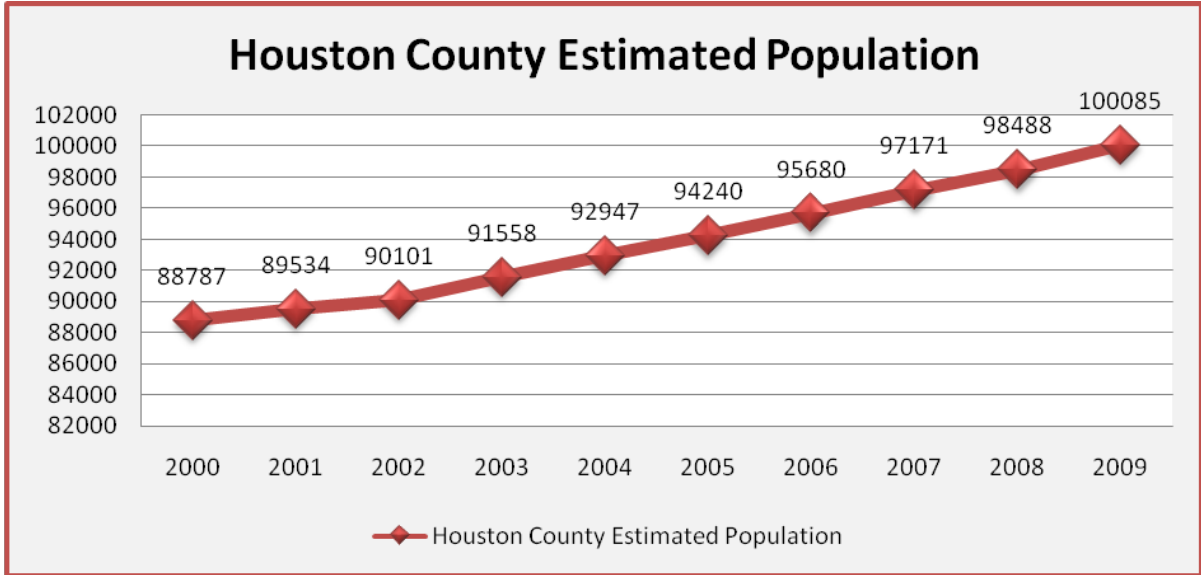
POPULATION

DOTHAN AND HOUSTON COUNTY

Between 2000 and 2005, Dothan became the fourth fastest growing city within the State of Alabama trailing behind the larger metropolitan areas of Huntsville, Birmingham and Montgomery. Our growth rate is a healthy 1.85% per year which makes Dothan a prime location for an individual or family looking for city conveniences and services, but with a small town atmosphere. Dothan grew significantly between 1940 and 2009, rising from 17,194 to an estimated 67,583 or more than 50,000 people in nearly 70 years at an average of 7,200 people per decade. The rate of growth is steady and sustainable.

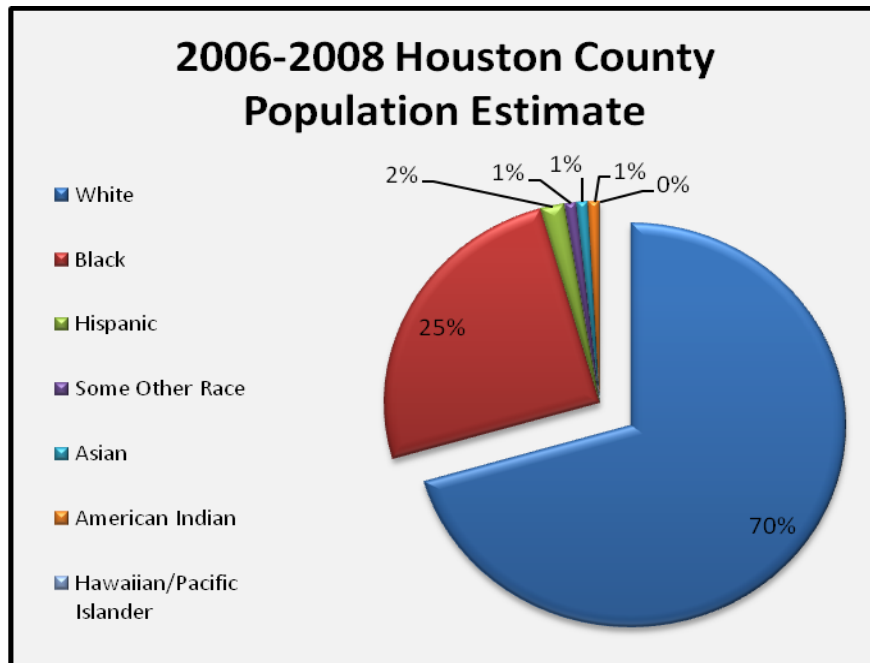
The U.S. Census Bureau's population projection for Dothan in the year 2009 stands at 67,583. This represents approximately 70% of the population of the county. Using a straight line projection method, the 2010 population should be around 68,565 (this figure will be confirmed or disproved shortly as the results of the official U.S. Census is released).

County-wide population numbers have risen in proportion to the City’s population increasing during the 2000-2009 decade as shown on the following line graph. The most dramatic upswing in population numbers occurs around 2003 and continues for each year thereafter when the annual increase of the county population averaged 2,000 persons ($\pm 2\%$ /year).



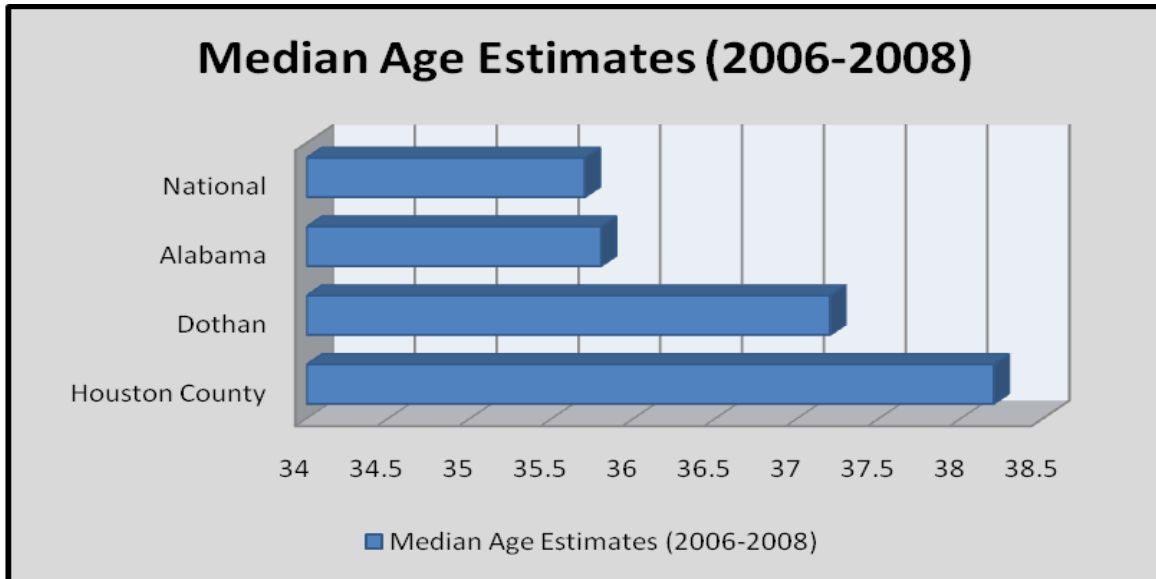
RACE & ETHNICITY

Houston County’s population figures by race are presented on the following page. The chart below represents an estimate prepared by the U.S. Census Bureau and is based upon a county-wide total population estimate in 2008 of 96,918.



AGE

The median age of Dothan residents is slightly ahead of the State with the median age in Dothan at 37.2 years. Houston County's median age was estimated as a year older at 38.2. Both figures are greater than the State and National median age of 35.8 and 35.7 respectively.



EDUCATIONAL ATTAINMENT

The Dothan City School System operates a public school system offering K-12 classes leading to either a conventional diploma or a certificate of trade education. The system operates ten elementary, four middle, and two high schools. In addition to the public school system, there are several private schools offering K-12 classes.

There are also two K-12 schools, one K-5 school, two K-6 schools, one 6-8 school, two 7-12 schools, one 9-12 school and a vocational school in the Houston County School System which are not a part of the Dothan City School System.

Seven private K-12 schools are located in Dothan and Houston County combined.

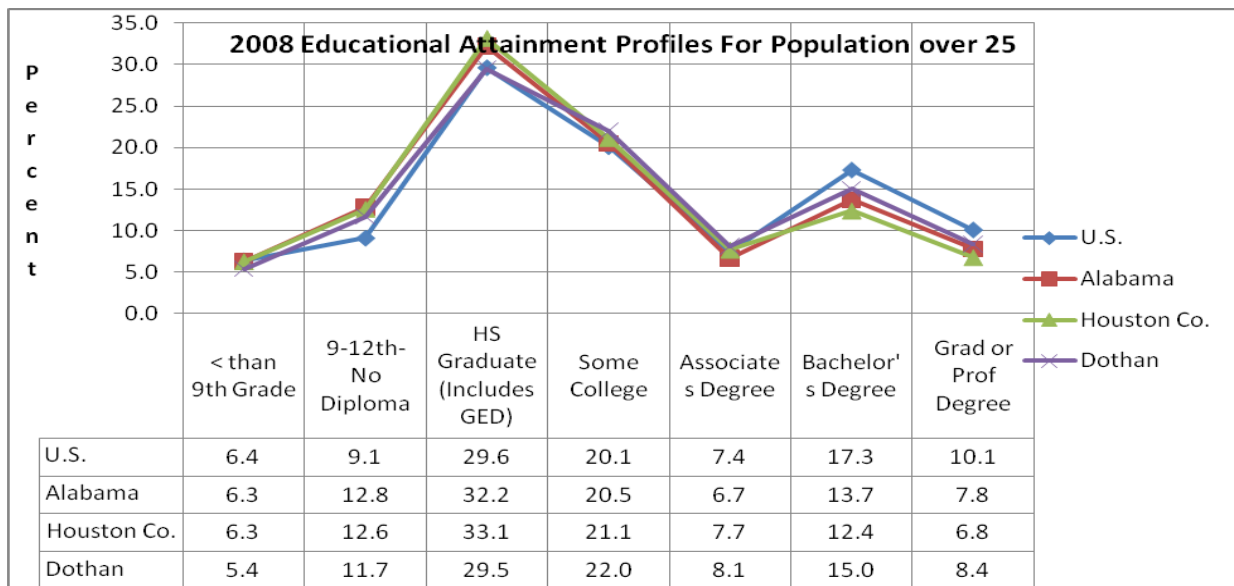


In 2008, 81% of the population of Houston County graduated from high school or higher. Of these, 19% have a Bachelor's degree or higher. The percentages for the City of Dothan are slightly higher at 83% graduated from high school or higher and 23% with a Bachelor's degree or higher.

Troy University Dothan Campus offers Associate, Bachelor, Master, and Doctoral degrees during on-site day and evening classes as well as distant learning classes.

Another institute of higher learning found in Dothan is Wallace Community College. It is a two-year state college that offers Associate degrees, certificates and GED classes. Aviation education is also offered at the Alabama Aviation College located approximately 22 miles from Dothan in Ozark, Alabama.

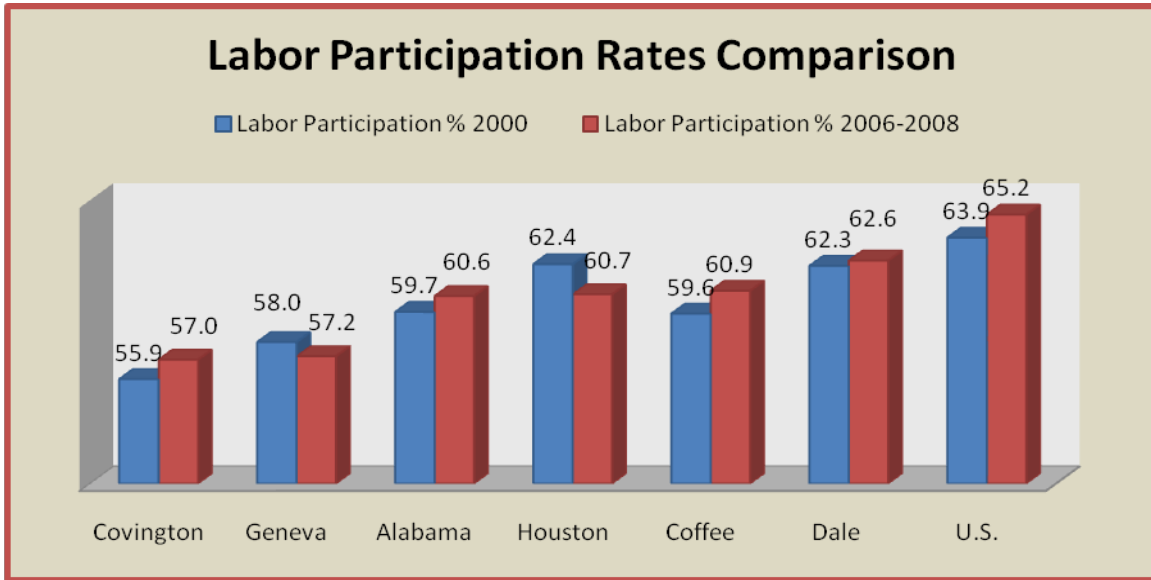
The graph below shows the same education attainment levels for the year 2008 for Dothan and Houston County and provides a comparison to the State and the Nation. Houston County leads all categories in the percentage of high school (or GED) graduates, but falls short in people with college degrees. Dothan, while below the national averages, has a slight lead over the county and the state in people with college degrees.



LABOR FORCE

The 2006-2008 U.S. Census Bureau estimates the civilian labor force in Houston County as 45,749; the City of Dothan as 30,370 or 67% of the total workforce of the county. The mean travel time to work in Dothan was reported at 17.2 minutes and Houston County 19.1 minutes. The national mean travel time for the same period was reported at 25.3 minutes.

The following graph compares the labor participation rate in percentages between Houston County, other neighboring counties, the state and the nation for the year 2000 and the period 2006-2008.



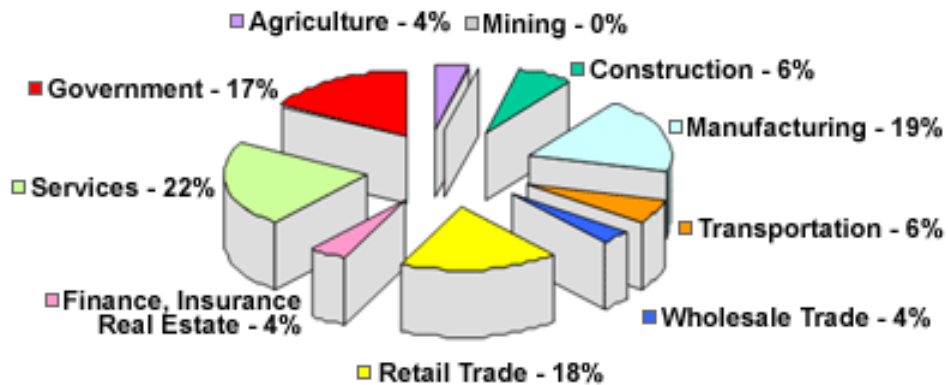
Regional Labor Force

- 515,000 persons live in the Dothan Market Area
- 168,000 in Civilian Labor Force in Market Area
- Fort Rucker Army Aviation Center - 4,900 persons on Active Duty and Base Population 14,000 persons

Labor Force and Relations

- Alabama is a Right to Work State - Low unionization means competitive production and efficient operations
- 96% of plant managers interviewed indicated labor/management relations were good to very good in latest existing industry survey

Industry for the Region



Source: Dothan Chamber of Commerce

Dothan’s largest employment base is found in the management level of professional, business, retail or other occupations where a reported ±13,655 employees earn their living. Another large concentration of employment is found in the product distribution disciplines. Healthcare employs a considerable number (±4,416) of the total labor force, while production and service-related vocations comprise another ±7,667 employees.

UNEMPLOYMENT

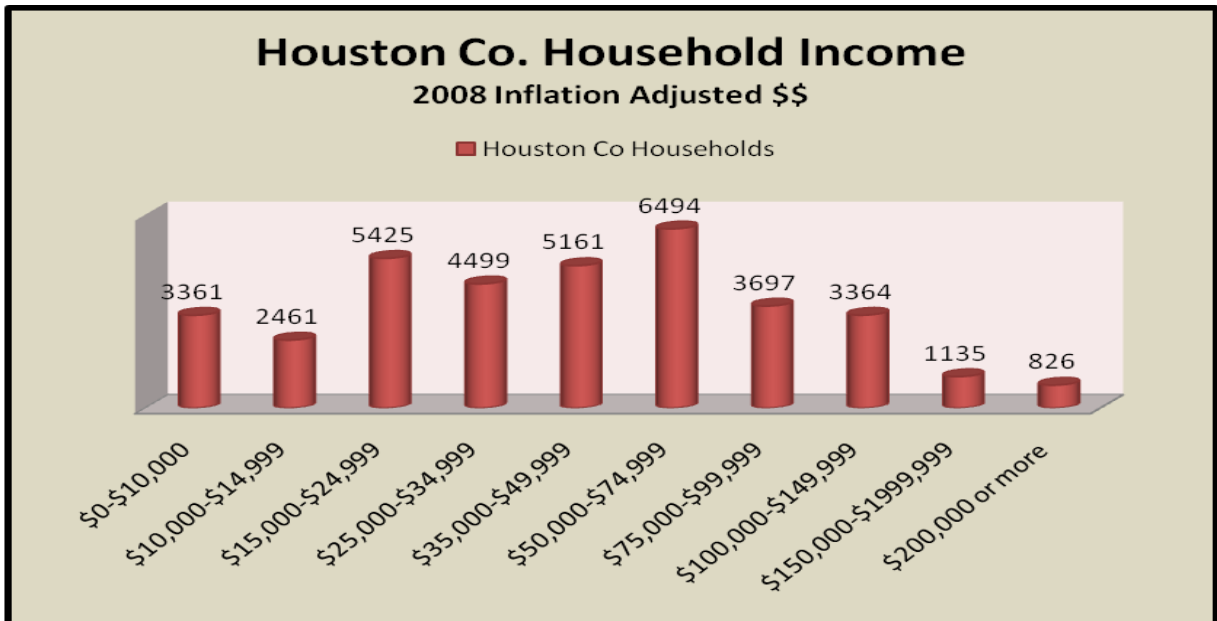
According to the Alabama Department of Industrial Relations, Houston County’s unemployment rate during April 2010 stood at 9.1%. 4,064 people were on the unemployment rolls in the county. This figure is 1.9% less than the state average seasonally adjusted rate and nearly 0.8% below the national rate of 9.9%.

INCOME

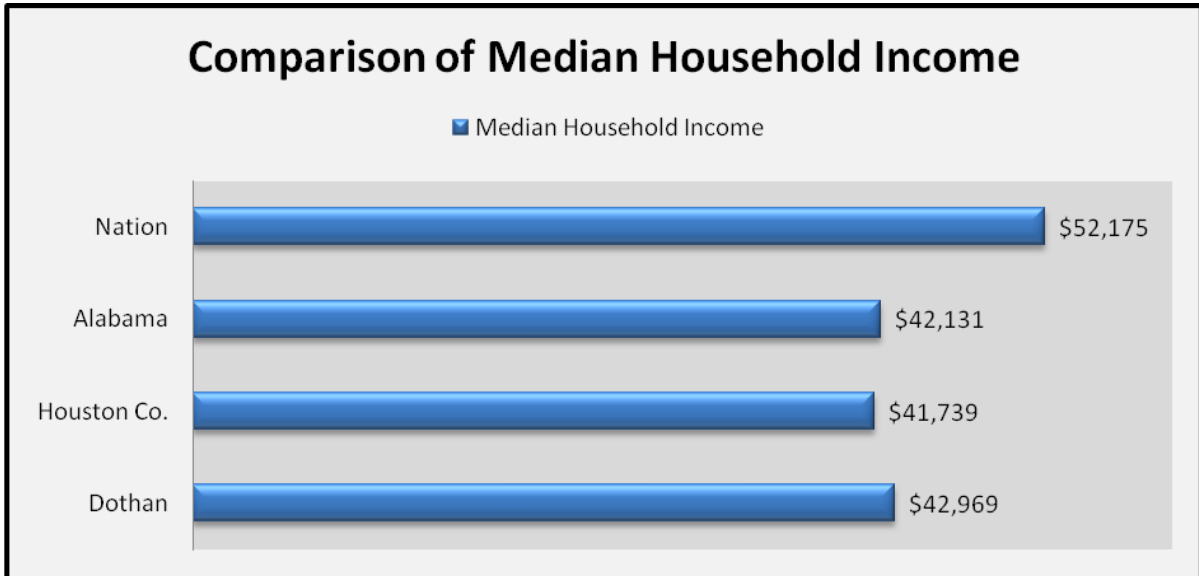
According to data from the U.S. Census Bureau 2006-2008 estimates, Dothan had 24,599 households with the county having an additional 11,824 households. The average household size was 2.53 and 2.62 respectively.

As seen in the graph below the largest groups are concentrated in the \$15,000-\$24,999 and the \$50,000 to \$74,999 range. This is also true of Dothan, but additionally those levels from \$100,000 and above were more concentrated in Dothan accounting for 77% of households in those income brackets.

Estimates of households with Social Security Income or retirement income were similar by percent with 32% in the county with Social Security income and 31% in Dothan: 19% and 20% were the rates respectively for other retirement income.



Dothan and Houston County's median household income for 2006-2008 is approximately \$10,000 less than the U.S. figures, but is in line with amounts for the State of Alabama.



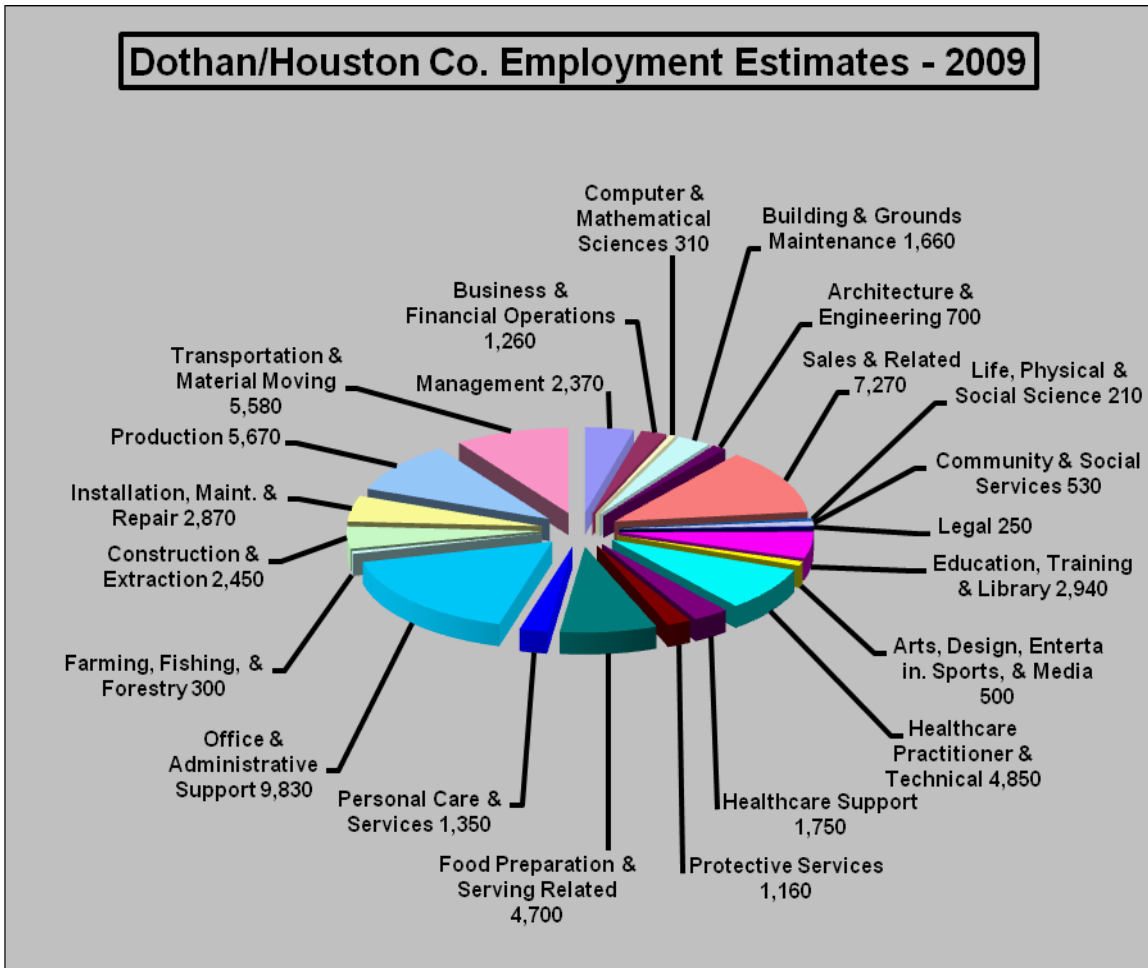
Dothan's per capita income in 2008 inflation adjusted dollars was \$24,638, very near the national average of \$27,466 and ahead of the State average of \$23,153. Houston County's per capita income in those same adjusted dollars was \$23,045, a figure slightly behind the State's, \$1,593 less than Dothan's, and \$4,421 less than the Nation.

According to the U.S. Census Bureau's 2006-2008 estimates, 12.2% of the families in Dothan are below the poverty level as compared to 9.6% nationally. The State showed 12.5% of its families below the poverty level and Houston County had 11.3%.

SECTION II: BUSINESS & JOB GROWTH

EMPLOYMENT AND WAGE BY OCCUPATION

The following pie chart was prepared using data from the U.S. Bureau of Labor Statistics and represents the estimated employment by major occupation category numbers here in the Dothan/Houston County area in 2009.



WAGE ESTIMATES

The following table was prepared using data from the U.S. Bureau of Labor Statistics for May 2009 and represents the estimated wage by major occupation category in our area and for the southeastern Alabama non-metropolitan areas. The "Occupation" column lists the major occupational categories, while the "Mean Wages" columns show the estimated salary for each major category.

MAY 2009 SOUTHEAST ALABAMA NON-METRO AND DOTHAN/HOUSTON COUNTY MEAN WAGES

Occupation	Southeast Alabama Non Metro Mean Wages	Dothan Houston Co. Mean Wages
Management	\$77,680	\$80,170
Business & Financial Operations	\$55,940	\$56,950
Computer & Mathematical Sciences	\$57,220	\$51,740
Architecture & Engineering	\$55,780	\$62,940
Life, Physical & Social Science	\$54,370	\$57,700
Community & Social Services	\$42,970	\$36,700
Legal	\$45,710	\$83,790
Education, Training & Library	\$43,640	\$39,470
Arts, Design, Entertainment, Sports, & Media	\$47,400	\$32,430
Healthcare Practitioner & Technical	\$53,360	\$60,860
Healthcare Support	\$21,130	\$23,070
Protective Services	\$33,020	\$31,730
Food Preparation & Serving Related	\$17,540	\$18,050
Building & Grounds Maintenance	\$21,280	\$19,650
Personal Care & Services	\$18,530	\$21,860
Sales & Related	\$24,160	\$27,030
Office & Administrative Support	\$27,710	\$27,830
Farming, Fishing, & Forestry	\$30,120	\$28,080
Construction & Extraction	\$30,160	\$34,920
Installation, Maintenance & Repair	\$43,120	\$35,940
Production	\$25,750	\$27,170
Transportation & Material Moving	\$37,030	\$27,720
Total Mean Wages All Occupations	\$32,920	\$39,809

**The U.S. Bureau of Labor Statistics arrived at this mean annual wage figure by using the mean hourly wage estimate for each category and multiplying it by the average hours worked per year (2,080) and then rounding the figuring.

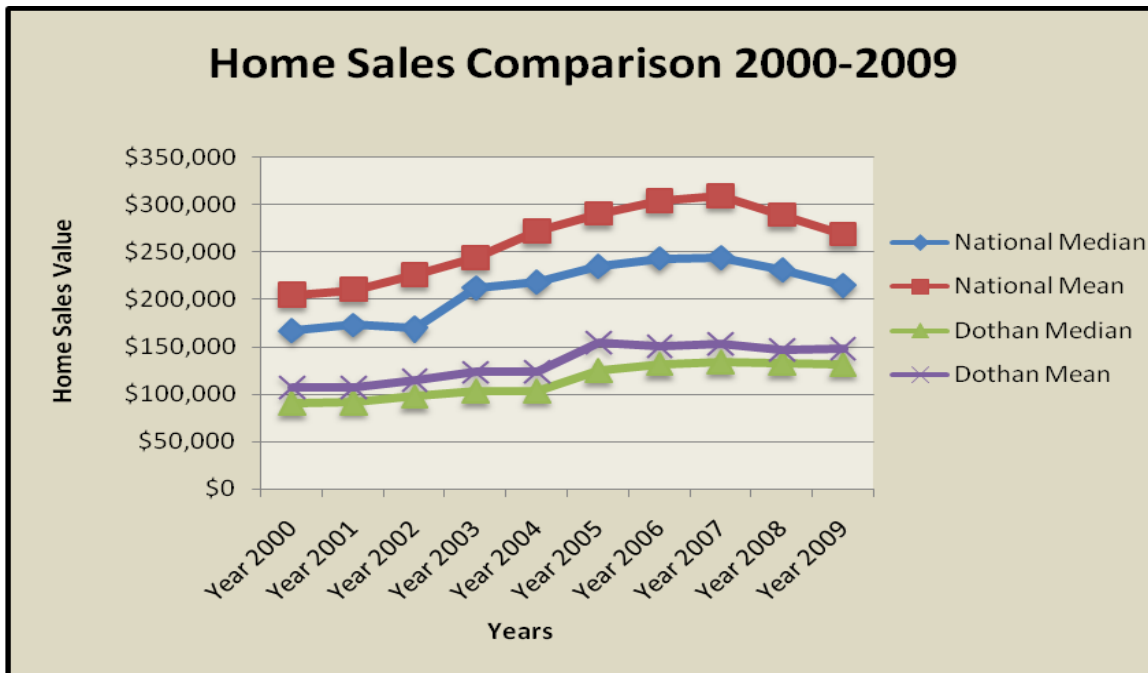
SECTION III: DEVELOPMENT TRENDS

HOUSING - DOTHAN

According to the U.S. Census Bureau, the 2006-2008 three-year trend in Dothan housing shows an increase of 3,042 housing units to a 2008 total of 28,962. 84.9% were occupied, which was below the national average of 88%. The median value of homes in Dothan in 2008 was \$125,900, a figure that is \$66,500 below the national average of \$192,400.

The "mean" is the "average" home sales price once all the sales values are added and then divided by the total number of sales for the year. The "median" is the "true middle" value in the list of all homes sold during the year. Therefore, the average selling price of a home, for example, in Dothan in 2009 was \$132,033, while the selling price of the home in the middle of the total number of homes sold in Dothan in 2009 was sold for \$147,716.

The following graph combines Dothan and National home sales for the 2000-2009 period as a comparison. It can be readily seen that Dothan's home prices run extremely low in comparison to the nation making Dothan homes a better value than most places in the United States.

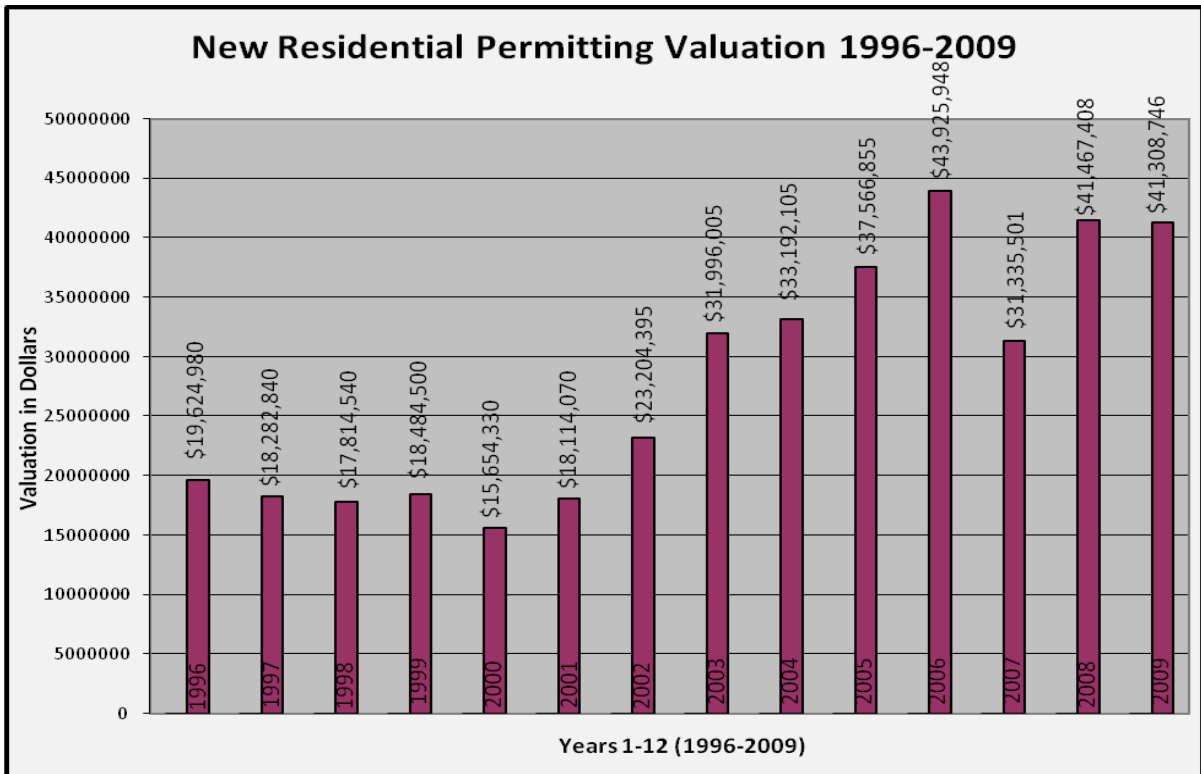
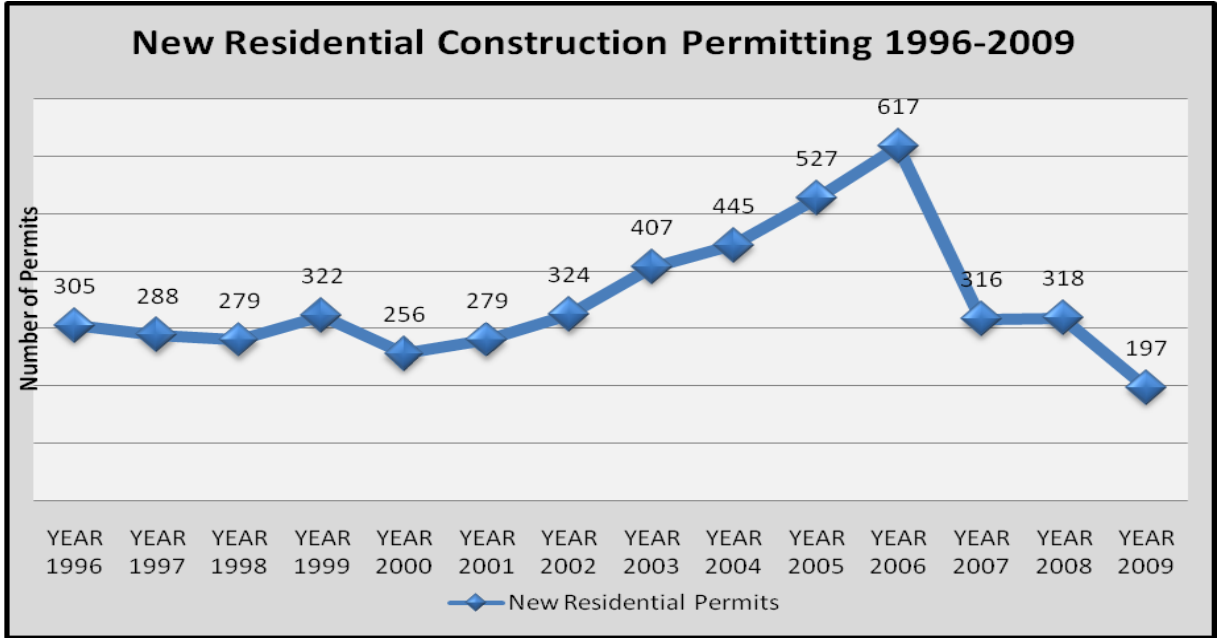


Below is a listing of Housing Statistics as it relates to Houston County and the City of Dothan from the U.S. Census Bureau 2006-2008 estimates. Vacancy rates are higher in our area than the estimated United States rate of 12%. Dothan comprises 67% of all housing units in Houston County.

	HOUSTON COUNTY	DOTHAN
HOUSING STATISTICS		
HOUSING UNITS	43,237	28,962
OCCUPIED HOUSING UNITS	36,319	25,000
% OWNER OCCUPIED UNITS	70%	65%
% VACANT	16%	15%
% SINGLE UNITS	70%	73%
% MULTI-FAMILY	15%	21%
% MOBILE HOMES	15%	6%

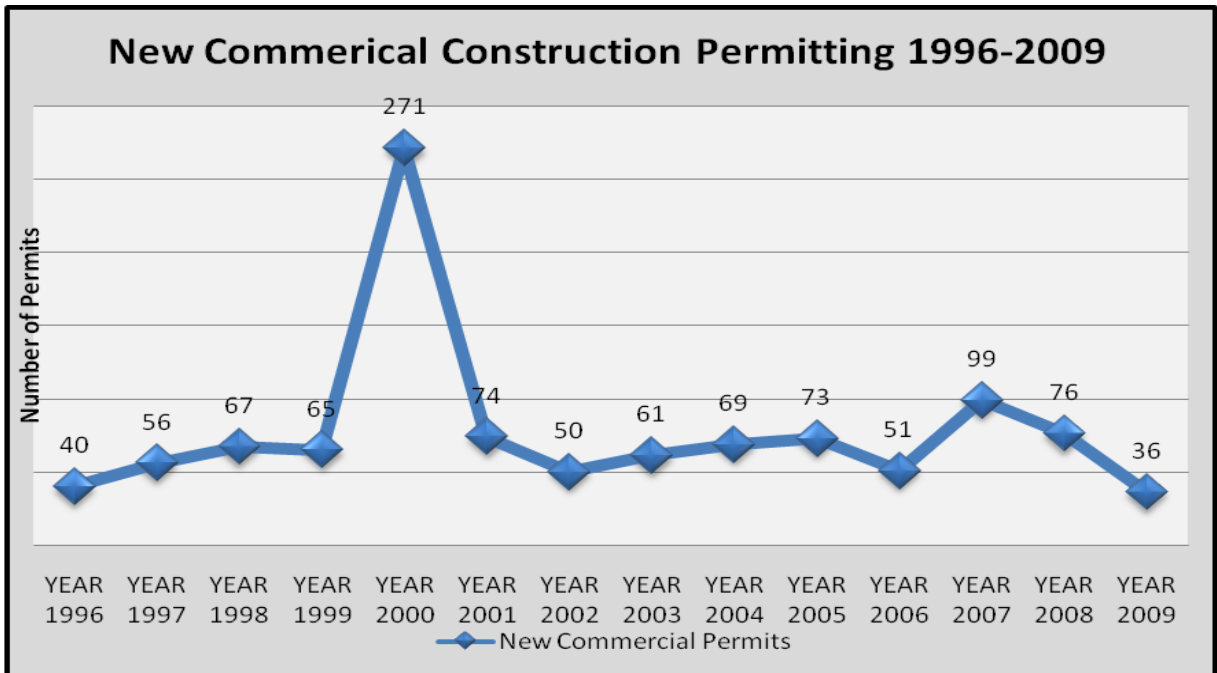
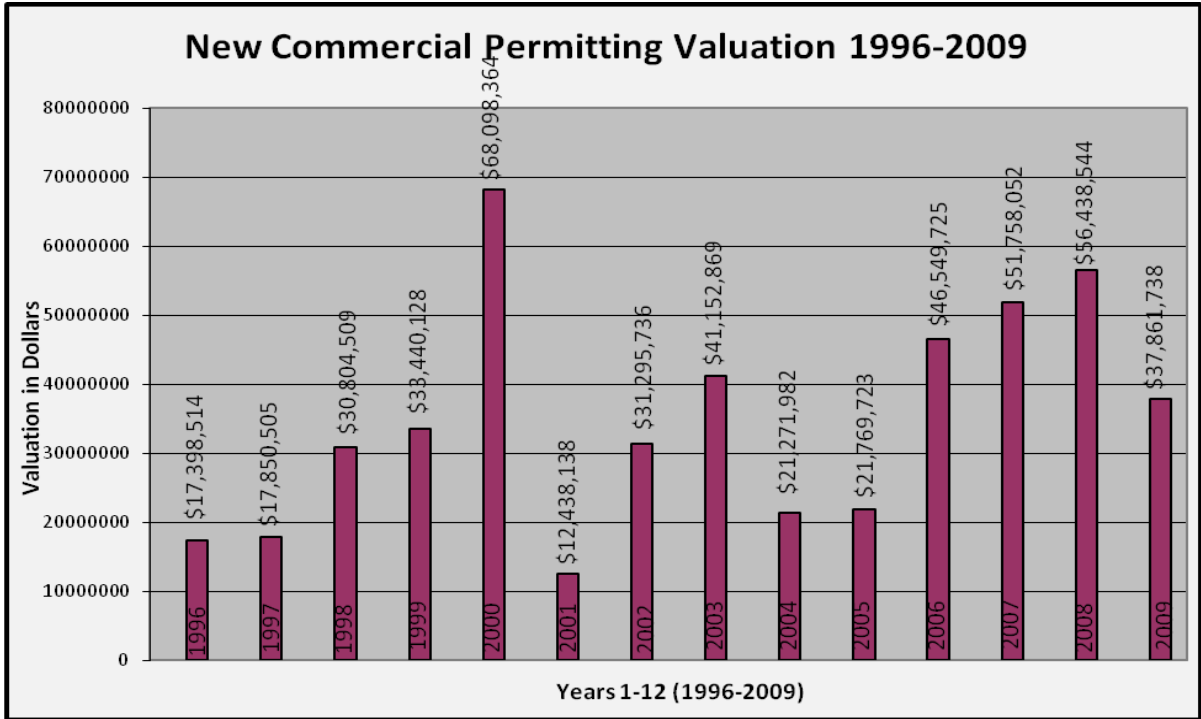
RESIDENTIAL DEVELOPMENT TRENDS

Following are graphs that show the number of and valuation of residential buildings permitted for the 14-year period (1996-2009) in the City of Dothan.



COMMERCIAL DEVELOPMENT TRENDS

The value of permitted projects and the number of new commercial developments permitted within the City of Dothan is delineated below.



SECTION IV: GENERAL QUALITY OF LIFE ISSUES

The Dothan/Houston County area is an attractive location because of its relative low cost of living and inherent quality of life. It has access to Troy University and Wallace Community College, readily available and good quality healthcare, retail trade centers and an airport offering connections through Atlanta, Georgia to any port in the world.

Available recreational opportunities are numerous, covering nearly any sport possible. We also have the Wiregrass Museum of Art and the Houston/Love Memorial Library.



RECREATION

Dothan boasts four golf courses, one of which is part of the nationally-recognized Robert Trent Jones Golf Trail. For those who enjoy the outdoors, Dothan's location less than twenty miles from Florida and a bit farther to Georgia, offers easy access to several Alabama, Florida and Georgia State Parks, where guests may camp, picnic, swim, hike, bike, spelunk, and fish in season.

The City of Dothan operates nearly 600 acres of parkland throughout the city. Facilities vary from park site to park site. The smallest park site owned and maintained by the city is Poplar Head Park (0.6 acres of land) at 217 E. Main Street. The largest park is Westgate Park (245 acres of land) at 501 Recreation Road lying between U.S. 231 N., Westgate Pkwy., and U.S. 84 W. The city recently acquired an additional 87.5 acres of land for future park expansion in the southwest part of the city.



Recently, a public/private partnership evolved to improve an existing park on Foster Street in downtown. Porter Park is an urban "vest pocket" park that has a sidewalk which traverses its width linking the shops on Foster Street to an alley behind the Dothan Opera House. A newly constructed pedestrian path through the civic center parking lot provides a pedestrian link to the Wiregrass Museum of Art, the Dothan Civic Center, and the Dothan Opera House.

Connecting the sidewalk through Porter Park, access is complete to the restaurants and retail shops on Foster Street.

The City operates at least one swimming pool in each of the four recreation regions; and operates a large water park known as Water World. Water World is a fully-equipped aquatic recreation center operating between Memorial Day and Labor Day. Among its amenities is a wave pool, water slide, refreshment center, lockers and showers. Entrance to this popular recreation site is available to anyone for a modest admission fee and is enjoyed by many Dothan residents as well as people from the surrounding communities and counties.

Houston County is also home to the Chattahoochee State Park located in the southeast corner of the county along the Georgia border. It boasts a handicapped accessible fishing pier and handicapped guided hunting. Fishing, boating, picnicking, horseback riding, RV hookups and camping are all possible on the grounds of the park. Omussee Park is located in the northeast corner of the county and boasts camping, boating, RV hookups and pavilions for group events.

HEALTHCARE

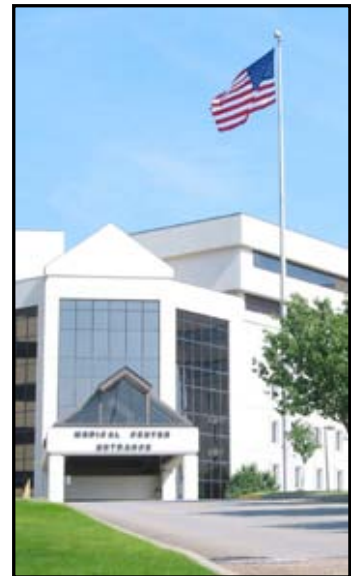
Dothan is home to two regional hospitals. Flowers Hospital is a 235-bed, privately-owned and run facility on the west side of the city offering general medical care, cardiovascular and oncology services. The hospital operates an emergency area as well as an out-patient facility for non-emergency surgical procedures.

The Southeast Alabama Medical Center (SAMC) is a 420-bed, non-profit full care facility offering general medical care, cardiovascular and oncology services.

The SAMC is also home to Noland Hospital of Dothan. The 30-bed long-term acute care hospital is located on the fourth floor of SAMC. Noland Hospital provides care for medically complex



acutely ill patients. Care is delivered to patients whose conditions have stabilized beyond the need for intensive care, but whose needs may be too demanding for traditional rehabilitation, skilled nursing care or nursing home care.



Dothan is home to approximately 300 physicians and greater than 50 dentists.

According to the Dothan Chamber of Commerce: *“The area has nine nursing homes and assisted living facilities, including Somerset Assisted Living Residences, Terrace at Grove Park, Wesley Manor Retirement Center and Westside Terrace & Rehab First. A continuum of care for the senior community is also provided at Extencicare Health and Rehabilitation Center’s 28-bed and Westside Terrace’s 33-bed rehabilitation wings.*

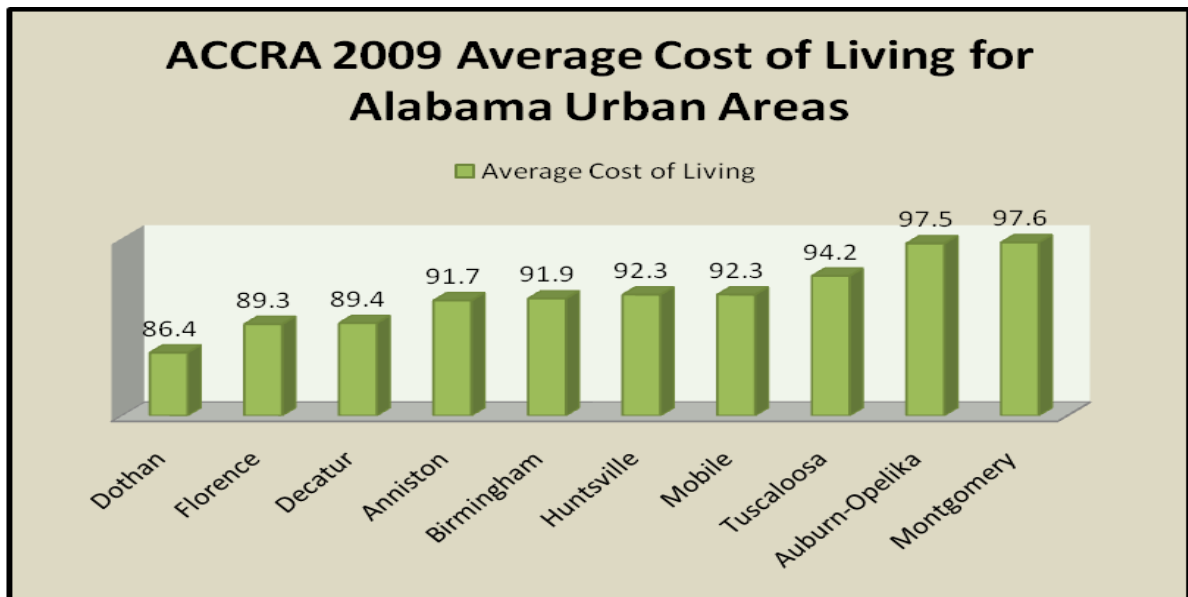
Also available to area residents is the Wiregrass Mental Health System which provides services for substance abuse, mental retardation, mental illness and mental health.”

COST OF LIVING

According to “US News and World Report” in 2006, Dothan was ranked #1 as the cheapest city in which to live in the United States due to its low tax base. Property tax on land is controlled by the State Constitution and requires a state-wide positive referendum for any rate adjustment. Local sales taxes are the best avenue for Alabama municipalities to raise capital. The State of Alabama has a personal income tax.

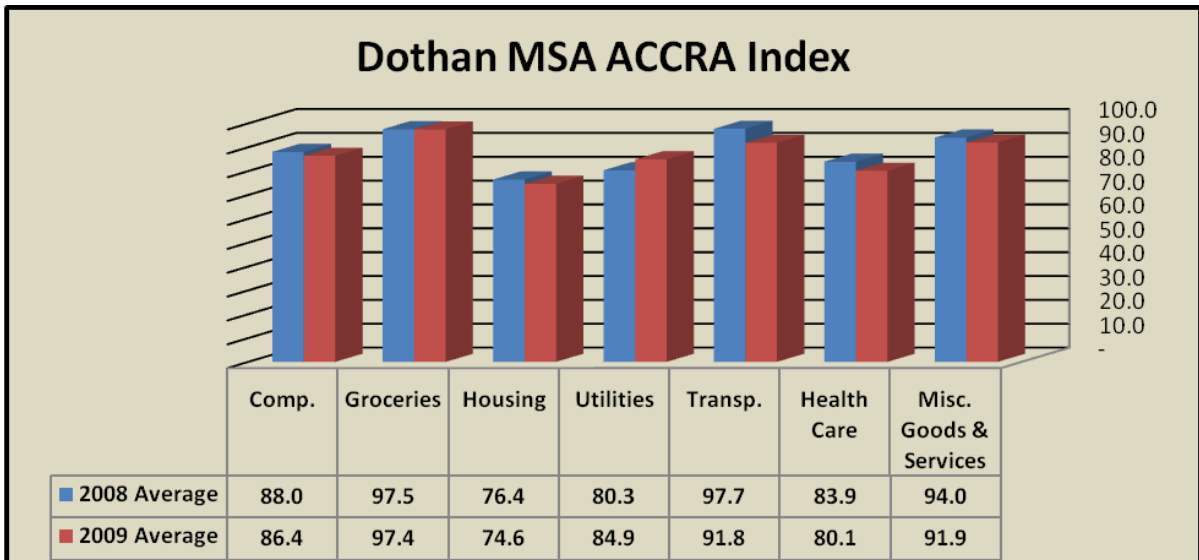
The sales tax rate in the City of Dothan is 9 percent. The State receives 4 percent, the City of Dothan 4 percent and the County receives 1 percent on all purchases. The tax rate in unincorporated Houston County is 5 percent. Other towns in the County may also have sales tax requirements. Sales tax revenues provide funding for services and operating expenditures.

According to the Dothan Chamber of Commerce: *“The Dothan MSA (Metropolitan Statistical Area) touts the lowest composite cost-of-living in the state. The Council for Community and Economic Research, ACCRA Average 2009 Cost of Living Index released in February 2010, indicates the Dothan Metropolitan Statistical Area registered the lowest composite cost-of-living index in Alabama, at 86.4 percent.*



With the national composite of 100, we are 12.0 percent less than the national index. Within the state, 10 urban areas reported for the survey, with the highest composite index being 97.5. As well as having the lowest composite index in the state, Dothan also had the lowest index for Healthcare at 80.1 percent.” “The ACCRA Cost of Living Index is published quarterly by C2ER – The Council for Community and Economic Research. The Index measures regional differences in the cost of consumer goods and services, excluding taxes and non-consumer expenditures, for professional and managerial households in the top income quintile. It is based on more than 50,000 prices covering almost 60 different items for which prices are collected quarterly by chambers of commerce, economic development organizations or university applied economic centers in each participating urban area. Small differences should not be interpreted as showing a measurable difference.

The composite index is based on six components – Grocery Items, Housing, Utilities, Transportation, Healthcare and Miscellaneous Goods and Services.”



DOTHAN AS A TRADE CENTER

As the largest city for 80 miles in either direction, Dothan serves as the center of a trade area. The Wiregrass Commons Mall on the northwest side of Dothan is home to over 80 stores including “big box” anchors JC Penney, Belk, Dillard’s, and the Burlington Coat Factory. In 2007, the Dothan Pavilion, a commercial development containing major retailers such as Kohl’s, Target, Ross, Best Buy, Bed, Bath and Beyond, Dick’s Sporting Goods, Barnes and Noble Booksellers and other smaller retailers, Lowe’s a major home improvement store, as well as several restaurants broke ground and were operating prior to the Christmas Season. Other commercial developments with hotels, restaurants, offices and other commercial venues also opened their doors in 2007.

In addition to these two major shopping centers, Dothan also is home to two Wal-Mart Superstores, two Kmart stores, Sears, another Lowes on the south side, several Winn Dixie Supermarkets, a Bruno’s Supermarket and two new Publix Supermarkets which are

presently under construction. There are several new retail shops in Dothan's renovated downtown district, nationally recognized restaurants as well as locally owned restaurants and many other retail locations too numerous to mention strewn throughout the city.

Some major retailers in Dothan consider their trade area as being measured by a radius of 50 miles from the store's location. It is felt that there is no significant retail competition for at least 90 miles in either direction; and the average shopper will travel the 50 miles to Dothan to shop.

The Downtown Dothan Redevelopment Association (DDRA) was re-activated in 2006 by the city commission to engage themselves in the improvement of the downtown area as well as a significantly large area measuring approximately 1900 acres in size surrounding the downtown. To date the DDRA has acquired several buildings for demolition, developed additional parking lots, and along with the Downtown Dothan Merchants Association attracted new restaurants and merchants to the downtown.

JURISDICTIONAL STRUCTURE

Houston County is governed by a five member commission board with one commissioner representing each of the four county districts, elected by residents of the district which they represent and one member acting as the chair that is elected at large.

Dothan is the county seat for Houston County. The county courthouse, the county administration building and the offices of the Sheriff's Department are located in downtown Dothan. The county jail, while not located in the downtown, is not far away from the county offices and is on Main Street.

The City of Dothan is governed by a Mayor/City Manager form of government with six commissioners elected for four-year terms representing each of the six districts within the city. The mayor is elected city-wide to serve a four-year term. The city manager is hired by the mayor and the commissioners and acts as the city's operations officer overseeing the day to day activities of the city, preparing and managing the city's budget, and directing the activities of the city personnel.