

Appraisal Report

**3200 Downwood Circle; Suite 300
A 6,072 Square Foot Medical Condominium
Palisades at West Paces
District 17; Land Lot 182
Fulton County, Georgia**

Prepared For

**Mr. Jeff Kervin
Troy Bank & Trust
1000 Hwy 231 South
PO Box 967
Troy, Alabama 36081**

Effective Date of Appraisal

February 4, 2011

Prepared by:

**Penn, Hastings, and Associates
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Tucker, Georgia 30084**

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February 28, 2011

Mr. Jeff Kervin
Troy Bank & Trust
1000 Hwy 231 South
Troy, Alabama 36081

Re: 3200 Downwood Circle; Suite 300; a 6,072 Square Foot Medical Condominium
Palisades at West Paces
District 17; Land Lot 182; Fulton County, Georgia

Dear Mr. Kervin;

As you requested, we have inspected and appraised the above mentioned property and have estimated the market value of the unencumbered fee simple interest in the subject property in accordance with applicable Federal Law as of February 4, 2011.

Enclosed with this letter is the appraisal report which describes the pertinent facts and the approaches used in appraising the subject property. This report is the culmination of careful analysis of the physical subject property and the economic factors influencing its market value.

It is our opinion that the present **MARKET VALUE** of the subject property in financial terms equivalent to cash, subject to aggressive marketing and anticipated recovery of the financial markets, as of February 4, 2011 is

ONE MILLION THREE HUNDRED SIXTY SIX THOUSAND DOLLARS
\$1,366,000

Transmittal Letter

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Further, it is it is our opinion that the **VALUE OF THE LEASED FEE ESTATE** in the subject property in financial terms equivalent to cash, based on aggressive marketing and anticipated recovery of the financial markets, as of February 4, 2011 is:

ONE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS
\$1,750,000.



Bruce R. Penn
Georgia Certified General
Real Property Appraiser #CG000228



Lisa Ann Soehnel
Georgia Certified Residential
Real Property Appraiser #CR242351

EXECUTIVE SUMMARY

FILE NO.: 11005-E

PROPERTY APPRAISED: A 6,072 square foot medical office condominium designed for imaging and radiology use

TAX I.D. NO.: 14-182-0005-161

OWNERS NAME: Griffon Capital LLC
3200 Downwood Circle NW Suite 300
Atlanta, GA 30327

TITLE DELINEATION: April 7, 2009 via a Deed Under Power found in Deed Book 47963; page 382

PROPERTY LOCATION: 3200 Downwood Circle in the Palisades at West Paces Condominium Development

PROPERTY DESCRIPTION: A 6,072 square foot medical office condominium designed for imaging and radiology use

CURRENT ZONING: O-I Conditional by the City of Atlanta

FLOOD PLAIN DESIGNATION FEMA Panel 13121C0233E, Zone X
June 22, 1998

HIGHEST AND BEST USE: Present use as a medical office condominium

EXECUTIVE SUMMARY

VALUE VIA MARKET DATA APPROACH	\$1,367,000
VALUE VIA CAPITALIZATION APPROACH	\$1,354,000
VALUE VIA GROSS INCOME MULTIPLIER	\$1,366,000
CONCLUDED MARKET VALUE	\$1,366,000
VALUE OF LEASED FEE ESTATE	\$1,750,000

APPRAISAL REPORT
3200 Downwood Circle; Suite 300; A 6,072 SF Medical Condominium
Palisades at West Paces

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APPRAISAL REPORT
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Palisades at West Paces

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Comparable Improved Sales Location Map
Comparable Improved Sales

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SECTION I - INTRODUCTION

CERTIFICATE OF APPRAISER

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 report analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, 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 on an action or event resulting from the analyses, opinions, or conclusions in, or the use of this report.
5. My analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
6. The reported analyses, opinions and conclusions were developed and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and 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. This report is subject to the requirements of the National Association of Real Estate Appraisers relating to review by its duly authorized representatives.

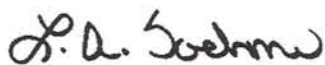


Bruce R. Penn
Georgia Certified General Real Property Appraiser #CG000228

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Lisa Ann Soehnel
Georgia Certified Residential Real Property Appraiser #CR242351

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the subject property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering plans are assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property or subsoil 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.
7. 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.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, 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.

ASSUMPTIONS AND LIMITING CONDITIONS (CONT.)

10. It is assumed that 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.
11. 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.
12. Possession of the appraisal report, or a copy thereof, does not carry with it the right of publication. Federal Law prohibits the distribution or use of appraisal reports for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser. In any event it may be distributed only with proper written qualification and only in its entirety. Therefore, the liability of the appraiser shall be expressly limited to the person for whom the appraisal was addressed and any reliance thereon by any third party shall not be justifiable and is therefore at the peril of such third party.
13. In the event that permission is granted by the appraiser to reproduce an appraisal report, no portion of the report may be duplicated without the duplication of the entire report including all Assumptions and Limiting Conditions and any of the associated pages, maps or plats contained in my file.
14. The appraisers herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the properties in question unless arrangements have been previously made.
15. 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 relation, news, sales, or other media without the prior written consent and approval of the appraiser.
16. It is a condition of this appraisal that the subject property, including any proposed improvement, meets all governmental regulations and restrictions including but not limited to zoning requirements, building and development codes, drainage requirements and all fire safety laws.

ASSUMPTIONS AND LIMITING CONDITIONS (CONT.)

17. It is a condition of this appraisal that the subject property is subject to typical easements such as right of way for electrical power lines, sewer easements, natural gas lines, as well as telephone lines and water lines.
18. It is a condition of this appraisal that no soil boring test has been made and any stated value would be subject to such a test.
19. It is a condition of this appraisal that any marketing of the subject property would expressly require effective and aggressive sales methods and techniques, reasonable pricing, market exposure and coverage, and unless stated any suggested improvements or repairs completed in order to market the subject property.
20. Unless otherwise stated, this appraisal was not prepared for a savings and loan institution.
21. The market value of the subject property is specifically conditioned on present market conditions, and on knowledge generally available to the public at the effective date of the appraisal. Any change may affect the market values stated.
22. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the subject property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property appraised. The appraiser, however, is not qualified to detect such substances. The presence of substances such as, but not limited to leaking underground storage tanks, contaminated areas, hazardous wastes, dangerous substances, or other potentially hazardous materials may affect the value of the property. All value estimates are predicated on the assumption that there is no such material on or in the properties which would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
23. It is specifically noted as a condition of this appraisal that, unless found otherwise, the furnished plans for the project, furnished square foot areas, owner furnished information, as well as county tax record information regarding the subject is believed to be reliable. However, no warranty is given for its accuracy.

SECTION II - FACTUAL DATA

PURPOSE OF APPRAISAL

The purpose of the appraisal is to estimate the Market Value of the unencumbered fee simple interest¹ and the Leased Fee Interest in the subject property in financial terms equivalent to cash as of February 4, 2011.

INTENDED CLIENT(S) AND USER(S)

This appraisal report is intended for use only by the client, Mr. Jeff Kervin of Troy Bank & Trust and his agents and designees. Use of this report by others is not intended by the appraiser.

INTENDED USE OF THE APPRAISAL

This appraisal report is intended only for use by Mr. Jeff Kervin of Troy Bank & Trust and his agents and designees. The appraisal will be used by the client to establish market value for the subject property for the purposes of establishing asset value.

TYPE OF APPRAISAL

This appraisal is intended to be a Summary Appraisal Report.

COMPETENCY OF THE APPRAISERS

The appraisers are competent to perform this report. A copy of the professional qualifications of the appraisers is located in the addenda of this report.

DEFINITIONS

The term “**fee simple or fee simple absolute**” is absolute ownership of real property; the owner is entitled to the entire property with unconditional power of disposition during the owner’s life and upon his death the property descends to the owner’s designated heirs. This type of ownership includes the full bundle of rights of ownership including the right to use in any manner, ingress and

¹ The appraiser assumes an absolute Fee Simple Interest of the subject property although there may or may not be encumbrances such as deed restrictions, zoning, mortgage or limitations of development to the surface, subsurface and limited air space. These are typical defeasances observed in the market area of the subject and do not have a negative impact on value.

egress, devise by will, donate, lease, mortgage, sell and improve in any manner. This type of ownership is only subject to the limitations of the governments' rights such as police power, eminent domain, taxation and escheat.

The term "**client**" is defined as the party or parties who engage an appraiser (by employment or contract) in a specific assignment. A party receiving a report copy from the client does not, as a consequence, become a party to the appraiser-client relationship.

The term "**intended user**" is defined as the client and any other party as identified, by name or type, as users of the appraisal, by the appraiser on the basis of communication with the client at the time of the assignment. The term "**intended use**" is defined as the use or uses of an appraiser's reported appraisal assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment.

The term "**market value**", as utilized within this report, is defined by the Office of the Comptroller of the Currency, 12CFR, part 34 and utilized in accordance with Federal and State law as the most probable price in terms of money which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and both are acting in what they consider to be their own best interest.
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 financial arrangements comparable hereto.
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.

The term "**leased fee**" is defined as an ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; usually consists of the right to receive rent and the right to repossession at the termination of lease.

SCOPE OF APPRAISAL

In developing this appraisal, the appraisers made a number of independent investigations and analyses. The appraisers relied on the sales and listings of both improved and vacant commercial and industrial properties in the City of Atlanta and the Fulton County Area.

Area and Neighborhood Analysis Information was selected from various reports published regularly by the state of Georgia, Fulton County and the City of Atlanta including demographic data, employment data, trends and growth forecasts..

Site & Improvement Analysis The subject was inspected on February 4, 2011. At the time of this inspection, the appraisers made a detailed inspection of the subject property.

Market Analysis The appraisers researched sales and listings from LoopNet, CoStar, First Multiple Listing Service, Fulton County tax records and public records.

Data was obtained on listings, sales of both improved and vacant medical office condominiums and free standing buildings from January 2007 to the date of inspection. Attempts were made to verify the data with persons knowledgeable with each transaction. Information obtained is discussed in the various analyses sections of this report and details of each property are located in the addenda of this report.

IDENTIFICATION & LOCATION OF SUBJECT PROPERTY

The subject property is identified as 3200 Downwood Circle; Suite 300 of the Palisades at West Paces Condominium in Atlanta Georgia. It is identified by the Fulton County Tax Assessor's Office as Tax Parcel Number 14-182-0005-161. It is identified by the United States Postal Service as 3200 Downwood Circle NW; Suite 300; Atlanta, Georgia 30327-1624.

It is located in Land Lot 182 of the 17th Land District of Fulton County, Georgia. It is located west of Northside Drive and Howell Mill Road, east of Interstate 75, south of Paces Ferry and north of Moores Mill Road in Atlanta, Georgia.

The subject property is described by legal description as:

All that certain tract or parcel of land lying in Land Lots 182 and 197 of the 17th District of Fulton County Georgia, being Unit Number 300 (the "Unit") of the Palisades at West Paces Condominium, according to a certain Declaration of Condominium for the Palisades at West Paces Condominium (the "Declaration") variously amended, including without limitation that certain Fourth Amendment to Declaration of Condominium or Palisades at West Paces Condominium dated June 15, 2005, recorded in Deed Book 40213, Page 383, aforesaid records; together with any undivided interest in the common elements and facilities described in the Declaration to be appurtenances to the Unit.

MARKET FOR THE SUBJECT PROPERTY

Market Area The subject property is located in the I-75 West Paces Ferry area of the City of Atlanta. The area of the subject is the location of the old West Paces Ferry Hospital. The hospital opened in 1967 and was originally called West Paces Ferry Hospital, the name was later changed to West Paces Medical Center, which closed in December 1999 after 27 years of operation. The hospital's manager/operator, Nashville-based Columbia/HCA Healthcare, leased both the physical plant and underlying land from Northwest Hospital Corporation., an Atlanta-based company. Columbia/HCA is still leasing the property and is considering subletting, spokesperson Linda Kirkman said.

While the hospital is largely vacant, the surrounding medical office complexes have retained their relative level of occupancy. Based on reports by the Atlanta Business Chronicle, since the hospital closed, activity has doubled at the Paces Pavilion office building.

During the first decade of 2000, Piedmont Hospital on nearby Peachtree Street, began a massive expansion of its facilities by demolishing the on-site medical office buildings for construction and expansion of the hospital. This necessitated many physicians and health care professionals to relocate off the Piedmont Hospital Campus. With the Shepherd Spinal Clinic expansion next door, there was insufficient supply of medical office space in the immediate area of Piedmont Hospital to meet the demand. Many of the physicians relocated to the I-75 West Paces Ferry area where the majority of their patients reside. As such, while the historic draw to the medical space in the area of the subject was the West Paces Medical Center, the current market for the subject and this area is for medical use in the immediate vicinity of the patients' residence.

Office Condominiums In a conventional office building, there is a certain amount of common area such as hallways, stairwells, elevators, public bathrooms, lobbies, etc. This common area is included in the gross square footage of each building which effectively dilutes the price per square foot of the actual office space. In the case of the subject, the square feet is net of any common area at all. The square feet does not reflect the owner's use of the elevators, hallways, public bathrooms, stairwells, entrance lobby, and other amenities offered in the subject's complex. As a result, the subject has a higher price per square foot than similar type properties where the common areas are included in the overall price per square foot.

SITE DESCRIPTION

The subject property is of condominium ownership. As such, the owner does not have complete fee ownership of the underlying land, however, the owner does have a proportionate interest in the underlying land. The large tract (site) is described in detail.

Location: The site is located at the cul-de-sac of Downwood Circle west of Northside Drive and Howell Mill Road, east of Interstate 75, south of Paces Ferry and north of Moores Mill Road in Atlanta, Georgia.

Site Size and Frontage: The site is described as an irregular shaped tract of land containing 2.387 acres with 377.76 feet of frontage along the cul-de-sac of Downwood Circle.

Topography and Drainage: The site rises downward from road grade. The property is not located in a designated flood hazard area based on 13121C0233E, Zone X; dated June 22, 1998. Based on information located in the design plans of the site, there are no areas of the site designated as wetlands.

Soils and Subsurface: The site is located in the Piedmont region of Georgia. The Piedmont stretches from the Sand Hills to the foot of the Appalachian Mountains and covers nearly 10.5 million acres. Elevation ranges from 500 to 1500 feet above sea level. Topography is gently rolling to steep. The soils are underlain by acid crystalline and metamorphic rocks. Dominant soils of the Southern Piedmont have mostly clay subsoils and kaolinitic minerals.

A report by a soil and subsurface engineer regarding the subject site has not been made available to the appraiser. A visual inspection of the property did not reveal any obvious problems. However, the appraiser is not qualified to detect such problems. The client is advised to obtain such a report if desired.

Hazardous Waste: With regard to an environmental inspection of the property, the appraiser is not qualified to detect any such conditions, nor is the appraiser an expert or engineer with knowledge required to discover them. The client is urged to retain an expert in this field, if desired. The scope of the appraiser's environmental investigation was limited to those conditions readily observable on the site at the time of the inspection. Environmental risks may or may not be considered hazardous. Conditions such as toxic waste, asbestos and lead-based paint are environmental hazards, whereas such conditions as wetlands and endangered species are not hazards but are environmental risks.

There were no obvious sources of environmental hazards observed on the subject site at the time of physical inspection. The appraisers assume no responsibility for the determination of the absence or presence of hazardous materials on the property, as no actual testing results to identify specific hazards has been provided within the scope of this analysis.

Utilities: All utilities are available to the site and the subject property.

Zoning: The site and the subject property is currently zoned O-I Conditional by the City of Atlanta.

Site Improvements: The site improvements to the site include the asphalt and concrete paved driveways, turnaround and parking area. There is a multi story parking deck of concrete construction. There is also extensive landscaping accenting the development.

IMPROVEMENT DESCRIPTION

The subject property is a 6,072 square foot condominium unit in a larger multi story office building containing 198,285 square feet of net rentable area. General construction features to the building include concrete footings and at load bearing points, glass curtain wall over steel frame and built up roof on metal decking.

Generally, the subject has a large general waiting room and reception area with business offices behind the reception area and a restroom and breakroom on the side of the reception area. On the other side of the general waiting room and reception area is a hallway leading to the two imaging suites with smaller family waiting areas, lockers and bathrooms along the sides of the hallway.

The interior of the subject unit has tile floors in the large waiting and reception area, the hallway and the family waiting areas, ceramic tile floors in the restrooms, carpeting in the offices, and vinyl covering in the break room and the imaging suites. The walls are of sheet rock and the ceiling is of architectural acoustic drop tile with recessed florescent lighting.

The imaging suites are lead lined with additional reinforcement in the floors to support the weight of the equipment.

PROPERTY HISTORY

The property is presently owned by:

Griffon Capital LLC
3200 Downwood Circle NW Suite 300
Atlanta, GA 30327

Title to the subject was obtained by the present owner from Diagnostic Imaging Properties, LLC on April 7, 2009 via a Deed Under Power found in Deed Book 47963; page 382 of Fulton County public records.

ZONING

The subject property is currently zoned O-I Conditional by the City of Atlanta. The O-I category is intended to provide for office, institutional, and residential development with accessory supporting services, but without general commercial development and to protect existing complexes of this character, or where the comprehensive plan indicates that other general areas are appropriate for such use.

The present use of the subject property is an allowable use in this category. The O-I category requires a minimum 50 foot front setback, 15 foot side setback, and a 25 foot rear setback. The Palisades at West Paces Condominium development conforms to the required setbacks in the O-I category.

PART III - ANALYSIS AND CONCLUSIONS

HIGHEST & BEST USE

Highest and Best Use as defined by the Uniform Standards of Professional Appraisal Practice as "that reasonable and probable use that supports the highest present value, as defined, as at the effective date of appraisal. Alternatively, it is that use which is probable, legal and physically possible, appropriately supportive, financially feasible and which results in the highest land value. Implied in the definition is the recognition of the contribution of that specific use to community environment, community development and goals, and the maximization of wealth to the individual property owner."

Physically Possible: The subject is located in the Piedmont region of Georgia. The Piedmont stretches from the Sand Hills to the foot of the Appalachian Mountains and covers nearly 10.5 million acres. Elevation ranges from 500 to 1500 feet above sea level. Topography is gently rolling to steep. The soils are underlain by acid crystalline and metamorphic rocks. Dominant soils of the Southern Piedmont have mostly clay subsoils and kaolinitic minerals. All utilities are available to the subject property.

Legally Permissible: The subject property is currently zoned O-I Conditional by the City of Atlanta. The subject is legally conforming.

Financially Feasible: A detailed analysis of the subject's market and demand is located on page 10 of this report.

Conclusion: It is the opinion of these appraisers that the highest and best use of the subject property is for its present and intended use as a medical office condominium.

DESCRIPTION OF THE APPRAISAL PROCESS

In estimating the value of improved real estate, three (3) Approaches to Value are typically used. These Approaches are the Depreciated Replacement Cost Approach, the Income Approach and the Market Data/Direct Sales Comparison Approach.

Cost Approach: This method of obtaining a value indication considers construction costs of the subject improvements or similar improvements. Construction cost is estimated based upon reported costs of other similar construction in the market area of the subject. Depreciation, due to physical deterioration, functional inadequacy, and/or economic influences which may adversely affect value are subtracted from the estimated cost new. Market Value of the land, based upon comparison with other land sales, is added to the depreciated cost new, providing an indication of market value.

Income Approach: This procedure in appraisal analysis converts anticipated benefits (dollar income or amenities) to be derived from the ownership of property into a value estimate. Anticipated future income and/or reversions are discounted to a present worth figure through the capitalization process. The gross income, occupancy rate, operating expenses, and overall rate, is derived from a study of properties in the immediate area of the subject or properties that are similar to the subject's investment characteristics. This data is then analyzed and adjusted to the subject property to render an indication of value based on this study and analysis.

Market Data/Direct Sales Comparison Approach: An indication of value is provided through the Market Approach by direct comparison with recent market sales. These sales involve similar or reasonable competitive properties. Adjustments to the sales price of competitive properties selected for comparison are considered as they relate to the subject to the various dissimilar investment features.

The three (3) approaches provide indications of value which are reconciled by the appraisers to a final value estimate according to the relative reliability.

Summary: In this appraisal, the Market Data/Direct Sales Comparison Approach and the Income Approach will be used to establish the value of the subject prior to the taking. Due to the external depreciation from the current economic conditions, a cost approach would not provide a reliable value indication for the subject. The Market Approach will be used to determine the appropriate adjustment in the Market Approach Analysis and the Asset Value for the Income Approach Analysis.

MARKET DATA APPROACH

An analysis was made of recent sales of similar properties in the area of the subject. Adjustments were made to each sale for the dissimilarities between the sales and the subject. The adjusted sales price of each property was then correlated to arrive at an indication of market value for the subject property.

<i>No. & Location</i>	<i>Sale Date</i>	<i>Unit Size</i>	<i>Price/SF</i>	<i>GIM</i>
1. 1418 Dresden Drive	11/2010	4,378 sf	\$212/\$242	9.6
2. 1419 Dresden Dr. Unit 200 Bldg A	10/2010	2,932 sf	\$213/\$235	9.7
3. 10475 Medlock Bridge Unit 501	9/2010	3,298 sf	\$222	10.1
4. 555 Peachtree Dunwoody Unit G70	6/2010	2,070 sf	\$220	7.6
5. 239 Ivan Allen Jr. Blvd	8/2009	9,800 sf	\$255	occupied
6. 1418 Dresden Dr. Unit 225 Bldg A	8/2009	1,963 sf	\$245	10.9
7. 4205 North Point Pkwy No. F	10/2008	3,502 sf	\$227	10.32

Comparable Sale Numbers 1 and 2 are located in the Brookhaven area; an area with similar economic base as the subject. These condos are located in a larger mixed use development. Each of the two condos were unfinished (tenant improvements) at the time of sale. The higher price per square foot indicates the cost incurred by the purchaser to finish out the space. These sales are somewhat superior to the subject due to their newer age.

Comparable Sale Number 3 is located in a large medical development in the Alpharetta/Roswell area, a similar economic area to the subject. This sale is considered similar to the subject.

Comparable Sale Number 4 is located in the Northside Hospital area. This condo is located in a medical development as the subject. This development is 15 years old and is considered the most similar to the subject.

Comparable Sale Number 5 is located in the Central Atlanta Business District and was a medical office building at the time of sale. The new owner intends to change the use of the property. This sale is located in a superior area as the subject.

Comparable Sale Number 6 is located in the same development as Comparable Sale Numbers 1 and 2. This sale is considered somewhat superior to the subject due to its newer age.

Comparable Sale Number 7 is located in the Alpharetta/Roswell area, a similar economic area to the subject. This sale is considered similar to the subject.

Most weight is afforded Comparable Sale Numbers 3, 4, and 7 as being the most similar to the subject. Based on this analysis, it is the opinion of these appraisers that the market value of the subject property is *\$225 per square foot of improved area*. Therefore:

$$6,072 \text{ sf} \times \$225 \text{ per sf} = \$1,366,200$$

It is the opinion of these appraisers that the market value of the subject property via the Market Data Approach is *\$1,367,000*.

INCOME APPROACH

Rationale of the Income Approach: The rationale of the Income Approach lies in one of the three alternative options open to a purchaser/investor in which he may acquire a property which will yield a net operating income commensurate with the amount of his investment and risk involved.

It is to this alternative option that the Income Approach is directed. It assumes that no one is justified in paying more for a property with a given income yield than he would for another property with similar yield and risk characteristics.

- Substitution affirms that the informed purchaser/investor will pay no more for a property than the cost to him of acquiring an alternative income stream of the same size and with the same risk as the subject property.
- Contribution affirms the measure of a value of a property may be the income rental that it is capable of producing, discounted at an appropriate rate.
- Anticipation affirms that the expected income stream the subject property is capable of producing must be projected into the future. Thus, the value of the subject income is determined by the present worth of the anticipated net operation income.

The value then becomes the amount which an informed purchaser/investor is justified in paying now for the rights to a future income stream.

Steps in the Income Approach:

1. The estimation of net operating income.
2. The estimation of the property capitalization rate to be used.
3. The processing of the net operating income and capitalization rate into an indication of market value.

Rental Income: For the purposes of this analysis, market rents of medical office space in the vicinity of the subject will be used. The leases utilized in this analysis are:

Northwest Medical Center; 3280 Howell Mill Road	\$22.00
Paces Pavilion Medical Center; 3193 Howell Mill Road	\$22.50
Sheffield Medical Building 1938 Peachtree Road	\$24.00

The rental rates in the subject development are considered the most similar. For the purposes of this analysis, \$22.50 per square foot will be used.

Vacancies: Typically, users of medical space are long term tenants. For the purposes of this analysis only 2% for collection loss will be used.

Expenses: All expenses are paid by the tenant.

Management: Typical management fees range from 3% to 6% of Adjusted Gross Income. For the purposes of this appraisal, the appraiser has estimated a management fee of 3% of Adjusted Gross Income.

Maintenance and Reserves: Maintenance and reserves include repairs, redecoration, painting and replacement when needed. The maintenance and reserves are the responsibility of the condominium association fee, which is paid by the tenant.

Capitalization Rate: The capitalization rate used in this analysis was derived from the most recent published survey report by Realty Rate for properties similar to the subject. Based on the most recent survey, fourth quarter of 2010 indicated a 9.47% capitalization rate for office properties while the overall 2010 rate was 9.54% for all three quarters. For the purposes of this analysis, a capitalization rate of 9.5% will be used.

Direct Capitalization Method:

Gross Annual Income	
6,072 sf X \$22.50 per sf =	\$136,620
less 3% collection loss	<u>\$ 4,098</u>
Adjusted Gross Income	\$132,522
Management	<u>\$ 3,976</u>
Net Operating Income	\$128,546

$$\$128,546 \text{ (NOI)} \div 9.5\% \text{ O.A.R.} = \$1,353,116$$

Indicated Value of the Subject Property via the Direct Capitalization Method is ***\$1,354,000***.

Gross Income Multiplier (GIM): The Gross Income Multiplier (GIM) is a market derived indicator of value based on the potential gross income of a property and its sale price. Located on page 16 of this report is the GIM of the comparable sales. The sales indicated a range of GIM of 7.6 to 10.9 with the most consistent range being from 9.6 to 10.3. For the purposes of this analysis, a Gross Income Multiplier of 10 will be used.

$$\$136,620 \text{ (Gross Income)} \times 10 = \$1,366,200$$

Therefore, the indicated value via the Gross Income Multiplier is ***\$1,366,000***.

VALUE OF THE LEASED FEE ESTATE

Lease fee is defined as an ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; usually consists of the right to receive rent and the right to repossession at the termination of lease.

In contrast, fee simple is defined as absolute ownership unencumbered by any other interest or estate. The conveyance of rights to others affects a property's value. For example, an owner-occupied property has fee simple property rights that are absolute and unencumbered, unlike a leasehold estate where property rights are limited to use and occupancy for a stated term.

For the purposes of this analysis, a Direct Capitalization Analysis, a Gross Income Multiplier Analysis and a Discounted Cash Flow Analysis will be used.

Rental Income: The subject is presently being leased. The lease commenced in 2009 based on \$25.25 per square foot or \$153,318 per year with annual Consumer Price Index (CPI) adjustments. The current lease rate is \$178,738 per year. This represents an overall rental rate of \$29.44 per square foot.

Direct Capitalization Method:

Present Annual Income	\$178,738
less 3% collection loss	<u>\$ 5,362</u>
Adjusted Gross Income	\$173,376
Management	<u>\$ 5,201</u>
Net Operating Income	\$168,175

$$\$168,175 \text{ (NOI)} \div 9.5\% \text{ O.A.R.} = \$1,770,263$$

Indicated Value of the Leased Fee Interest in the Subject Property via the Direct Capitalization Method is ***\$1,770,000***.

Gross Income Multiplier (GIM): The Gross Income Multiplier (GIM) is a market derived indicator of value based on the potential gross income of a property and its sale price. Located on page 16 of this report is the GIM of the comparable sales. The sales indicated a range of GIM of 7.6 to 10.9 with the most consistent range being from 9.6 to 10.3. For the purposes of this analysis, a Gross Income Multiplier of 10 will be used.

$$\$178,738 \text{ (Gross Income)} \times 10 = \$1,787,380$$

Therefore, the indicated value via the Gross Income Multiplier is ***\$1,788,000***.

Discounted Cash Flow Located on the following page is a Discounted Cash Flow Analysis for the subject under the terms of the lease. This Discounted Cash Flow utilizes a discount rate of 12% which is reflective of a safe office investment. The Discounted Cash Flow assumes the present market value of the subject will increase by 15% in 8 years. The indicated value of the Leased Fee Estate of the Subject via the Discounted Cash Flow Analysis is ***\$1,656,000***.

Correlation of Value of the Leased Fee Estate The Direct Capitalization Method provided a value of ***\$1,770,000***. The Gross Income Multiplier Method provided a value of ***\$1,788,000***. The Discounted Cash Flow Method provided a value of ***\$1,656,000***. The Direct Capitalization and Gross Income Multiplier are the best indicators of value as they represent the present motivations and actions of investors. The Discounted Cash Flow assumes no change in rates of return over the next eight years while the current market expectation of future returns is more reflective in the two other methods.

Therefore, it is the opinion of this appraiser that the market value of the Leased Fee Estate of the subject property is ***\$1,750,000***.

CORRELATION AND FINAL VALUE ESTIMATE

The various analyses provided the following value:

Market Data Approach:	\$1,367,000
Direct Capitalization Approach	\$1,354,000
Gross Income Multiplier	\$1,366,000

In arriving at a final value estimate, equal weight was given to the Market Approach. Therefore, based on a review of the data analyzed and careful consideration of all factors observed and presented in this report, it is our opinion that the **MARKET VALUE** of the subject property in financial terms equivalent to cash, based on aggressive marketing and anticipated recovery of the financial markets, as of February 4, 2011 is:

ONE MILLION THREE HUNDRED SIXTY SIX THOUSAND DOLLARS

\$1,366,000

Further, it is our opinion that the **VALUE OF THE LEASED FEE ESTATE** in the subject property in financial terms equivalent to cash, based on aggressive marketing and anticipated recovery of the financial markets, as of February 4, 2011 is:

ONE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS

\$1,750,000



Bruce R. Penn
Georgia Certified General
Real Property Appraiser #CG000228



Lisa Ann Soehnel
Georgia Certified Residential
Real Property Appraiser #CR242351

EXHIBITS AND ADDENDA

APPENDIX A: SUBJECT PROPERTY

**Photographs of Subject
Location Map
Tax Plat Map
Floor Plan
Survey for Development
Subject Lease
Previous Transfer Deeds**

SUBJECT PHOTOGRAPHS



View of Exterior of Development



View of Lobby of Development

SUBJECT PHOTOGRAPHS

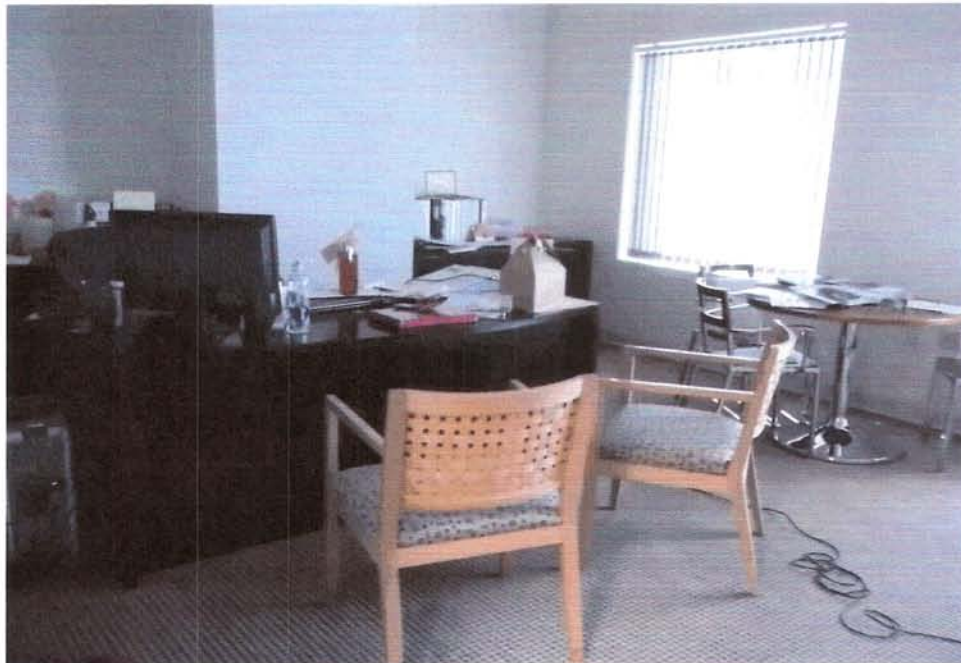


Receptionist



Patient Waiting Room

SUBJECT PHOTOGRAPHS



Business Offices

SUBJECT PHOTOGRAPHS



Family Waiting Area



Clothes Changing Area

SUBJECT PHOTOGRAPHS



Break Area



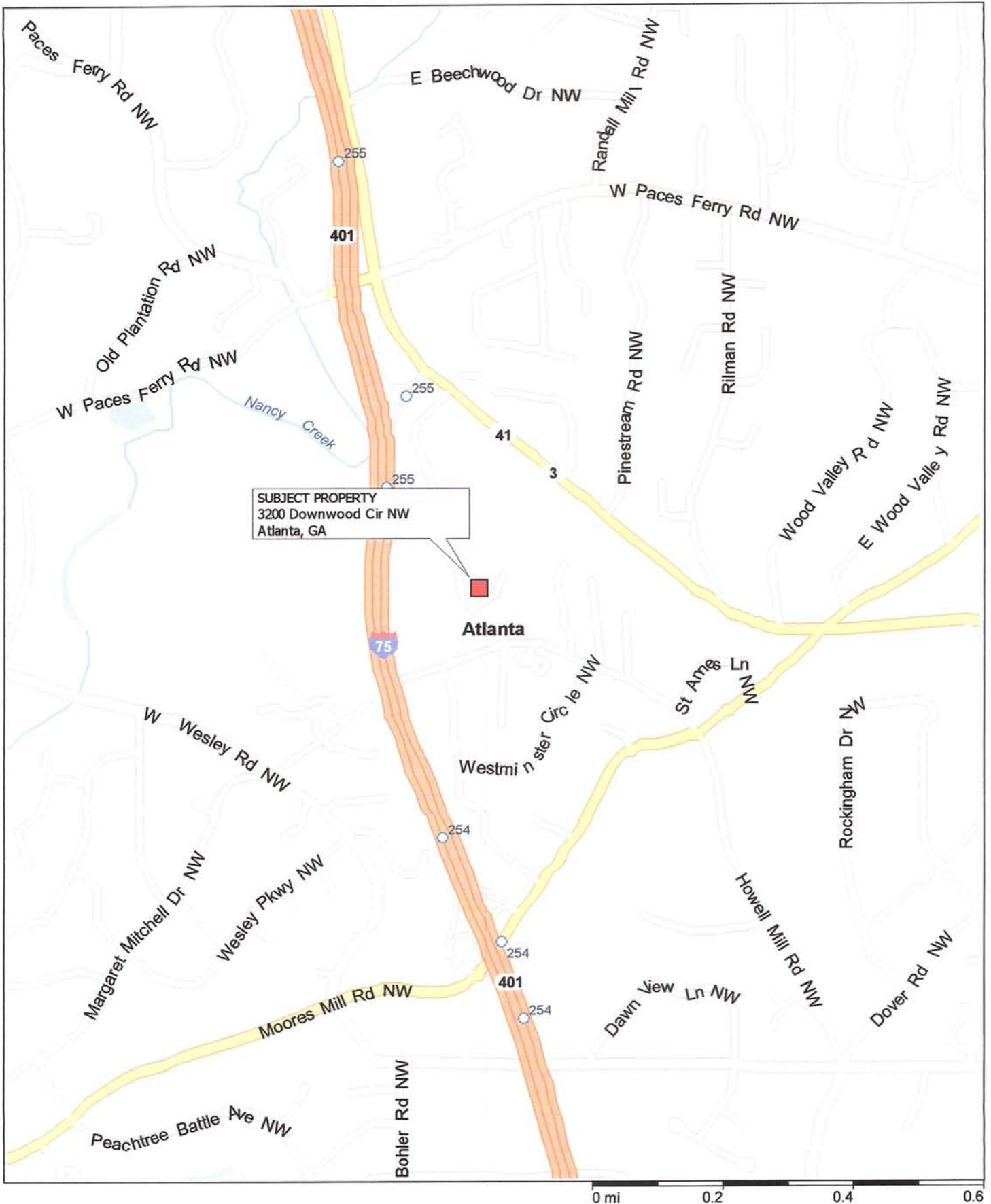
Typical Restroom

SUBJECT PHOTOGRAPHS



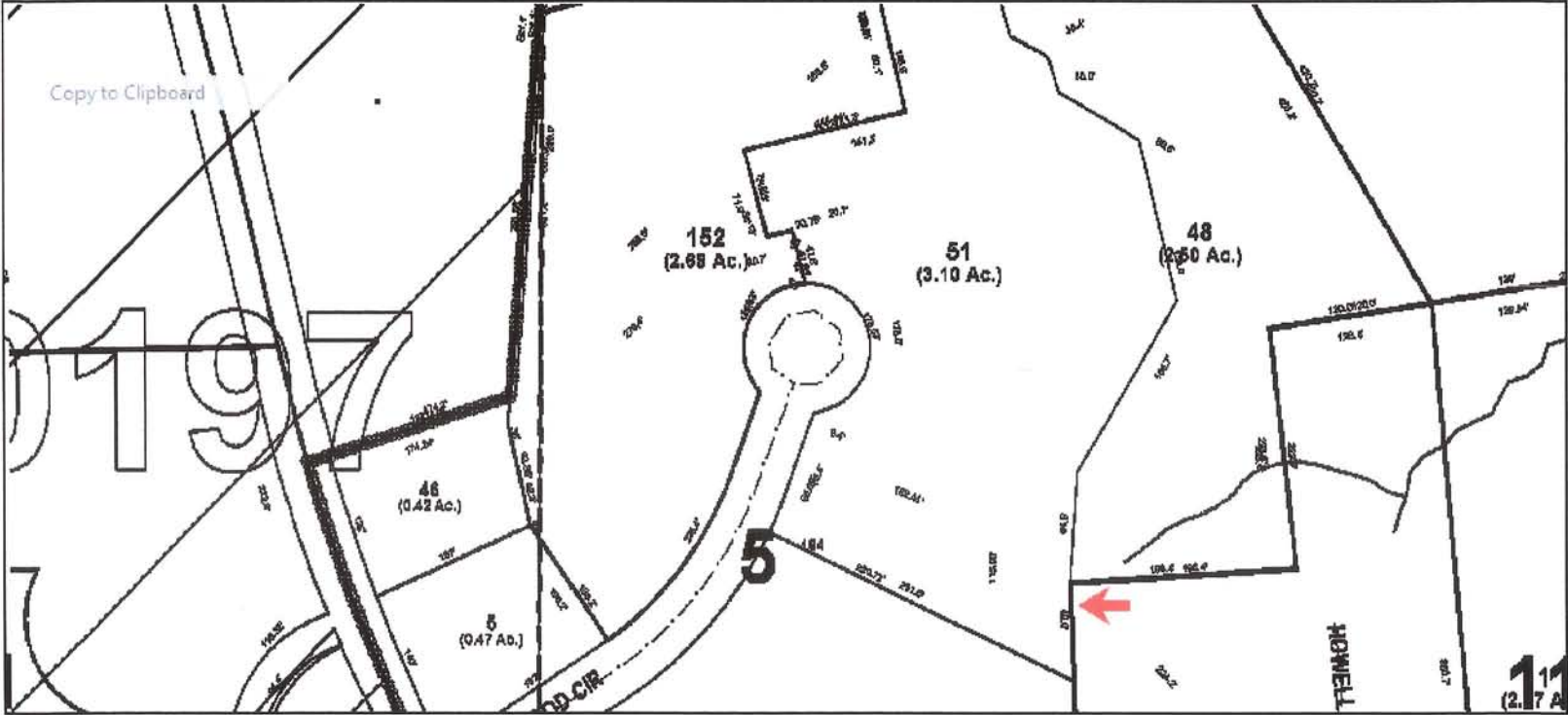
View of Imaging Suites Showing Imaging Equipment

SUBJECT PROPERTY LOCATION MAP

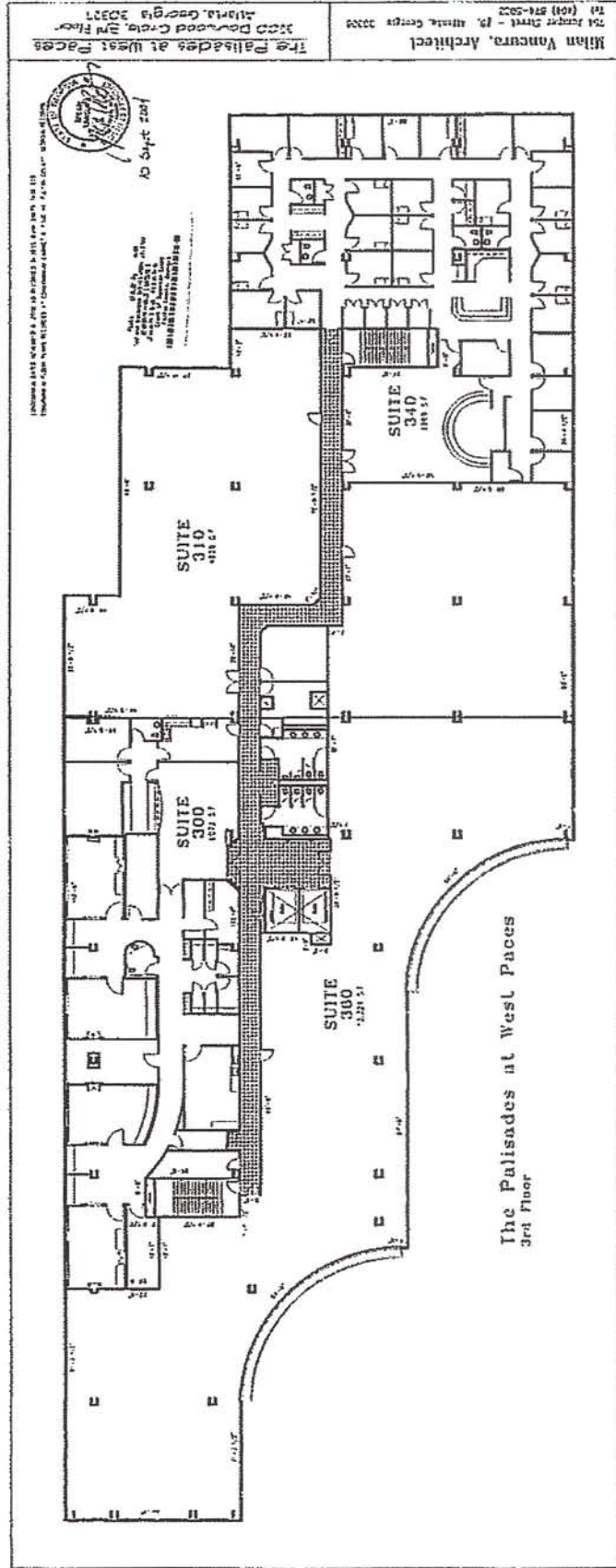


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SUBJECT TAX MAP



FLOOR PLAN



LEASE AGREEMENT
FOR
THE PALISADES AT WEST PACES
SUITE 300
6,072 Square Feet

**THE PALISADES AT WEST PACES
A MEDICAL CENTER**

THIS LEASE, made and entered into on this 18th day of March 2009 by and between Griffon Capital, LLC, a Nevada Limited Liability Company, hereinafter referred to as the "**Landlord**" and David Owens, M.D., P.C., hereinafter referred to as the "**Tenant**".

WITNESSETH

1. PRICE AND TERM

The Landlord leases and demises unto the Tenant as its demised premises approximately 6,072 square feet, on the 3rd floor, as outlined on the floor plan attached hereto as **Exhibit "A"**, (the "Premises"), in the building known as the Palisades at West Paces (the "Building"), located at 3200 Downwood Circle, NW, Atlanta, 30327-4101 (the "Property") and the nonexclusive use of the common areas therein (as from time to time designated by Landlord), for a term of ten (10) years commencing on June 1, 2009 (the "Commencement Date") and ending May 31, 2019 (the "Initial Term"), unless adjusted or terminated as provided herein.

2. OPTION TO RENEW

So long as the Tenant is not in default under the terms of the Lease, the Tenant shall have an option to extend the Initial Term of this Lease for one additional term of five (5) years subsequent to the Initial Term (the "Extended Term"). Minimum Rent (as hereinafter defined) for the Extended Term shall be subject to the increases described in paragraphs 3 and 4 hereof, but the Tenant shall otherwise hold the Premises during the Extended Term upon the same terms, covenants and conditions as herein contained. This option shall be exercised by written notice from the Tenant to Landlord given no less than six (6) months and no more than twelve (12) months prior to the expiration of the Initial Term.

3. RENT

3.01. Payment of Minimum Rent.

a. Tenant agrees to pay to Landlord beginning as the same may be extended by the provisions of this Lease, at such place as Landlord may designate, without deduction, offset, prior notice or demand, and Landlord agrees to accept, as the rent for the Premises, the annual sum of \$25.25 per square foot (which sum includes the base rent of per square foot "Base Rent" plus the estimated Direct Costs for 2009 of \$7.25 per square foot), per year, subject to the adjustments contained in Lease, multiplied by 6,072 square feet representing that portion of the Net Leasable Area (as hereinafter defined) occupied by Tenant in the Building, such sum an annual sum of \$153,318.00 (the "Minimum Rent"), in the initial Lease Year (as hereinafter defined).

b. The Minimum Rent shall be payable in lawful money of the United States in monthly installments of \$12,776.50 (as adjusted pursuant to this Lease), each payable in advance on the 1st day of each month commencing June 1, 2009 during the Initial Term and any Extended Term.

3.02. Payment of Additional Rent.

a. By January 30th of each year during the Initial Term and any Extended Term, the Landlord will endeavor to furnish to the Tenant an estimate of the Direct Costs (as defined in subparagraph (f) herein below) per square foot to operate the Building for the then current calendar year; provided, that Landlord's failure to deliver the estimate of Direct Costs by January 30th shall not prejudice Landlord's right to collect Direct Costs or any additional rent due as hereinafter provided. Commencing with the February monthly payment of Minimum Rent (or, if such estimate is not provided by January 30th, the next monthly payment due following Landlord's furnishing to Tenant the estimate of Direct Costs for the current calendar year) the Tenant shall pay to Landlord as additional rent, without any prior demand therefore and without any deduction or offset whatsoever, one twelfth (1/12) of any increase between (i) the prior calendar year's estimated Direct Cost per square foot of Net Leasable Area in the Building and (ii) the current calendar year's estimated Direct Costs per square foot of Net Leasable Area in the Building, multiplied by the number of square feet in the Premises (the "Estimated Monthly Increase"). Concurrently with the initial payment of such additional rent, Tenant also shall pay the Landlord an amount equal to the Estimated Monthly Increase multiplied by the number of months of the calendar year that have elapsed prior to the initial payment of the Estimated Monthly Increase. If at any time or times it appears to Landlord that the actual amount payable under this Section 3.02 for the current calendar year will vary from Landlord's estimate by more than 5%, Landlord may revise, by notice to Tenant, its estimate for such year, and subsequent payments by Tenant for such year shall be based upon such revised estimate. Failure to make a revision contemplated by the immediately preceding sentence shall not prejudice Landlord's right to collect the full amounts of additional rental payable under this Section 3.02. The estimated Direct Costs for 2009 are \$7.25 per square foot of Net Leasable Area in the Building. Said Direct Costs shall be additional rent under this Lease and are included in the Minimum Rent as per Section 3.01.

b. Each monthly payment of Minimum Rent thereafter shall include the payment, as additional rent, for the Estimated Monthly Increase for the current year, and Tenant shall continue to pay this amount during the next succeeding calendar year until such next year's Estimated Monthly Increase is submitted to Tenant by Landlord.

c. By January 30th of each calendar year during the Initial Term and any Extended Term, the Landlord will furnish the Tenant with a statement showing the actual amount of Direct Costs for the Building for the preceding calendar year for the purpose of adjusting any differences, in either Tenant's or Landlord's favor, between the actual amount of Direct Costs incurred by Landlord and the amount of estimated Direct Costs actually paid by Tenant during said preceding calendar year and such statement shall be final and binding upon Landlord and Tenant absent manifest error. If on the basis of such statement, Tenant owes an amount that is more than the estimated payments for the calendar year just ended previously made by Tenant, Tenant shall

pay the deficiency to Landlord within (30) days after delivery of the statement. If on the basis of such statement, Tenant owes an amount that is less than the estimated payments for the calendar year just ended previously made by Tenant, Tenant is hereby authorized to deduct the overpayment from the next payment of Minimum Rent due by Tenant.

d. Notwithstanding the foregoing, no yearly adjustment to the Tenant's portion of Direct Costs shall result in Tenant paying less total Minimum Rent for a given Lease Year than the Minimum Rent provided for in paragraph 3.01 of the Lease for the first Lease Year of the Initial Term.

e. If this Lease shall terminate on a day other than the last day of a calendar year, the amount of additional rental payable pursuant to this Section 3.02 that is applicable to the partial calendar year in question shall be prorated on the basis of the number of days from and including the first day of the calendar year in question to and including the date of termination; to 365. The termination of this Lease shall not affect the obligations of Landlord and Tenant pursuant to subparagraph (c) of this Section 3.02 to be performed after such termination.

f. As used in this Lease, "Direct Costs" - shall mean all costs of operating, managing, repairing, equipping, replacing, improving, securing, and maintaining the Building, Property, parking deck, common areas and related grounds, amenities, and facilities paid by Landlord during any calendar year for which any portion occurs during the Initial Term or any Extended Term, on an accrual basis, including the following costs, by way of illustration, but not limitation: the water, sewer, natural gas, electricity and other utility charges relating to the Premises and the Building and which are not separately metered directly to tenants; insurance premiums of all types; permits, licenses and certificates necessary to operate, manage and lease space; costs and expenses of redecorating, repainting, and re-carpeting the common areas; the cost of heating, cooling and ventilating the Building (including but not limited to boilers, chillers, cooling towers, air conditioning units and maintenance contracts); the cost of maintenance and upkeep of the lawn, grounds, shrubbery and landscaping; the cost of lighting, cleaning and maintaining the exterior of the Building; plumbing and electrical system expenses; legal and accounting expenses of the Building; light bulbs and glass costs, including the replacement thereof; cost of maintaining and repairing elevators; Building office and telephone expenses; the cost of maintenance, operation and repair of the Building, including, but not limited to, janitorial and cleaning (including window cleaning) service for the Premises and the common areas of the Building (except for any additional cost for the cleaning of operating rooms, which additional cost shall be paid by Tenant). Payments under any easement, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs in any planned development; guards, watchmen and other security personnel services and/or systems; sprinklers and fire alarm and telecommunication systems in the Building; refuse or garbage collection, exterminators, painting and wall papering, etc., interior common area, and the cost of necessary supplies and equipment for all of the foregoing, management fees; the cost of repairs and replacement of Building items and equipment, including paving maintenance and repair and capital improvements made to the Building which although capital in nature can reasonably be expected to reduce the normal operating costs of the Building, as well as all capital improvements made in order to comply with any statutes, rules, or directives hereafter

promulgated by any governmental authority relating to energy, conservation, public safety or as amortized over the useful life of the improvements by Landlord.

The term "Direct Cost" shall not include depreciation on the building or equipment therein (other than maintenance equipment for which straight line depreciation shall be allowed) interest, net income, franchise, or capital stock taxes payable by Landlord, real estate brokers' commissions, or the cost of services provided specially for any given tenant at such tenant's expense and not uniformly available to all tenants of the Building, so long as such service does not inure to the benefit of Tenant.

Included within the definition of Direct Costs shall be wages and salaries of the personnel providing such Direct Cost service together with the fringe benefits customarily provided such personnel, including but not limited to uniforms, wages, salaries and other compensation and benefits. If an employee devotes less than all of his or her time to maintaining the Building, a portion of his or her salary shall be allocated to Direct Costs in an equitable manner. In addition to the foregoing, "Direct Costs" shall include real estate taxes including but not limited to ad valorem real property taxes on the Building, Property, parking deck and related land and facilities, any other taxes as may be levied in lieu of, or in substitution for, or supplementary to, such taxes; public assessments, both general and special; any tax, levy or other charge (whether or not a tax or in the nature of a tax) by any governmental authority unless paid directly by Tenant (s) and any tax or similar levy on, or measured by, rentals received from the Building, the use and occupancy thereof, or the leasing of space therein.

Tenant acknowledges that certain Direct Costs will vary depending on overall occupancy levels in the Building. If the average occupancy level of the Building was less than ninety-five percent (95%) of the total occupiable square footage of the Building during any Lease Year, the Direct Costs for such year in question shall be adjusted to Landlord's reasonable estimate of Direct Costs had ninety-five percent (95%) of the total occupiable square footage of the Building been occupied.

Tenant has the right to review the Direct Costs as determined by Landlord.

g. As used in this Lease, "Net Leasable Area" shall mean that the Building contains 198,285 square feet of area occupiable by tenants of the Building.

3.03 Tenant further agrees that upon default in payment of any monthly installment of Minimum Rent or other sum due Landlord hereunder, without limitation to any other right or remedy of Landlord as may apply because of such default, Tenant shall pay Landlord, as additional rent, a late charge of five percent (5%) in processing such late payment, plus interest, from the date such payment was due until the date paid, at a rate equal to the prime rate from time to time announced plus four percent (4%). Landlord agrees that any Minimum Rent payment received by Landlord on or before the fifth day of the month will not be considered in default and will not be subject to a late charge and/or interest.

4. RENTAL ADJUSTMENT

Consumer Price Index Adjustments: The Base Rent shall be adjusted on the first day of the second Lease Year and the first day of every Lease Year thereafter during the Initial Term and any Extended Term, such that the Base Rent payments of \$25.25 per square foot as provided for in paragraph 3.01 hereinabove (as adjusted pursuant to this Lease) shall be increased, compounded, by an amount equal to the percentage increase in the Consumer Price Index for all Urban Consumers, U.S. Cities Average, All Items (1982-1984 = 100) (hereinafter referred to as the "Consumer Price Index") as prepared by the Bureau of Labor Statistics of the United States Department of Labor for the month immediately preceding the date of adjustment over such index for the month one year prior to such date. In the event the Consumer Price Index of the United States Bureau of Labor Statistics is discontinued, the parties shall accept comparable statistics on the purchasing power of the consumer's dollar as published at the time of said discontinuation by a responsible periodical of recognized authority to be chosen by the parties.

As used in this Lease, "Lease Year" shall mean a period of twelve (12) consecutive months or portions thereof falling within the Initial Term and any Extended Term, with the first Lease Year commencing on the Commencement Date of the Initial Term, and each subsequent Lease Year commencing on each anniversary of the Commencement Date of the first Lease Year. The period, if any, from the Commencement Date of the Initial Term to the beginning of the first Lease Year shall be treated as if it were part of the first Lease Year under this Lease for all purposes.

5. TENANT IMPROVEMENT

Landlord hereby agrees to grant to Tenant a total allowance ("Allowance") of \$20.00 per square foot of the premises which equals \$121,440.00. Total Allowance shall be paid to Tenant within Five (5) days of the execution of this lease by Tenant.

6. USE OF PREMISIS

The Tenant will not use the Premises or any part thereof for (i) any purpose other than for the practice of medicine or medically related services for the care and treatment of humans, (ii) any purpose that is in violation of any law or legal requirement, (iii) any purpose deemed by the Landlord's insurer, or by the Landlord, to be extra-hazardous on account of fire risk, or (vii) any purpose that will increase the existing rate of insurance on the Building or cause a cancellation of any insurance policy covering the Building. In the event that there shall be any increase in rate of the insurance on the Building or its contents by reason of Tenant's acts or conduct of business, then the Tenant hereby agrees to pay such increase upon demand, in addition to any other provided for herein.

7. SERVICES, REPAIRS AND MAINTENANCE

Maintenance of the Building, the common area, the parking deck, all means of ingress and egress to the Building and the Premises, except as otherwise provided in the Lease, including, but not limited to, the roof, foundation, all structure elements, exterior windows and glazing

system, as well as heating, ventilation and air conditioning ("HVAC"), mechanical, electrical, and plumbing shall be the responsibility of the Palisades at West Paces Condominium Association. The responsibilities are more specifically outlined in the Declaration of Condominium of Palisades at West Paces Condominium as recorded in Condominium Plat Book 13, page 127, of the Fulton County, Georgia records and as amended from time to time. The Tenant shall be responsible for any repairs and maintenance in connection with damage to the Premises, fixtures and improvements resulting from the negligent or willful acts of the Tenant, or the Tenant's employees, agents, or invitees. The Tenant shall repair all damage caused by the installation or removal of furniture, fixtures or property which are permitted to be removed from the Premises under the terms of this Lease. All repairs which are the obligation of the Tenant shall be made in a good and workmanlike manner using high quality materials. In the event of the Tenant's failure to make any such repairs within a reasonable period of time, or in the event that the repairs are inadequate or the damage is to the Building other than the Premises, the Landlord may elect to make such repairs, and the Tenant shall pay to the Landlord upon demand the reasonable cost of such repairs, plus interest in accordance with Section 27 hereof.

Unless otherwise expressly stipulated herein, Landlord shall not be required to make improvements of any kind to the Premises during the term of this Lease.

Notwithstanding anything in this Section to the contrary, Landlord shall not be liable for failure to furnish any of the foregoing when such failure is caused by accidents or conditions beyond the control of the Landlord, or in order to make or improvements, or by labor disturbances or whether resulting from or caused by, acts of the Landlord or otherwise; nor shall Landlord be liable under any circumstances for loss of, or injury to, property, however occurring through or in connection with or incidental to the furnishing of, or failure to furnish, any of the foregoing; nor shall any such failure relieve the Tenant from the duty to pay the full amount of rent herein reserved.

If Tenant fails to pay promptly any installment of Minimum Rent or additional rent as same becomes due as herein provided, Landlord, after giving the notice provided for in Section 16 (b), may discontinue furnishing all or any part of the services provided for in this Section, and no such discontinuance shall be deemed an eviction or disturbance of Tenant's use of the Premises or render Landlord liable for damages.

During the day, Tenant will not permit undue accumulations of garbage, trash, rubbish or other refuse, and will keep such refuse in proper containers on the interior of the Premises until Landlord causes disposal of such refuse. Tenant will and make approved arrangements for the disposal of hazardous waste and contaminated substances at Tenant's own expense.

Throughout the Lease term Tenant shall preserve the Premises and keep them free from waste or nuisance, and shall deliver up the Premises at the termination of this Lease in good condition, reasonable wear and tear, and damage by fire, tornado, or other casualty excepted. Tenant shall keep the Premises in good repair, and shall at its sole cost and expense make all needed alterations and replacements, including nonstructural repairs, and alterations required by any governmental authority by reason of the type use being made by Tenant of the Premises, but excluding repairs, replacements and alterations required to be made to the Building in general

and except for repairs and replacements required to be made by Landlord under the provisions of this Lease.

If any maintenance or repairs required to be made by Tenant hereunder are not made within ten (10) days after written notice delivered to Tenant by Landlord, or Tenant fails to reasonably maintain the Premises as herein provided, Landlord may, at its option, make such repairs, and Tenant shall pay to Landlord upon demand, as additional rent hereunder, the reasonable cost of such repairs plus interest at the rate per annum provided for in Section 27, from the date of payment Landlord until paid by Tenant.

8. ALTERATIONS

Except for the tenant improvements to be made by Tenant as per Section 5, the Tenant may not make or may not permit anyone to make any alterations, improvements or additions in or to the Premises, or install any equipment of any kind that will require any alterations or addition to the water, heating, air conditioning or electrical or other building systems or equipment, without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. If any such alterations, additions or improvements are made without such consent, the Landlord may correct or remove them, and the Tenant shall be liable for any and all expenses incurred by the Landlord in the performance of this work.

9. DAMAGE OR DESTRUCTION

In the event of damage or destruction of the Premises by reason of fire, wind, storm, rain, hail or other act of God, and if either (a) damages to the Premises exceed the amount of insurance proceeds paid to Landlord, or (b) it is reasonably anticipated that repairs to the Premises will not be completed within one hundred fifty (150) days of the date of the damage or destruction, then either party may at its option terminate this lease upon such date as is set forth in a written notice given to the other party within thirty (30) days of the date of the damage or destruction; provided, however, that the date of termination shall be no less than five (5) and no more than thirty (30) days after the notice date. In all other events this Lease shall continue in full force and effect, and the Landlord shall forthwith repair such damage or destruction. Whether or not this Lease is terminated pursuant to this provision, the Tenant shall be entitled to a proportionate reduction of rent as to the portion of the Premises which is damaged and untenable for such period of time said Premises or portion of the Premises remain untenable prior to the effective date of any termination of the Lease; however, no rent reduction or other compensation shall be allowed by reason of inconvenience, annoyance or injury to the Tenant's business or property because of such damage or destruction, or the necessity of repairing any portion of the Building, or the making of such repairs. In the event a partial damage to the Premises renders the entire Premises unfit for the Tenant's use and the Tenant actually uses no thereof, then the rent shall abate until such time as the Premises are repaired to the point that the Tenant can again occupy and use the Premises.

10. ENTRY

The Landlord shall have the right at all reasonable times, during office hours and times outside of regular business hours upon twenty-four (24) hours notice except in the case of an emergency, to enter the Premises for the purpose of examining or inspecting the same, providing services of maintenance, or making such repairs or alterations therein as the Landlord may reasonably deem necessary, or to show Premises to prospective purchasers or lenders. During the last sixty (60) days of the Lease term upon one (1) hour notice, the Landlord may show the Premises to prospective tenants. If the Premises contains a pharmacy, that portion of the Premises may be inspected by the Landlord upon twenty-four (24) hours notice except in emergencies and Tenant will provide an employee to accompany Landlord and prospective tenants, purchasers and lenders through the pharmacy area.

11. EMINENT DOMAIN

If the whole or a substantial part of the property in which the Premises are located is taken (or condemned) by any competent authority under power of eminent domain, then, at either party's option to be exercised by written notice given to the other, the term hereby granted shall cease from the time when possession is taken by the condemnor, and without any apportionment of the award, the Tenant hereby assigning to the Landlord all right and claim to the award. The Tenant shall have no claim or right to any compensation for the value of its leasehold estate or for the taking of the Premises or any improvements, except for leasehold improvements (which were paid for by the Tenant and were expressly consented to by the Landlord), fixtures and moving expenses, and then only to the extent that the value of such improvements, fixtures and moving expenses are actually included in the award. The current rent shall be apportioned upon the termination of the Lease.

As used herein a "substantial part" of the property shall mean in excess of 20% of the Building and related common area, or the Premises. If less than 20% of the Building and related common area, or Premises is taken by condemnation, and the Tenant agrees, within ten (10) business days of its receipt of evidence of the notice of taking, to contribute the cost of restoring the condemned property (in excess of the condemnation award) to a useable condition, the Tenant's election shall cause the Lease term to be continued; and thereafter the Landlord shall cause appropriate repairs to be made. Tenant's share of the excess costs shall be due and payable upon completion of construction.

12. SIGNS

The Tenant shall not cause or permit any signs, advertisements or notices to be displayed, inscribed upon or affixed on any part of the outside of the Premises or on the adjacent street other than the architectural signage which may be by the Condominium Association. Directory boards and Premises identification signs shall be provided by the Condominium Association.

13. UTILITIES

Except as provided in Section 7 hereinabove, the Tenant shall be responsible for paying for all electric service to the Premises which shall be individually metered. The Landlord shall not be liable for failure of the foregoing, whether from or caused by acts of the Landlord or otherwise; nor shall Landlord be liable under any circumstances for loss of or injury to property, however occurring, through or in connection with or incidental to the failure to furnish any of the foregoing; nor shall any such failure relieve the Tenant from the duty to pay the full amount of rent herein reserved, or constitute or be construed as a constructive or actual eviction of the Tenant.

14. PARKING

During the term of the Lease, the Landlord shall, without charge to the physicians that are affiliated with Tenant only, provide and maintain for the use of Tenant and their and patients, the non-exclusive use of its pro rata share of the paved automobile parking areas located adjacent to the Building, total number of parking spaces allocated to unit 300 per Condominium Documents is 4 spaces. The Condominium Association shall maintain said parking garage in a satisfactory condition, sweeping and plowing within a reasonable time after a snowstorm. The Tenant agrees to cooperate with the Landlord and to abide any reasonable rules and regulations the Landlord may make from time to time applicable to use of said parking areas.

15. BANKRUPTCY

(a) If, at any time prior to the date herein fixed as the commencement of the term of this Lease, there shall be filed by or against the Tenant in any court pursuant to any statute either of the United States or of any state a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of the Tenant's property, and within ninety (90) days thereof the Tenant fails to secure a discharge thereof, or if the Tenant makes an assignment for the benefit of creditors, or files a petition for or enters into an arrangement, then this Lease shall ipso facto be canceled and terminated. In such event, neither the Tenant nor any person claiming through or under the Tenant by virtue of any statute or of any order of any court shall be entitled to possession of the Premises; and the Landlord, in addition to the other rights and remedies given by paragraph (c) hereof and by virtue of any other provision of this Lease or by virtue of any statute or rule of law, may retain as damages any rent, security deposit or monies received by the Landlord from the Tenant or others on behalf of the Tenant.

(b) If, at the date fixed as the commencement of the Initial Term of this Lease or if at any time during the term hereof, there shall be filed by or against the Tenant in any court pursuant to any statute either of the United States or of state a petition in bankruptcy or insolvency or for reorganization or the appointment of a receiver or trustee of all or a portion of the Tenant's property, and within ninety (90) days thereof the Tenant fails to secure a discharge thereof, or if the Tenant makes an assignment for the benefit of creditors or files for or enters into an arrangement, then this Lease, at the option of the Landlord, exercised within a reasonable time after notice of the happening of any one or more of such events, may be canceled and terminated. In such event neither the Tenant nor any person claiming through or under the

Tenant by virtue of any statute or of any order of any court shall be entitled to possession or to remain in possession of the Premises but shall forthwith quit and surrender the Premises; and the Landlord, in addition to the other rights and remedies the Landlord has by virtue of any other provision of this Lease or by virtue of any statute or rule of law, may retain as damages any rent, security, deposit or monies received by the Landlord for the Tenant or others on behalf of the Tenant.

(c) It is stipulated and agreed that in the event of termination of this Lease pursuant to paragraphs (a) and (b) hereof, the Landlord shall forthwith, notwithstanding any other provisions of this Lease to the contrary, be entitled to recover from the Tenant an amount equal to the difference between the rent reserved hereunder for the unexpired portion of the Lease term and the then fair and reasonable rental value of the Premises for the same period. In the computation of such damages, the difference between any installment of rent becoming due hereunder after the date of termination and the fair and reasonable rental value of the Premises for the period for which such installment was payable shall be discounted at the rate of eight percent (8%) per annum to the date of actual payment of such difference. If the Premises or any part thereof are re-let by the Landlord for the unexpired term of the Lease, or any part thereof, before presentation of proof of such damages to any court, commission or tribunal, the amount of rent reserved upon such re-letting shall constitute the fair and reasonable rental value for the part or the whole of the Premises so re-let during the term of the re-letting. Nothing herein contained shall limit or prejudice the right of the Landlord to prove for and obtain as damages by reason of such termination an amount equal to the maximum allowed by any statute or rule of law in effect at the time when and governing the proceedings in which such damages are to be proved, whether or not such amount be greater, equal to or less than the amount of the above referred to differences.

The remedies set forth in this Section are in addition to, and not in lieu of, any other remedies available to the Landlord, and the occurrence of any of the events set forth in subparagraphs (a) or (b) hereof shall constitute a default under this Lease.

16. DEFAULT

(a) If the Tenant defaults in fulfilling any of the Tenant's obligations under this Lease other than the covenants for the payment of rent or additional rent, or if the Premises become vacant or deserted unless Tenant continues to pay rent timely and meets all other conditions of the Lease, or if the Premises are damaged by reason of negligent or willful acts of the Tenant or the Tenant's employees, agents, licensees or invitees, then the Landlord may serve written notice upon the Tenant specifying the nature of said default. Upon the expiration of fifteen (15) days following the giving of such notice, if the Tenant (i) has failed to cure such default or (ii) in the case of a default which by its nature cannot be completely cured within said fifteen (15) day period, does not deliver to the Landlord assurances satisfactory to the Landlord that the Tenant will promptly cure such default, and if the Tenant does not thereafter within a reasonable time period cure such default, then the Landlord may serve a written notice of termination of this Lease upon Tenant. This Lease shall terminate on the tenth (10th) day following the giving of such notice, and the Tenant shall then and surrender the Premises to the Landlord, but the Tenant shall remain liable as hereinafter provided.

(b) The first time during any twelve (12) month period that the Tenant defaults in the payment of rent or any additional rent, the Landlord shall provide Tenant written notice of such default. Unless Landlord receives such rent payment and any late charges or interest as provided herein above within ten (10) days thereafter, the Landlord may terminate the Lease and the Tenant shall then quit and surrender the Premises to the Landlord, but the Tenant shall remain liable as hereinafter provided. If Tenant has cured the rent delinquency, and is again delinquent during the same twelve (12) month period, Landlord may give the Tenant notice of the delinquent payment, and if the rent is not paid in full within ten (10) days, the Landlord may terminate the Lease without further giving of notice.

17. REMEDIES OF LANDLORD

Upon the occurrence of an event of default by Tenant and notice and opportunity to cure as provided in Section 16 above, following Landlord's giving Tenant notice at the address specified in section 34 hereof, then the Landlord may, in its sole discretion exercise one or more of the following remedies:

- (a) The Landlord may without notice re-enter and take possession of the Premises and, with or without force or commencement of legal action, remove the Tenant and the Tenant's property from the Premises.
- (b) The Tenant shall immediately pay to the Landlord all rent accrued until repossession by the Landlord, together with such reasonable expenses as the Landlord may incur for legal expenses, attorneys' fees, brokerage commissions, putting the Premises in good order, preparing the Premises for re-rental and other expenses related to the Tenant's default.
- (c) The Landlord may, but shall not be required to, re-let the Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms, which should otherwise have constituted the balance of the term of this Lease.
- (d) The Tenant shall pay to the Landlord any deficiency between the rent hereby reserved and the net amount, if any, of the rents actually collected on account of the Lease or Leases of the Premises for each month of the period which would otherwise have constituted the balance of the term of this Lease; such amounts shall be paid in monthly installments by the Tenant on the rent day specified in this Lease, and any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of the Landlord to collect the deficiency for any subsequent month by a similar proceeding.
- (e) The Landlord may make such alterations, repairs, replacement or decoration of the Premises as the Landlord, in the Landlord's sole judgment, considers advisable and necessary for the purpose of re-letting the Premises and may hold the Tenant liable for the reasonable cost of such alterations, repairs, replacements or decoration in an amount not to exceed the rent due on the remaining Lease term.

(f) The Landlord may exercise any other remedy available at law or in equity.

The Landlord shall in no event be liable in any way whatsoever for failure to re-let the Premises or, in the event that the Premises are re-let, for failure to collect the rent thereof under such re-letting. The provision in this Lease for any particular remedy, or the Landlord's exercise of any particular remedy, shall not preclude the Landlord from exercising any other remedy available at law or in equity. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future law in the event of the Landlord's obtaining possession of the Premises.

18. LIEN

Tenant is not an agent of Landlord and shall have no right or authority to do any act or make any contract, which may create or be the basis for any lien on the fee or other estate of Landlord or of any interest of Landlord in the Premises or on the improvements thereon, and without the prior written consent of the Landlord, the Tenant shall not permit a mortgage or other encumbrance to be placed of record the fee interest of the Landlord. Tenant agrees that in the event any such laborer's or materialman's liens do attach to the Premises, the Tenant shall pay or post a bond to Landlord and discharge the same in full and shall not permit any action to proceed to enforce the lien. Upon request of Landlord, Tenant shall (i) post a bond to remove the lien from the Premises, and (ii) thereafter contest such enforcement proceedings. Notwithstanding the foregoing provisions of this Paragraph, the Landlord shall have the right to post a bond or if necessary, pay any laborer's or materialman's liens asserted against the Premises prior to initiation of enforcement proceeding, if, in Landlord's reasonable judgment, Landlord deems it's fee title to be in jeopardy and the Tenant hereby agrees to promptly and fully reimburse Landlord within ten (10) days of such payment, all costs and expenses incurred by Landlord, together with interest on the full amount paid at two percent (2%) per annum plus the Prime Rate. Failure by Tenant to comply with the requirements of this Paragraph shall constitute default under the Lease.

19. HOLDOVER

If the Tenant shall, without the consent of the Landlord, continue to occupy the Premises after the expiration of the Initial Term or Extended Term (if applicable), such tenancy shall be month-to-month upon the same terms and conditions as set forth herein, but with rent at one hundred and fifty percent (150%) of the prior Lease Year and in no event shall such occupancy be from year to year. This provision does not constitute a waiver of the Landlord's of or any other right hereunder.

20. INDEMNITY

The Tenant shall indemnify and hold harmless the Landlord and its affiliates against and from any and all claims and damages (including attorneys' fees and costs of litigation) resulting from claims against the Landlord or its affiliates by or on behalf of any one or more persons or entities (a) arising from the Tenant's use of the Premises or the conduct of its business or from any activity permitted or suffered by the Tenant upon the Premises, (b) any liability of the

Landlord resulting from medical waste or the removal and disposal thereof, or (c) arising from any breach by Tenant of this Agreement; provided, however, such duty of Tenant to indemnify Landlord shall only exist in instances where Tenant was at fault or committed a negligent act or willful act of misconduct and Landlord was not at fault and did not commit a willful act of misconduct. The Tenant upon notice from the Landlord shall resist and defend at the Tenant's expense any such action or proceeding by counsel reasonably satisfactory to the Landlord. The Tenant, as a material part of the consideration to the Landlord, hereby assumes all risk of damage from any source to property belonging to it or under its control in, upon or about the Premises, and the Tenant hereby waives all claims in respect thereof against the Landlord and agrees to defend and hold the Landlord harmless from and against any such claims by others, except any claims arising out of negligence or willful misconduct of Landlord, its agents, or employees.

21. INSURANCE

(a) The Tenant shall, throughout the Lease term at its sole cost and expense, provide and keep in force, with responsible insurance companies reasonably acceptable to the Landlord and to any mortgagees under any mortgages constituting a lien upon the Property, public liability and property damage insurance in the following amounts: property damage insurance to be in an amount not less than six hundred thousand dollars (\$600,000) and public or commercial general insurance in an amount not less than one million dollars (\$1,000,000) for one accident. These policies shall protect the interests of the Landlord and any such mortgagees as well as the Tenant against liability to any person whomsoever, based on or arising out of or in connection with the Tenant's use of the Premises or with regard to the condition of the Premises. The Tenant shall furnish the Landlord with proof of such insurance at least annually and upon demand of the Landlord.

(b) Landlord agrees during the Lease term, at its own expense, to carry and maintain fire insurance on the Building for its full replacement value and Landlord agrees to look to the proceeds of such policy for any loss or damage to the Building. To the extent permitted by applicable insurance policies and state regulation, Landlord hereby waives its right of recovery against Tenant (and the right of its insurance carrier to subrogation) for any loss or damage to the Building covered by such policy or any other property insurance policy carried by Landlord covering the Building. To the extent permitted by applicable insurance policies and state regulation, Tenant waives its right of recovery against Landlord (and the right of its insurance carrier to subrogation) for any loss or damage covered by insurance that is carried by Tenant or that is required by this Lease to be carried by Tenant.

22. SUBORDINATION AND ATTORNMENT

This Lease shall be subordinate and subject at all times to any mortgage, deed of trust or similar instrument covering the Building or any existing or future portion thereof or improvements thereto, and to all renewals, modifications, extensions, consolidations or replacements thereof, and to all advances made, or hereafter to be made, upon the security of any such mortgage or deed of trust. In the event of a transfer of the Building or any portion thereof pursuant to any such mortgage, deed of trust or similar instrument, the Tenant shall recognize such transferee as the Landlord. Tenant shall be entitled to obtain from such Mortgagee, or

trustee who shall execute and deliver to Tenant at the time any subordination is executed, a Non-Disturbance and Attornment Agreement pursuant to which such party agrees that Tenant may remain in possession of the Premises pursuant to terms of the Lease so long as Tenant is not in default under the Lease.

23. ESTOPPEL CERTIFICATES

Upon the landlord's request, the Tenant shall execute and deliver estoppel certificates or similar instruments stating the absence of a default by either party under Lease, the date through which rent has been paid, the absence of any modification of the Lease, or other matters reasonably requested by the Landlord. If the Tenant cannot in good faith make the foregoing representations, then the Tenant shall, in the estoppel certificate, state with specificity the exceptions or reservations with regard to such representations.

24. COMMENCEMENT OF TERM AND POSSESSION

The Commencement Date set forth in Paragraph 1 shall be delayed and Rent shall be abated to the extent that Landlord fails to substantially complete any improvements to the Premises required to be performed by Landlord under this Lease or any separate agreement signed by both parties or to deliver possession of the Premises for any other reason, including but not limited to holding over by prior occupants, except to the extent that Tenant, its contractors, or employees in any way contribute to either such failures. If Landlord so fails for a one hundred twenty (120) day initial grace period, or such additional time as may be necessary due to fire or other casualty, strikes, lock-outs or other labor troubles, shortages of equipment or causes beyond Landlord's reasonable control, Tenant shall have the right to terminate this Lease by written notice to Landlord any time thereafter up until Landlord substantially completes any such improvements and delivers the Premises to Tenant. Any such delay in the Commencement Date shall not subject Landlord to liability for loss or damage resulting therefrom, and Tenant's sole recourse with respect thereto shall be to be entirely relieved of its obligations hereunder, and any Security Deposit and Rent payments shall be returned to Tenant. If the Commencement Date is delayed, the Expiration Date shall not be extended, unless the parties expressly agree in writing. During any period that Tenant shall be permitted to enter the Premises prior to the Commencement Date other than to occupy the same (e.g., to perform alterations or improvements), Tenant shall comply with all terms and provisions of this Lease, except those provisions requiring the payment of Rent. If Tenant shall be permitted to enter the Premises prior to the Commencement Date for the purpose of occupying the same, Rent shall commence on such date, and if Tenant shall commence occupying only a portion of the Premises prior to the Commencement Date, Rent shall be prorated based on the number of rentable square feet occupied by Tenant. Landlord shall permit early entry, provided the Premises are legally available and Landlord has completed any work required under this Lease or any separate agreement entered in connection herewith. The Premises are to be continuously used and occupied during the full term of this Lease, except as provided herein.

25. **TENANT'S ACCEPTANCE OF PREMISES**

Upon substantial completion of the tenant improvement work in the Premises and prior to Tenant's occupancy, if possible, the parties shall cause to be prepared a list of items which appear to require further work, repair or replacement (a "punch list" relating to the tenant improvement work for which Landlord is responsible. Landlord shall provide the Tenant with an opportunity to be present at the Premises when the Punch List is compiled. Landlord shall then cause Punch List items relating to its tenant improvement work to be promptly remedied to the mutual (and reasonable) satisfaction of Landlord and Tenant. Thereafter, the Tenant will become familiar with the Premises and will acknowledge by taking possession that the Premises are received by the Tenant in a good state of repair and such taking of possession shall be conclusive evidence that the Premises were in good and satisfactory condition when possession was taken.

26. **QUIET ENJOYMENT**

The Tenant, on paying the rent and performing the Tenant's covenants and agreements in this Lease, shall and may peaceably and quietly hold and enjoy the Premises for the term of this Lease.

27. **INTEREST**

Any amounts payable to the Landlord under this Lease, if not paid in full on or before the due date thereof, shall bear interest on the unpaid balance at the prime rate of interest plus four percent (4%) per annum.

28. **ASSIGNMENT AND SUBLETTING**

Tenant shall have the ability to assign and or sublet the Premises or any part thereof, without obtaining the prior written consent of Landlord.

29. **LANDLORD'S RIGHT TO CURE**

If Landlord shall fail to perform any term or provision under this Lease required to be performed by Landlord, Landlord shall not be deemed to be in default hereunder nor subject to any claims for damages of any kind, unless such failure shall have continued for a period of thirty (30) days after written notice thereof by Tenant; provided, if the nature of Landlord's failure is such that more than thirty (30) days are reasonably required in order to cure, Landlord shall not be in default if Landlord commences to cure such failure within such thirty (30) day period and thereafter reasonably seeks to cure such failure to completion. The aforementioned periods of time permitted for Landlord to cure shall be extended for any period of time during which Landlord is delayed in, or prevented from, curing due to fire or other casualty, strikes, lock-outs or other labor troubles, shortages of equipment or materials, governmental requirements, power shortages or outages, acts or omissions Tenant or other Persons, and other causes beyond Landlord's reasonable control. If Landlord shall fail to cure within the times permitted for cure herein, Landlord shall be subject to such remedies as may be available to Tenant (Subject to the other provisions of this Lease); provided, in recognition that Landlord

must receive timely payments of Rent and operate the Property, Tenant shall have no right of self-help to perform or any other obligation of Landlord, and shall have no right to withhold, set-off, or abate Rent. Landlord's liability for any act or omission in contravention to the terms of this Lease is limited to Landlord's interest in the Building.

30. CONVEYANCE BY LANDLORD AND LIABILITY

In case Landlord or any successor owner of the Property or the Building, except any lender or mortgagee, shall convey or otherwise dispose of any portion thereof in which the Premises are located, to another Person or entity (and nothing herein shall be construed to restrict or prevent such conveyance or disposition), such other Person shall thereupon be and become landlord hereunder and shall be deemed to have fully assumed and be liable for all obligations of this Lease to be by Landlord which first arise after the date of conveyance, including the return of any Security Deposit and Tenant shall attorn to such other Person, and Landlord or such successor owner shall, from and after the date of conveyance, be free of all liabilities and obligations hereunder not then incurred.

31. BINDING EFFECT

(a) This Lease shall not be binding or in effect until a counterpart hereof has been executed and delivered by the parties, each to the other.

(b) This Lease shall bind and inure to the benefit of the parties hereto and their respective heirs, representatives, successors and assigns, provided, however, that this Lease shall not inure to the benefit of any assignee of the Tenant pursuant to an assignment which is not in compliance with the terms of this Lease.

32. NOTICE

Any notice or demand to or, on the Tenant shall be served personally or by mail, addressed to the Tenant at:

**David Owens, M.D., P.C.
3200 Downwood Circle
Suite 350
Atlanta, GA 30327**

and any such notice or demand to or on the Landlord shall be served personally or by mail, addressed to the Landlord at the following address:

**Griffon Capital, LLC
755 Grand Boulevard
Suite B105-330
Miramar Beach, FL 32550
Phone: 850-298-88-62
Facsimile: 850-298-8863**

Notices or demands shall be deemed given on the date personally delivered or postmarked.

33. CONSTRUCTION

Feminine, neuter and masculine pronouns, and the plural and the singular, shall be construed to be and shall be interchangeable in any place or places in which the context may require such interchange.

34. LAWS, RULES & REGULATIONS

Tenant shall be responsible for complying with all applicable laws and Tenant shall observe faithfully, and comply strictly with, the rules and regulations attached hereto (Exhibit B) and such other rules and regulations promulgated from time to time by the Landlord as in the Landlord's reasonable judgment are necessary for the safety, protection and care of the Premises or the tenants, or for the preservation of order upon the Premises. The Landlord shall not be liable to the Tenant for the violation of such rules and regulations by any other tenant or person; however, Landlord shall use its best efforts to enforce the rules equally.

35. MISCELLANEOUS

(a) This Lease contains all the agreements of the parties. There have been no representations made by the Landlord or understandings made between the parties other than those set forth in this Lease. This Lease may not be modified except by written instrument duly executed by the parties hereto.

(b) Receipt of rent with knowledge of default by the Tenant will not excuse or waive such default or any future default. Failure by the Landlord to enforce any of the provisions hereof for any length of time shall not be deemed a waiver of its rights set forth in this Lease, but such waiver may be made only by an instrument in writing signed by the Landlord.

(c) Time is of the essence with respect to all payments and performances required by the Tenant by the provisions of this Lease.

(d) In the event the Landlord voluntarily sells, transfers, assigns or otherwise disposes of its interest in the Leased Premises, the Landlord shall have no further liability to the Tenant under this Lease for acts occurring from and after the date of such sale, transfer, assignment or other disposition, provided the purchaser, transferee or assignee enters into a written agreement with the Landlord assuming all of the obligations of the Landlord hereunder.

(e) This Lease shall be governed by and construed in accordance with the laws of the State of Georgia.

BUILDINGS RULES AND AGREED REGULATIONS

1. Sidewalks, doorways, vestibules, halls, stairways and other similar areas shall not be obstructed by Tenants or used by any Tenant for any purpose other than ingress and egress to and from the leased Premises and for going from one part of the Building to another part of the Building.
2. Plumbing, fixtures and appliances shall be used only for the purposes for which designated, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or placed therein. Damage resulting to any such fixtures or appliances from misuse by a Tenant shall be paid by Tenant, and Landlord shall not in any case be responsible therefore.
3. No signs, advertisements or notices shall be painted or affixed on or to any windows or doors or other part of the Building except of such color, size and in such places as shall be first approved in writing by Landlord. No nails, hooks or screws shall be driven or inserted in any part of the Building except by the building maintenance personnel nor shall any part of the Building be defaced by Tenants. No curtains or other window treatments shall be placed between the glass and the Building standard window treatments.
4. Landlord will provide and maintain an alphabetical directory board for all Tenants in the first floor (main lobby) of the Building and no other directory shall be permitted unless previously consented to by Landlord in writing.
5. Landlord shall provide all locks for doors in each Tenant's leased area, and no Tenant shall place any additional lock or locks on any door in its leased area without Landlord's written consent which will not be unreasonably withheld or delayed. A reasonable number of keys to the locks on the doors in each Tenant's leased area shall be furnished by Landlord to each Tenant, and the tenants shall not have any duplicate keys made.
6. With respect to work being performed by Tenants in any leased Premises with the approval of Landlord, all Tenants will refer all contractors, contractors' representatives and installation technicians rendering any service to them to Landlord for Landlord's supervision, approval and control before the performance of any contractual services. This provision shall apply to all work performed in the building including, but not limited to, installation telephones, telegraph equipment, electrical devices and attachments, and any and all installation of every nature affecting floors, walls, woodwork, trim, window, ceilings, equipment or any other physical portion of the building.
7. Movement in or out of the building of furniture or office equipment, or dispatch or receipt by Tenants of any bulky materials, merchandise or materials which require use of elevators or stairways, or movement through the building entrances or lobby shall be restricted to such hours as Landlord shall designate. All such movements shall be under the supervision of the Landlord and in the manner agreed between the Tenant and the Landlord by prearrangement

before performance. Such prearrangement initiated by a Tenant will included determination by Landlord, and subject to his decision and control, as to the time, method, and routing of movement and as to limitations for safety or other concern which may prohibit any article, equipment, property and personnel of Landlord damaged or injured as a result of acts in connection with carrying out this service for a Tenant from the time of entering the property to completion of work; and Landlord shall not be liable for acts of any person engaged in, or any damage or loss to any said property or persons resulting from any act in connection such service performed for a Tenant.

8. Landlord shall have the right to prescribe the weight, size and position of safes and other heavy equipment, which shall in all cases be to distribute weight, stand on supporting devices approved by Landlord. No safe or other object whose weight exceeds the lawful load for the area upon which it would stand shall be brought into or kept upon the leased Premises. All damages done to the Building by taking in or putting out any property of a Tenant, or done by a Tenant's property while in Building, shall be repaired at the expense of the Tenant.
9. A Tenant shall notify the Building Manager when safes or other heavy equipment are to be taken in or out of the Building, and the moving shall be done under the supervision of the Building Manager, after written permission from Landlord. Persons employed to move such property must be acceptable to Landlord.
10. Corridor doors, when not in use, shall be kept closed.
11. Each Tenant shall cooperate with Landlord's employee in keeping its leased area neat and clean. Tenants shall not employ any person for the purpose of such cleaning other than the building's cleaning and maintenance personnel without Landlord's prior written consent which will not be unreasonably withheld or delayed. Landlord shall be in no way be responsible to the Tenants, their agents, employees, or invitees for any loss of property from the leased Premises or public areas or for any damages to any property thereon from any cause whatsoever.
12. To insure orderly operation of the Building, no ice, mineral or other water, towels, newspaper, etc. shall be delivered to any leased area except by persons appointed or approved by Landlord in writing.
13. Should a Tenant require telegraphic, telephonic, annunciation or other communication service, Landlord will direct the electrician where and how wires are to be introduced and placed and none shall be introduced or placed except as Landlord shall direct. Electric current shall not be used for power or heating without Landlord's prior written permission.
14. Tenant shall not make or permit any improper noises in the Building or otherwise interfere in any way with other Tenants or persons having business with them.
15. Nothing shall be swept or thrown into the corridors, halls, elevator shafts, or stairways. No birds or animals shall be brought into or kept in, on or about Tenant's area.

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16. No machinery of any kind shall be operated by any Tenant on its leased area without the prior written consent of Landlord, which will not be unreasonably withheld or delayed, nor shall any Tenant use or keep any flammable or explosive fluid or substance in the Building.
 17. No portion of any Tenant's leased area shall at any time be used or occupied as sleeping or lodging quarters.
 18. Landlord reserves the right to rescind any of these rules and regulations and to make such other and further rules and regulations as in judgment shall from time to time be needed for the safety, protection, care and cleanliness of the Building, the operation thereof, the preservation of good order therein and the protection and comfort of the Tenants and their agents, employees and invitees, which rules and regulations, when made and written notice thereof is given to a Tenant, shall be binding upon it in like manner as if originally herein prescribed.
 19. Landlord will not be responsible for lost or stolen personal property, money or jewelry from Tenant's leased area or public areas regardless of whether such loss occurs when the area is locked against entry or not.
 20. Lessee, its officers, partners, employees, servants, agents, and invitees shall refrain from smoking or carrying a lighted cigar, cigarette, pipe or other smoking paraphernalia in the common areas, including but not limited to public hallways, restrooms, stairwells, elevators and lobby areas of the Palisades at West Paces. Lessee shall use its reasonable effort to enforce this provision.

(f) If any covenant or provision of the Lease is held to be invalid or unenforceable by a court of competent jurisdiction (pursuant to a final judgment), such holding shall not affect the validity of the remaining covenants and provisions; it being the intention of the parties hereto that the Lease be so construed as to render enforceable that portion of the Lease unaffected by such holding. The contractual provisions shall be deemed severable.

(g) Neither this Lease nor any memorandum of Lease or short form Lease shall be recorded by Tenant.


IN WITNESS WHEREOF, the Lease has been duly executed by the parties hereto, as the day and year above first written.

“TENANT”

By:  *Rentals/Member David Owen*
Name: David Owen

“LANDLORD”

Griffon Capital, LLC, a Nevada Limited Liability Company

By: 
Name: Jeremiah A. Henderson, III, President & Operating Manager

Deed Book 47963 Pg 382
Filed and Recorded May-20-2009 11:35am
2009-0133483
Real Estate Transfer Tax \$0.00
Cathelene Robinson
Clerk of Superior Court
Fulton County, Georgia

After recording, return to:
Campbell & Brannon, LLC
I Michael Campbell
Suite 800
990 Hammond Drive
Atlanta, GA 30328

DEED UNDER POWER

This Indenture, made as of the 7th day of April, 2009, by Diagnostic Imaging Properties, LLC, hereinafter referred to as "Maker", through Maker's duly appointed agent and Attorney-in-Fact, Griffon Capital, LLC, hereinafter referred to as "Party of the First Part", and Griffon Capital, LLC, hereinafter referred to as "Party of the Second Part",

WITNESSETH:

Whereas, said Maker executed and delivered to Integrity Bank, a certain Security Deed, hereinafter referred to as the "Security Deed", dated 06/16/2005, recorded in Deed Book 40360, beginning at page 326, Fulton County, Georgia Deed Records, conveying the property described in Exhibit "A" to secure payment of a promissory note of even date therewith, and

Whereas, said Security Deed was Subsequently transferred and assigned to Party of the First Part, and

Whereas, the indebtedness secured by said Security Deed became in default, and

Whereas, by reason of said default, Party of the First Part, pursuant to the terms of said Security Deed and note declared the entire secured indebtedness due and payable, and

Whereas, the entire secured indebtedness being in default, Party of the First Part on behalf of said Maker as Maker's Attorney-in-Fact, and according to the terms of said Security Deed and the laws of the State of Georgia, did legally and properly advertise said property for sale once a week for four (4) consecutive weeks immediately preceding the said foreclosure sale in the official newspaper in which the Sheriff of said county publishes legal advertisement, and

Whereas, notice of said sale was provided pursuant to Official Code of Georgia Annotated Section 44-14-162 2, and

Whereas, said Party of the First Part as Attorney-in-Fact pursuant to the powers contained in said Security Deed and the laws of the State of Georgia did expose said land for sale to the highest and best bidder for cash on the first Tuesday in April, 2009, within the legal hours of sale at the usual place of conducting Sheriff's sales in said county, before the courthouse doors of said county, and offered said property for sale at public outcry to the highest bidder for cash, when and where the said Party of the Second Part bid the sum of \$1,952,472,61, which was the highest and best bid, and

DUP - Diagnostic Imaging Properties, LLC
Loan Number:
Page -2-

Whereas, said land was sold to said Party of the Second Part for the above-stated price,

Now, Therefore, in consideration of said above-stated price and by virtue of and in the exercise of the power of sale contained in the aforesaid Security Deed, the Party of the First Part as Attorney-in-Fact for said Maker has bargained, sold and conveyed and by these presents does hereby bargain, sell and convey unto the Party of the Second Part and said Party's heirs, successors, representatives and assigns the property set forth in the attached Exhibit "A", which exhibit is made a part hereof by reference, together with all the rights, members and appurtenances thereto

To Have and To Hold the said premises and every part hereof unto the said Party of the Second Part and said Party's heirs, executors, successors and assigns in as full and ample a manner as the said Maker and said Maker's heirs, successors, and assigns did enjoy and hold the same

This conveyance is made subject to the following insofar as they affect title to said property, to-wit: All restrictive covenants, easements, and rights of way; all matters of zoning; matters which would be disclosed by an accurate survey and inspection of the property; all outstanding and/or unpaid taxes; all outstanding or unpaid bills, charges, expenses and assessments for street improvements, curbing, garbage, water, sewage, and public utilities

In Witness Whereof, the said Party of the First Part, as Agent and Attorney-in-Fact for said Maker, has hereunto affixed its hand and seal, the day and year first above written

Signed, sealed and delivered
in the presence of:

Julie D. Hopper
Unofficial Witness

Griffon Capital, LLC
By: *[Signature]* (SEAL)
Jeremiah A. Henderson, III
Title: Managing Member



Tamara D. Ray

Notary Public as a Second
Witness (My Notary Commission
Expires: _____)
(Place Notary Seal Here)

NOTARY PUBLIC
STATE OF FLORIDA
TAMARA D. RAY
MY COMMISSION # DD 884449
EXPIRES: May 5, 2013
Bonded Thru Budget Notary Services

Griffon/Diagnostic Imaging Properties, LLC/09-55766

Book 47963 Pg 384
Sthelene Robinson
Clerk of Superior Court
Fulton County, Georgia

EXHIBIT "A"

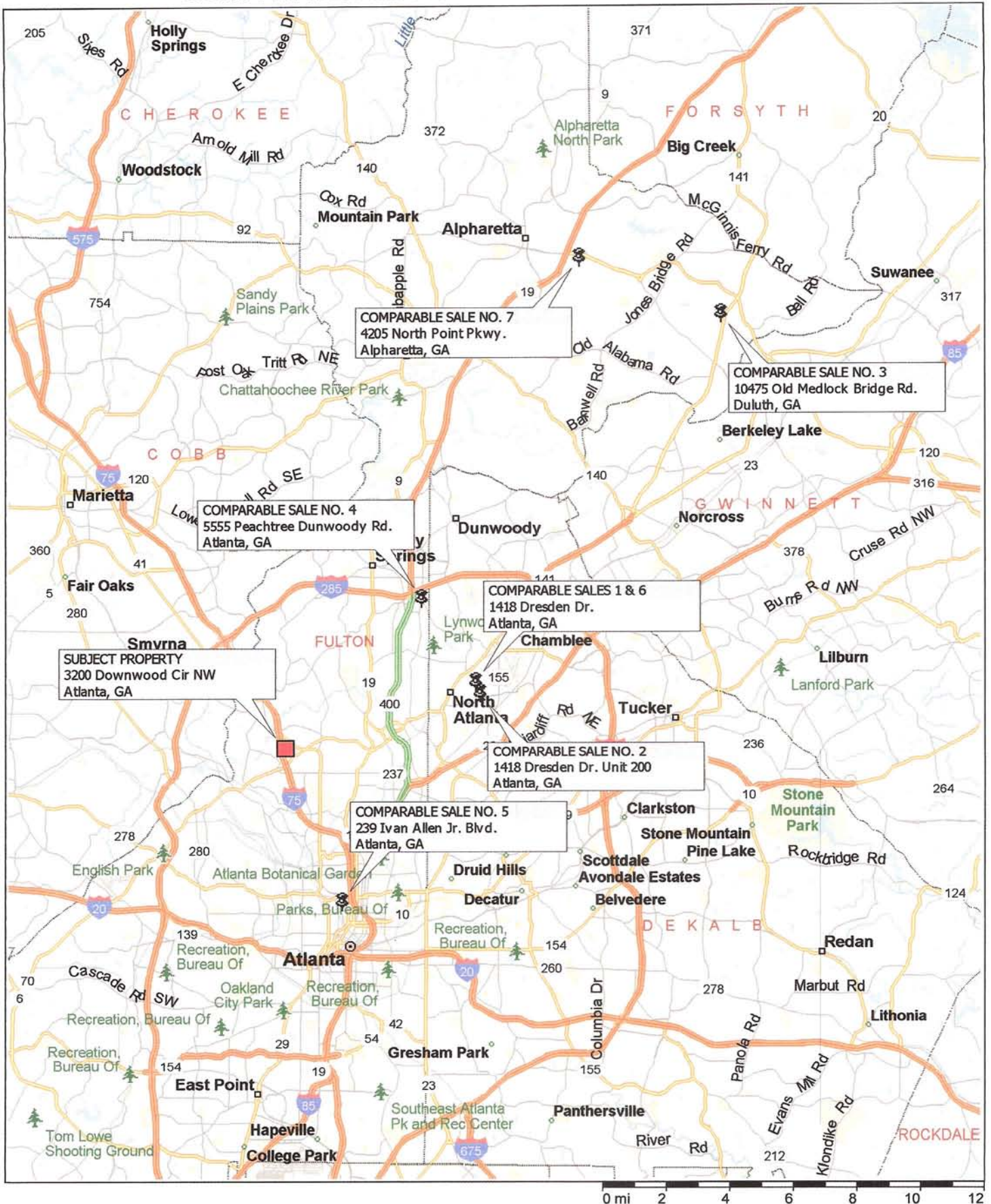
All that certain tract or parcel of land lying in Land Lots 182 and 197 of the 17th District of Fulton County, Georgia, being Unit Number 300 (the "Unit") of The Palisades at West Paces Condominium, according to a certain Declaration of Condominium for The Palisades at West Paces Condominium (the "Declaration") dated November 9, 2000, recorded in Deed Book 29679, Page 578, Fulton County, Georgia Records, as variously amended, including without limitation that certain Fourth Amendment to Declaration of Condominium or Palisades at West Paces Condominium dated June 15, 2005, recorded in Deed Book 40213, Page 383, aforesaid records; together with any undivided interest in the common elements and facilities described in the Declaration to be appurtenances to the Unit.

3200 Downwood Circle U-300
Atlanta, GA 30327

APPENDIX B:
COMPARABLE SALES DATA

Comparable Sales Location Map
Comparable Sales

COMPARABLE IMPROVED SALES LOCATION MAP



0 mi 2 4 6 8 10 12

COMPARABLE IMPROVED SALE NO. 1

GRANTOR: WCP Village Place, LLC

GRANTEE: Danzig Properties, LLC

RECORDED: **BOOK:** 22238 **PAGE:** 102 **COUNTY:** DeKalb

DATE OF TRANSACTION: November 12, 2010

CONSIDERATION: \$927,500 **PRICE PER SF:** \$212/\$242
GIM: 9.6

LOCATION: 2 units at 1418 Dresden Dr., Atlanta, Ga

TAX MAP DESIGNATION: 18-238-18-056 & 18-238-18-058

ZONING: OCR

VERIFICATION & SOURCE: Jill Wyland, Purchaser

CONDITIONS OF SALE: Arms Length

HIGHEST & BEST USE AT TIME OF SALE: Office Condos

PRESENT USE: Condo Offices

IMPROVEMENTS: Improved with a 2,945 sf & 1,430 sf office condo built in 2008.

TOTAL AREA: 0.07 and 0.05 Acre

DESCRIPTION OF PROPERTY

Access: Good access

Frontage: N/A; condominium ownership

Utilities: All utilities

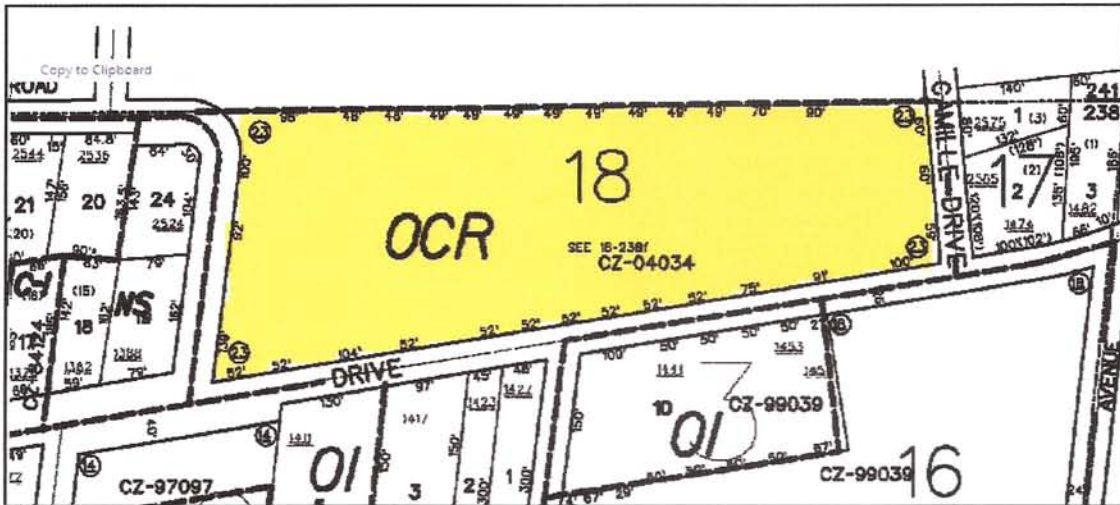
Drainage: Adequate

Topography: Flat to level

COMPARABLE IMPROVED SALE NO. 1



Tax Map



COMPARABLE IMPROVED SALE NO. 2

GRANTOR: WCP Village Place, LLC
GRANTEE: Enepure, LLC
RECORDED: **BOOK:** 22178 **PAGE:** 669 **COUNTY:** DeKalb
DATE OF TRANSACTION: October 8, 2010
CONSIDERATION: \$624,516 **PRICE PER SF:** \$213/\$235
GIM: 9.7
LOCATION: 1418 Dresden Dr., Unit 200, Atlanta, Ga
TAX MAP DESIGNATION: 18-238-18-047
ZONING: OCR
VERIFICATION & SOURCE: Michael S. Burd, Vice President
CONDITIONS OF SALE: Arms Length
HIGHEST & BEST USE AT TIME OF SALE: Office Condos
PRESENT USE: Condo Offices
IMPROVEMENTS: Improved with a 2,932 sf office condo built in 2008.
TOTAL AREA: 0.06 Acre

DESCRIPTION OF PROPERTY

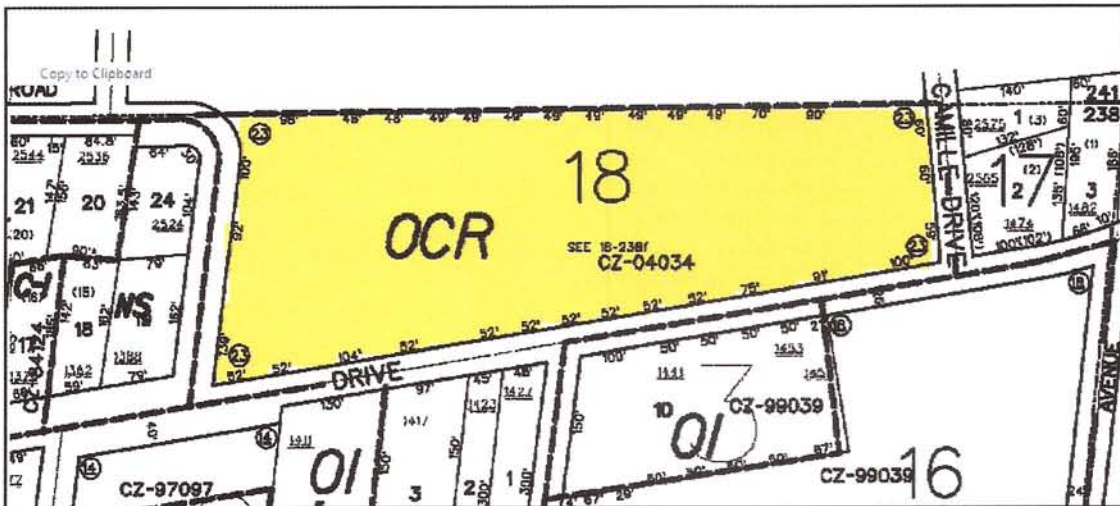
Access: Good access
Frontage: N/A; condominium ownership
Utilities: All utilities
Drainage: Adequate
Topography: Flat to level
Note:

COMMENT: The property was purchased unfinished. The larger price per square foot represents the cost to complete the interior of the unit. The property is owner occupied. The Gross Income Multiplier was derived from rental rates in the same development.

COMPARABLE IMPROVED SALE NO. 2



Tax Map



COMPARABLE IMPROVED SALE NO. 3

GRANTOR: DWP-Ivy Falls, LLC

GRANTEE: Isner, LLC

RECORDED: **BOOK:** 49332 **PAGE:** 529 **COUNTY:** Fulton

DATE OF TRANSACTION: September 1, 2010

CONSIDERATION: \$732,132 **PRICE PER SF:** \$222
GIM: 10.1

LOCATION: 10475 Medlock Bridge Rd., Duluth, Ga.

TAX MAP DESIGNATION: 11-0920-0325-216 and 11-0920-0325-217

ZONING: C1

VERIFICATION & SOURCE: Dr. Ifeanyl Ezunu, Purchaser

CONDITIONS OF SALE: Arms Length

HIGHEST & BEST USE AT TIME OF SALE: Office Condos

PRESENT USE: Condo Offices

IMPROVEMENTS: Improved with a 3,298 sf office condo built in 2009.

TOTAL AREA: 0.0367 Acre

DESCRIPTION OF PROPERTY

Access: Good access

Frontage: N/A; condominium ownership

Utilities: All utilities

Drainage: Adequate

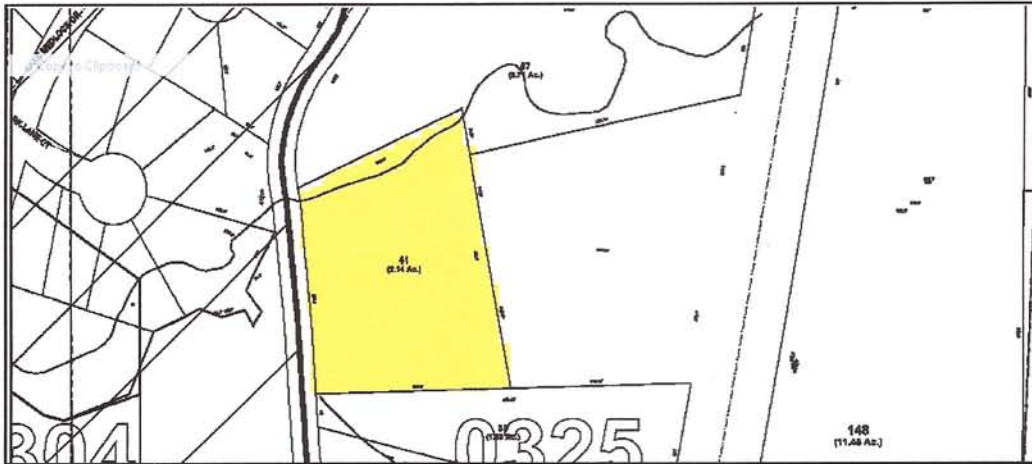
Topography: Flat to level

COMMENT: This property is owner occupied. The Gross Income Multiplier was derived from rental rates in the same development.

COMPARABLE IMPROVED SALE NO. 3



Tax Map



COMPARABLE IMPROVED SALE NO. 4

GRANTOR: Endoscopy Associates, A GA General Partnership
GRANTEE: J & J Real Estate Holdings, LLC
RECORDED: **BOOK:** 49109 **PAGE:** 381 **COUNTY:** Fulton
DATE OF TRANSACTION: June 10, 2010
CONSIDERATION: \$455,400 **PRICE PER SF:** \$220
GIM: 7.6
LOCATION: 5555 Peachtree Dunwoody Rd. NE, Unit G70, Atlanta, Ga
TAX MAP DESIGNATION: 17-0016-0003-021
ZONING: OIC
VERIFICATION & SOURCE: Jeffrey Grossman, Purchaser
CONDITIONS OF SALE: Arms Length
HIGHEST & BEST USE AT TIME OF SALE: Office Condos
PRESENT USE: Condo Offices
IMPROVEMENTS: Improved with a 2,070 sf office condo built in 1986.
TOTAL AREA: 0.0475 Acre

DESCRIPTION OF PROPERTY

Access: Good access
Frontage: N/A; condominium ownership
Utilities: All utilities
Drainage: Adequate
Topography: Flat to level

COMMENT: The Gross Income Multiplier was derived from the asking rent for this property and other rental rates in the same development.

COMPARABLE IMPROVED SALE NO. 4



Tax Map



COMPARABLE IMPROVED SALE NO. 5

GRANTOR: The Good Samaritan Health Center, Inc.

GRANTEE: Pirate World, LLC

RECORDED: **BOOK:** 48351 **PAGE:** 429 **COUNTY:** Fulton

DATE OF TRANSACTION: August 28, 2009

CONSIDERATION: \$2,500,000 **PRICE PER SF:** \$255

LOCATION: 239 Ivan Allen Jr. Blvd. NW, Atlanta, Ga

TAX MAP DESIGNATION: 14-0079-0010-132

ZONING: SPI-1 by the City of Atlanta.

VERIFICATION & SOURCE: Richard Lea, Purchaser

CONDITIONS OF SALE: Arms Length

HIGHEST & BEST USE AT TIME OF SALE: Transitional Use as Medical Office Building

PRESENT USE: Medical Office

IMPROVEMENTS: Improved with a 9,800 sf office building built in 1967 being used as a health care facility.

TOTAL AREA: 0.66 Acre

DESCRIPTION OF PROPERTY

Access: Good access

Frontage: 200 feet on Ivan Allen Blvd.

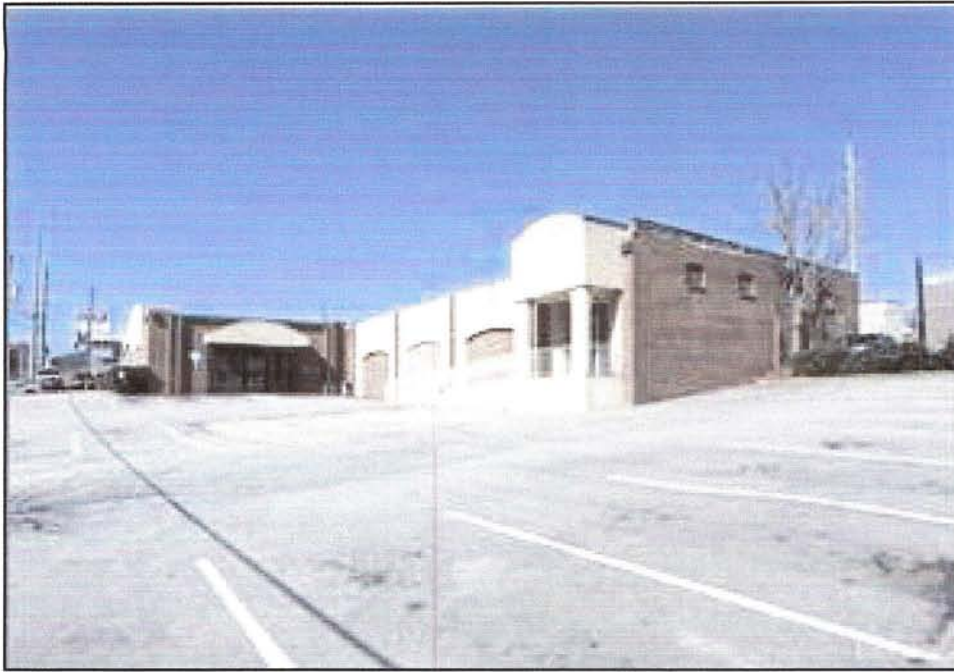
Utilities: All utilities

Drainage: Adequate

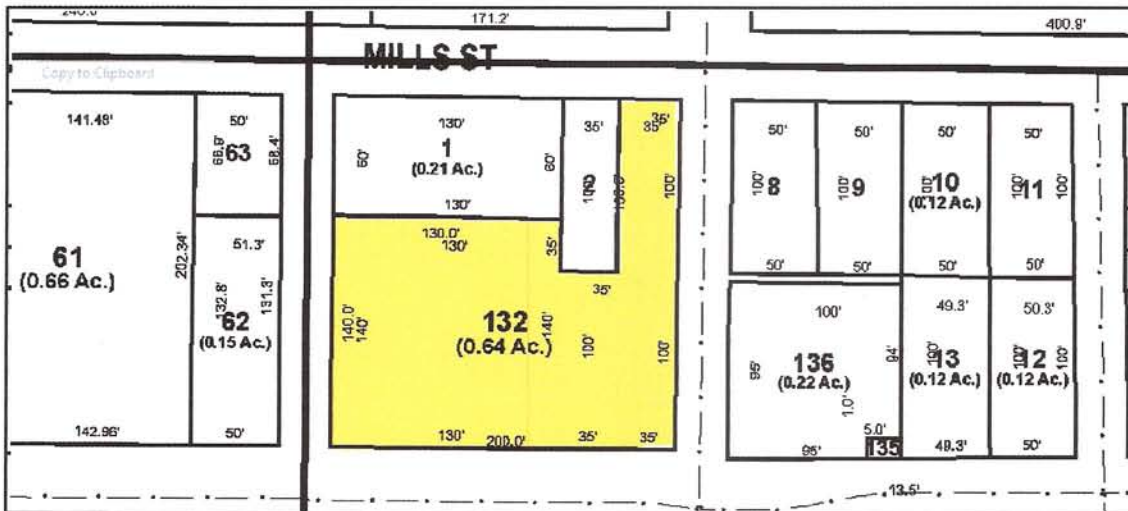
Topography: Flat to level

COMMENT: The owner intends to demolish the improvements and construct a Pirate Museum.

COMPARABLE IMPROVED SALE NO. 5



Tax Map



COMPARABLE IMPROVED SALE NO. 6

GRANTOR: WCP Village Place, LLC

GRANTEE: Brookhaven Medical Properties, LLC

RECORDED: **BOOK:** 21609 **PAGE:** 376 **COUNTY:** Fulton

DATE OF TRANSACTION: August 17, 2009

CONSIDERATION: \$480,935 **PRICE PER SF:** \$245
GIM: 10.9

LOCATION: 1418 Dresden Dr., Unit 225, Bldg. A, Atlanta, Ga

TAX MAP DESIGNATION: 18-238-18-051

ZONING: OCR

VERIFICATION & SOURCE: Griff Sims, Listing Broker

CONDITIONS OF SALE: Arms Length

HIGHEST & BEST USE AT TIME OF SALE: Offices

PRESENT USE: Office Condos

IMPROVEMENTS: Improved with a 9,800 sf Office Condo built in 2008.

TOTAL AREA: 0.07 Acre

DESCRIPTION OF PROPERTY

Access: Good access

Frontage: N/A; condominium ownership

Utilities: All utilities

Drainage: Adequate

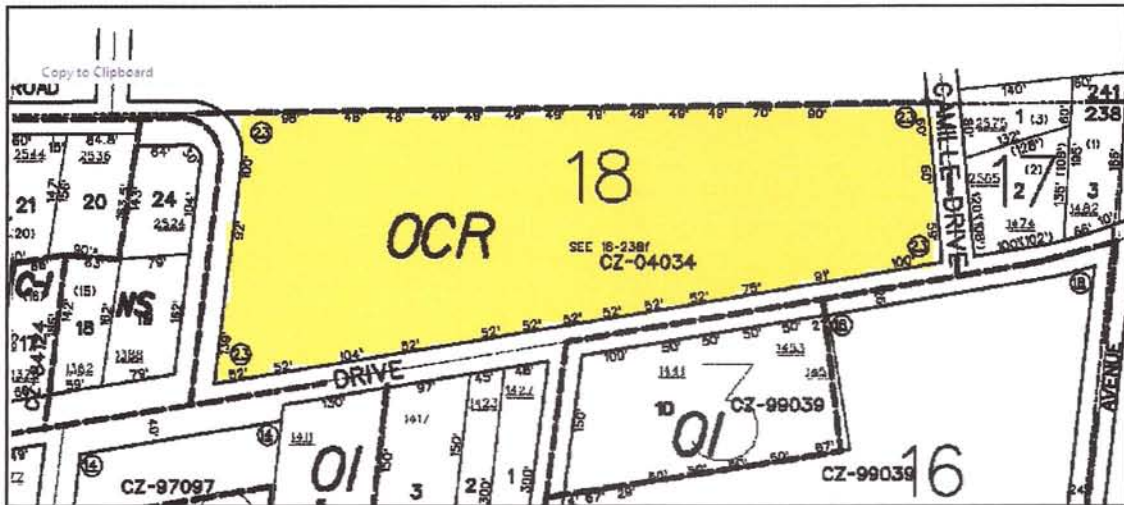
Topography: Flat to level

COMMENT: This property is owner occupied. The Gross Income Multiplier was derived from rental rates in the same development.

COMPARABLE IMPROVED SALE NO. 6



Tax Map



COMPARABLE IMPROVED SALE NO. 7

GRANTOR: Tomassetti Group, LLC

GRANTEE: Christian A. Loetscher

RECORDED: **BOOK:** 47358 **PAGE:** 141 **COUNTY:** Fulton

DATE OF TRANSACTION: October 7, 2008

CONSIDERATION: \$795,000 **PRICE PER SF:** \$227
GIM: 10.32

LOCATION: 4205 North Point Pkwy. Bldg. F, Alpharetta, Ga

TAX MAP DESIGNATION: 12-3120-0907-030

ZONING: OI

VERIFICATION & SOURCE: Dr. Christian Loetscher, purchaser

CONDITIONS OF SALE: Arms Length

HIGHEST & BEST USE AT TIME OF SALE: Medical Office Condo in Larger Office Building

PRESENT USE: Medical Office Condo in Larger Office Building

IMPROVEMENTS: Improved with a 3,502 sf Medical Office Condo in Larger Office Building built in 1999.

TOTAL AREA: 0.0914 Acre

DESCRIPTION OF PROPERTY

Access: Good access

Frontage: N/A; common area

Utilities: All utilities

Drainage: Adequate

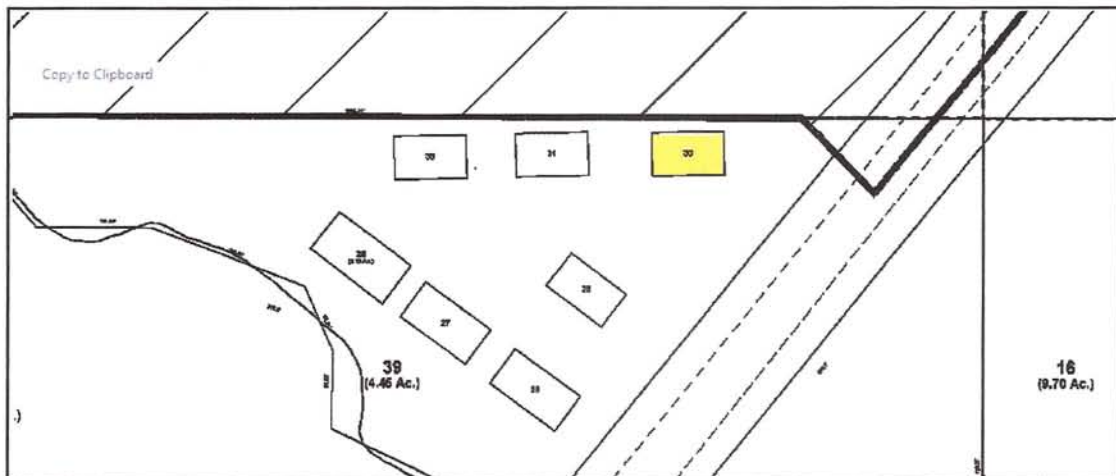
Topography: Flat to level

NOTE: This property is owner occupied. The Gross Income Multiplier was derived from actual rental rates in the same development.

COMPARABLE IMPROVED SALE NO. 7



Tax Map



APPENDIX C

Qualifications of the Appraisers

QUALIFICATIONS

Bruce R. Penn

SPECIAL QUALIFICATIONS

- State of Georgia, Certified General Real Estate Appraiser No. CG- 000228
- South Carolina, Certified General Real Estate Appraiser No. CG-3575 (retired)
- Senior Member, National Association of Real Estate Appraisers, Designated as Certified Commercial Real Estate Appraiser (#38173) retired
- Appraisal Institute - MIA Candidate (#M86-3542) (retired)
- State of Georgia, Department of Transportation; Approved Appraiser
- Hartsfield Airport Noise Abatement Program Approved Appraiser
- Fulton County, Approved Appraiser
- Dekalb County Approved Appraiser
- Cobb County Department of Transportation, Approved Appraiser
- Cobb County Water Department, Approved Appraiser
- Floyd County Approved Appraiser
- Chatham County Approved Appraiser
- Rockdale County Approved Appraiser
- Cherokee County Approved Appraiser
- City of Atlanta Approved Appraiser
- Jasper County Approved Appraiser

SPECIALIZED REAL ESTATE TRAINING

- Atlanta Institute of Real Estate
 - Principles and Practices of Real Estate; Sales I, Sales II, Sales III
- Appraisal Institute (FKA American Institute of Real Estate Appraisers)
 - Course 1A1, Basic Appraisal Principles, Methods and Techniques
 - Course 1A2, Basic Valuation Procedures
 - Course 023, Standards of Professional Practice
 - Course 1BA, Capitalization Theory and Techniques (Part A)
 - Course 1BB, Capitalization Theory and Techniques (Part B)
 - Business Valuation
 - Valuation in Litigation
- Columbia Institute
 - Condemnation Appraising
- Society of Real Estate Appraisers
 - Course 101, An Introduction to Appraising Real Property
 - Course 102, Applied Residential Property Valuation
- Georgia State University
 - RE 410, Real Estate Valuation
 - RE 310, Real Estate Principles and Practices
 - RE 460, Income Property Valuation

GENERAL EDUCATION

- Georgia State University: Bachelor of Business Administration (1987)
- South Georgia College; Associate of Science in Business Administration (1979)

EXPERIENCE

- 1989- Present Penn. Hastings & Associates, Partner, Commercial/ Condemnation Appraiser.
Responsibilities include project manager for all acquisition projects as well appraisals of condemnation properties and commercial properties in the southern United States.
- 1988-1989 Acquisition Consultants, Chief Appraiser.
Responsibilities include appraising for various condemnation properties and commercial properties in the southern United States.
- 1986-1988 Scott Appraisal Service, Commercial Appraiser.
Responsible for appraising all types of commercial appraisals in the Atlanta area and the southern United States. Also specialized training in appraising of special purpose properties.
- 1984-1986 Certified Commercial Investments, Inc., Research & income property analyst.
Responsibilities included analyzing cash flow from commercial properties in the southeastern United States. Also responsible for researching neighborhoods in the Atlanta area for large scale buy-outs for commercial developments.

REPRESENTATIVE CLIENT LIST: LENDING INSTITUTIONS

- Wachovia Bank; Bonnie Dills
- Bartow County Bank; Rick Hughes
- West Georgia National Bank; Galen Hobbs
- United Community Bank; Marla Mashburn
- First National Bank of Cherokee; Mike Lewis
- RBC Centura; J.W. Dukes
- Home Bank; James Quintrell
- Century Bank; David Caswell
- Community Bank of Pickens County; Geraldine Moody

REPRESENTATIVE CLIENT LIST: LITIGATION ATTORNEYS

- Richard Hubert, Atlanta
- Jack Wilson, Webb, Tanner & Powell
- James SS Howell III, Atlanta
- Moore, Ingram Johnson & Steele, Cobb County
- Doug Flint, Flint & Conolly, North Georgia
- Paul Kesmodel, Duluth
- Michael D. McRae, Cedartown
- Michael Sumner, Newnan
- Jenkins & Olsen, Bartow County
- Tom Bowman, Maddox Nix Bowman & Zoekler, Conyers
- Warren Coppedge, Coppedge & Leman, North Georgia
- George Butler, Atlanta & Dahlonega
- Luther Beck, Chandler & Britt, Forsyth County
- Weiner, Yancey, Dimpsey & Diggs, Atlanta
- Sams, Larkin & Huff, Cobb & Cherokee Counties
- Banks, Stubbs, Neville & Cunat
- James Ledbetter, Calhoun
- Sal Serio, Serio & Swilley, Conyers
- John C. Whiting, Atlanta
- Don Evans, Vaughn & Evans, Bartow County

REPRESENTATIVE GENERAL WORK EXPERIENCE

- Vacant Land
- Remnant Properties
- Small Income Residential Properties
- Commercial Properties
- Industrial and Build to Suit Properties
- Rural Properties
- Farm Properties
- Specialty Studies for Evaluation of Economic Obsolescence in Residential Properties
- Specialty Studies for Evaluation of Economic Obsolescence in Commercial Properties
- Vacant Land Leases
- Residential Properties
- Multi-family Properties
- Income Producing Properties
- Shopping Centers
- Residential Subdivision Analysis
- Business Valuation

REPRESENTATIVE SPECIALIZED PROPERTIES EXPERIENCE

- C&D Landfill
- Mixed Use Developments
- Regional Hospital
- Wetlands Valuation
- Motel/Hotel
- Historic Loft Buildings
- Commercial Property in a Watershed District
- Greenspace Valuations
- Land Under A Lake
- Log Homes
- Car Dealership
- Contaminated Properties
- Family Farm Valuation (2032) for IRS
- Chicken Farms
- Nudist Colonies
- DeKalb County Courthouse
- Library
- Leasehold Valuations
- Geodetic Dome Homes
- Air Rights
- Mobile Home Parks
- Equestrian Properties
- Retirement Facility
- Railroad Right of Way
- Billboards
- Mass Appraisals for Tax Assessments
- Mineral Rights
- Adult Entertainment Establishment
- Historic Properties
- Elementary Schools
- Conservation Subdivisions
- Radio Stations
- Golf Course
- Fire Station
- Manufactured Housing Plant
- Solid Waste Facility
- Steel Plant
- Churches
- Regional Malls
- Parking Lots
- Airport
- Leased Fee Valuations
- Telecom Facility
- Water Rights
- R/V Park
- Skating Ring
- Recording Studio

REPRESENTATIVE MUNICIPALITY WORK: APPRAISAL

TRANSPORTATION PROJECTS

Georgia Department of Transportation Projects Under Federal Guidelines (Partial Listing)

- Outer Perimeter, Gwinnett County & Forsyth County
- Riverside Parkway, Floyd County
- Georgia Highway 42, Clayton County
- Georgia Highway 314, Fayette County
- Highway 138 Extension, Fulton County
- Georgia Highway 316, Barrow County & Oconee County
- Watkinsville By-Pass (advanced acquisitions)
- Dawsonville Highway, Hall County
- Fairburn Industrial Boulevard, Fulton County
- Thornton Road By-Pass, Douglas County
- Cedartown By-Pass, Polk County
- Macland Road, Cobb County
- Reinhardt College Parkway; Cherokee County
- State Route 124; Scenic Highway, Gwinnett County
- U.S. 80; Talbot-Muscogee Counties
- U.S. 278; DeKalb County
- State Route 20; Rockdale County
- State Route; 29; Rockdale County
- Pumpkinvine Creek Bridge; Bartow County
- State Route 120; Gwinnett County

Virginia Department of Transportation Projects Under Federal Guidelines:

- Virginia Beach Boulevard, Virginia Beach
- Haycock Road, Fairfax County

Airport Projects Per Federal (Funding) Guidelines:

- Aerial Easements of Commercial Property Inside Flight Impacted Areas in the vicinity of Atlanta-Hartsfield Airport
- Residential appraisals for Expansion of DeKalb Peachtree Airport
- Aviation Easements, Hartsfield-Atlanta Airport
- Relocation Appeals Program, Hartsfield-Atlanta Airport

Department of Housing and Urban Development Grant Projects

- Thompson Street, Alpharetta, Fulton County
- Scottdale Mill Road, Dekalb County
- Canton Street, Cherokee County

Local Government Transportation Projects (Partial Listing)

- Presidential Parkway, City of Atlanta
- Roxboro Road, DeKalb County & Fulton County
- Skidaway Road, Savannah, Chatham County
- Jones Shaw Road, Cobb County
- Lawrenceville-Suwannee Road, Phases I & II, Gwinnett County
- Sandy Plains Road, Cobb County
- Johnson Ferry Road Phase I & Phase III, Cobb County
- Holly Springs Road, Cobb County
- Gordon Road, Floyd County
- Blackburn Road Extension, Cobb County
- Chastain Road; Cobb County
- Milford Church Road; Cobb County

NON-TRANSPORTATION PROJECTS

Utility Projects (Client List)

- Oglethorpe Power Corporation
- Georgia Power Company
- Cobb Electrical Municipal Corporation
- Municipal Electric Association of Georgia (MEAG)
- Atlanta Gas Light Company
- Southern Bell

Reservoir Appraisals

- Bear Creek Reservoir, Newton County
- Yellow Creek Reservoir, Cherokee County

Municipal Appraisals

- East Point Development Authority, Fulton County; downtown redevelopment
- State Properties Commission; Improved Property; Georgia Dome Stadium, Atlanta.
- Paulding County Board of Education; Land for new school complex
- Spalding County Board of Education: East Griffin Elementary School
- Spalding County Board of Education: Third Ward Elementary School
- Spalding County Board of Education: Fourth Ward Elementary School
- Solid Waste Management Authority of Crisp County; Solid Waste Processing Facility, Crisp County
- Solid Waste Management Authority of Crisp County; Transfer Station, Coffee County
- Solid Waste Management Authority of Crisp County; Transfer Station, Houston County
- Solid Waste Management Authority of Crisp County; Transfer Station, Sumter County
- Solid Waste Management Authority of Crisp County; Transfer Station, Terrell County
- Waste Management; Landfill, Doraville, Georgia
- Cobb County Water Authority; Land for Expansion; R.L. Sutton Treatment Facility

Water & Sewer Authorities (Client List)

- Gwinnett County
- Paulding County
- City of Atlanta
- City of Buford
- Rockdale County
- Cobb County
- Fulton County
- City of Roswell

Impact Studies for Court Testimony (Partial Listing)

- Study on the Proximity of Interstate Highways to Residential Property; Georgia Highway 400 extension, Fulton County and City of Atlanta.
- Study on the Impact to Residential Property Values from Increased Road Proximity
- Study on the Impact to Residential Property Values from the Elimination of a Wooded Buffer
- Study on the Impact to Residential Property Values from Increased Slopes
- Study on the Impact to Commercial Property Values from Increased Slopes and Installation of Guardrails.
- Study on the Impact to Residential Property Values from Floodplain
- Study of the Impact to Residential Property Values from Loss of Access
- Study of the Impact to Commercial Property Values from Loss of Access
- Various Parking Studies to Show Loss of Value to Commercial Properties from Loss of Parking
- Study of the Impact to Residential Property Values from Proximity to a Sewage Treatment Plant

APPRAISAL/TESTIMONY EXPERIENCE/REFERENCES
(Partial Listing)
Bruce R. Penn

Initial Training:

James S.S. Howell III (deceased)
Dana Jackel, Cobb County
Fred Bently Sr. & Jr./Cobb County

Regional Court Work Experience (For Municipalities):

Dalton: Warren Coppedge; private case against developer
Pickens County: Wills Picket for Pickens County & City of Jasper
Cherokee County: Jonathan Pope, for Georgia Power
Mark Mahler, County Attorney for Cherokee DOT
Bartow County: Boyd Petit, County Attorney, for Georgia Power
Rick Wells, for Georgia Power
Paulding County: Mason Roundtree (against Paulding County/Reservoir)
Fayette County: Tom Camp for Georgia Power
Jack Parks for Georgia DOT
Clayton County: Steve Fincher for Clayton Water Authority
Fulton County: Numerous Attorneys, for Fulton County Land Department
Robert Diggs, for Georgia DOT & against Hartsfield Airport
Barrell Weiner, for Georgia DOT
Anne Sapp, against Georgia DOT
Cobb County: Linda Brunt (retired); County Attorney/DOT
Dana Jackel for Cobb DOT
John Moore; against Cobb DOT
Kevin Moore; against Cobb DOT
Parks Huff; zoning cases and against Cobb DOT
Garvis Sams Jr.; zoning cases and against Cobb DOT
Rockdale County: Tom Bowman, County Attorney for Tax Assessor, State DOT,
Rockdale Water Authority
Newton County: William Thomas Craig for Bear Creek Reservoir
Scott Cole for Bear Creek Reservoir

Benchmark Cases:

Swanson v. DOT
Ga. Power v. Mosteller Mill
DOT v. Bowles

QUALIFICATIONS

Lisa Ann Soehnel

SPECIAL QUALIFICATIONS

- State of Georgia, Certified Residential Real Estate Appraiser No. R-242351
- Member; Georgia Association of Professional Appraisers

SPECIALIZED REAL ESTATE TRAINING

- Barney Fletcher School of Appraisal
 - Real Estate Law & Principles
 - Real Estate Methods
 - Uniform Standards of Professional Appraisal Practice
 - Fannie Mae Guidelines
- Beal & Associates
 - Logical Appraising
- Bramlett School of Real Estate
 - Uniform Standards of Professional Appraisal Practice, 2003
 - Fannie Mae Guidelines
- Bailey Real Estate Academy
 - Appraisal Math
 - Income Capitalization Approach
 - Uniform Standards of Professional Appraisal Practice, 2005
- Georgia Association of Professional Appraisers
 - How to Detect Real Estate Fraud
 - Appraisal Technology

EXPERIENCE

2001-Present LA Appraisal Services, Owner, Operator, Appraisal Manager

2001-Present Penn. Hastings & Associates, Residential Appraisal Manager;
Manager of all residential and small multi-family appraisals; also in charge of training all appraisal personnel. Responsibilities include valuations of all types of residential properties and special purpose properties as well as partial acquisitions of residential properties and valuation of economic obsolescence in residential properties from various sources. Responsibilities also include appraisals of small commercial properties & residential condemnation properties.

2001-Present Georgia Real Estate Evaluation Services, Inc. Appraiser
Responsibilities include appraisals of various residential and small commercial properties.

2001- Present Lanmark Appraisals, Inc. Appraiser
Responsibilities include appraisals of various residential properties.

REPRESENTATIVE CLIENT LIST (Partial)

Appraisal Firms

Penn, Hastings & Associates	Georgia Real Estate Evaluation Services, Inc.
Southeastern Property Appraisals, Inc	Appraisal Partners, Inc.

Lending Institutions

Wells Fargo Bank	Countrywide Mortgage
Navy Federal Mortgage Company	Wachovia Bank
Horizon Mortgage	Leading Edge Funding
Security State Bank	Merit Lending
National City Bank	Pacific Mortgage
Peach Crest Mortgage	New Crest Mortgage

Condemning Authorities

Georgia Department of Transportation	Georgia Power Corporation
City of Alpharetta	Georgia Transmission Corporation
Forsyth County Water & Sewer	Cherokee County

Attorneys

Moore, Ingram Johnson & Steel	Sams, Larkin & Huff
Richard Hubert	George Butler
Warren Coppedge	Michael Sumner
Doug Flint	Marty Quirk; Quirk & Quirk

REPRESENTATIVE WORK EXPERIENCE (Partial)

Conventional Appraisal Experience

- | | |
|-------------------------------------|---|
| - Residential Properties, all types | - Small Multi-Family Residential Properties |
| - Vacant Land; all types | - Equestrian Properties |
| - Residential Conversion Properties | |

Specialized Appraisal Experience

- Study of the Economic Obsolescence to a Geodetic Dome style home
- Study of the Economic Obsolescence to a Residential Property From a High Tension Power Line
- Study of the Economic Obsolescence to a Residential Property from a Reduced Setback (road widening)
- Analysis of Residential Characteristics in a Changing Market
- Analysis of the Economic Obsolescence to a Residential Property From Floodplain