

APPRAISAL REPORT



**Met Vet Animal Clinic
5221 Sulphur Springs Rd
Hoover, Alabama 35226**

Prepared for:

**Dr. William Washington
5221 Sulphur Springs Rd
Hoover, Alabama 35226**

Prepared by:

**Malette Real Services
Post Office Box 530382
Birmingham, Alabama 35253**

Date of Valuation:

July 26, 2007

Mallette Real Services Inc.

Commercial, Industrial and Agricultural Real Property Appraisals
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August 14, 2007

Dr. William Washington
5221 Sulphur Springs Rd
Hoover, Alabama 35226

RE: **Summary Appraisal Report**
Met Vet Animal Clinic
5221 Sulphur Springs Rd
Hoover, Alabama 35226

Dear Dr. Washington;

The appraisal report you requested on the property at 5221 Sulphur Springs Rd Hoover, Alabama 35226 is enclosed. We have completed our on site inspections and investigations and hereby submit a summary appraisal report and value estimate.

The accompanying report, which contains 49 pages, plus exhibits and addenda, which show the cost and sales comparison approaches to value and the conclusions derived by application of these approaches. Please note the assumptions and limiting conditions on pages 2-3. This letter is not an appraisal, but a letter of transmittal to the appraisal report. The report was prepared to meet the Uniform Standards of Professional Appraisal Practice (USPAP).

Based on our investigation and analysis of the data gathered for this assignment, we have formed the opinion that the market value of the fee simple interest in the subject, as of July 26, 2007, is estimated at:

*****EIGHT HUNDRED THOUSAND DOLLARS*****

\$800,000

The scope of this assignment was to provide a **summary report** of the subject's Market Value. The report was prepared in compliance with Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP).

Thank you for using Mallette Real Services for this project. Please contact us if we can be of further assistance on this matter, or on any other project.

A handwritten signature in blue ink that reads "Scott Armstrong". The signature is written in a cursive style with a large initial "S".

Scott Armstrong
State Certified General Real
Property Appraiser #G00781

Enclosure: summary appraisal report

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APPRAISAL CERTIFICATE

The undersigned do hereby certify that to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyzes, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest or bias with respect to the subject property of this appraisal report and we have no personal interest or bias with respect to the parties involved.
4. Our employment or compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. **FIRREA CERTIFICATION** This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
6. Our analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics of the Appraisal Institute and the Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.
7. The use of this report is subject to the requirements of the Appraisal Institute relating to review by their duly authorized representatives.
8. This assignment was made subject to regulations of the State of Alabama Real Estate Appraisers Board. The undersigned State Certified Appraiser has met the requirements of the board that allow this report to be regarded as a "certified appraisal."
9. **FIRREA CERTIFICATION** The undersigned appraisers certify that they have the education and experience necessary to comply with the competence provisions of USPAP as they relate to this assignment.
10. No one other than the undersigned provided significant assistance in preparation of the analyzes, opinions, and conclusions concerning real estate that are set forth in this appraisal report. Scott Armstrong and Frank Alexander made a personal inspection of the property.

Based on our investigation and analysis of the data gathered for this assignment, we have formed the opinion that the market value of the fee simple interest in the property, as of July 26, 2007, is estimated at:

*****EIGHT HUNDRED THOUSAND DOLLARS*****

\$800,000



Scott Armstrong
State Certified General
Real Property Appraiser #G00781



Frank Alexander
State Registered Real
Property Appraiser #S00110

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following assumptions and limiting conditions:

1. This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standard Rule 2-2 (b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it does not include discussions of the data, reasoning, and analyzes that were used in the appraisal process to develop the appraisers opinion of value. Supporting documentation concerning the data, reasoning, and analyzes is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for the unauthorized use of this report.
2. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
4. Responsible ownership and competent property management are assumed.
5. The information furnished by others is believed to be reliable. No warranty, however, is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for arranging for engineering studies that might be required to discover such factors.
8. It is assumed that there is full compliance with all applicable federal, state and local environment regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report.
10. 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 (Continued)

11. Any sketch in this report may show approximate dimensions and is included to assist the reader visualize the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
12. It is assumed that utilization of the land and improvements is within the boundaries or property lines of the property described and that there are no encroachments or trespass unless noted within the report.
13. The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
16. 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 valuations for land and building must not be in conjunction with any other appraisal and are invalid if so used.

TERMS AND DEFINITIONS:

The Dictionary of Real Estate Appraisal, 3rd Edition, defines the following terms.

MARKET VALUE:

The most probable price which a specified interest in real property is likely to bring under all of the following conditions:

1. Consummation of a sale occurs as of a specified date.
2. An open and competitive market exists for the property interest appraised.
3. The buyer and seller are each acting prudently and knowledgeably.
4. The price is not affected by undue stimulus.
5. The buyer and seller are typically motivated.
6. Both parties are acting in what they consider their best interest.
7. Marketing efforts were adequate and a reasonable time was allowed for exposure in the open market.
8. Payment was made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition is the same as adopted in Section 34.42 (f) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA). If the assignment is to be provided to a lending institute for a federally funded transaction, the above definition of market value is to be used. The definition is found in OTS Appraisal Regulation 564.2 (f) and FDIC Appraisal Regulation 323.2 (f). Other Federal regulatory agencies have also adopted this definition in compliance with FIRREA.

FORCED LIQUIDATION VALUE:

The most probable price which a specified interest in real property is likely to bring under all of the following conditions:

1. Consummation of a sale will occur within a severely limited future marketing period specified by the client.
2. Actual market conditions are those currently obtaining for the property being appraised.
3. The buyer is acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. The buyer is acting in what he or she considers his or her best interests.
7. A limited marketing effort and time will be allowed for the completion of a sale.
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.

TERMS AND DEFINITIONS: (Continued)

9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

HIGHEST AND BEST USE:

Of primary importance to the estimation of market value is the analysis of the highest and best use of the site and property. Basically, the highest and best use is that reasonable and probable use that will support the highest and present value of the subject property on the appraisal date. A more detailed definition is found in the Dictionary of Real Estate Appraisal, 3rd edition,

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability".

NEIGHBORHOOD:

"A group of complementary land uses."

PRINCIPLE OF SUBSTITUTION:

"The appraisal principle that states when several similar or commensurate commodities, goods, or services are available, the one with the lowest price will attract the greatest demand and widest distribution."

PRINCIPLE OF ANTICIPATION:

"Anticipation is the perception that value is created by the expectation of benefits to be derived in the future."

ECONOMIC LIFE:

The period over which improvements to real property contribute to property value.

COST APPROACH:

"A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of, or replacement for the existing structure; deducting accrued depreciation from the reproduction or replacement cost; and adding the estimated land value plus an entrepreneurial profit. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised."

TERMS AND DEFINITIONS: (Continued)

SALES COMPARISON APPROACH:

“A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when comparable sales data are available.”

INCOME CAPITALIZATION APPROACH:

“A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year’s income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and reversion can be discounted by at a specified yield rate.”

RECONCILIATION:

“The last phase of any valuation assignment in which two or more value indications derived from market data are resolved into a final value estimate, which may be either a final range of value or a single point estimate.”

FEE SIMPLE ESTATE:

“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

LEASED FEE ESTATE:

“An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.”

REMAINING ECONOMIC LIFE:

The estimated period during which improvements will continue to contribute to property value; an estimate of the number of years remaining in the economic life of the structure or structural components as of the date of the appraisal.

EXPOSURE TIME:

The time a property remains on the market. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

TERMS AND DEFINITIONS: (Continued)

MARKETING TIME:

An estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by the concurrent market conditions.

ADJUSTMENTS TO SALES:

Mathematical changes made to basic data to facilitate a comparison or understanding. When dollar adjustments are used, individual differences between comparables and the subject property are expressed in terms of plus or minus dollar amounts; with percentage adjustments, individual differences are reflected in plus or minus percentage differentials; in cumulative percentage adjustments, individual differences between comparables and the subject property are represented by plus or minus percentage differentials, cumulated by multiplication or division. The process assumes a causal relationship among various factors for which adjustments are made.

SUMMARY OF SALIANT FACTS AND CONCLUSIONS

IDENTITY OF PROPERTY:	Met Vet Animal Clinic 5221 Sulphur Springs Rd. Hoover, Al 35226
PROPERTY INTEREST APPRAISED:	Fee Simple
EFFECTIVE DATE OF APPRAISAL:	July 26, 2007
FLOOD ZONE DESIGNATION:	Not in a flood zone
ZONING CLASSIFICATION:	PUD Planned Urban Development
HIGHEST AND BEST USE AS VACANT:	Commercial Development
HIGHEST AND BEST USE AS CURRENTLY IMPROVED:	Continued use as a Vet
LAND VALUE:	\$347,000
COST APPROACH TO VALUE:	\$829,000
SALES COMPARISON APPROACH TO VALUE:	\$791,000
INCOME APPROACH TO VALUE:	Not Applicable
RECONCILED VALUE ESTIMATE:	\$800,000

CLIENT: Dr. William Washington
5221 Sulphur Springs Rd
Hoover, Alabama 35226

APPRAISER: Mallette Real Services, Inc.
P.O. Box 530382
Birmingham, Alabama 35253

IDENTITY OF SUBJECT: Met Vet Animal Clinic
5221 Sulphur Springs Rd
Hoover, Alabama 35226

PURPOSE OF THE APPRAISAL: To estimate the market value of the fee simple title of the subject property in its present and existing condition for the client, Dr. William Washington.

INTENDED USE OF THE REPORT: For the sole purpose of providing the client, Dr. William Washington, an estimate of value for the subject property, to be used as a tool in setting up an investment vehicle for the company.

INTENDED USERS OF THIS REPORT: USPAP requires identification of the client and any additional intended users of this appraisal to be made at the time of the initial agreement to proceed. The identification of intended users is needed for the appraisal and report to be prepared in a format which answers valuation questions in a manner which is meaningful to the authorized intended users. The use of this appraisal by any other unidentified party is not authorized. The appraiser(s) assume no responsibility for the use of this appraisal report by unauthorized parties. Unnamed parties request permission, in writing, for use of this appraisal.

INTEREST VALUED: Fee simple less any mineral and mining rights that have been previously severed.

SCOPE OF WORK:**APPRAISAL DEVELOPMENT AND REPORTING PROCESS:**

The scope of this assignment was to analyze and estimate the above noted market value using all applicable, recognized approaches and methods of valuation, and to report said estimate of market value in a Summary Appraisal Report in compliance with Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice.

In order to prepare this appraisal, we inspected the subject site, gathered information from the subject neighborhood and similar competitive neighborhoods on similar land sales, and analyzed the information gathered by applying the cost and sales comparison approaches to value. The property is a veterinary clinic, and such clinics are rarely rental property, due to the specialized nature of their construction. Unless an individual arranges a “build to suit” long term lease, or a retiring doctor sets up a “lease to purchase a practice”, these buildings simply are not often considered vehicles for income or investment. Accordingly, we did not use the income capitalization approach in this report.

This appraisal is written for a review appraiser familiar both with the Birmingham market and with the appraisal process, and the level of explanation and detail is appropriate for such a reader.

This Summary Appraisal Report sets forth only our conclusions. Supporting documentation is retained in our file.

ZONING:

The subject property is located in the City of Hoover of Alabama and is subject to the zoning requirements of that city. This property is zoned PUD-PR1 which is a Planned Urban Development district. Uses other than those permitted must be approved by the Zoning Administration and are subject to conditions, which the administration may require to protect the purpose of the zoning ordinance. The area is also subject to whatever city or county ordinances and neighborhood covenants which govern minimum lot sizes, setbacks, and building codes. The subject property conforms to the current zoning regulations.

AD VALOREM TAXES: According to the Jefferson County Tax Assessor's Office, the subject property is currently assessed as parcel number 39-27-2-000-001.003. The assessed value of this property is approximately \$239,600 for the land, and \$239,300 for the improvement, for a total assessed value of \$478,900.

Commercial property within the City of Hoover in Jefferson County, Alabama is based on a tax rate of .0.0726 mils based on 20% of the assessed value would indicate the total taxes on this property to be approximately \$6,953 annually. These taxes are typical for similar properties in the neighborhood.

EFFECTIVE DATE OF VALUATION: July 26, 2007, the date of inspection

DATE OF REPORT: August 14, 2007

HISTORY OF OWNERSHIP: The subject property is currently owned by William Washington. William Washington has owned the property for many Years. The property is not under a sales contract and is not listed for sale at this time.

EXPOSURE TIME: Estimated at 6 to 9 months

MARKETING TIME: Estimated at 6 to 9 months

HIGHEST AND BEST USE ANALYSIS:

Of primary importance to the estimation of market value is the analysis of the highest and best use of the site and property. Basically, the highest and best use is that reasonable and probable use that will support the highest and present value of the subject property on the appraisal date.

Highest and best use analysis considers the site as vacant and as improved. Analysis of highest and best use as vacant assumes that a site is vacant or can be made vacant by razing any improvements. The goal is to determine the use which would provide the highest rate of return to the land. This use would be the maximally productive use of the site.

Highest and best use analysis as improved determines the maximally productive use of the site as it is presently improved. This approach considers possible alternative uses and the associated cost of remodeling to these alternative uses.

Highest and best use analysis, both as vacant and as improved, follows a logical progression. First, of all possible improvements, what can physically be developed on the site; second, of the physically possible improvements, which are legally permissible; third, what uses are financially feasible; and fourth, what particular use is maximally productive use of the site? In this way, each requirement narrows out the possible use, from the infinity of uses for land, to the optimum usage for this particular site at this time.

HIGHEST AND BEST USE ANALYSIS: (Continued)

It is quite possible that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. In such a case, the existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property.

Highest and Best Use Analysis As If Vacant

Physically Possible: The subject property is a rectangular shaped parcel, consisting of approximately 44,827 square feet, or 1.03 acres. The property is graded flat at the building site and slopes to the north. Given these physical characteristics, this property has a wide range of physically possible uses.

Legally Permissible: The subject property is located in the City of Hoover, in Jefferson County, Alabama, and is subject to the zoning requirements of that city. The property is zoned PUD, which is a mixed use. Of the physically possible and legally permissible uses, some type of commercial development would result in the highest and best use.

Financially Feasible: Given the physical and legal restrictions, the financially feasible options for the property are some type of commercial development would result in the highest and best use.

Maximally Productive: The use from among the financially feasible uses, which would yield the highest return to the land, is some type of commercial development would result in the highest and best use.

HIGHEST AND BEST USE: (Continued)

HIGHEST AND BEST USE AS CURRENTLY IMPROVED:

Physically Possible: The three possible considerations for an improved property are for the continued use as the improvement already exists, renovation of the improvement, or razing the improvement and erecting something different. The subject is currently improved with a 2,287 square foot building designed as a veterinary clinic originally constructed in 1992 and a 1,747 square foot building designed as a kennel. Considering the age and the condition of the improvements, the continued use as a veterinary or conversion to medical office or office use would result in the highest and best use.

Legally Permissible: The subject site is located within a PUD zoning. There are a multitude of uses permissible to this property. Given the site location and the current use of surrounding improved parcels, the improved parcel is best suited for the continued use as a veterinary clinic would result in the highest and best use.

Financially Feasible: Given the physical and legal restrictions, the financially feasible use of this property is for the continued use as a veterinary clinic would result in the highest and best use.

Maximally Productive: The use from among the financially feasible uses that would yield the highest return to the improved parcel is for the continued use as a veterinary clinic would result in the highest and best use.

NEIGHBORHOOD ANALYSIS:

The subject neighborhood is in a commercial and professional office area of Hoover known as Trace Crossings. This planned development is approximately 15 years old now and is home to retail, commercial, and professional offices, as well as churches, shopping centers and public schools.

The neighborhood is located just north of State Road 150 in southern Jefferson County within the city limits of Hoover. The neighborhood is less than one mile from interstate highway 459, which is the southern loop by passing the downtown Birmingham area. The portion of the neighborhood surrounding State Road 150 is primarily commercial development. Long Lewis Ford and Hoover Toyota both large new car dealerships are in the neighborhood as well as the Colonial Grand Shopping Center with anchor stores including Academy Sports, Wal Mart, and Stein Mart. In addition, many restaurants line 150 including Up the Creek, Logan's Roadhouse, and Applebee's, and O'Charlie's. Grocery stores in the neighborhood include Publics and Wal-Mart.

Auxiliary streets are residential with many planned communities such as Cahaba River Estates, Paradise Acres, Willow Trace, and Trace Crossings.

In addition to the commercial and residential developments in the neighborhood, the Hoover Metropolitan Stadium is also a part of the neighborhood. This stadium is home to the Birmingham double A baseball team as well as SEC sporting events from time to time. Also it is home to Hoover High School football team. Hoover High School is a large part of the immediate neighborhood. As one of the newest and largest high schools in the state of Alabama, Hoover High School is big influence on the neighborhood.

Finally, the Riverchase Galleria is less than three miles east of the subject and could be considered as part of the neighborhood. The Galleria is one of the largest malls in the southeast with over 200 merchants, 11 restaurants and 10 movie screens. The Galleria has been the hub of the Hoover tax base for several years and is still expanding with the new Patton Creek Shopping Center completed just last year.

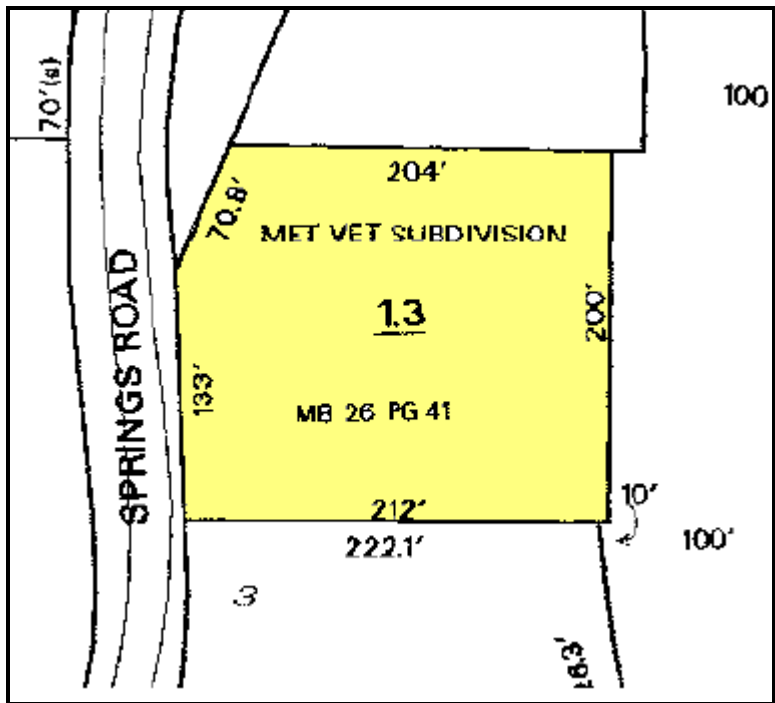
SITE DATA AND ANALYSIS:

- Location: 5221 Sulphur Springs Rd, Hoover,, Al 35226
- Size: 44,827 Square Feet or 1.03 Acres
- Shape: Irregular
- Topography: Graded flat and sloping downward toward the north.
- Zoning: PUD Planned Urban Development
- Frontage: 133 feet on Sulphur Springs Rd and 200 feet on Stadium Trace.
- Easements: None Observed
- Utilities: All Public
- Access: Good, I-459 is a half mile away
- Parking: Approximately 10 Cars
- Comments: The site is similar to other neighborhood properties in size and shape. The subject property has good functional utility, with physical and functional characteristics typical of those desired by investors in the market. All site improvements are included in the valuation of the subject property.

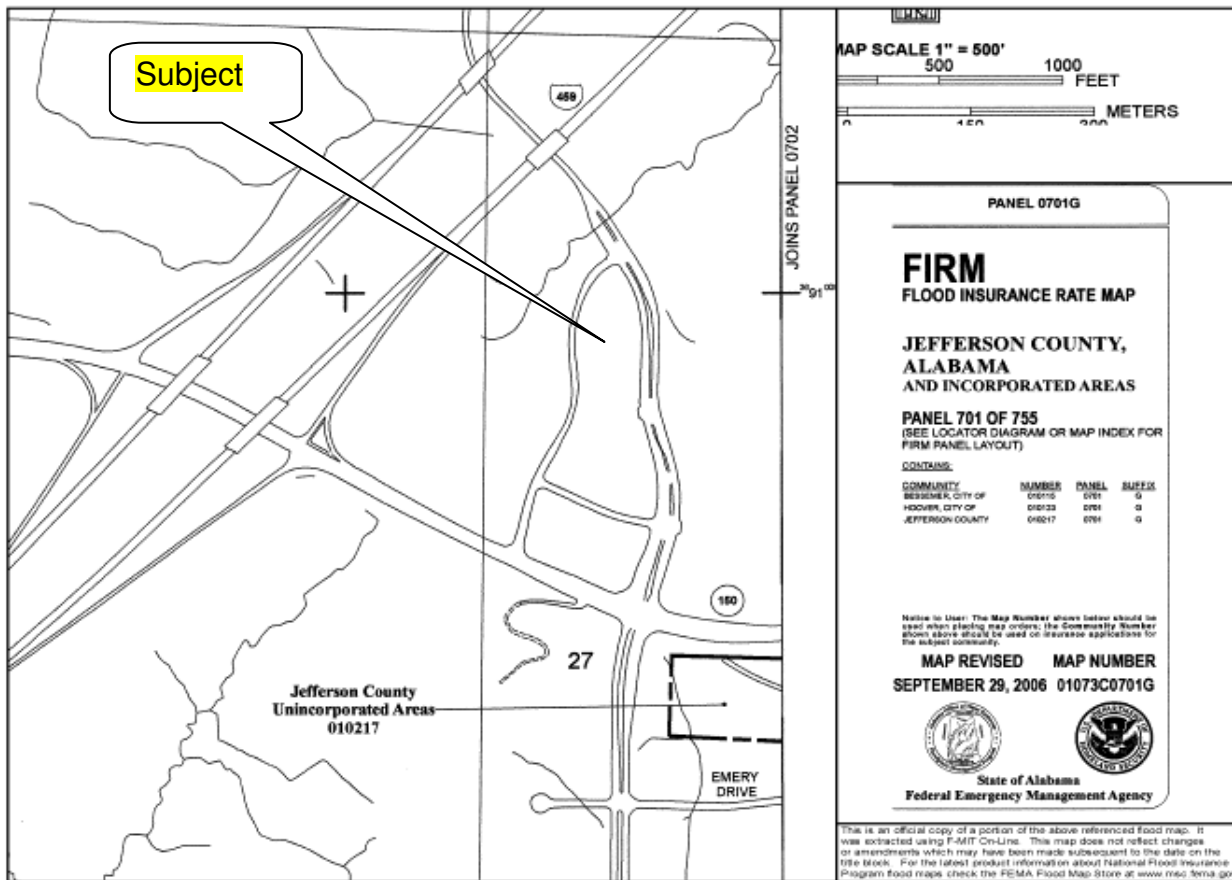


LEGAL DESCRIPTION:

The legal description was supplied to the appraisers. We also relied on information gathered from the Jefferson County Tax Assessor's Office. The property is identified as parcel no: 39-27-2-000-001.003.



FLOOD ZONE: According to FIRM panel 01073C0701G dated 9/29/2006 the subject property IS NOT located within a flood plane area.



DESCRIPTION OF IMPROVEMENTS:

The subject is currently improved with a 2,287 square foot building designed as a veterinarian clinic originally constructed in 1992 and a 1,747 square foot building designed as a kennel originally constructed in 2002. The specifications of the building are as follows:

Foundation: Presumed 4" Monolithic concrete slab

Ext. Shell:

Framing: Concrete block
Walls: Concrete block with an EIFS veneer.
Roofing: Asphalt shingle
Doors: Several metal doors and several glass store front doors.
Windows: Solid pane in wood frame.
Entrance: The entrance is covered and is some 133 square feet.

Interior:

Walls: Painted gypsum board and painted concrete block.
Ceilings: Painted gypsum board
Flooring: Composite tile, ceramic tile, concrete, and vinyl.
Lighting: Recessed and exposed fluorescent.

Restrooms: Two, two fixture, and many sinks and wash basins.

Walls: Painted gypsum board and painted concrete block.
Ceilings: Painted gypsum board
Flooring: Vinyl and ceramic tile.
Lighting: Exposed incandescent.

DESCRIPTION OF IMPROVEMENTS: (Continued)

EQUIPMENT AND MECHANICAL SYSTEMS:

Plumbing: Pressurized copper water supply lines service the building.

Electrical: The building is served electrically by above ground wiring to a meter box, thence to a circuit breaker box. Electrical wiring is above the ceiling and within the walls. Sufficient wall outlets are located throughout the building.

HVAC: Central heat and air conditioning units serve the improvement.

MISCELANEOUS:

The improvement was designed as a veterinary clinic. There is a lobby, reception/clerical area, retail area, storage rooms, three exam rooms, x-ray room, surgical room, laboratory, break room, grooming room. There is a separate kennel building for larger animals, which is equipped with a grooming area, restroom, and a storage area. Outside there is several fenced areas for animal containment.

Exterior



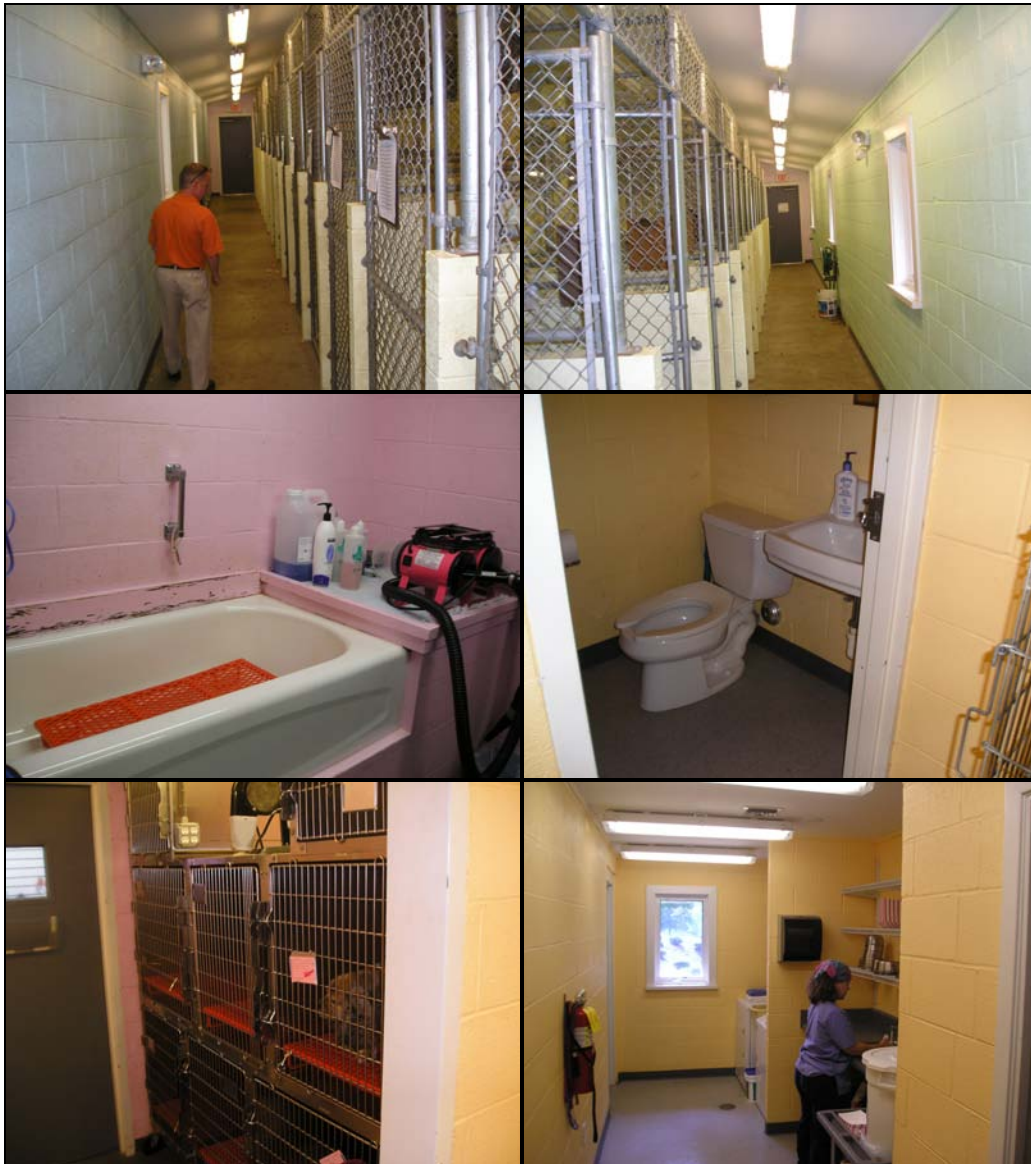
Interior Vet



Interior Vet



Interior Kennel



LAND VALUATION:

In valuing the subject's land only, as if vacant and available for immediate development in its highest and best use, a total of four land sales were documented. These sales are the most recent sales in close proximity to the subject considered to be indicative of the subject's land value. They were chosen because of their use as commercial sites. After examining public records and communicating with commercial real estate brokers in the area, these are the most applicable comparable sales.

The sales located were used in extracting, by matched-pair analysis or by cost to cure, where possible, percentage adjustments for differences in elements of comparison. The sales are all from the subject area within 3.5 miles of the subject.

LAND SALE ADJUSTMENTS:

Adjustments applied to the land sales comparables used are typically as follows:

Real Property Rights Conveyed: The property rights conveyed, in each instance, was the fee simple estate. Therefore no adjustment was required for this element of comparison.

Financing Terms: Each sale was an all-cash transaction to the seller. No sale requiring a cash adjustment.

Conditions of Sale: Each sale was an arms length transaction with no adjustment required for the condition of sale. Each transaction was conducted in the free market between buyer and seller. As far as could be ascertained in conversations with the parties involved, there was no undue duress in any transaction, and each party was acting in his or her best interest and was considered to be informed participants in the market.

Market Conditions: Each sale required a time adjustment to equate the sale to the subject's date of valuation. A market condition adjustment measures the increase or decrease in date prices due to the differences between the market conditions at the date of sale and the subjects date of valuation.

LAND SALE ADJUSTMENTS: (Continued)

Location: This category is adjusted if comparables are in a different market from the subject. Comparables land sales one, two, and three were adjusted 5 to 10 percent for there location.

Zoning: The comparables are all zoned commercial.

Utilities: All public and no adjustments were needed.

Frontage: All were equal to the subject.

Commercial desirability: This adjustment takes into consideration things such as traffic count, neighborhood, access, corner lot, parking, etc. Land sale three was adjusted to the subject.

Physical characteristics: Land sale 4 was adjusted to the subject for site improvement.

Plottage: There was an adjustment made to sale four for plottage.

Documentation of the land sales and their plottage and adjustments on the Land Sales Location Map is as follows:

**Adjustment of Land Sales
5221 Sulphur Springs Road
Hoover, AL 35226**

LOCATION	3642 Lorna Rd 40-18-2-000-004.005			527 Palisades Blvd 29-14-1-001-012		2076 Columbiana Rd 29-25-3-001-056.000		403 W. Oxmoor Rd 29-27-3-000-004	
SELLER	Richard N Hoar Trust			Kilgore		Emergency Animal		Andalusia	
BUYER	GtL 200301/1362			Allied		State Wide		General Pest Control	
SUBJECT	SALE 1	adj.	SALE 2	adj.	SALE 3	adj.	SALE 4	adj.	
Sales Price	\$230,000		\$179,000		\$255,000		\$300,000		
Square Feet Sold	44,827	31,820	36,867		32,750		43,656		
Price Per Sq. Ft.		\$7.23	\$4.86		\$7.79		\$6.87		
Property Rights Conveyed	Fee Simple		Fee Simple	0	Fee Simple	0.00	Fee Simple	0.00	
Adjusted Price/Ft		\$7.23	\$4.86		\$7.79		\$6.87		
Financing Terms	Market Rates		Market Rates	0	Market Rates	0.00	Market Rates	0.00	
Adjusted Price/Ft		\$7.23	\$4.86		\$7.79		\$6.87		
Adjustment made by Grantee		0.00		0		0.00		0.00	
Adjusted Price/Ft		\$7.23	\$4.86		\$7.79		\$6.87		
Market Conditions	26-Jul-07	15-Dec-02	1.67	31-Oct-01	1.39	Apr-02	2.06	Jan-03	1.57
Time Adjusted Price/Sq.Ft.		\$8.90	\$6.25		\$9.85		\$8.44		
Location	Met Vet	Lorna Road	-\$0.44	Palisades	-\$0.62	Columbiana Rd	-\$0.98	Oxmoor Rd	\$0.00
Zoning	Commercial	C- 2	\$0.00	B-5	\$0.00	C-1	\$0.00	C-2	\$0.00
Utilities	all	w,g,e,s	\$0.00	w,g,e,s	\$0.00	all	\$0.00	all	\$0.00
Frontage	good	equal	\$0.00	equal	\$0.00	equal	\$0.00	equal	\$0.00
Commercial Desirability	good	equal	\$0.00	equal	\$0.00	superior	-\$0.98	equal	\$0.00
Physical Characteristics	good	equal	\$0.00	equal	\$0.00	equal	\$0.00	inferior	\$1.00
Plottage	no	yes	\$0.00	no	\$0.00	no	\$0.00	yes	-\$1.69
Sub-Total Adjustments			-\$0.44		-\$0.62		-\$1.97		-\$0.69
Price/SF Before Size Adj.		\$8.45		\$5.62		\$7.88		\$7.75	
Size Adjustment Factor		1.0000		1.0000		1.0000		1.0000	
Adjusted Sale Price/SF		\$8.45		\$5.62		\$7.88		\$7.75	
Subjects Indicated Value		44,827	square feet @	\$7.75		\$347,409		NON-SIZE ADJUSTED	
					Rounded:	\$347,000		Average	\$7.43
USE:								Median	\$7.04
TIME:		0.05							

LAND SALES MAP



LAND SALE NO. 1

Property Identification

Record ID 741
Address 3642 Lorna Road, Hoover, Jefferson County
Location hoover
Tax ID 40-18-2-000-004.005

Sale Data

Grantor Richard N Hoar Trust
Grantee GTL
Sale Date December 15, 2002
Deed Book/Page 200301
Recorded Plat 1362
Property Rights Fee Simple
Conditions of Sale Arm's Length
Financing Cash to Seller
Verification Buyer-Truitt Luckie

Sale Price \$230,000

Land Data

Zoning C-2
Topography flat to rolling
Utilities all
Shape rectangular
Flood Info no flood issues

Land Size Information

Gross Land Size 0.730 Acres or 31,820 SF
Useable Land Size 0.730 Acres or 31,820 SF 100.00%
Front Footage 149 ft Lorna Rd; 213 ft Colonial Drive

Indicators

Sale Price/Gross Acre \$314,857
Sale Price/Gross SF \$7.23
Sale Price/Useable Acre \$314,857
Sale Price/Useable SF \$7.23

Remarks

This site is now improved with a car wash.

LAND SALE NO. 2

Property Identification

Record ID 72
Property Type Commercial, Retail
Property Name Homewood
Address 527 Palisades Blvd, Homewood, Jefferson County, Alabama 35209
Location Homewood
Tax ID 29-14-1-001-012

Sale Data

Grantor Kilgore
Grantee Allied
Sale Date October 31, 2001
Property Rights Fee simple
Conditions of Sale Arms length
Verification Mallette Real Services

Sale Price \$179,000

Land Data

Zoning B-5, Commercial
Topography Level
Utilities All present
Shape Irregular

Land Size Information

Gross Land Size 0.846 Acres or 36,867 SF

Indicators

Sale Price/Gross Acre \$211,496
Sale Price/Gross SF \$4.86

LAND SALE NO. 3

Property Identification

Record ID 770
Property Type Commercial
Property Name Commercial
Address 2076 Columbiana Rd, Homewood, Jefferson County, Alabama 35209
Location Homewood,
Tax ID 29-25-3-001-056

Sale Data

Grantor Emergency Animal Clinic
Grantee State Wide
Sale Date April 12, 2002
Deed Book/Page 200205-7874
Property Rights Fee simple
Conditions of Sale Arms length
Financing Cash to seller

Sale Price \$255,000

Land Data

Zoning B-3
Utilities All public
Dimensions 145 x 255
Shape Irregular

Land Size Information

Gross Land Size 0.780 Acres or 33,977 SF

Indicators

Sale Price/Gross Acre \$326,923
Sale Price/Gross SF \$7.51

LAND SALE NO. 4

Property Identification

Record ID 75
Property Type Commercial, Commercial
Property Name Lakeshore Pkwy
Address 403 W. Oxmoor Rd, Homewood, Jefferson County, Alabama 35209
Location Homewood
Tax ID 29-27-3-000-004

Sale Data

Grantor Andalusia
Grantee General Pest Control
Sale Date January 1, 2003
Property Rights Fee simple
Conditions of Sale Arms length
Verification Mallette Real Services

Sale Price \$300,000

Land Data

Zoning C-2, Commercial
Topography Rolling
Utilities All present
Shape Rectangular

Land Size Information

Gross Land Size 1.002 Acres or 43,656 SF

Indicators

Sale Price/Gross Acre \$299,341
Sale Price/Gross SF \$6.87

COST APPROACH:

In applying the cost approach to value, first the value of the subject's land only is determined. Next, an estimate is made of the reproduction or replacement cost of the improvements as of the date of valuation. The cost estimate should include both direct and indirect costs as well as entrepreneurial profit.

After all costs have been accounted for, accrued depreciation is deducted. This depreciation includes physical deterioration, functional obsolescence, and external obsolescence. Next, the depreciated value of any other site improvement is determined. Combining these figures results in the depreciated value of the improvements, to which land value is added, producing an indication of the market value of the property by the cost approach method.

As is true of the other approaches, the principal of substitution is the theoretical basis for this approach

In order to estimate the subject's reproduction cost, we have relied on the Marshall Valuation Service, published by Marshall & Swift, 2006. This manual is based on a survey of construction costs incurred on projects throughout the United States. The manual publishes a list of base costs every few years, and then updates these costs periodically for such factors as time and location. The costs can be modified for such items as floor coverings, heating and air conditioning packages, plumbing, and porches. The book uses two major approaches, the calculator method and the segregated cost method. The calculator cost method will be used in this appraisal.

COST APPROACH: (Continued)

The majority of the subject building is classified as a class "C" which is characterized as a concrete block structure. The property appears to be above average as to cost to construct, due to the degree of finish and quality of construction.

After calculating the basic cost, depreciation is typically factored in. We chose to use the straight line or age/life approach to calculate depreciation as indicated by the table below:

Year Constructed	Actual Age	Economic Life	Remaining Economic Life	Physical Depreciation
1992	15 Years	50 Years	40 Years	20%

Year Constructed	Actual Age	Economic Life	Remaining Economic Life	Physical Depreciation
2002	5 Years	50 Years	45 Years	10%

Depreciation Averaging						
	Sq Ft	Built	Life	Actual	% of total Sq Ft	
Vet	2287	1992	50	20	57%	11.3386
Kennel	1747	2002	50	10	43%	4.33069
	4034					15.6693

In the case of this subject, physical depreciation is estimated at 15.67% or 16% because the kennel was constructed in 2002 and the buildings have been well maintained and there is no evidence of abuse.

Our calculations for the cost approach to value are on the following page:

REPRODUCTION COST NEW					
Met Vet					
Hoover, Alabama 35226					
Vet	2,287	square feet@	\$132.10	=	\$302,113
Kennel	1,747	square feet@	\$94.05	=	\$164,305
					\$466,418
	Area Multiplier		0.93		
	Current Cost Multiplier		1.11		
	Aggregate Multiplier			1.0323	
TOTAL REPRODUCTION COST NEW					\$481,483
DEPRECIATION	Physical	16%		(\$75,400)	
	Functional	0%		\$0	
	Economic	0%		\$0	
TOTAL ACCRUED DEPRECIATION					(\$75,400)
DEPRECIATED VALUE OF PRINCIPAL IMPROVEMENT					\$406,083
VALUE OF OTHER SITE IMPROVEMENTS					
	Parking				\$13,000
	Landscaping				\$5,000
	Fencing				\$4,000
TOTAL DIRECT COST OF BUILDING AND SITE IMPROVEMENTS					\$428,083
INDIRECT COSTS			12.5%		\$53,510
Includes legal, financing fees, title, permitting fees, appraisal, marketing, overhead, and supervision					
TOTAL REPLACEMENT COST OF IMPROVEMENTS					\$481,593
ENTREPRENEURIAL PROFIT			0.0%		\$0
TOTAL REPLACEMENT COST					\$481,593
SITE VALUE					\$347,000
					\$828,593
VALUE INDICATION BY THE COST APPROACH					\$829,000

SALES COMPARISON APPROACH:

The sales comparison approach estimates the market value by comparing the subject to similar properties which have sold or for which purchase offers have been made. The underlying economic principle of this approach is the principle of substitution.

A major premise of this approach is that the market value of a property is directly related to the prices of comparable, competitive properties. A major premise of this approach is that the market value of a property is directly related to the prices of comparable, competitive properties. Veterinary clinics are handicapped in that they comprise only a small fraction of commercial buildings, and when they do sell, they are either converted to an alternative use, or the sale is part of a business/equipment/goodwill transaction where the real estate is impossible to separate from the practice. Our discussions with other appraisers have showed a mixed reaction to the problem. Some appraisers say that sales are so impossible to find that they lean on the cost approach and leave it at that. On the other extreme, one appraiser claims that a veterinary clinic should really be considered a doctor's office, and compared to other medical offices, with a cost to cure (including entrepreneur's profit) used to measure the difference between the two types of offices. Our philosophy has been to use a sales comparison approach, and for several years we have been fairly successful at finding vet clinic sales. Our current file of sales had no good data in suburban Birmingham, so we turned to medical offices, with an adjustment of the cost.

Conversations with investors in the market have indicated that the unit of comparison typically applied to commercial buildings in the subject neighborhood is the price per square foot. Therefore, we have selected this unit of comparison to analyze the subject property.

To analyze the subject property, four improved sales have been analyzed. The sales found were selected as the most comparable sales to the subject. All of the sales required some adjustments in various categories to make them equal to the subject.

SALES COMPARISON APPROACH ADJUSTMENTS:

Adjustments applied to the sales comparables used are typically as follows:

Real Property Rights Conveyed: The property rights conveyed, in each instance, was the fee simple estate. Therefore no adjustment was required for this element of comparison.

Financing Terms: Each sale was an all –cash transaction to the seller, with no sale requiring a cash equivalency adjustment.

Conditions of Sale: Each sale was an arms length transaction with no adjustment required for the condition of sale. Each transaction was conducted in the free market between buyer and seller. As far as could be ascertained in conversations with the parties involved, there was no undue duress in any transaction, and each party was acting in his or her best interest and was considered to be informed participants in the market.

Market Conditions Adjustment: Each sale required a time adjustment to equate the sale to the subject's date of valuation. A market condition adjustment measures the increase or decrease in date prices due to the differences between the market conditions at the date of sale and the subjects date of valuation.

Since the sales are analyzed considering the contributory value of the improvement only, a change in market condition attributable to improvements only is required to be extracted. We gathered sales from all over the area, and were unable to come up with a close enough pair to use the matched pair analysis.

Location: This category is adjusted in removing the land from the building. The comparables properties are in different location and adjustments were made to sales four and five.

Zoning: The comparables are equal to the subject

SALES COMPARISON APPROACH ADJUSTMENTS: (Continued)

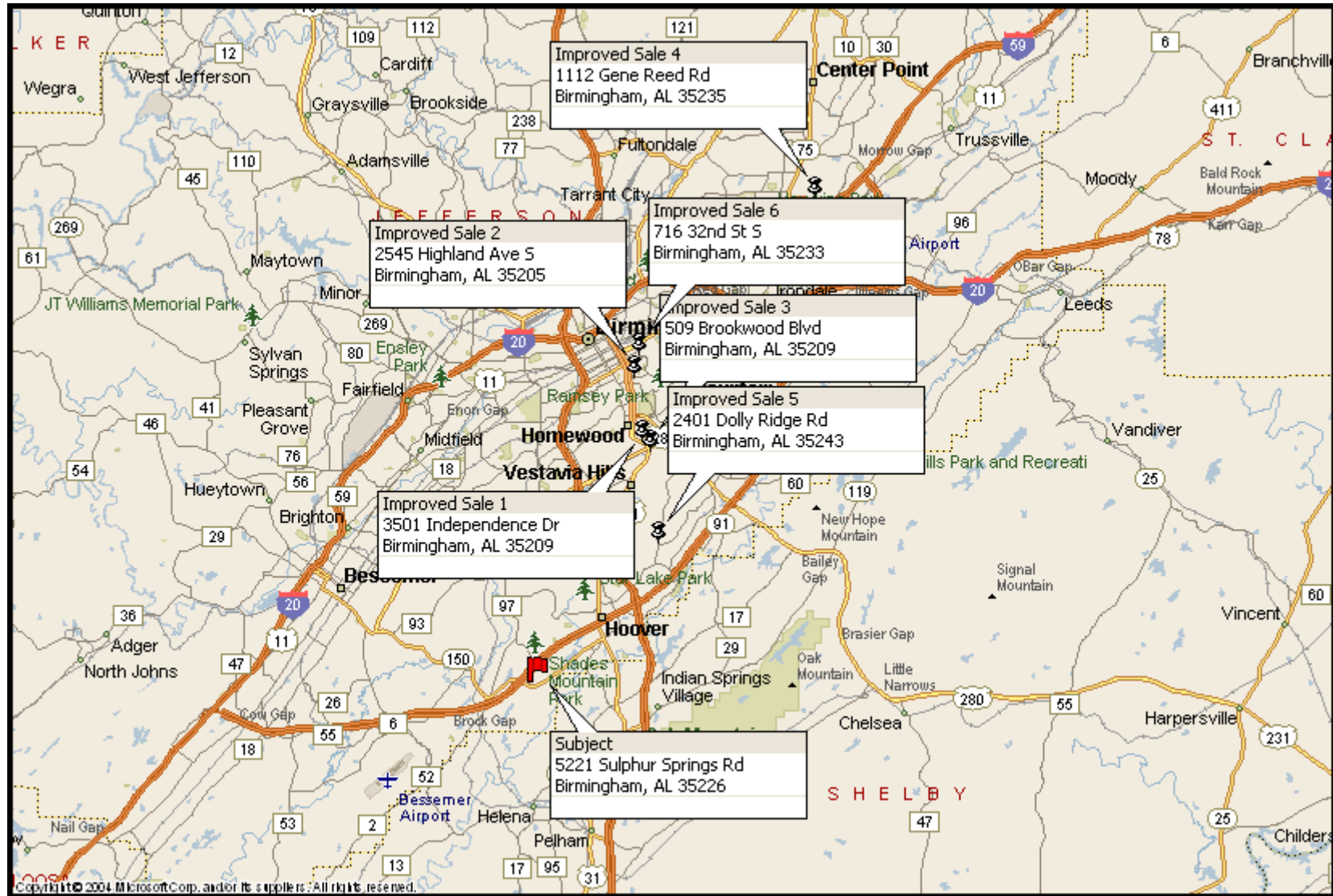
Type of Construction: The improved sales three and four were of a different class of construction than the subject. They were adjusted in varying amounts in the order to make them equal to the subject.

Effective Age: The comparables were constructed at different times, and have seen different uses and maintenance schedules. This impacts each sale's effective age. Differences in effective age are accounted for by calculating each sale's effective age at the time of the sale. Effective age was calculated by comparing the sale price attributable to improvements to the reproduction cost new. An amount of total depreciation is produced by this comparison and is converted to a percentage of reproduction cost new and adjustments are made accordingly.

Quality/Utility: This adjustment takes into consideration things such as conversion to a medical office type building. They were adjusted by 16% in the order to make them equal to the subject.

Adjustment of Improved Sales			Met Vet Animal Clinic											
Tax ID:	28-18-1-012-001	28-06-1-017-001	28-17-3-000-006.001	24-06-1-005-003	28-32-3-004-006	23-31-1-037-010								
Location	3501 Independence Dr	2545 Highland Ave S	509 Brookwood Blvd	1112 Gene Reed Road	2401 Dolly Ridge Rd	716 32nd Street South								
Grantor	Health Images	Highland View LLC	Lakeshore Dev LLC	Camaggio, etc LLC	Wayne Lage(Sunshine LLC)	Baughan Development								
Grantee	W & P Properties	Niazuma Invest Co	HHH invest Limited	Johnson Trust	Norma Borella	Pak								
	SUBJECT	SALE 1	adj.	SALE 2	adj.	SALE 3	adj.	SALE 4	adj.	SALE 5	adj.	SALE 6	adj.	
Sales Price		\$1,510,000		\$1,850,000		\$2,489,200		\$1,450,000		\$565,000		\$450,000		
Land Value		\$674,000		\$374,620		\$748,140		\$435,600		\$222,240		\$85,000		
Building Value		\$836,000		\$1,475,380		\$1,741,060		\$1,014,400		\$342,760		\$365,000		
Square Feet Sold	4,034	11,100		13,700		10,687		8,442		3,865		4,583		
Price Per Sq. Ft.		\$75.32		\$107.69		\$162.91		\$120.16		\$88.68		\$79.64		
Property Rights Conveyed		Fee Simple	0.00	Fee Simple	0.00	Fee Simple	0.00	Fee Simple	0.00	Fee Simple	0.00	Fee Simple	0.00	
Adjusted Price/Ft		\$75.32		\$107.69		\$162.91		\$120.16		\$88.68		\$79.64		
Financing Terms		Market Rates	0.00	Market Rates	0.00	Market Rates	0.00	Market Rates	0.00	Market Rates	0.00	Market Rates	0.00	
Adjusted Price/Ft		\$75.32		\$107.69		\$162.91		\$120.16		\$88.68		\$79.64		
Adjustment by Grantee			0.00		0.00		0.00		0.00		0.00		0.00	
Adjusted Price/Ft		\$75.32		\$107.69		\$162.91		\$120.16		\$88.68		\$79.64		
Market Conditions	Jul-07	Aug-03	15.00	Nov-05	9.31	Dec-04	20.96	Jun-01	36.72	Sep-03	17.12	Feb-05	9.76	
Time Adjusted Price/Sq.Ft.		\$90.32		\$117.00		\$183.87		\$156.88		\$105.80		\$89.41		
Location	Hoover	Homewood	0.00	Southside	0.00	Brookwood	0.00	Brookwood	0.00	Rocky Ridge	0.00	Clairmont	0.00	
Zoning/H&B Use	C-1	B	0.00	Qo&l	0.00	C-2	0.00	C-2	0.00	C-2	0.00	C-2	0.00	
Type of Construction	C/D	Class B	0.00	Equal	0.00	superior	-18.39	superior	-15.69	equal	0.00	equal	0.00	
Effective Age	16	15	-2.39	20	9.56	3	-31.07	15	-2.39	12	-9.56	20	9.56	
Quality/Utility			-14.45		-18.72		-29.42		-25.10		-16.93		-14.31	
Total Adjustments		-2%	-16.84	0%	-9.16	-36%	-78.88	-5%	-43.18	-11%	-26.49	6%	-4.75	
Price/SF Before Size Adj.		\$73.48		\$107.84		\$104.99		\$113.70		\$79.31		\$84.66		
Size Adjustment Factor		1.0000		1.0000		1.0000		1.0000		1.0000		1.0000		
Adjusted Sale Price/SF		\$73.48		\$107.84		\$104.99		\$113.70		\$79.31		\$84.66		
Subjects Indicated Value	4,034	Sq. Ft. @	\$110.00	/SF =	\$443,740	NON SIZE ADJUSTED								
USE:	1	Add Back Land	\$347,000	MEAN	\$94.00									
TIME:	0.05	TOTAL VALUE	\$790,740	MEDIAN	\$93.59									
		ROUNDED	\$791,000											

Improved Sales Map



Improved Sale No. 1

Property Identification

Record ID 159
Property Type Office, Medical
Address 3501 Independence Drive, Homewood, Jefferson County, Alabama
Location Homewood
Tax ID 28-18-1-012-001

Sale Data

Grantor Health Images
Grantee W & P Properties
Sale Date August,28,2003
Property Rights Fee simple
Conditions of Sale Arms length
Financing Cash to seller
Verification Mallette Real Services; 205-298-1132

Sale Price \$1,510,000
Cash Equivalent \$1,510,000
Downward Adjustment \$674,000
Adjusted Price \$836,000

Land Data

Land Size 1.500 Acres or 65,340 SF
Front Footage 110 ft Independence Drive
Zoning C-1, Commercial
Topography Flat to rolling
Utilities All public
Shape Irregular

General Physical Data

Building Type Single Tenant
Gross SF 11,100
Construction Type Class B
Roof Type Gable and Hip
Foundation Concrete Slab
HVAC Central heat and air
Sprinklers Yes
Stories 1
Year Built 1986
Condition Good

Indicators

Sale Price/Gross SF \$136.04 Actual or \$75.32 Adjusted
Floor Area Ratio 0.17
Land to Building Ratio 5.94:1

Improved Sale No. 2

Property Identification

Record ID 409
Property Type Commercial
Property Name Highland Professional office
Address 2545 Highland Ave S, Birmingham, Jefferson County, Alabama 35205
Location Southside
Tax ID 28-06-1-017-001.000

Sale Data

Grantor Highland View LLC
Grantee Niazuma Investments Co
Sale Date November,01,2005
Property Rights Fee Simple
Conditions of Sale Arms Length
Financing Cash to Seller
Verification Appraiser Records; Phillip Cirry/Buyer, 205-252-6999 ext #117, February 13, 2006;

Sale Price \$1,850,000
Cash Equivalent \$1,850,000
Adjusted Price \$1,850,000

Land Data

Land Size 0.430 Acres or 18,731 SF
Front Footage 200 ft Highland Ave;203 ft Niazuma
Zoning QO&I, Mixed use
Topography level
Utilities all
Dimensions 200x203
Shape Square
Landscaping Yes
Rail Service No
Fencing No
Flood Info Not in a flood zone

General Physical Data

Building Type Single Tenant
Gross SF 14,162
Construction Type Block and Brick
Roof Type Tar and gravel
Foundation Slab
Stories 2
Year Built 1978

Income Analysis

Net Operating Income \$165,000

Improved Sale No. 2 (Cont.)

Indicators

Floor Area Ratio	0.00
Occupancy at Sale	85%
Overall or Cap Rate	8.92%

Remarks

Income data from buyer.

Improved Sale No. 3

Property Identification

Record ID 487
Property Name Medical Offices Former Mickey's Restaurant
Address 509 Brookwood Blvd, Homewood, Jefferson County, Alabama 35209
Tax ID 28-17-3-000-006.001

Sale Data

Grantor Lakeshore Development Co. LLC
Grantee HHH Investments-Alabama LLC
Sale Date December,27,2004
Deed Book/Page 200417/1764
Property Rights Fee Simple
Conditions of Sale Arms Length
Financing Cash to Seller
Verification Appraiser Records; Sales Contract

Sale Price \$1,700,000
Cash Equivalent \$1,700,000
Upward Adjustment \$789,200 Renovations
Downward Adjustment \$784,140 Land
Adjusted Price \$2,489,200

Land Data

Land Size 1.145 Acres or 49,876 SF
Front Footage 310 ft Brookwood Blvd
Zoning C-2, Commercial
Topography Somewhat level
Utilities All Public
Shape Irregular
Flood Info Small North Portion- See Remarks

General Physical Data

Building Name Former Mickey's Restauran
Building Type Single Tenant
Gross SF 9,223
Net SF 8,339 SF
Construction Type Steel Frame EIFS Exterior
Roof Type Flat
Foundation Concrete Slab
HVAC Central
Stories One
Year Built 1996 Renovated 2005
Condition Good After Renovations

Income Analysis

Potential Gross Income \$281,752 Includes Expence Reimb
Vacancy \$5,635 2% Estimate
Effective Gross Income \$276,117
Expenses \$71,022

Improved Sale No. 3 (Cont.)

Income Analysis (Cont.)

Net Operating Income \$205,095

Indicators

Floor Area Ratio 0.00

Gross Income Multiplier 6.03

Eff. Gross Income Multiplier 6.16

Expenses/Sq. Ft. \$7.70

Overall or Cap Rate 12.06%

Net Operating Income/Sq. Ft. \$22.24

Improved Sale No. 4

Property Identification

Record ID	198
Property Name	Medical Office
Address	1112 Gene Reed Road, Birmingham, Jefferson County
Location	1/2 miles north of I-59
Tax ID	24-06-1-005-003

Sale Data

Grantor	Carnaggio
Grantee	Duncan, Esther Johnson Trust
Sale Date	June,15,2001
Deed Book/Page	200107
Recorded Plat	6808
Property Rights	Leased Fee
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	Grantor;

Sale Price	\$1,450,000
Cash Equivalent	\$1,450,000
Adjusted Price	\$1,123,300

Land Data

Land Size	1.250 Acres or 54,450 SF
Front Footage	297 ft Hwy 11;204 ft Gene Reed Road
Zoning	O&I, Office/Institutional
Topography	fairly level
Utilities	all public
Shape	irregular
Landscaping	some
Flood Info	not in special flood hazard

General Physical Data

Building Name	Pediatrics East Pharmacy
Building Type	Single Tenant
Gross SF	8,442

Construction Type	masonry.brick
Roof Type	tar and gravel
Foundation	concrete
HVAC	central
Stories	1
Year Built	1985
Condition	good

Income Analysis

Potential Gross Income	\$150,041
Effective Gross Income	\$150,041
Expenses	\$10,675
Net Operating Income	\$139,366

Improved Sale No. 4 (Cont.)

Indicators

Sale Price/Gross SF	\$171.76
Floor Area Ratio	0.16
Land to Building Ratio	6.45:1
Occupancy at Sale	100
Gross Income Multiplier	9.66
Eff. Gross Income Multiplier	9.66
Expenses/Sq. Ft.	\$1.26
Overall or Cap Rate	9.61%
Net Operating Income/Sq. Ft.	\$16.51

Improved Sale No. 5

Property Identification

Record ID 227
Address 2401 Dolly Ridge Rd, Hoover, Jefferson County
Location corner of Dolly Ridge and Rocky Ridge
Tax ID 28-32-3-004-006

Sale Data

Grantor Wayne Lagel(Sunshine LLC)
Grantee Norma Borella
Sale Date March,12,2003
Property Rights Fee Simple
Conditions of Sale Arm's Length
Verification Felix Drennen;

Sale Price \$565,000

Land Data

Land Size 0.638 Acres or 27,780 SF
Front Footage 160 ft Rocky Ridge Rd;105 ft Dolly Ridge Rd
Zoning C-1
Topography flat to rolling
Utilities all
Shape irregular
Landscaping good
Flood Info no flood issues

Indicators

Sale Price/Gross SF \$108.65 Actual or \$108.65 Adjusted
Floor Area Ratio 0.19
Land to Building Ratio 5.34:1

Improved Sale No. 6

Property Identification

Record ID 524
Property Type Commercial
Property Name Claimont Dental
Address 716 32nd Street, Birmingham, Jefferson County
Location southside
Tax ID 23-31-1-037-010

Sale Data

Grantor Baughan Development
Grantee Pak Properties LLC
Sale Date February,10,2005
Deed Book/Page 200502
Recorded Plat 7954
Property Rights Fee simple
Conditions of Sale Arms LEngth
Verification Buyer; Confirmed by scott armstrong

Sale Price \$450,000
Downward Adjustment \$85,000
Adjusted Price \$365,000

Land Data

Land Size 0.230 Acres or 10,019 SF
Front Footage 100 ft Total Frontage: 100 ft 32nd Street
Zoning B-3
Topography flat
Utilities all
Dimensions 100 X 100
Shape rectangular
Flood Info not in flood hazard area
Depth 100

General Physical Data

Building Type Single Tenant
SF 4,538

Construction Type class D
Roof Type shingle
Foundation slab
Electrical above gorund
HVAC central
Sprinklers no
Stories 1
Year Built 1985
Condition fair

Indicators

Sale Price/ SF \$99.16 Actual or \$80.43 Adjusted
Floor Area Ratio 0.45
Land to Building Ratio 2.21:1

RECONCILIATION:

The two approaches used in this appraisal offered the following value estimates:

Approach	Building	Land	Value Estimate
Cost	\$465,000	\$347,000	\$812,000
Sales Comparison	\$444,000	\$347,000	\$791,000
Income Capitalization			Not Applicable

In this particular appraisal, the cost approach is a valid support marker even though the building is 16 years old. It is still in good condition and has been well maintained. In this appraisal the cost approach is slightly higher which is mostly due to the depreciated amount. Given the age and condition of the subject building, determining the amount of depreciation is sometimes difficult. Quite often the straight line depreciation amount is more than the actual depreciation depending on a building's current condition. The subject building is similar with the actual depreciation being less than the straight line method of calculation. We believe the value for this approach is valid in this appraisal and is used as a support for the sales comparison approach.

The sales comparison approach is the approach that we leaned on the most in this appraisal. We believe there is a market for this type of building in the Hoover/Birmingham market as we have several sales of similar buildings throughout the market area. Our comparable sales are from different areas of Birmingham but are similar to the subject and are representative of the market. This approach yielded as slightly lower value but is representative of the market where investors buy and sell property.

Giving consideration to the above, it is our opinion that the subject property, land and building, as currently improved, has a market value for its fee simple estate, as of July 26, 2007, in the sum of:

*****EIGHT HUNDRED THOUSAND DOLLARS*****

\$800,000

APPENDICES

APPENDIX A

Engagement Letter
Zoning Regulations

Mallette Real Services Inc.

Commercial, Industrial and Agricultural Real Property Appraisals
Post Office Box 530382
Birmingham, AL. 35253

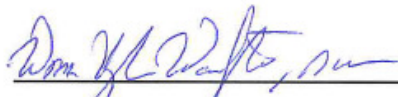
Reese E. Mallette III G00107
Scott Armstrong G00781
Jim Dennis L00312
Frank Alexander S00110

Phone: 205-298-1131
Fax: 205-298-1132

July 25, 2007

By my signature on this letter, I am engaging Mallette Real Services to perform an appraisal on a Veterinary Clinic known as Met Vet, located in Hoover, Alabama, Jefferson County. The values will be delivered no later than August 8, 2007.

The fee for this analysis will be no more than \$1,350.00. At the time of inspection \$700.00 will be collected as a down payment, with the remaining \$650.00 due upon the delivery of the values.



William Washington

7/31/07

Date

Zoning Regulations

Sec. 15.0. PRD Planned Residential Development District.

15.1.*Intent.* Planned Residential Development (PRD), is a method of residential zoning which requires land to be developed in compliance with an approved site development plan. It encourages the preservation and enhancement of natural amenities of the site; flexibility and creativity of design, and a greater diversity of building types, open space arrangements and other aspects of residential land planning, while at the same time preserving public health, safety and general welfare and the intent of the zoning ordinance.

15.2.*Permitted principal uses.* Detached single family dwellings and accessory structures.

15.3.*Conditional uses.* The same conditional uses are permitted in this district as in the E-1 district, subject to the same conditions; plus uses ancillary to residential uses in the PRD, including, but not limited to: nonprofit recreation facilities, and commonly owned improvements intended to serve the residents of the PRD; and home occupations.

15.4.*Special exception uses.* Telecommunications facilities. (Ord. No. 97-1566, § 52, 6-16-97)

15.5.*Prohibited uses.* The same uses are prohibited in this district as in the E-1 district, subject to the same conditions.

15.6.*Area and dimensional regulations.*

A. Minimum lot width: Sixty (60) feet.

B. Minimum building setbacks: No building located in the PRD district shall be located closer than twenty (20) feet from a public street right-of-way nor closer than ten (10) feet from another dwelling nor closer than twenty-five (25) feet from a PRD district boundary that abuts an A-1, R-E, E-1, E-2, PR-1, R-1, R-2 or R-3 zoning district boundary. Front building setbacks for all lots that front a local street in the same block, may be reduced to five (5) feet when vehicle access to said lots is from the rear of the lots; subject to approval by the planning commission as part of the preliminary plat approval process. Each lot in the PRD shall have at least one side yard that is at least ten (10) feet in width. All structures shall be located so as to conform to the International Building Code as may be amended by the city and the International Fire Prevention Code.

C. The maximum permitted density of a PRD shall be four (4) dwellings per gross acre. Although areas within the PRD may exceed the permitted density, when the number of dwellings in the PRD are divided by the gross acreage of the PRD, the average density shall be less than or equal to four (4) dwellings per gross acre. No portion of the PRD shall exceed ten (10) dwellings per gross acre.

D. A minimum of twenty (20) percent of the gross PRD land area shall be devoted to commonly owned open space when any portion of the PRD exceeds six (6) dwellings per gross acre. Said open space shall be distributed throughout the PRD in a manner which is useable by the residents.

E. Maximum building height shall be thirty-five (35) feet. Minimum livable floor area for a one-story dwelling shall be one thousand five hundred (1,500) square feet. Minimum livable floor area for one and one-half and two-story dwellings shall be one thousand nine hundred (1,900) square feet, with at least one thousand (1,000) square feet of livable floor area on the first floor. This ordinance shall have prospective operation only. (Ord. No. 90-908, § 1, 7-16-90)

F. The PRD should preserve and enhance the natural amenities and unique features of the site and compliment the existing natural and manmade environment of the area.

(Ord. No. 91-1014, § 3, 4-15-91; Ord. No. 94-1253, § 1, 5-16-94; Ord. No. 94-1273, § 1, 8-15-94; Ord. No. 97-1567, § 1, 6-16-97; Ord. No. 02-1933, § 2, 9-3-02; Ord. No. 05-2063, § 4, 3-21-05)

15.7.*Buffer regulations.* All conditional uses requiring a structure shall provide as a minimum a twenty-five (25) foot wide buffer on all rear and side property lines that abut a residential district. Schools and churches shall provide as a minimum a thirty-five (35) foot wide buffer on all rear and side property lines that abut a single family residential district and a twenty-five (25) foot wide buffer on all rear and side

property lines that abut a multi-family residential district. All special exception uses shall be surrounded by a twenty (20) foot wide buffer on all property or boundary lines that form the smallest geometric figure enclosing the facility, except as necessary for access to the facility. See article XIII, section 3.0. (Ord. No 99-1719, § 1, 2-7-00; Ord. No. 03-1982, § 1, 9-15-03)

15.8. *Zoning application requirements.* In addition to the requirements of Article III, section 2.0, of this ordinance, the applicant shall submit to the city clerk:

- A. A vicinity map which depicts the area within five hundred (500) feet of the subject property, showing the location of the subject property; and all property lines, public rights-of-way, zoning districts, and use of land in the vicinity.
- B. A written statement which describes the general approach to development, including: The proposed number and percentage of each dwelling type; characteristics of land and dwelling ownership; and density expressed in dwellings per gross acre, for each dwelling type, each acre of the PRD and the total development.
- C. A copy of proposed protective covenants and deed restrictions, including provisions for ownership and maintenance of any commonly owned open space which may be part of the PRD.
- D. A site development plan which contains the following:
 - 1. The direction of north; appropriate scale; topography in not more than five-foot contour intervals; and the location of natural and manmade features which influence the design of the PRD.
 - 2. The proposed location and dimensions of lots or dwellings, accessory and conditional uses, open space, greenbelts, fences or walls, and other proposed structures and improvements.
 - 3. Proposed traffic circulation for the PRD, to include the location of streets, off street parking areas and points of ingress and egress to the property from the public street system.
 - 4. Legal description of the subject property.
 - 5. An approval certification block as follows:

I, _____, City Clerk of the City of Hoover, Alabama, hereby certify that this PRD Development Plan was approved by the Hoover City Council, by Ordinance Number _____, at a meeting of said Council on this _____ day of _____, 19_____.

15.9. *Site development plan review.* The approved development plan and all notes and certifications thereon, as well as other stipulations and conditions which are part of or referred to in the adopting ordinance, shall govern the development of the property depicted on the plan. Because of the conceptual nature of the site development plan, its approval by the city is subject to compliance with all applicable land development law, including, but not limited to: the zoning ordinance, subdivision regulations, building and fire codes. Variance to the above-stated laws may be approved by the city, through procedures set forth therein. Approval of a site development plan does not constitute approval of a subdivision plat.

15.10. *Site development plan amendment.* Minor changes in the location of dwellings or other improvements depicted on approved development plan may be authorized by the building official. The building official shall not vary a dimension by more than ten (10) percent, nor permit a variance to any minimum or maximum requirement of the zoning ordinance, subdivision regulations, protective covenants, development plan, nor development plan adopting ordinance.

Major changes to the development plan shall be approved by the planning and zoning commission and city council, in compliance with the requirements of Article III, subsection 2.11, of this ordinance.

15.11. *Additional regulations.*

- A. Off-street parking and loading regulations, Article IX, page 41.
- B. Sign regulations, Article X, page 45.
- C. Tree conservation, buffers and landscaping, Article XIII. (Ord. No. 91-1048, § 5, 8-16-91; Ord. No. 96-1477, § 32, 4-15-96)
- D. Telecommunications regulations, Article XIV. (Ord. No. 97-1566, § 54, 6-16-97)

APPENDIX B

QUALIFICATIONS OF APPRAISERS

QUALIFICATIONS AND EXPERIENCE

Robert Franklin Alexander Jr.
1109 Outwoods Circle
Birmingham, Alabama 35235
Home 205-836-1109 Work 205-298-1131

Education:

Alabama Appraisal Academy 2005
A+ Certification 1999
E. B. Erwin High School 1984

Experience 2005-Present:

Mallette Real Services, Inc. Commercial real estate appraisal, land evaluation, and consultation.
State Registered Real Property Appraiser
License Number S00110



TRAINING AND COURSE CREDITS:

MSR-16-Marshall and Swift Cost Evaluation 2005
ARE-45 Appraisal of Real Estate 2005
HT-77 Appraisal of Single Family Residence 2005
BC-45 Blueprints and Construction 2005
USPAP 2005

Appraisals Performed For:

First Commercial Bank
Wachovia Bank
Regions/AmSouth Bank
Renasant Bank
Alabama Central Credit Union
Southpoint Bank
Mountain State Bank-Atlanta

First American Bank
Mutual Savings Credit Union
Superior Bank
ServisFirst Bank
Central State Bank
Union State Bank

Compass Bank
Colonial Bank
Red Mountain Bank
Pinnacle Bank
Bancorp South
Alabama Trust

Types of Properties Appraised:

Retail Buildings
Office Buildings
Industrial Facilities
Apartment Complexes
Developable Acreage

Churches
Veterinary Hospitals
Rural Acreage
Convenience Stores

Automobile Service Centers
Subdivision Developments
Office Warehouses
Doctors Offices

State of Alabama



This is to certify that

Reese E Mallette, III

*having given satisfactory evidence of the necessary
qualifications required by the laws of the State of Alabama
is licensed to transact business in Alabama as a*

Certified General Real Property Appraiser

*With all rights, privileges and obligations
appurtenant thereto.*

LICENSE NUMBER: **G00107**
EXPIRATION DATE: **9/30/2007**

Hina Brooks Executive Director
ALABAMA REAL ESTATE APPRAISERS BOARD

QUALIFICATIONS AND EXPERIENCE

REESE E. MALLETTE III
335 Richmar Drive Birmingham, Alabama 35213

Phone (Home) 871-8554 (Work) 298-1131
E-mail reese@malletteappraisal.com

EDUCATION

B. S. IN NATURAL RESOURCES, UNIVERSITY OF THE SOUTH.....1983

MOUNTAIN BROOK HIGH SCHOOL.....1979

EXPERIENCE

1994-Present	MALLETTE REAL SERVICES, INC.	Commercial Real Estate Appraisal, Land Evaluation, Consulting
1989-1994	T. E. YOUNG AND ASSOCIATES	Commercial Real Estate Appraisal
1986-1989	BRASFIELD & GORRIE, INC.	Quality Control Coordinator
1983-1988	REESE E. MALLETTE ASSOCIATES	Assist in Mineral and Land Valuation

APPRAISALS PERFORMED FOR:

First Commercial Bank	First Federal Bank	Compass Bank
Wachovia Bank	New South Federal Savings Bank	Regions- Shelby County
Southtrust Mortgage Company	Regions Bank	Superior Bank
First American Bank	The Trust Company	Renasant Bank
Reliance Bank, Athens, Alabama	Acipco	The Bank of Alabama
Amsouth Bank	Central State Bank	Heritage Bank
Bancorp South	Jefferson County	Temple Beth-El
USX Corporation	Resolution Trust Corporation	Feld Hyde Lyle Wortheimer
Colonial Bank	Mountain Brook B.O.E.	Shelby County
First National Bank of Shelby County	Collateral Mortgage Company	Red Mountain Bank
Federal Deposit Insurance Corporation	Birmingham Jewish Community Center	Southpoint Bank
Union State Bank	Standard Mortgage Company	
Small Business Administration	Pinnacle Bank	

Accountants, attorneys, churches, insurance companies, developers, mortgage companies and individuals on a fee basis.

COMMUNITY ACTIVITIES:

Rotary Club of Birmingham	Boy Scouts
City Salesmens Club	Alabama Wildlife Federation
Birmingham Committee on Foreign Relations	Canterbury United Methodist Church
The Newcomen Society	

TRAINING AND COURSE CREDITS

AIREA	APPRAISAL PRINCIPLES (1A1/8-1).....	1989
AIREA	APPRAISAL PROCEDURES (1A2).....	1989
AIREA	RESIDENTIAL VALUATION (8-2).....	1989
AREC	SALES PRELICENSURE COURSE.....	1989
AIREA	HAZARDOUS MATERIALS SEMINAR.....	1989
AIREA	STANDARDS OF PROFESSIONAL PRACTICE (SPP).....	1990
APPRAISAL INSTITUTE	CAPITALIZATION THEORY AND TECHNIQUES, PART A (1BA).....	1992
APPRAISAL INSTITUTE	CAPITALIZATION THEORY AND TECHNIQUES, PART B (1BB).....	1992
APPRAISAL INSTITUTE	CASE STUDIES IN REAL ESTATE VALUATION (2-1)..	1992
APPRAISAL INSTITUTE	REPORT WRITING AND VALUATION ANALYSIS (2-2)..	1992
APPRAISAL INSTITUTE	UNDERSTANDING LIMITED APPRAISALS AND APPRAISAL REPORTING - GENERAL.....	1994
APPRAISAL INSTITUTE	STANDARDS OF PROFESSIONAL PRACTICE (SPP) PARTS A AND B.....	1994,1997, 1999
APPRAISAL INSTITUTE	TIMBERLAND VALUATION SEMINAR.....	1996
APPRAISAL INSTITUTE	APPRAISAL OF LOCAL RETAIL PROPERTIES...	1999
CENTRE FOR ADVANCED PROPERTY ECONOMICS	MINERALS APPRAISAL SYMPOSIUM	2003

TYPES OF PROPERTIES APPRAISED:

Retail Buildings	Churches	Automobile Service Centers
Office Buildings	Farms	Veterinary Hospitals
Industrial Facilities	Rural Acreage	Dentists Offices
Subdivision Developments	Market Analysis - Raw Acreage	Restaurants
Apartment Complexes	Convenience Stores	
Auto Dealerships	Developable Acreage	
Office Warehouses	Mobile Home Parks	
Shopping Centers	Garden Centers	
Car Washes	Doctors Offices	

Experienced as a real estate appraiser covering commercial, agricultural and industrial property in the states of Alabama, Tennessee, and Mississippi.