

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY

MINUTES OF THE MAY 19, 2016 MEETING

(Open Session)

Attendees:

Attending Authority Board Members: Dr. Charles Lingle; Fred Ghiglieri; Dr. Michael N. Laslie; Dr. Edward Vance; Joel Callins; John Hayes; Lamar Reese; Ferrell Moultrie; and, Pastor Charlene Glover. Authority Legal Counsel: James E. Reynolds, Jr. Also those present on behalf of Phoebe Putney Memorial Hospital, Inc. included: Joel Wernick; Brian Church; Joe Austin; Dawn Benson; Laura Shearer; Felicia Lewis; Jessica Castle; and, Dr. Suresh Lakhanpal. Recorder, Nancy Feldman.

Absent Authority Members: None

Open Meeting and Establish a Quorum:

Chairman Lingle called the meeting to order at 7:30 A.M. in the Willson Board Room of Phoebe's Main Campus. Dr. Lingle thanked all Members for their attendance and participation and he observed that a quorum was present with all nine Authority Members being in attendance.

Approval of the Agenda:

The proposed Agenda had been previously provided to the Authority Members and a motion to adopt the proposed Agenda for the meeting was made by Ferrell Moultrie and seconded by Lamar Reese, which motion was approved by all Authority Members. A copy of the Agenda as adopted is attached.

Approval of Minutes:

The proposed Minutes of the February 18, 2016 open session meeting of the Authority had likewise been provided to Members prior to this meeting and the same were considered for approval. Fred Ghiglieri made a motion and Dr. Edward Vance seconded the motion, to approve the Minutes as previously provided. The motion passed unanimously by vote of all Members.

Possible Real Estate Sale:

Following an informational presentation by Joe Austin and Joel Wernick concerning the Hospital's recommendation as to the sale of the Medical Office Building located at 1912 Arlington Lane (the "Property") to Dr. Paul Payne, questions and comments ensued. A copy of the power point presentation is attached. Following the same, upon motion by Fred

Ghiglieri and seconded by Lamar Reese, the following Resolution passed unanimously: Resolved that the Chairman, or in his absence the Vice-Chairman, is authorized and directed to enter into a contract approved by such officer and Authority counsel, for the Authority to sell the Property for the appraised value of the Property as covered in the presentation, provided the current deed restrictions applicable to the Property, including the right of first refusal, are retained.

Financial Reports:

Brian Church, CFO of PPMH, Inc., presented and reviewed an interim financial report for the Authority's current fiscal year through April 30, 2016. Additionally Mr. Church provided and reviewed certain information contained in the Hospital's Community Benefit Report, which showed, among other things, that the Hospital provided in excess of \$308 million in charitable care and benefits. This report is required as a part of Phoebe's Treasury Form 990 filing and it is filed with State officials as well. It is intended that this information will be formatted to booklet form which can be distributed within the community and it will be displayed on the Phoebe website. In commenting on the report Mr. Wernick also pointed out that although there is some perception that Phoebe does not pay ad valorem taxes, it does in fact pay nearly \$1,000,000 in property taxes. A copy of the Authority's interim financial statement presented by Mr. Church is attached.

Hospital CEO and COO Operational Reports:

Joe Austin, COO of the Hospital and Health System, provided a facilities update which focused on 7th Floor, (oncology floor) renovation, a copy of which is attached. CEO Joel Wernick, gave members an update report on the student housing project and its recent ground breaking, as well as discussing how well this project, expected to be open to students next summer, strategically fits with Phoebe's mission. Next Laura Shearer, Sr. Vice-President for patient care services, gave a report on the success to date of the operation of the Community Care Clinic which was established with the goal of providing non-emergency patient care, thereby relieving the Emergency Room of it providing such care. To date, the Clinic has exceeded expectations in terms of patient acceptance and patient census. Patients pay on a sliding scale. Importantly, Dr. Lakanpal observed, there is much improvement in the ER environment. A copy of the report is attached.

Closing of the Meeting:

A motion was made by Dr. Laslie, seconded by Joel Collins to close the meeting for the purposes of: (i) engaging in privileged consultation with legal counsel; (ii) to discuss potentially valuable commercial plans, proposals or strategies that may be of competitive advantage in the operation of Phoebe Putney Memorial Hospital or its medical facilities, or (iii) to discuss confidential matters or information pertaining to peer review or provided by a peer review organization as defined in O.C.G.A §31-7-131.

Chairman Lingle polled each individual Authority Member present with respect to his or her vote on the motion and the vote of each of the Members is shown below, with no Member opposing:

Fred Ghiglieri	Yes
Dr. Michael Laslie	Yes
Joel Callins	Yes
Dr. Edward Vance	Yes
Dr. Charles Lingle	Yes
John Hayes	Yes
Lamar Reese	Yes
Ferrell Moultrie	Yes
Pastor Charlene Glover	Yes

The motion having passed, the meeting closed.

Open Session Reconvened:

Following unanimous vote of all Members in attendance at the conclusion of the Closed Session, the meeting reopened, Dr. Vance having left for his medical practice and patients during the Closed Session.

Adjournment:

There being no further business the meeting was adjourned.


Nancy Feldman, Recorder

AGENDA

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA

**(OPEN SESSION)
Meeting of May 19, 2016
(Willson Board Room)**

- I. **Open meeting and establish quorum** **Chairman**
- II. **Consider Approval of Agenda (draft previously provided to Members)** **Chairman**
- III. **Consideration of Open Session Minutes of February 18, 2016 meeting
(draft previously provided to Members)** **Chairman**
- IV. **Real Estate Matter** **Joe Austin / Joel Wernick**
- V. **Financial Reports** **Brian Church**
 - a. **Hospital Authority Financials**
 - b. **Community Benefits**
- VI. **Phoebe Putney Memorial Hospital, Inc. CEO and Operational Reports**
 - a. **Facilities Update** **Joe Austin**
 - b. **Student Housing Update** **Joel Wernick**
 - c. **Community Care Clinic** **Joe Austin**
- VII. **Consideration of vote to close meeting for Closed Session** **Chairman**
- VIII. **Additional Business**
- IX. **Adjournment**



REAL ESTATE MATTER

Joe Austin

1912 Arlington Lane



1912 Arlington Lane

- Phoebe North
- ★ 1912 Arlington
- Dr. Payne



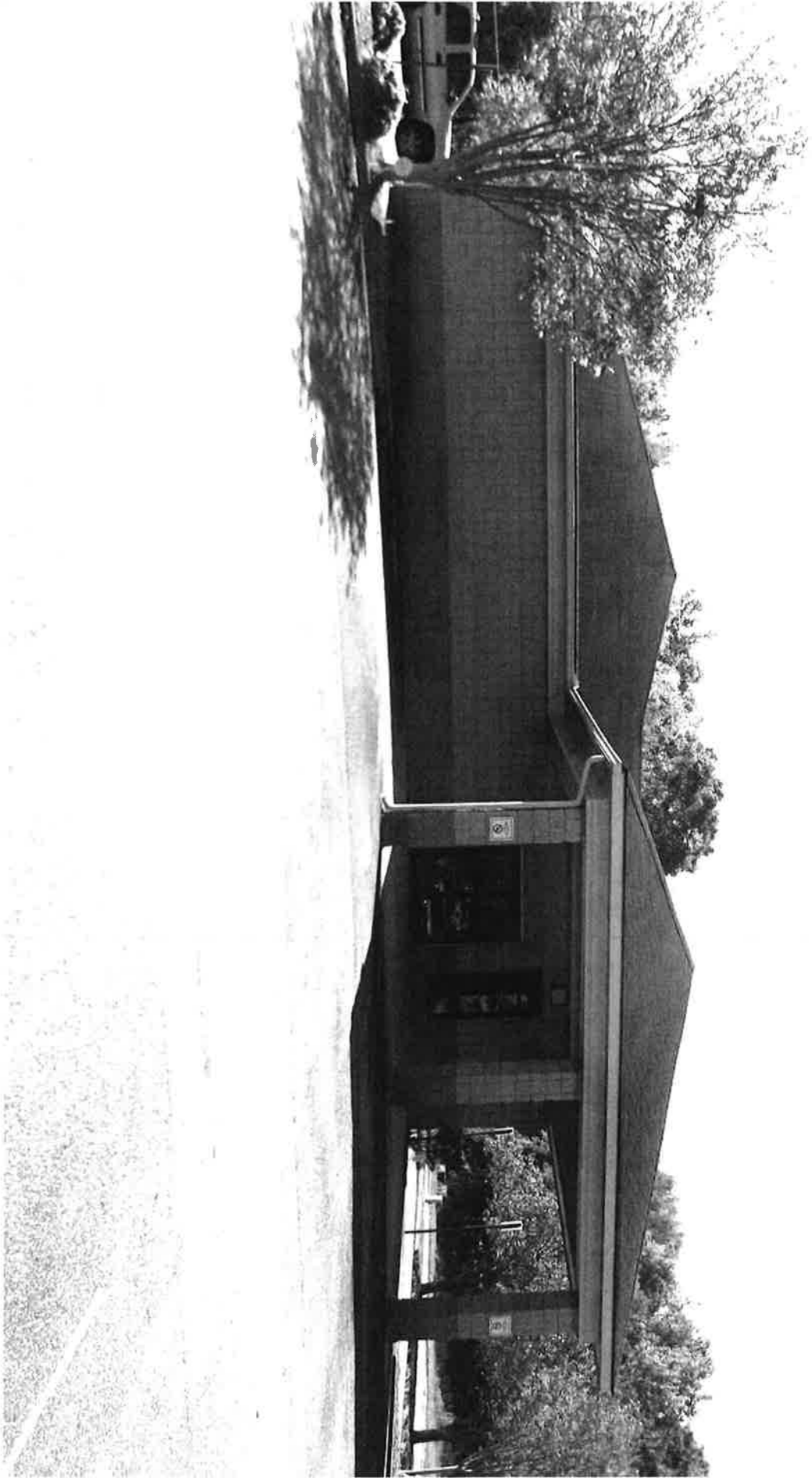


1912 Arlington Lane



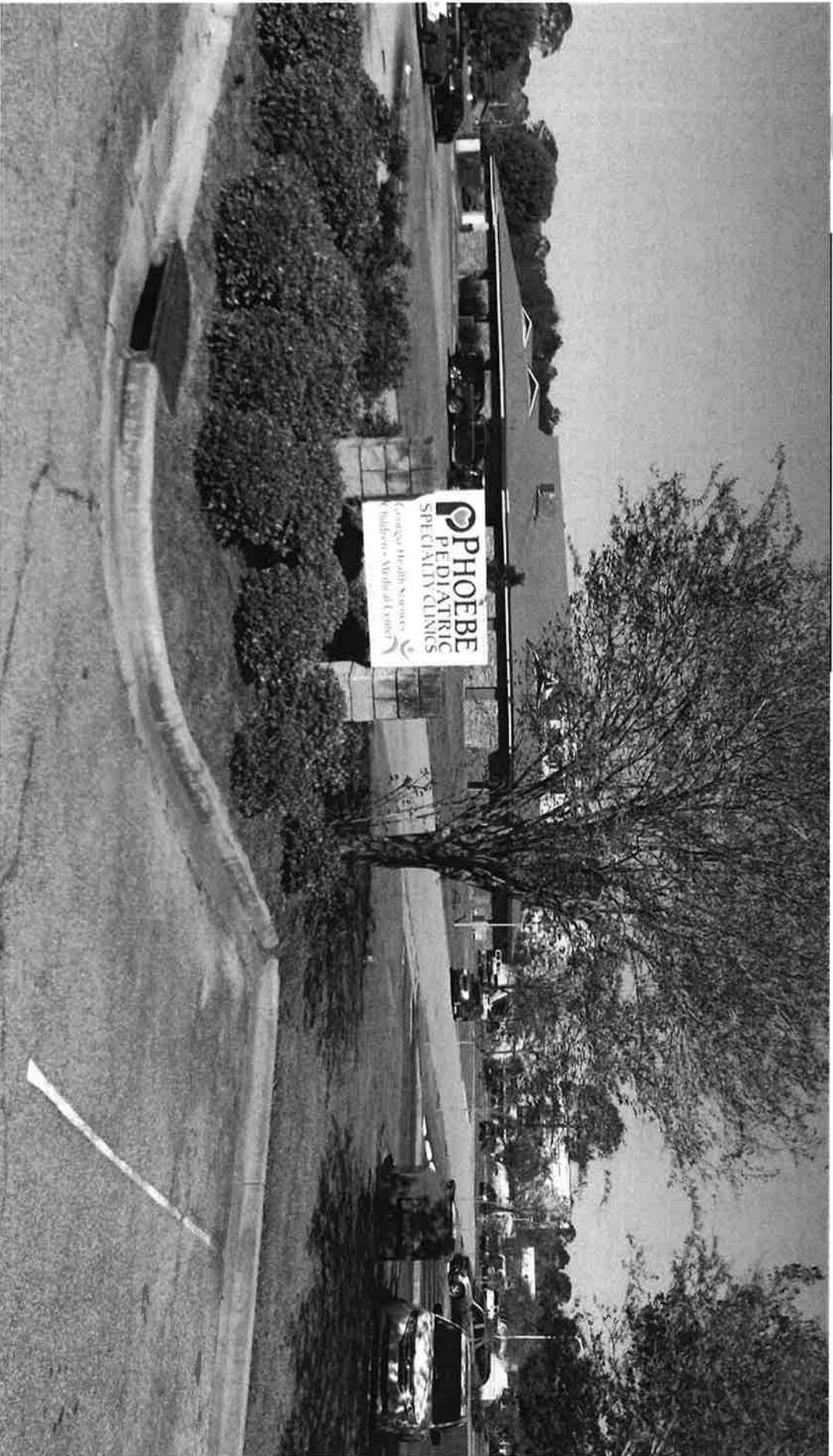


1912 Arlington Lane





1912 Arlington Lane





1912 Arlington Lane

- **Acquired from HCA as part of Palmyra Acquisition**
- **Built in 1995**
- **Current Occupant: Hospital Based Pediatric Specialty Clinic (Plan to relocate them in place)**
- **Total Square Footage: 3,773**
- **Acreage: .743**
- **Appraised Value: \$456,000 - \$479,000**



1912 Arlington Lane

Recommendations

- **Proceed with discussions to sell property to Dr. Payne with first right of refusal language included in agreement at Fair Market Value based on appraisal.**
- **Action Item: Hospital Authority Approval required**

SOUTHERN APPRAISAL COMPANY

REAL ESTATE APPRAISAL & CONSULTING

1928 Dawson Road · Albany, Georgia 31707
Phone: (229) 883-6660 Fax: (229) 431-1920

AN APPRAISAL OF:

A Medical Office Located at
1912 Arlington
Albany, Georgia 31701

DATE OF REPORT:

April 12, 2016

PREPARED BY:

Southern Appraisal Company
Mike Everett, MAI
Certified-General Real Property Appraiser #002976

SOUTHERN APPRAISAL COMPANY

REAL ESTATE APPRAISAL & CONSULTING

1928 Dawson Road · Albany, Georgia 31707
Phone: (229) 883-6660 Fax: (229) 431-1920

April 12, 2016

Mr. Brad Hallford
Phoebe Putney Health System
417 W. Third Avenue
Albany, Georgia 31701

RE: An Appraisal of a Medical Office Building Located at 1912 Arlington Lane, Albany, Georgia; Owner: Hospital Authority of Albany-Dougherty County, Georgia

Pursuant to your request, I have made a personal inspection and appraisal on the above-described property.

The purpose of this appraisal is the estimation of market value of the fee simple interest of the subject property. I certify that the statements and opinions contained in this report are true and correct to the best of my knowledge. I further certify that I have no present or contemplated interest in the property and that my compensation is not based upon the value found.

The accompanying 86-page Appraisal Report includes exhibits and addenda. It presents two of the three traditional approaches to estimating value and states the conclusions derived from their application. The appraiser was not able to find any similar, recent medical offices that were purchased based upon an in-place lease for the purpose of holding as investment rental property. Each of the sales used in the sales comparison approach were purchased for owner-occupancy. Due to the lack of sales providing a market-derived cap rate, and the due to the lack of arm's length rental comps on medical office space, an income approach has not been performed. The omission of the income approach is not believed to adversely affect the reliability of the value conclusion. Please note the assumptions and limiting conditions on pages 16-18.

The appraisal is of an existing 3,773 +/- square foot medical office building which was constructed in 1995. The building is situated on a 0.743 acre site. The building is presently being used as Phoebe Pediatric Specialty Clinic. It is assumed that there are no adverse easements, encroachments, or adverse environmental conditions. Should the client have any concerns regarding potential adverse environmental conditions, an expert in this particular field should be consulted.

Mr. Brad Hallford
Phoebe Putney Health System
April 12, 2016

When the subject site was originally sold in 1994 to Chad Kishore, restrictive covenants were placed on the subject property by HCA/Palmyra Park Medical Center, the former owner/operator of the hospital across the street from the subject property. These restrictions and covenants were put into place to prevent the subject property and a few other properties in the subject area from being used to provide certain medical related services that might compete with HCA/Palmyra Park Hospital. In 2003, Palmyra Park Hospital purchased the improved property from Dr. Kishore. In 2011, the Hospital Authority of Albany-Dougherty County Georgia acquired the former Palmyra Park Hospital and its associated real property including the subject property.

It appears that the deed restrictions that had previously been placed on the subject property allow for general/typical medical practice uses, but uses such as a surgery center, birthing center, physical therapy, imaging center, etc. would not be allowed. Also, there was an option for the first right of refusal. If placed on the subject property, these restrictions/covenants could possibly cause some market resistance to the subject property versus comparable office properties that are not subject to such restrictions. Insufficient sales with these similar restrictions were found to clearly and definitively determine the true impact on price. However, a nearby 2014 sale occurred that showed about a -5% adjustment being indicated. Since it is not known whether the subject property would be sold with or without the restrictions, two values will be provided with the value including the restrictions being 5% less than that with the restriction. A copy of the prior restrictions found in the deed from the prior 1996 sale of the subject property can be found in the addendum of this report.

The appraiser noticed several loose/missing roof shingles and shingles that were cupping which would tend to indicate the roof cover needs replacing. The appraisal is made under the assumption that the roof cover needs replacing. A roof inspection is recommended.

This appraisal report has been prepared for the exclusive benefit of Phoebe Putney Health System. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at their own risk.

Mr. Brad Hallford
Phoebe Putney Health System
April 12, 2016

As a result of the analyses and investigations made, it is my opinion that the "As Is" market value of the subject property, as of the effective date of April 7, 2016, is:

Estimated Value Assuming Prior Deed Restrictions: **\$456,000**

Estimated Value without Prior Deed Restrictions: **\$479,000**

Respectfully submitted,
SOUTHERN APPRAISAL COMPANY



Mike Everett, MAI
Certified-General Real Property Appraiser #2976

SUBJECT PHOTOGRAPHS



Front View of Subject Building



Rear View of Subject Building

SUBJECT PHOTOGRAPHS



View of North Side of Subject Building



View of Signage and Arlington Lane

SUBJECT PHOTOGRAPHS

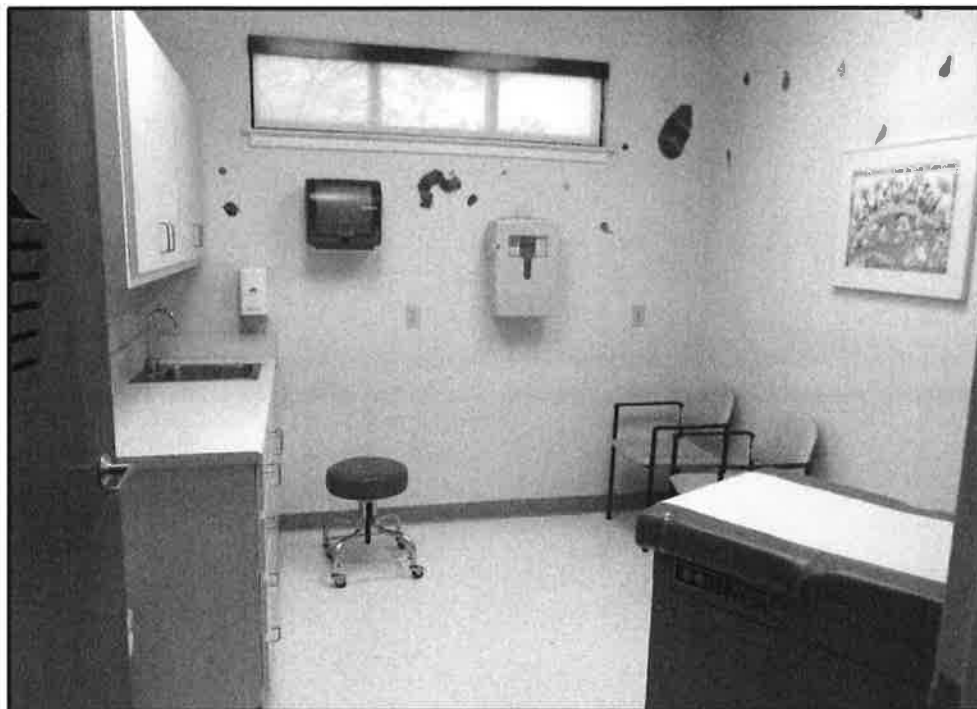


View of Waiting Room

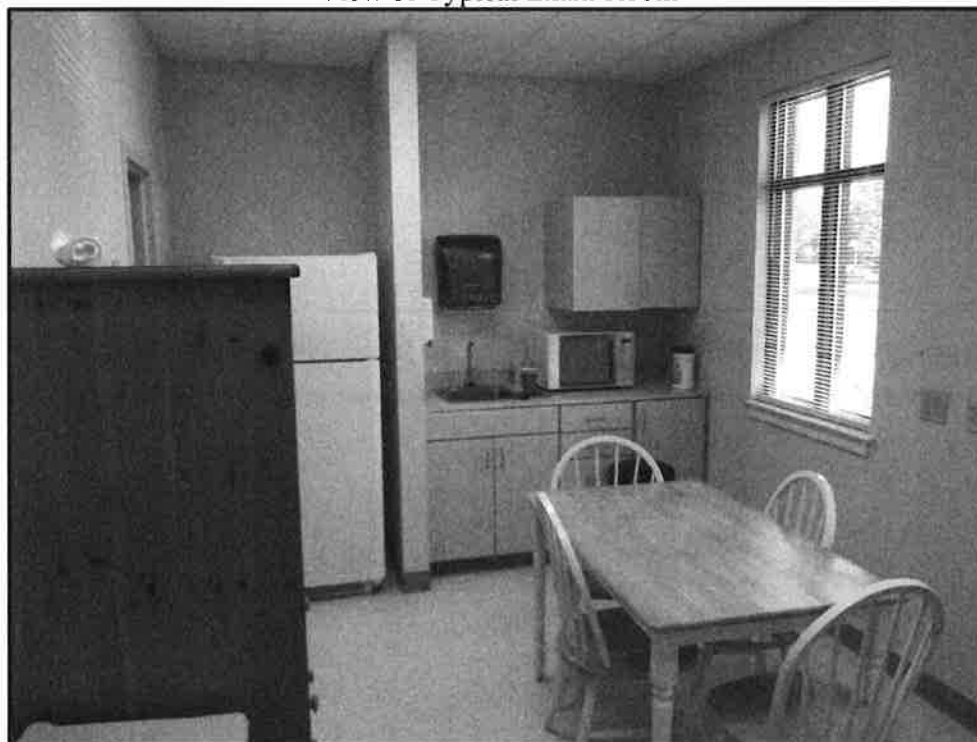


View of Receptionist/Admin. Area

SUBJECT PHOTOGRAPHS



View of Typical Exam Room



View of Break Room

SUBJECT PHOTOGRAPHS



View of Small Lab

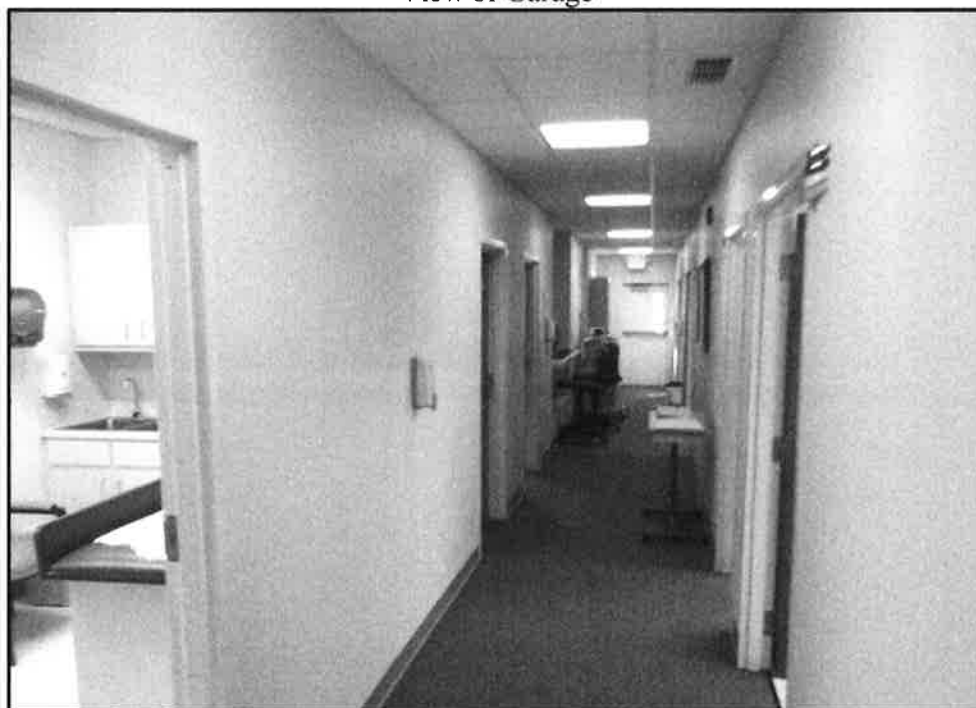


View of Typical Doctor's Office

SUBJECT PHOTOGRAPHS



View of Garage



View of Hallway

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SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

LOCATION: 1912 Arlington Lane, Albany, Georgia

OWNER OF RECORD: Hospital Authority of Albany-Dougherty County, Georgia

LAND AREA: 0.743 Acre

IMPROVEMENTS: A decorative block exterior medical-office building containing approximately 3,773 square feet of gross building area. There is a 499 s.f. covered drop-off area on the north side of the building and a 528 s.f. garage on the rear. Additional features include signage and paved parking, sidewalks and drives. The office building was built in 1995.

ZONING: C-5, Restricted Office District

HIGHEST AND BEST USE: Office-Institutional

LEGAL DESCRIPTION: See the Legal Page

TAXES: The property is tax exempt

VALUE ESTIMATES:

	<u>With Deed Restriction</u>	<u>Without Deed Restriction</u>
COST APPROACH:	\$451,000	\$475,000
SALES COMPARISON APPROACH:	\$456,000	\$479,000
INCOME APPROACH:	Not Used	
FINAL VALUE ESTIMATE:	\$456,000	\$479,000

DATE OF APPRAISAL REPORT: April 12, 2016

EFFECTIVE DATE OF VALUE: April 7, 2016

APPRAISER: Mike Everett, MAI
Certified-General Real Property Appraiser #2976

CERTIFICATION OF THE 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 reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
8. 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 Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
9. I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. I have made a personal inspection of the property that is the subject of this report.
11. No one provided significant real property appraisal assistance to the person signing this certification.
12. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the acceptance of this assignment.
13. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

Appraiser's Certification (continued)

14. I certify that, to the best of my knowledge and belief, my analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Georgia Real Estate Appraiser Classification and Regulation Act and the Rules and Regulations of the Georgia Real Estate Appraisers Board.



Mike Everett, MAI, Certified-General Real Property Appraiser #2976

LIMITING CONDITIONS

The following conditions are applicable to the properties described herein as well as the appraisal report:

1. It is assumed that the legal description of the property furnished herein is correct.
2. Title to the property is assumed to be good, free of defects, marketable, unencumbered, and in fee simple.
3. Any sketches and/or maps in this report are included only for illustration purposes in order to assist the reader.
4. No responsibility is assumed for matters legal in character nor is any opinion rendered as to title.
5. Whereas the information in this report is considered to be reliable to the best knowledge of the appraiser, it is not guaranteed.
6. Distribution of the total valuation between land and improvements as shown in this report applies only under the existing program of utilization. Separate values assigned to land and the improvements must be used together and in their entirety only in conjunction with this appraisal when representatives are made as to the findings of the appraiser.
7. Possession of this report, or any copy thereof, by Client or any third party does not include or confer any rights of publication or redistribution of the Appraisal Report other than to such persons or entities identified in engagement agreement who shall be advised in writing of Appraiser's rights under the engagement agreement and these limiting conditions prior to their receipt of the Appraisal Report. All rights, title, and interest in (1) any data gathered by Appraiser in the course of preparing the Appraisal Report (excluding any data furnished by or on behalf of Client) and (2) the content of the Appraisal report prepared pursuant to engagement agreement shall be vested in Appraiser. Subject to the foregoing, Client shall have the right to possess a copy of the Appraisal Report and to disclose the report to Client's attorneys, accountants or other professional advisors in the course of Client's business affairs relating to the property that is the object of the Appraisal Report, provided that such attorneys, accountants or advisors are advised in writing of Appraiser's rights under the engagement agreement and these limiting conditions prior to receipt of such Appraisal Report.
8. The appraiser, by reason of this appraisal report, is not required to give testimony or attendance in court with reference to the property described herein, unless prior written consent and arrangements have been made.

9. Neither all nor any part of the contents of this report or copy thereof shall be conveyed to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the authors, particularly as to the valuation conclusions, the identity of the appraiser, or firm with which he is connected.
10. The land, and particularly the soil, of the area under appraisal appears firm and solid. The appraiser does not warrant against conditions which may occur that would be detrimental. The appraiser cannot guarantee that the property is free of encroachments or easements, and recommends further investigation and survey.
11. Subsurface rights (mineral and oil) were not considered in making this appraisal.
12. Damage, if any, by termites, dry rot, wet rot, or other infestations, was reported as a matter of information, and we do not guarantee the amount or degree of damage, if any.
13. All furnishings and equipment, except those specifically indicated and typically considered as a part of real estate, have been disregarded by the appraiser. Only the real estate has been considered.
14. The comparable sales data relied upon in this report are believed to be from reliable sources; however, it was not possible to inspect the comparables completely, and it was necessary to rely on information furnished by others as to said data; therefore, the value conclusions are subject to the correctness and verification of said data.
15. The appraiser has inspected, as far as possible, by observation, the land and improvements thereon; however, it was not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore, no representations are made herein as to those matters, and, unless specifically considered in this report, the value estimated is subject to any conditions that could cause a loss in value. Conditions of heating, cooling, ventilating, electrical, and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated.
16. The value estimated in this report is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions. I have not performed an environmental study of the property and, should the property be affected by hazardous environmental conditions, such conditions could materially affect the value conclusion.

17. 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.
18. Responsible ownership and competent property management are assumed.
19. All engineering is assumed to be correct. Any illustrative materials in this report are included only to assist the reader in visualizing the property.
20. 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.
21. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a noncompliance has been stated, defined and considered in the appraisal report.
22. The appraiser's conclusion of value is based upon the assumption that there are no hidden or unapparent conditions of the property that might impact upon buildability. The appraiser recommends due diligence be conducted through the local building department or municipality to investigate buildability and whether property is suitable for intended use. The appraiser makes no representations, guarantees or warranties.
23. Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are my best estimates of current market thinking of what future trends will be. No warranty of representation is made that these projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand.
24. Neither party shall under any circumstances be liable for special, exemplary, punitive or consequential damages, including, without limitation, loss of profits or damages proximately caused by loss of use of any property, whether arising from either party's negligence, breach of the engagement agreement or otherwise, whether or not a party was advised, or knew of the possibility of such damages, or such possibility was foreseeable by that party. In no event shall Appraiser be liable to client for any amounts that exceed the fees and costs paid by Client to Appraiser pursuant to engagement of Appraiser's services.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to estimate the market value in fee-simple title.

THE INTENDED USE OR THE FUNCTION OF THE APPRAISAL

This appraisal will be used by the client for establishing a fair market value for the subject property with the anticipation of possibly leasing or selling the property in the future.

INTENDED USER/CLIENT

The intended user of this report is the client, Phoebe Putney Health System. The unauthorized use of this appraisal by any other party is prohibited.

PROPERTY RIGHTS APPRAISED

This appraisal is based on fee-title ownership with all appurtenances thereon, and all rights and privileges thereunto belonging. A *fee simple estate* is defined by *The Dictionary of Real Estate Appraisal, Second Edition* as "absolute ownership unencumbered by any other interest or estate subject to only the four powers of government."

DEFINITION OF MARKET VALUE

Market Value is currently defined by the agencies that regulate federal financial institutions in the United States of America as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently 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 each acting in what they consider 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 terms of financial arrangements comparable thereto; and
5. 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."

SCOPE OF THE APPRAISAL

The appraisal is made in accordance with the guidelines set forth by the Appraisal Institute and follows the USPAP rules and regulations. The appraisal is made solely on the real property and does not include any value for personal property, equipment, furniture, or fixtures. All data utilized were verified through by parties involved with or familiar with the transaction or from or through other appraisers in the area. The appraiser physically inspected the subject property on April 7, 2016 which is also the effective date of the appraisal. The income approach was not used as part of this assignment due to the lack of comparable sales that were leased at the time of purchase and the lack of comparable rental data. In preparing this appraisal, the appraiser:

- inspected the subject site and the interior and exterior of the office building;
- gathered and confirmed information on comparable land sales and improved sales;
- applied the Sales Comparison Approach and the Cost Approach to arrive at an indication of value.

Please see the section entitled Appraisal Procedure for a detailed description on the depth of the appraisal.

PROPERTY IDENTIFICATION

The subject site is an interior lot located at 1912 Arlington Lane, Albany, Georgia. It is shown as tax parcel 000LL/00009/007 in Albany, Dougherty County, Georgia.

HISTORY OF THE SUBJECT

The property was last acquired as part of a \$24,069,270 aggregate purchase of the real estate holdings of Palmyra Park Hospital LLC by the Hospital Authority of Albany-Dougherty County, Georgia. The appraiser is not aware of any marketing efforts to sell the subject property since this time.

PROPERTY TAX

The subject property is currently tax exempt and there is no tax liability:

Tax Year	Bill #	Orig Bill Amt	Interest Amt	Penalty Amt	Other Fees	Paid Date	Paid Amt	Current Bill	Status
2009	26886	\$8,758.43	\$0.00	\$0.00	\$0.00	12/10/2009	\$8,758.43	\$0.00	PAID
2010	27199	\$8,648.91	\$0.00	\$0.00	\$0.00	12/6/2010	\$8,648.91	\$0.00	PAID
2011	27513	\$8,648.91	\$0.00	\$0.00	\$0.00	11/7/2011	\$8,648.91	\$0.00	PAID
2012	17645	\$8,930.97	\$0.00	\$0.00	\$0.00	12/20/2012	\$8,930.97	\$0.00	PAID
2013	17723	\$8,919.95	\$0.00	\$0.00	\$0.00	12/17/2013	\$8,919.95	\$0.00	PAID
2014	45147	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	PAID
2015	44938	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	PAID

PROPERTY TAX CARD



Recent Sales in Area	Previous Parcel	Next Parcel	Field Definitions	Return to Main Search Page	Dougherty Home
Owner and Parcel Information					
Owner Name	HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY			Today's Date	April 6, 2016
Mailing Address	COUNTY GEORGIA ATTN ACCOUNTING DEPARTMENT PO BOX 1828 ALBANY, GA 31702-1828			Parcel Number	000LL/00009/007
Location Address	1912 ARLINGTON LN			Tax District	City (District 01)
Legal Description	LOT 2D RESUB LOTS 2 THRU 6			2015 Millage Rate	40.942
Property Class (NOTE: Not Zoning Info)	E1-Exempt			Acres	0.73
Zoning	C5			Neighborhood	
				Homestead Exemption	No (50)
				Parcel Map	Show Parcel Map

2015 Tax Year Value Information				
Land Value	Improvement Value	Accessory Value	Total Value	Previous Value
\$ 64,800	\$ 456,300	\$ 29,800	\$ 550,900	\$ 550,900

Land Information						
Type	Description	Calculation Method	Frontage	Depth	Acres	Photo
RES	Comm-Palmyra Med Ctr	Front Feet	215	147	0.73	NA

Improvement Information							
Description	Value	Actual Year Built	Effective Year Built	Square Feet	Wall Height	Wall Frames	Exterior Wall
Medical Office Buildings	\$ 456,300	1995	1995	5,700	12	STEEL L&H	DECO BLOCK
Roof Cover	Interior Walls	Floor Construction	Floor Finish	Ceiling Finish	Lighting	Heating	Sketch
COMP SHINGLE	NONE		CARPET	FIN.SUSPD		F AIR DUCT/CENTRAL AC	Sketch Building 1
							Building Images

Accessory Information			
Description	Year Built	Dimensions/Units	Value
ASPH PAVIN	1995	0x0 16100	\$ 28,100
CONC PAVIN	1995	0x0 546	\$ 1,700

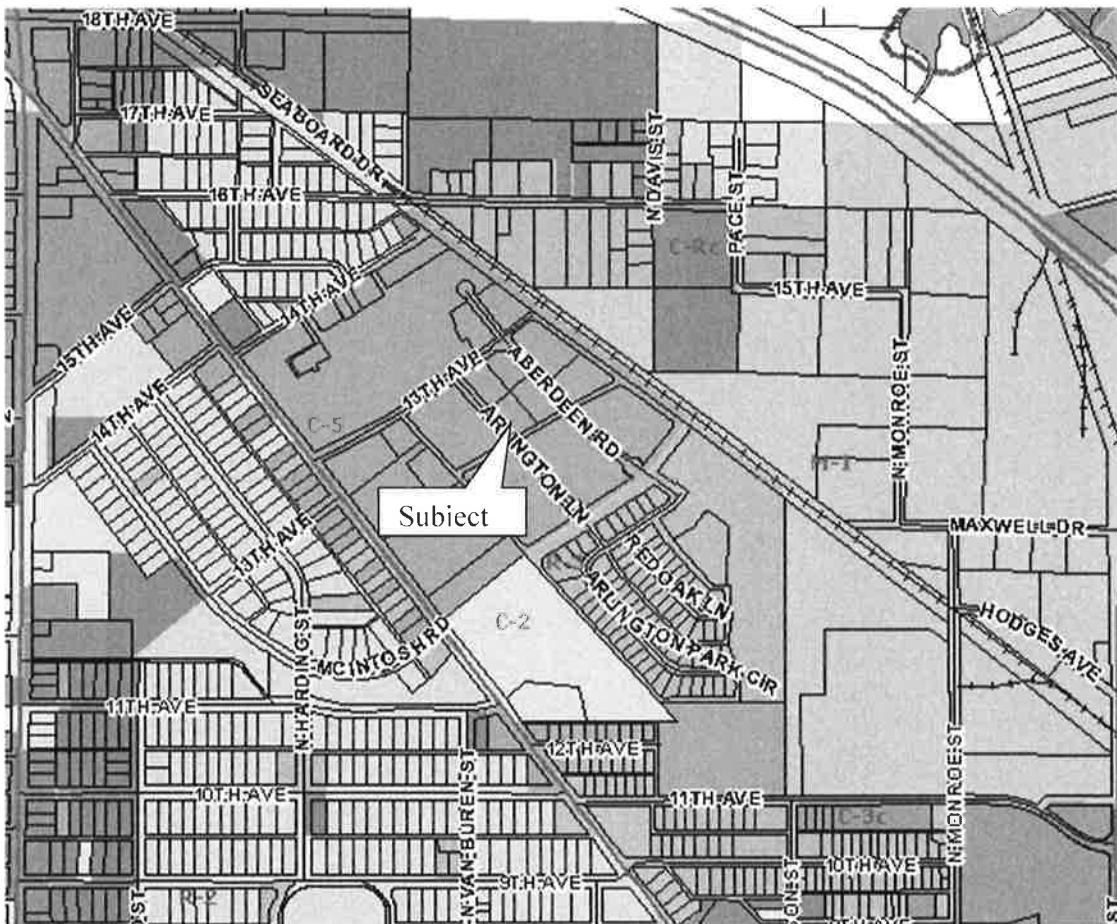
Sale Information						
Sale Date	Deed Book / Page	Plat Book / Page	Sale Price	Reason	Grantor	Grantee
12/15/2011	3865 172		\$ 0	15 LOVE & AFFECTION/GIFT	HCA HEALTH SERVICES OF GEORGIA INC	HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY
12/15/2011	3865 162		\$ 0	15 LOVE & AFFECTION/GIFT	HCA SQUARED LLC	HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY
12/15/2011	3865 153		\$ 0	15 LOVE & AFFECTION/GIFT	HCA REALTY INC	HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY
12/15/2011	3865 120		\$ 24,069,270	Fair Market - Improved	PALMYRA PARK HOSPITAL LLC	HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY
05/16/2003	2590 284		\$ 470,000	Fair Market - Improved	C N KISHORE ASSOCIATES INC	PALMYRA PARK HOSPITAL INC
07/31/1996	1614 295		\$ 400,000	02 SAME	KISHORE CHAD	

ZONING

The property is zoned C-5, Restricted Office District.

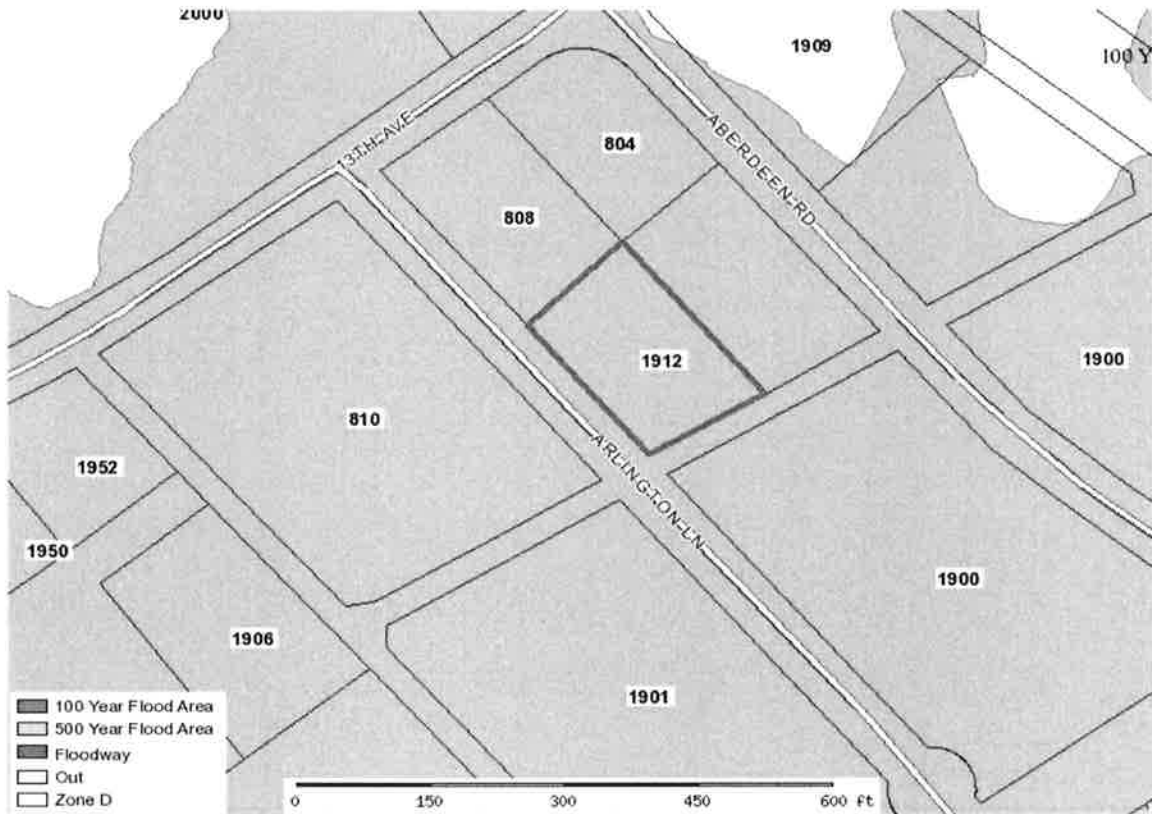
- **C-5, OFFICE-INSTITUTIONAL-RESIDENTIAL DISTRICT.**

The Office-Institutional-Residential District is a pedestrian-oriented, mixed-use district that is intended to permit, close to residential areas, office, institutional, residential and certain restricted business uses that provide local employment opportunities, thus reducing travel distance to and from work. Pedestrian access from adjacent areas and within the district is promoted through generous, safe, convenient and tree-shaded pedestrian sidewalks along all streets, and off-street parking is located to the side or rear of buildings. Buildings have primary pedestrian entrances that are located on a public sidewalk and face the street. Vehicular access, parking and service areas are arranged to promote a safe, smooth traffic flow and minimize pedestrian and vehicular conflicts. The C-5 District is also intended to provide opportunities for the clustering of office buildings that are compatible with adjacent residential areas; provide landscaping, sidewalks and multi-use trails for the convenience of workers and residents; and provide small, limited-use retail and services that serve the local office and residential uses and do not generate large volumes of traffic, traffic congestion and parking problems within adjacent neighborhoods.



FLOOD ZONE

According to Flood Map overlay from the Dougherty County GIS Mapping Department, the subject site is located in a recognized special flood hazard area (100-year flood zone).



FLOOD MAP FROM GIS



<p>Major Roads</p> <p>—</p> <p>Roads Underlay</p> <p>⊞</p> <p>Street Centerlines</p> <p>—</p> <p>Rail Segment</p> <p>—+—</p> <p>River</p> <p>▭</p>	<p>Building Footprint</p> <p>□</p> <p>Parcel Boundary</p> <p>□</p> <p>BFE Elevation Points</p> <p>◆</p> <p>Base Flood Elevation</p> <p>—</p> <p>Flood National Flood Hazard Layer</p> <p>■ Floodway (Zone AE)</p> <p>▨ 100 Year Floodplain (Zone A or AE - 1% Chance)</p> <p>▩ 500 Year Floodplain (Zone X - 0.2% Chance)</p> <p>▧ Intermittent Flooding (Zone D)</p>	<p>LOMA</p> <p>▭</p> <p>Boundary</p> <p>▭ SW GA Regional Airport</p> <p>▭ City</p> <p>▭ County</p> <p>▭ Private Airport</p>
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LEGAL DESCRIPTION

TRACT 8 (1912 Arlington Lane; Tax Parcel 000LL/00009/007):

All that tract or parcel of land lying and being in Land Lot 367 in the First Land District, City of Albany, Dougherty County, Georgia, and being all of Lot 2D of a Resubdivision of Lots 2, 3, 4, 5 & 6 of Palmyra Park Medical Center Subdivision, according to a map or plat of said resubdivision as same is recorded in Plat Cabinet 1, Slide B-88, in the office of the Clerk of Superior Court of Dougherty County, Georgia.

This a portion of the property described in the following deeds: (a) warranty deed from E. J. Calhoun, Sr., dated November —, 1968, recorded in Deed Book 394, Page 569, Dougherty County land records; (b) warranty deed from Flint River Cotton Mills, dated December 27, 1974, recorded in Deed Book 538, Page 238, aforesaid records; and (c) warranty deed from Hospital Corporation of America, dated July 9, 1970, recorded in Deed Book 429, Page 247, aforesaid records.

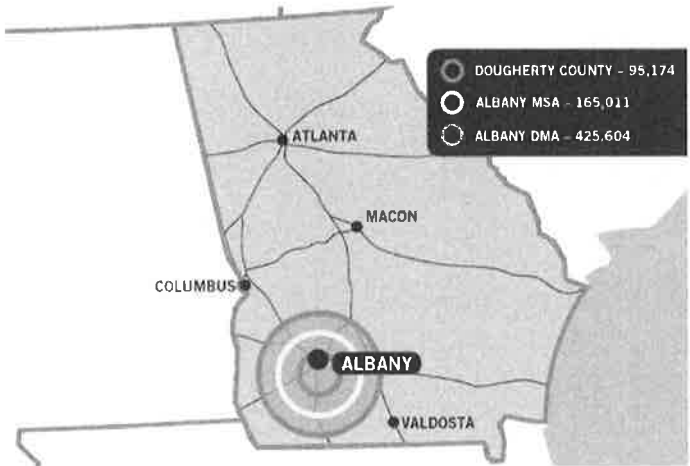
GENERAL AREA DATA

Dougherty County

Introduction

Albany is located in the center of Southwest Georgia at the head of the Flint River, 176 miles south of Atlanta, and is the center for distribution, trade, communication, finance, medicine, and transportation for the area. It boasts a large civic center and a large art museum.

Population Location Area Radius



Population

The following tables present population trends from 1950 to 2010 for the City of Albany, the Albany MSA which comprises Dougherty and Lee Counties, and the state of Georgia as well as surrounding counties.

Population Trends

Year	City of Albany	MSA	GA (millions)
1950	31,155	44,291	3.4151
1960	55,890	81,884	3.9179
1970	72,623	96,683	4.6203
1980	73,934	112,662	5.5227
1990	78,122	112,561	6.5250
2000	76,939	120,822	8.1865
2010	76,877	185,125*	10.014




*MSA now includes 5 counties; prior #'s include only Dougherty & Lee Counties

DOUGHERTY COUNTY, GEORGIA

Demographic Profile

ALBANY-DOUGHERTY ECONOMIC DEVELOPMENT COMMISSION



	2000 Total Population	96,065
	2000 Group Quarters	4,481
	2010 Total Population	95,174
	2015 Total Population	95,093
	2010 - 2015 Annual Rate	-0.09%
	2000 Households	35,552
	2000 Average Household Size	2.58
	2010 Households	36,177
	2010 Average Household Size	2.50
	2015 Households	36,421
	2015 Average Household Size	2.48
	2010 - 2015 Annual Rate	0.67%
	2000 Families	24,293
	2000 Average Family Size	3.13
	2010 Families	24,024
	2010 Average Family Size	3.08
	2015 Families	23,870
2015 Average Family Size	3.07	
2010 - 2015 Annual Rate	-0.64%	
	2000 Housing Units	39,858
	Owner Occupied Housing Units	48.0%
	Renter Occupied Housing Units	41.7%
	Vacant Housing Units	10.3%
	2010 Housing Units	42,559
	Owner Occupied Housing Units	44.7%
	Renter Occupied Housing Units	40.3%
	Vacant Housing Units	15.0%
	2015 Housing Units	43,810
	Owner Occupied Housing Units	43.9%
	Renter Occupied Housing Units	39.7%
	Vacant Housing Units	16.5%
Median Household Income		
2000	\$31,061	
2010	\$38,492	
2015	\$44,411	
Median Home Value		
2000	\$69,521	
2010	\$82,443	
2015	\$88,376	
Per Capita Income		
2000	\$16,645	
2010	\$19,796	
2015	\$23,140	
Median Age		
2000	32.2	
2010	33.9	
2015	34.4	

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by total population. Detail may not sum to totals due to rounding.

Source: ESRI forecasts for 2010 and 2015; U.S. Bureau of the Census, 2000 Census of Population and Housing

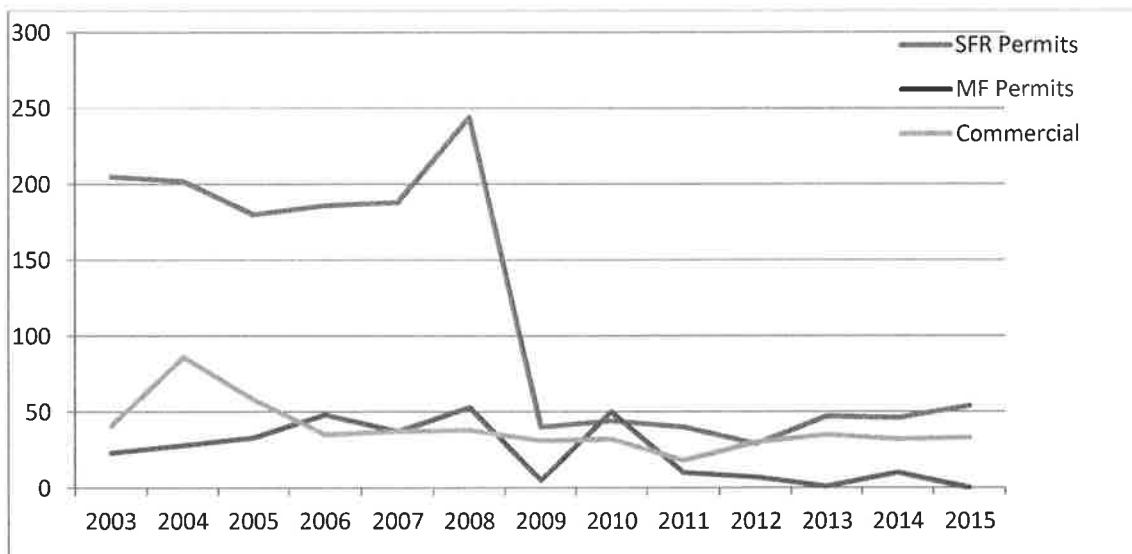
Building Permits– Albany & Dougherty County

The following chart presents the number of building permits issued for new single-family residential, multi-family, duplex, and commercial buildings for the City of Albany and Dougherty County from 2003 thru 2014.

Year	New Residential Permits	New Multi-Family Permits	New Duplex Permits	New Commercial Permits
2004	202	6	22	86
2005	180	12	11	58
2006	186	8	40	35
2007	188	14	23	37
2008	244	53*	N/A*	38
2009	40	5	N/A*	31
2010	44	50	N/A*	32
2011	40	10	N/A*	18
2012	29	7	N/A*	30
2013	47	1	N/A*	35
2014	46	10	N/A*	32
2015	54	0	N/A*	33

Source: Albany Planning and Development Commission

* in 2008 the city/county started combining multi-family and duplexes into one category.



Note: Duplex permits and multi-family permits are combined in the graphic above

Transportation

Highways

Albany-Dougherty County provides four-lane access to the Port of Savannah and Interstate 75. Albany's strategic location allows access to reach 82% of the domestic industrial market and 79% of the nation's largest consumer markets in less than two days (by truck).

Albany Truck Transit Times



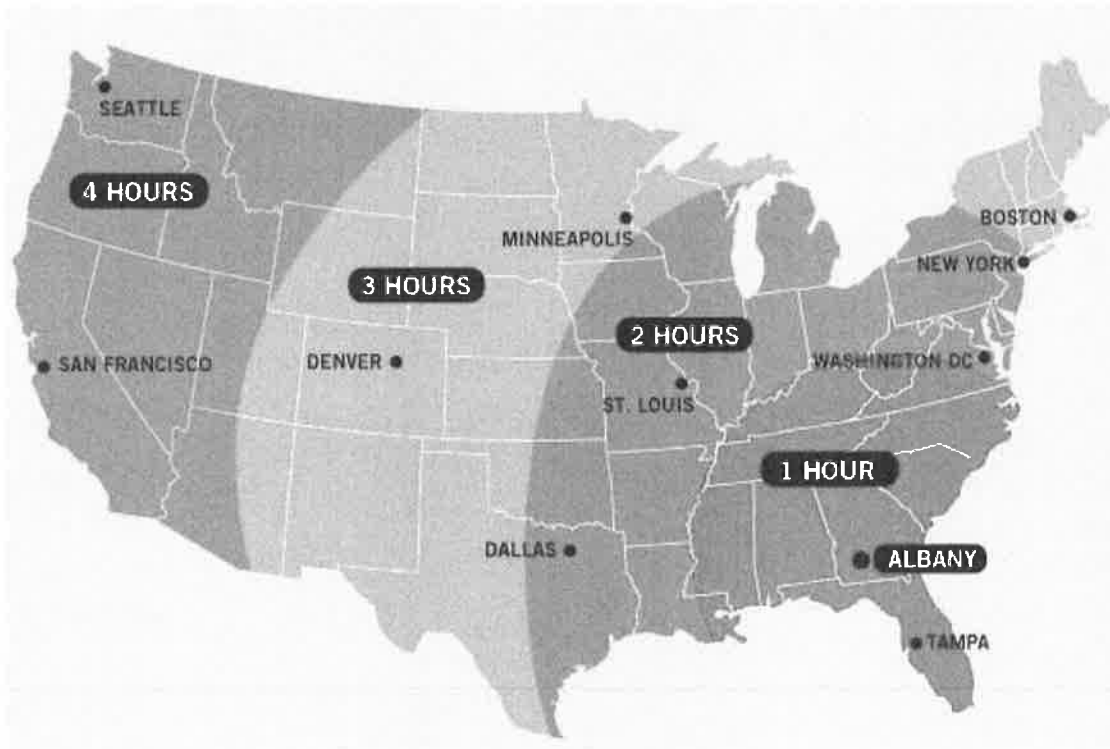
Data

- Ga. Hwy 300 provides four-lane access to Florida and Interstates 75 and 10
- US Hwy 82 provides four-lane access to Interstates 75, 85, 95 and 185, as well as to the Georgia Coast
- US Hwy 19 provides four-lane access to Atlanta and connects all four-lane highways

Air

Southwest Georgia Regional Airport offers passenger and cargo travel. The Albany airport is the state's second largest cargo airport by volume. The airport offers three non-stop daily 35-minute flights to Hartsfield-Jackson International Airport (ATL) in Atlanta utilizing regional jet equipment. On site at the airport is a UPS sorting facility. The airport includes a 6,601 foot grooved asphalt runway and an additional 5,219' cross-wind grooved asphalt runway. The airport is currently working on a multi-million dollar project as it expands its terminal.

Albany Air Transit Times



Motor Freight Carriers

Albany has 5 interstate and 25 inter/intra state trucking companies, with overnight service to Atlanta, Birmingham, Charlotte, Chattanooga, Columbia, Jacksonville and Knoxville. It is also a UPS intermediate gateway.

Employment

Top 10 Employers (All)

Marine Corps Logistics Base-Albany	5,040
Phoebe Putney Memorial Hospital	3,800
Dougherty County Board of Education	2,412
City of Albany	930
Dougherty County	695
MillerCoors	600
Teleperformance	600
Albany State University	550
Darton College	500
Albany Electric	400

Top 10 Employers (Manufacturing)

Marine Corps Logistics Base-Albany	5,040
Phoebe Putney Memorial Hospital	3,800
Procter & Gamble	900
MillerCoors	600
Teleperformance	600
Albany Electric	400
Coats & Clark	350
Southern Concrete Construction Co., Georgia-Pacific	160
Tara Foods	140
Mars Chocolate North America	150

Education

Data available from the Dougherty County School System indicate the County has a total of 25 public schools, 15 elementary schools, 6 middle schools, and 4 high schools. The county's enrollment is approximately 16,000 students.

Albany is also home to five colleges and universities including: Albany State University, Darton College, and Albany Technical Institute. The two colleges offer bachelor programs, masters' degrees, and associate degrees, while the technical school offers vocational and technical degrees.

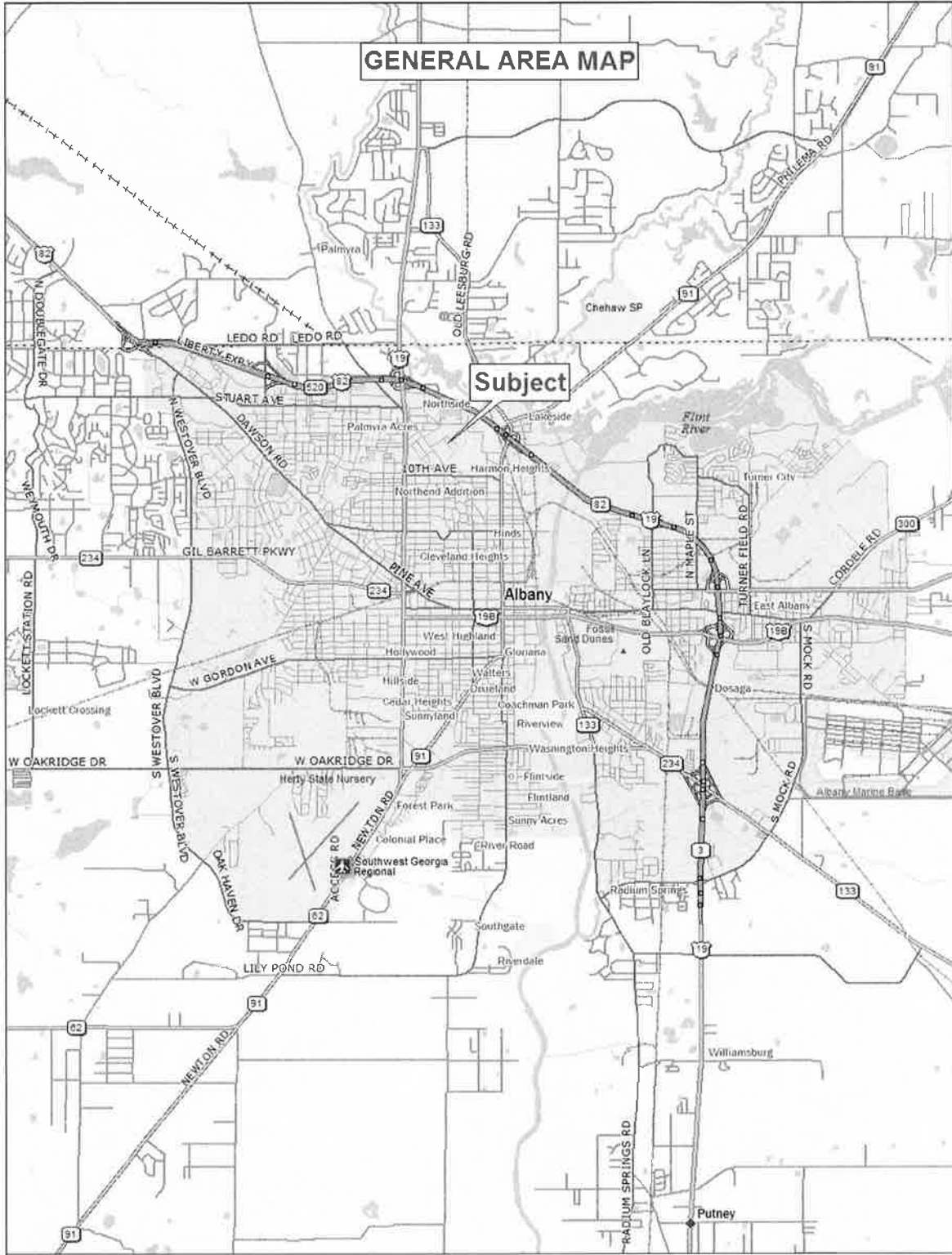
Health

Dougherty County has two hospitals with a total of 673 beds which are served by 141 physicians. Emergency medical services (EMS) are available. There are 48 dentists, 2 nursing homes with a combined total of 418 beds, a regional rehabilitation center with 48 beds, and an Easter Seal Rehabilitation Center. Albany has a new county health department. The two hospitals, Phoebe Putney and Palmyra Medical Centers, merged into one hospital (Phoebe Putney) in late 2011. The large medical center provides numerous specialties; consequently, Albany is noted as a regional health center.

Conclusions:

Albany continues to serve as a regional shopping center and also as a regional health care center. Approximately 40% of shoppers in Albany come from out of town. The City also is the center of business activity for the region with many company headquarters being located within Albany. The closings of two manufacturing facilities, Merck and Bob's Candies, will present additional challenges to the community in replacing these well-paying and much needed jobs. In late 2008, Cooper Tire and Rubber Company closed its manufacturing facility in Albany. This involved the loss of 1,200+/- additional jobs.

The Albany MSA's cost of living is 18.5% less than the 2010 national average.



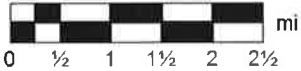
GENERAL AREA MAP

Subject

Albany



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Data Zoom 11-0

NEIGHBORHOOD DATA

The subject's general neighborhood includes the medical facilities developed around the former Palmyra Medical Center (now Phoebe North Campus) and Phoebe Putney Memorial Hospital. These two major hospitals are located approximately 10 blocks apart on Palmyra Road/North Monroe Street, a major traffic artery that connects these areas.

The subject property is located just off 13th Avenue one block east of Palmyra Road. Palmyra Road merges into N. Monroe Street, which is one of the access roads for Phoebe Putney Hospital, and into N. Madison Street.

The subject property is located across the street and just south of the Phoebe North Campus which was purchased in 2011 from Palmyra Medical Center, a large privately-owned regional hospital. The subject is nine blocks north of Phoebe Putney Memorial Hospital, a large regional public hospital. Both of these hospitals are located in the northern section of Albany which is an older residential and commercial area. The two hospitals serve all of Albany and many parts of Southwest Georgia. While few new medical office buildings have been constructed in the area around Phoebe Putney Hospital, several new medical offices, including a large office facility owned by Phoebe Putney Hospital, have recently been built in a section of northwest Albany along Meredyth Drive and Point North Boulevard. Phoebe Putney Hospital has completed a new, 5-story medical tower on the main hospital campus. This new tower is reported to contain approximately 165,000 s.f. and was constructed at a cost of approx. \$46 million.

The surrounding residential areas consists of older homes and duplexes built from 1900± to 1970 and ranging in value from about \$7,500 to well over \$250,000. Many of the older residences around Phoebe Putney Memorial Hospital and along Palmyra Road across from Phoebe-North that sell tend to sell either to the hospital or to someone who converts the home into office space. There have been very few new doctors' offices constructed in the immediate area due to the lack of available land. When a new building is constructed, it is often the result of an assemblage which can be both time-consuming and costly. Most of the major offices that have been constructed were for the expansion of Phoebe Putney or the former Palmyra Medical Center. Several doctors' offices have been expanded and renovated in the last decade. A multi-tenant doctor's office complex was built in front of the former Palmyra Medical Center. These offices are similar to office condo's.

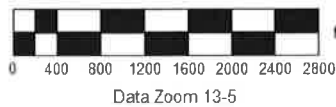


NEIGHBORHOOD MAP

Subject



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SITE DATA

The subject site is a mostly rectangular shaped interior lot located on the east side of Arlington Lane and just south of 13th Avenue. The property has a physical address of 1912 Arlington Lane, Albany, Dougherty County, Georgia. The site fronts 206.8 feet along Arlington Lane and has a varying depth from 145' to 148.66'. The site contains 0.743 of an acre. On the following pages are several aerial photos and a plat of the site.

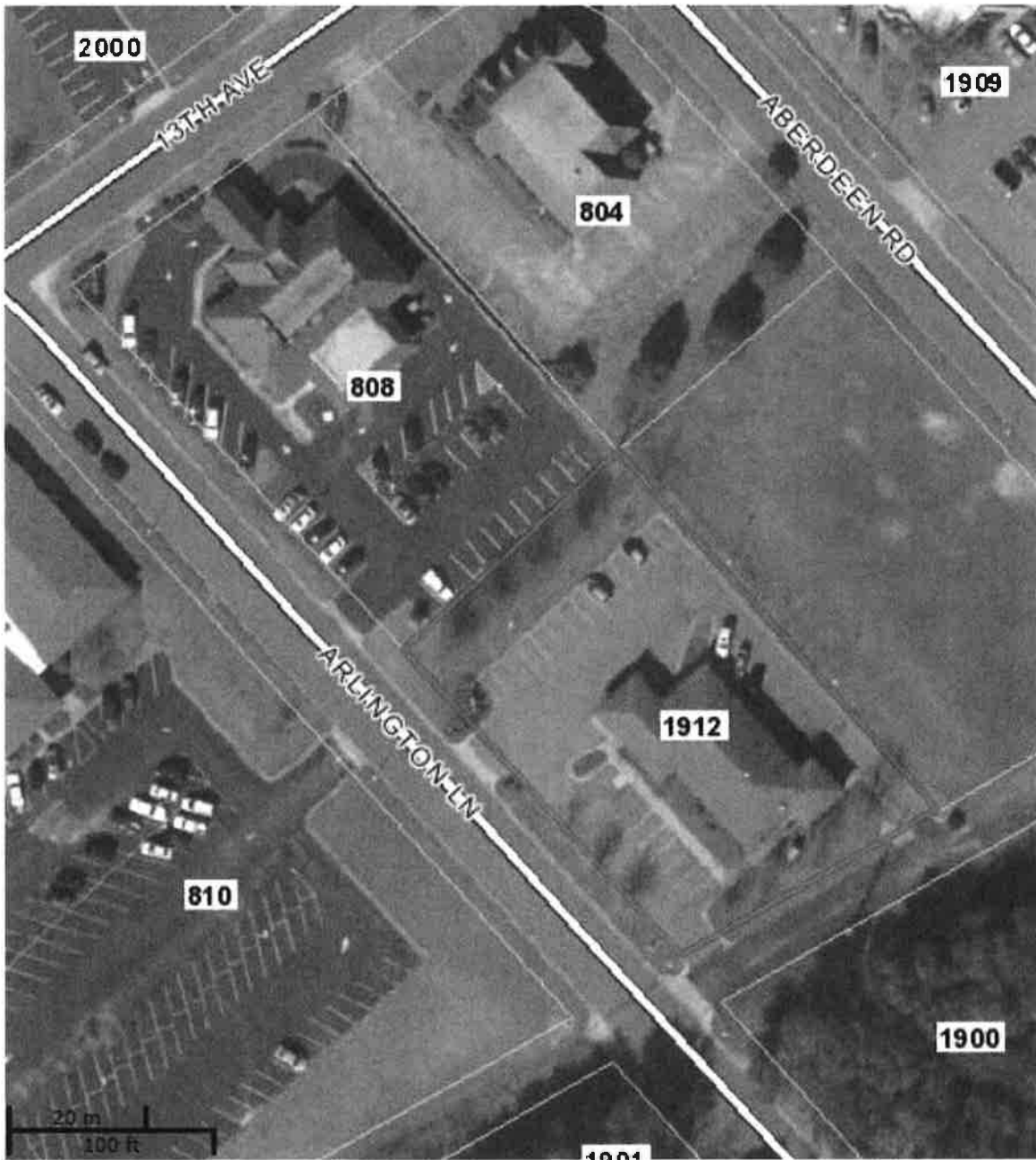
At present, there is a 1-story medical office building located on the site which includes paved concrete parking for approximately 29 automobiles. The asphalt drives and parking area could use re-sealing, and the striping is beginning to fade. The site, which has average landscaping, is readily adaptable for office use.

The site abuts property owned by the Phoebe-North Hospital campus and is surrounded by other similar medical office buildings and some vacant land.

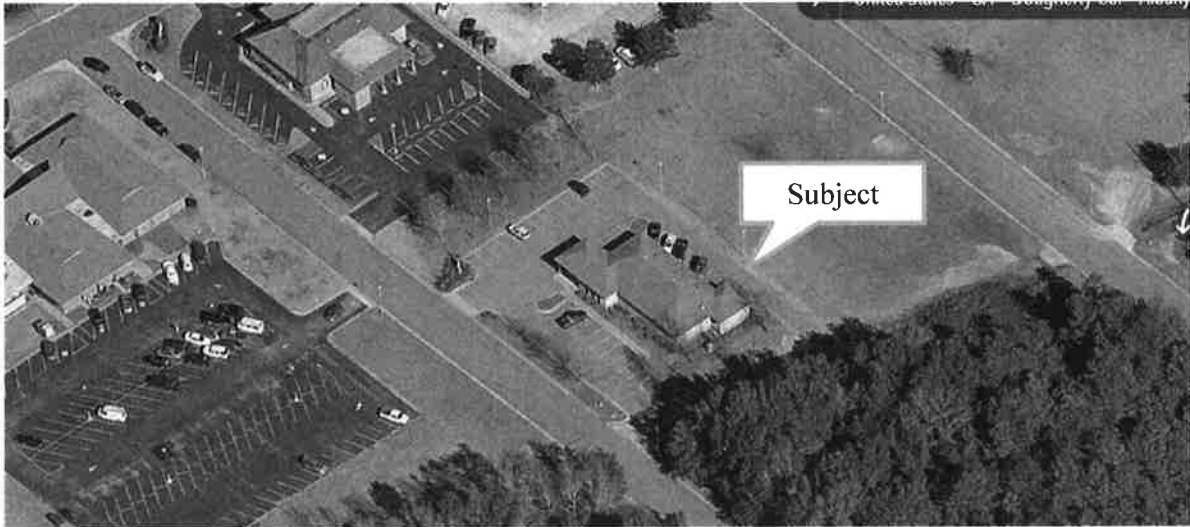
The topography of the site is crowned and the area where the building is located has been raised by several feet. Drainage does not appear to be a problem. The flood maps do show that most of the site is located within the 100-year flood zone. Due to the way the site has been crowned, it may be that the finished floor level is above the base flood elevation. An engineer or certificate of elevation would be needed to verify. All required utilities including sanitary sewer are available to the site. The site is zoned C-5 for restricted office use. There is a 30' wide public alley along the south side of the building.

In conclusion, the subject site is believed to be functionally adequate for its present use.

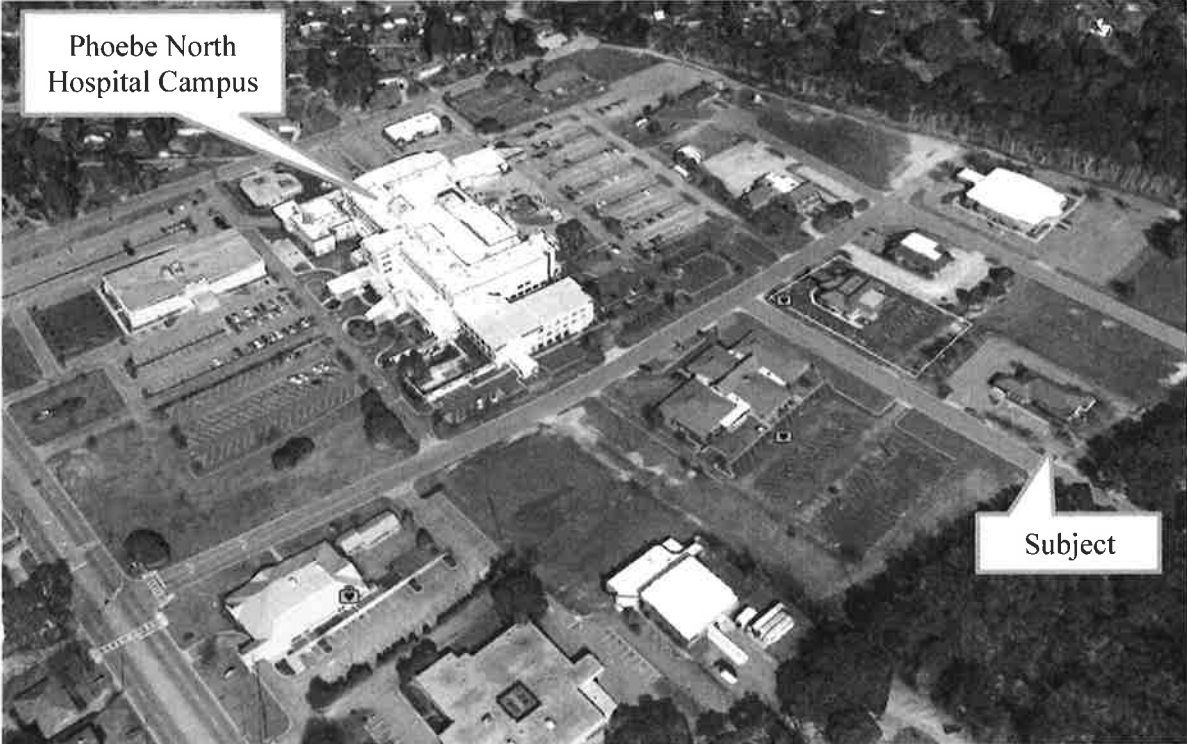
TAX PARCEL MAP - AERIAL



SITE AERIAL

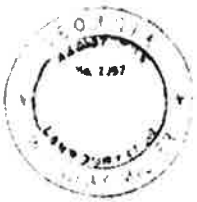
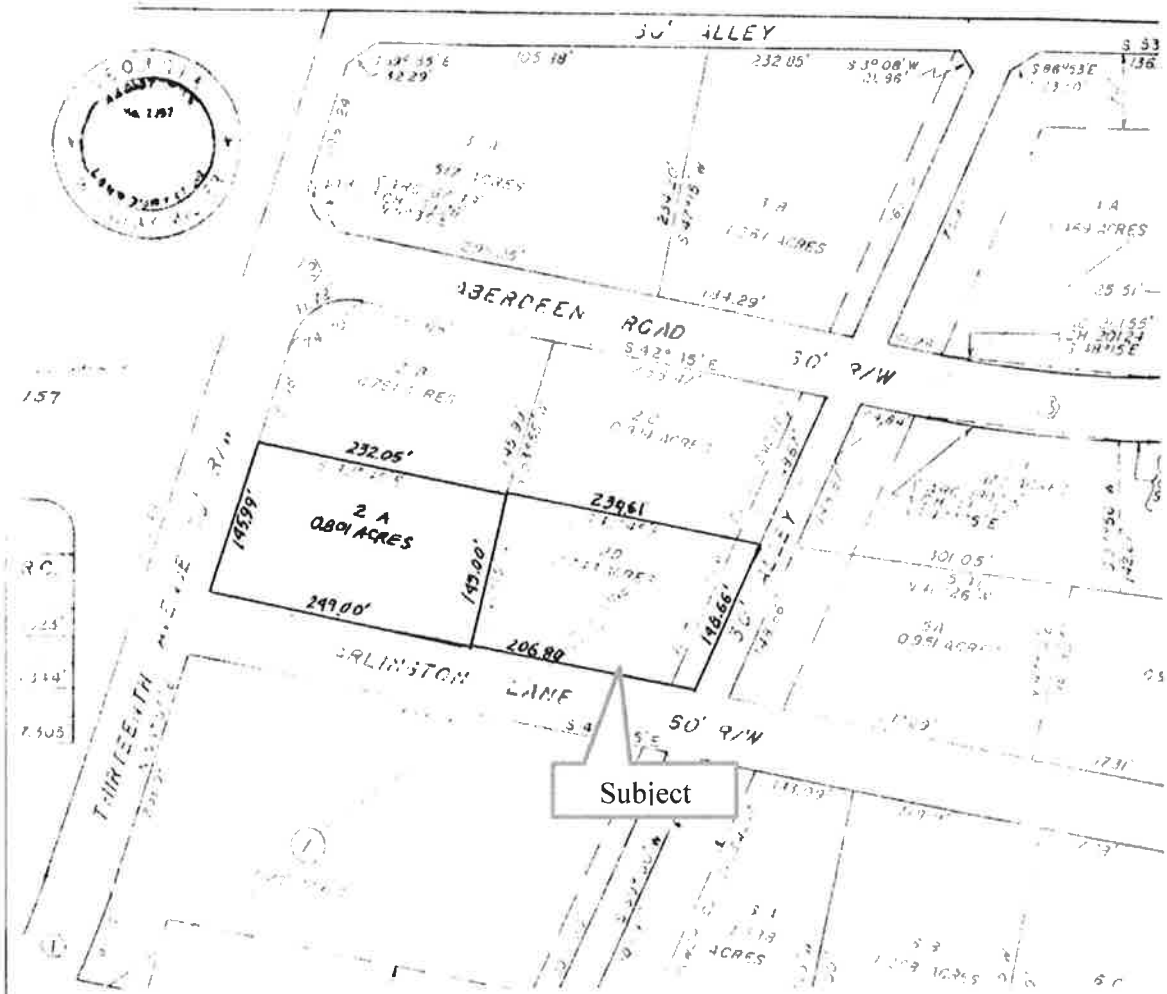


EXPANDED AERIAL VIEW



PLAT OF SURVEY

SEABOARD COASTLINE



157

RC
23
144
7.503

Subject

IMPROVEMENT DATA

The improvements consist of a medical office building that contains a gross building area of approximately 3,773 square feet. There is a 499 s.f. covered drop-off area on the north side of the building and a 528 s.f. garage on the rear. Additional features include signage, sidewalks, paved parking and drives. The office building was built in 1995.

The building was designed for and has been used as a medical office building, and its design lends itself to that purpose. The floor plan includes: a waiting area, a receptionist area and administrative area, 7 exam rooms, a lab, 2 offices, a break room, a file room, a mechanical room, and (4) bathrooms. Please see the following floor plan as a visual aid.

The following is a more detailed description of the subject office building improvements:

FOUNDATION:	3,000 PSI concrete slab
FRAMING:	Framing materials are assumed to be wood
EXTERIOR WALLS:	Decorative block (masonry)
ROOF:	20-year composition fiberglass shingles. The roof appears to be original and may be reaching the end of its useful life.
EXTERIOR TRIM:	Wood trim.
INTERIOR TRIM:	Rubber base molding. Standard trim in exam rooms and administrative areas. There are built in cabinets in the exam rooms, break-room, lab, and offices. Most of the cabinets are Formica faced with Formica counter tops. Solid faced wood doors set in metal frame.
WINDOWS:	Aluminum casement windows, insulated panes.
INTERIOR WALLS:	Painted drywall with vinyl wallpaper in most areas.
INTERIOR FLOORS:	The waiting room and one of the hallways has 16" ceramic tile floors. The other hallways and office areas have commercial carpet. The exam rooms and bathrooms have 12" VCT floors.

CEILING: 2' X 2' acoustical tile ceilings set in metal frames with 8'6" ceiling heights in the hallways and 9' high ceilings in the offices and exam rooms.

PLUMBING: There are four 2-fixture bathrooms. Each exam room, the break-room, and the lab have sinks.

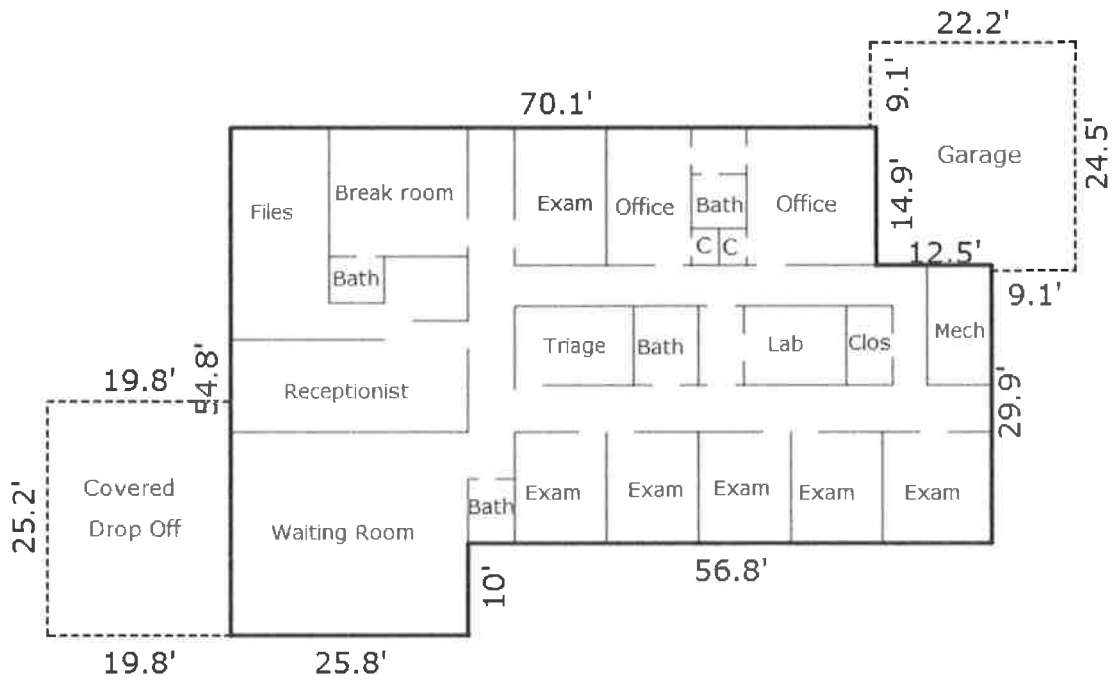
ELECTRICAL: The main power panel appears to be a 400-amp main (3 phase, 4-wire) with two additional 200-amp sub-panels. Adequate systems including adequate fixtures and outlets. The lights are recessed in the acoustical tile ceilings and are fluorescent light fixtures.

HEATING AND AIR CONDITIONING: There are 5 split system HVAC units. One unit was replaced in June 2015. One unit is dated June 2008. Two units appear to be about 10 years old, and one unit may be original.

OTHER FEATURES: The paved parking lot is currently supporting approx. 29 parking spaces. The yard has average landscaping with irrigation and signage. The building is equipped with a security and fire alarm system and a lawn irrigation system.

CONCLUSION: The building appears to be in generally good condition on the interior. The roof appears to be original and will likely need to be replaced soon. The exterior wood trim needs to be pressure washed and painted. A few minor pieces of exterior wood trim need replacing. The appraiser has allocated approx. \$12,000 in the cost and sales comparison approaches for the replacement of the roof and the exterior painting.

IMPROVEMENT SKETCH



Code	Area Name	Net Size	Net Total
GBA1	First Floor	3773.19	3773.19
GAR	Garage	527.82	
GAR	Covered Drop Off	498.69	1026.51

HIGHEST AND BEST USE

Highest and best use is defined in *The Appraisal of Real Estate, 12th Edition* as:

“The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value.”

In all valuation assignments, opinions of value are based on use. The highest and best use is the foundation for estimating market value. Highest and best use is shaped by the competitive forces within the market where the property is located. The analysis and interpretation of highest and best use is an economic study and a financial analysis centered on the subject property.

In performing an appraisal, the appraiser must distinguish between the highest and best use of the land as though vacant and highest and best use of the land as improved. In analyzing land as though vacant, the appraiser needs to address several issues:

- 1) Should the land be developed or left vacant?
- 2) If it should be developed, what kind of improvement should be built.
- 3) If the property is improved, should the existing improvements be maintained in the current state or should they be altered to make them more valuable?

Appraisal theory suggests that as long as the property as improved is greater than the value of the land as vacant, the highest and best use is the use of the property as improved. However, there are occasions when a property owner who is redeveloping a parcel of land will remove an improvement even when the improved value exceeds the land as if vacant. The cost of demolition is included into the test of financial feasibility for redevelopment of the land. There are some instances whereby the property's highest and best use may change in the foreseeable future. In this case, the property may need to be used for an interim period as its current use until such time it makes sense to convert it to a new and more profitable use (this is referred to as an *interim use*).

There are four basis criteria, in addition to being reasonably probable, that both the land as though vacant and the property as improved must meet. These are:

- 1) Physically possible
- 2) Legally permissible
- 3) Financially feasible
- 4) Maximally productive

The first two criteria, physically possible and legally permissible, must be applied before the remaining test of financially feasible and maximally productive.

Highest and Best Use as Though Vacant

1) Legal Permissibility

The subject property is located on Arlington Lane and contains 0.743 acre. The zoning classification is *C-5 Restricted Office District*. Most of the block where the subject is located is zoned C-5. No recent changes in the zoning in the immediate area are evident. It is highly doubtful that a zoning change to a more intense zoning classification would be allowed.

2) Physically Possible

The physical configuration of the subject site is adaptable to the zoning classification. The property appears to have appropriate access and topographic characteristics which should permit a successful office/commercial use. Any proposed structure would have to receive approval from the Dougherty County Building Inspection Office and meet all set-back requirements.

3) Financial Feasibility

Only those uses that meet the first two criteria are analyzed further. As long as a potential use has value that is in line with its cost and conforms to the first two criteria, the use is deemed financially feasible. A few medical related offices have either been built or substantially renovated in this general area surrounding the two hospital campuses. In a vast majority of the cases, the buildings were built or renovated for owner-occupancy. This trend indicates that the doctors (or professionals associated with the medical field) perceive the value benefits accrued to equal or exceed that of the cost. Therefore a medical office would generally be considered to be financially feasible depending on its size, level of build-out and features.

4) Maximum Productivity

This test is applied to only those uses which have passed the first three tests. Of the financially feasible uses, the best use is that which creates the highest residual land value consistent with the market's acceptance of risk and within the rate of return required by the market for that use. The only uses that passed the first three tests are those of professional, service, or medical related office use. Since the site is located next door to a campus of the largest hospital in the Southwest Georgia area, it stands to reason that a medical office would produce the greatest residual value to the land.

Therefore, it is the appraiser's opinion that the highest and best use of the subject site if vacant and available for development is a future medical office or medical-related office use.

Highest & Best Use As Improved

The highest and best use of a property as improved would be that use that should be made given the existing improvements and the ideal improvement described in the analysis of the highest and best as vacant. As improved, the highest and best use may be a continuation of the current use, renovation, expansion, or conversion to another use, partial or total demolition, or some combination of these alternatives.

The existing office use is a legally permissible use as it is in compliance with the current zoning regulations. The building is 21 years old and appears to be in average condition for its age. Significant alteration of the office improvements or demolition of the office improvements would not be feasible at this time.

APPRAISAL PROCEDURE

Traditional valuation methodology utilizes three approaches in the appraisal of real property: the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. Each of the approaches is related and dependent on the highest and best use of the site and improvements. Properly utilized, each approach reflects a reliable value estimate.

The Cost Approach recognizes that typical buyers and sellers often equate value with the cost of construction, plus the cost or value of the site. The basis of the approach is the assumption that a prudent purchaser will not pay more for a property than it would cost to purchase an equally desirable site and construct a similar building.

The value of the site is typically estimated by the comparison of sales in the market of sites of comparable location and utility. The reliability of the site value estimate is dependent on the amount of comparable data available and the similarity of the sales analyzed. Obviously, the more closely comparable the sales are to the subject property, the more reliable the value estimate is.

Market cost data can be obtained from direct comparison to recently constructed buildings, contractors' estimates, or use of national cost publications. Costs include direct costs and indirect costs. Direct costs are expenditures for labor and materials used in the construction of the building and include contractors' overhead and profit. Indirect costs are expenditures for items excluding labor and material and include, if warranted, developer's profit. Once a reasonable cost estimate is obtained, depreciation is deducted to derive a value estimate for the improvements.

Depreciation reflects the difference in the cost of the improvements and their value as of the date of the appraisal. Depreciation can result from various sources including physical deterioration, functional obsolescence, and external obsolescence. Physical deterioration is the actual physical wearing out of building components. Different categories of physical deterioration exist including curable physical deterioration and incurable physical deterioration. Curable physical deterioration is typically considered deferred maintenance or items of neglect that reflect 100% depreciation. Deferred maintenance includes items of deterioration whose correction would either result in an increase in the property value or be necessary to maintain the current property value or prevent further deterioration. Incurable physical deterioration consists of items of partial depreciation for which it would not be feasible to correct.

Incurable physical deterioration can include either or both short-lived items and long-lived items. Short-lived incurable deterioration includes building components which normally wear out before the expiration of the economic life of the improvements, yet are not in need of immediate replacement. Long-lived items typically include structural members whose economic life expires along with the economic life of the improvements.

Functional obsolescence reflects a loss in value from the reproduction cost of the improvements which is a result of a design defect, either a deficiency or super-adequacy. Functional obsolescence can be curable or incurable. Curable functional obsolescence is measured by the cost to cure the condition. To be considered curable, the cost of the cure must not exceed the increase in value. Incurable functional obsolescence is a design defect which would not be feasible to cure. Incurable functional obsolescence resulting from a deficiency is measured as the loss in rent attributable to the item. Incurable functional obsolescence resulting from a super-adequacy is measured as the excess cost of the item.

External obsolescence is a loss in value resulting from a condition outside the control of the owner, landlord, or tenant. It is a result of a negative influence from the surrounding area and is not a condition of the subject site or building. External obsolescence is always incurable.

Deducting all forms of depreciation from the subject improvements reflects a depreciated value which, added to site value, gives an indication of the market value of the property by the Cost Approach. The reliability of the Cost Approach depends on the quantity and quality of the market data available for the site value estimate, the reproduction cost estimate, and the accrued depreciation estimate. Theoretically, if the improvements are new and reflect the highest and best use of the site, the Cost Approach equals the value of the property.

The Sales Comparison Approach reflects the value of the property by comparison to recent sales or offerings of similar properties. This approach is based on the principle of substitution, whereby a prudent purchaser would not pay more for a property than that price for which he could obtain reasonably comparable property. The reliability of the approach is dependent upon the comparability of the sales analyzed to the subject property. A high degree of comparability will reflect a much more reliable estimate.

The comparable sales data is analyzed based on a unit of comparison which facilitates comparison between the sales and the subject property. Typical units of comparison include the price per unit, price per room, or price per square foot. Because the subject property is an owner-occupied type structure and not one that is normally built for investment purposes, the price per square foot is deemed most applicable.

Adjusting for differences between the subject and comparables based on market evidence, a reasonable range of values can be obtained from which to derive a point estimate.

The Income Capitalization Approach is based on the assumption that value is created by future income to be derived from the property. Value is equated to the present worth of future benefits. From an investor's viewpoint, the ability of a property to produce income is the critical element affecting value.

The Income Capitalization Approach utilizes various techniques in relating value to income and is dependent on both the Cost and Sales Comparison Approaches. The net operating income estimated for the subject property is capitalized by an overall capitalization rate derived from market reactions. The overall rate reflected by each sale is derived by dividing the estimated net

operating income for the property by its sales price. Net operating income is derived by deducting vacancy and operating expenses from the potential gross income estimate.

Potential gross income or market rent is estimated based on comparison to rental levels of similar properties in the market. Differences in the subject and comparable rental properties are adjusted to derive a reasonable market rental estimate for the subject. As in the Sales Comparison Approach, the reliability of the market rental estimate is dependent on the comparability of the subject to the comparable rental properties.

The potential gross income estimate is reduced by a reasonable stabilized vacancy estimate to derive effective gross income. Stabilized vacancy is dependent on current and anticipated future market conditions and the physical characteristics of the subject property. Deducting operating expenses from effective gross income reflects a net operating income to be capitalized into a value estimate.

The value indications of the three approaches are reconciled into a single estimate or point estimate. The reconciled value estimate is not an average of the values indicated by the three approaches but is dependent on the reliability of each approach and its appropriateness to the assignment. For instance, the Cost Approach may be inappropriate for a 75-year-old building.

Likewise, the Income Approach may not be considered reliable in the valuation of a property located in an area of predominantly owner-occupied buildings. Each approach is considered as to the accuracy of the data included in reaching the value conclusion and its consistency with the highest and best use conclusion.

SALES COMPARISON APPROACH TO LAND VALUE

The Sales Comparison Approach is the process of comparing sales and listings of similar land to the subject site. The characteristics of each comparable are discussed as to their superiority or inferiority to the subject site, and any possible adjustments are made. The adjusted prices of each comparable are then correlated into a final estimate of value for the subject site.

This method of valuing a property is based on the premise that a prudent person would not pay more for a property than that price for which they could purchase an equally desirable site and build equally desirable improvements. Sales of vacant sites which are considered similar to the subject are studied to derive an estimate of the value of the site.

LAND SALE #1

LOCATION: 104 Logan Court, Albany, GA
GRANTOR: Stephen M. Perrine
GRANTEE: JAM Capital LLC
DATE OF SALE: July 2, 2013
PRICE: \$125,000
DEED BOOK/PAGE: 4039/297
DIMENSIONS: 160' X 276' or 1.010 Acre
UNIT PRICE: \$123,762 per Acre
VERIFIED BY: Grantor; Court Records
FINANCING: Cash to Seller
ZONING: C-5, Office-Institutional-Residential District
REMARKS: This property is in an interior lot located near the entrance to an office park development.

LAND SALE #2

LOCATION: 600 Pointe North Boulevard, Albany, GA

GRANTOR: James Ellis Cosby

GRANTEE: Tania & Jarrett LLC

DATE OF SALE: 09-30-2015

PRICE: \$140,000

DEED BOOK/PAGE: Book 4258, page 227

DIMENSIONS: 0.995 Acre

UNIT PRICE: \$140,704 Per Acre

VERIFIED BY: MLS; Court Records; Inspection

FINANCING: Cash to Seller

ZONING: C-7, Mixed Use Commercial

REMARKS: This site is located at the end of a cul-de-sac street, and it also has frontage along a paved alley. The site has access to water and sewer. The site was purchased by a local doctor for a future office. The site previously sold in 2011 for \$120,000. The property was listed for sale at \$145,000 and sold for \$140,000 after being on the market 654 days.

LAND SALE #3

LOCATION: 2400 Osler Court, Albany, GA

GRANTOR: Northwest Medical Properties

GRANTEE: Albany Urology Properties LLC

DATE OF SALE: May 16, 2012

PRICE: \$365,100

DEED BOOK/PAGE: Book 3908, Page 121

DIMENSIONS: 2.55 Acre

UNIT PRICE: \$143,176 Per Acre

VERIFIED BY: Court Records

FINANCING: Cash to seller

ZONING: C-2, Commercial

REMARKS: This site is located at the end of a lightly traveled cul-de-sac street. The site was purchased for the construction of a new medical office. The site is located in an area where medical related offices are the predominant use.

LAND SALE #4

LOCATION: 2303 Village Green Court, Albany, GA

SELLER: Porterfield UMC

BUYER: Bobby Underwood

SALES PRICE: \$28,000

CLOSING DATE: March 18, 2016

DEED BOOK/PAGE: N/A

DIMENSIONS: 0.888 Acres

VERIFIED BY: Seller; Closing Statement

FINANCING: Cash to Seller

ZONING: Commercial (C-1)

REMARKS: This site is a rectangular-shaped interior lot. It is mostly level at street grade. The buyer plans to build an insurance office on the site.

SALES PRICE PER ACRE: \$31,818

SUMMARY OF LAND SALES & LISTINGS

SALE	LOCATION	SALES PRICE	SIZE (ACRE)	\$ PER ACRE	LOCATION	DATE OF SALE
1	104 Logan Ct.	\$125,000	1.01	\$123,762	Interior	07-2013
2	600 Pointe North Blvd.	\$140,000	0.995	\$140,704	Culd/Alley	09-2015
3	2400 Osler Court	\$365,100	2.55	\$143,176	Cul-de-sac	05-2012
4	2303 Village Green Ct	\$28,000	0.88	\$31,818	Interior	03-2016
Subj.	1912 Arlington Lane		0.743			

* this is a listing and not a closed sale

RECONCILIATION OF LAND VALUE ESTIMATE

In comparing the sales with the subject property, the appraiser considered the following factors and made the necessary adjustments accordingly:

1. The date of sale,
2. The location of the sales,
3. The size of the site and its potential use.

In order to estimate the value of the subject site, the appraiser has analyzed land sales that have taken place in the general area in the last few years and several current listings. A value for the subject lot will be estimated on the following page.

Based on the above sales before any adjustments are made, the sales prices per-acre ranged from a low of \$31,818 per acre to a high of \$143,176 per acre which is a wide range. No similar land sales were found in the subject area in the last several years. Sales 1-3 are rated superior in location to the subject while Sale 4 is rated inferior in location. It is felt that the subject site should fall in the mid-range of values between Sale 2 and Sale 4 which are the more recent sales, or around \$85,000/acre.

Based on the discussion of the sales and listing above, the following value conclusion has been derived:

$$0.743 \text{ Acre} \times \$85,000/\text{acre} = \$63,155, \text{ or rounded to } \mathbf{\$63,000}$$

THE COST APPROACH TO VALUE

In the Cost Approach, an indication of value is obtained by estimating the value of the land if vacant and available to be developed to its highest and best use and, adding to this, the estimated depreciated reproduction cost new of all buildings and site improvements. The Cost Approach is most applicable when the building is relatively new and represents the highest and best use of the land, or when sales and rentals of similar properties are extremely limited. This approach is weakened when the building is somewhat old since the resulting depreciation is often difficult to estimate.

The basic steps in the Cost Approach are as follows:

1. Estimation of reproduction or replacement cost new of all building improvements.
2. Estimation of accrued depreciation caused by:
 - A. Physical deterioration
 - B. Functional deficiencies
 - C. Adverse locational influences.
3. Deduction of accrued depreciation from the improvement's reproduction cost estimate.
4. Addition of the land value to the depreciated reproduction cost estimate to arrive at the value indicated by the Cost Approach.

The value of the improvements by the Cost Approach is the cost of reproducing or replacing the improvement less any applicable depreciation. The cost new of the improvements will include all hard improvement costs, and soft costs such as architectural, engineering, loan fees, and appraisal and legal costs. Contractors' overhead and profit are included. The cost shown does not include land value (which will be added at the end of the Cost Approach) or entrepreneurial incentive. Based on conversations with several developers in the area, they would include at least 10% of the costs as entrepreneurial incentive. The appraiser has not been able to explicitly break this figure out of market sales. This is due largely in part to the fact these buildings are primarily built for owner-occupancy, and when they are sold 10 to 20 years later, the incentive that may be desired by the owner/developer gets blended in with appreciation. These types of buildings are not typically being speculatively constructed by developers or investors. As such, a separate entrepreneurial incentive has not been added into the cost. The sales do not appear to support that such a profit could be realized if built speculatively and subsequently sold in the marketplace.

The appraiser has utilized the Marshall and Swift Calculator Method to estimate a cost per square foot (Section 15, page 22, dated November 2015). The subject building is rated as mid-way between an "Average" Class "D" Medical Office Building (\$131.25/sf) and a "Good" class (\$173.09/sf), or \$152.17/sf. This amount must be multiplied by the following factors: the Perimeter Factor of 1.037 [(3,773 square feet with a perimeter of 275 feet) see Section 15, page 38] X Story Height Multiplier of 0.953 X Current Cost Multiplier of 1.01 (dated Feb. 2016) X Local Cost Multiplier of .83 (dated Jan 2016), which equals to \$126.07 per square foot (see calculation below).

$$\$152.17 \times 1.037 \times 0.953 \times 1.01 \times 0.83 = \$126.07$$

Medical Office:	\$126.00	X	3,773	=	\$475,398
Carport:	\$20.00	X	499	=	9,980
Garage:	\$35.00	X	528	=	18,480
Site Work (from cost comp):					110,000
Alarm, etc.					6,000
<u>Landscaping</u>					<u>7,500</u>
Total Construction Cost (per Marshall & Swift):					\$ 627,358
Total Cost New:					\$627,000

DEPRECIATION

Depreciation is due to three main reasons: physical deterioration, functional obsolescence (both of which can be classified as curable and incurable), and economic or external obsolescence.

The subject building is 21 years old with an effective age of 15 years. The economic life expectancy is estimated at 45 years which would reflect 33% depreciation using the economic age-life method. The roof cover appears to need replacing and the exterior trim needs painting. A deduction of \$12,000 for these curable items is made before the depreciation percentage is applied.

Cost Summary

Total Cost New	\$627,000
<u>Less Curable Items</u>	<u>- 12,000</u>
	\$615,000
Less physical depreciation (33%)	- 202,950
<u>Less Functional/External depreciation</u>	<u>0</u>
Depreciated cost	\$412,050
Plus land value	<u>+ 63,000</u>
Indicated value by the cost approach	\$475,050
 Rounded To:	 \$475,000

Cost Approach Summary

Estimated Value Without Deed Restriction: \$475,000

Estimated Value With Deed Restriction: \$451,000 (rounded) – Discounted 5%

THE SALES COMPARISON APPROACH TO VALUE

This approach is oftentimes considered the easiest to use and to understand by both appraisers and laymen. It consists, basically, of obtaining data of sales of properties comparable to the subject and adjusting their prices for differences in the features between comparables and the subject. The results establish a pattern, hopefully within a narrow range, from which an indication of value can be obtained for the subject.

This approach presumes that a typical purchaser/investor, in an active market, will pay no more than the cost of acquiring a property with the same utility as the subject. Therefore, sales of properties with utilities similar to the subject form an ideal basis for comparison.

The primary analysis technique which is typically employed in this process is the Direct Sales Comparison Adjustment Analysis: By Price per Unit (physical unit)

A brief explanation of this type of analysis follows:

Detailed sales data on several comparable property sales are derived and then compared item by item and adjustments, plus or minus, are made to the comparables for differences (with the subject). Adjustments are made utilizing the appropriate measure of comparison. The adjustments seek to answer two questions: What would the comparable have sold for if it had the same characteristics as the subject? How much difference in sales price would these differences make?

IMPROVEMENT SALE #1

LOCATION: 808 Thirteenth Avenue, Albany, GA

GRANTOR: Ruth H. Couch

GRANTEE: PAAWS LLC

SALES PRICE: \$500,000
+108,000 (Repairs/Renovation after sale)
\$608,000

DATE OF RECORD: 06/09/2014

DEED BOOK/PAGE: 4132/32

SOURCE OF DATA: Representative of Seller; PT Form, Deed

CONDITION OF SALE: Arm's Length

DESCRIPTION/REMARKS:

This is a one story brick over wood frame medical office building constructed in 1979 with a gross building area of approximately 5,105 square feet. There is a 475 s.f. covered drop-off area on the front and a 1,007 s.f. carport and 242 s.f. storage room on the rear. Additional features include signage and paved parking and drives. The building was sold with a new composition shingle roof and a new HVAC unit. Interior finishes include sheetrock walls with some vinyl wallpaper, acoustical tile ceilings with recessed florescent lighting, and carpet, hard tile, and vinyl tile flooring. Interior finishes are "dated" but of average quality. The buyer updated and renovated the building for his OB-GYN practice immediately after the sale at a cost of \$108,000. The medical office includes 2 front waiting areas, patient HC accessible restroom, nurses station, manager's office, 2 other offices, 7+ exam rooms, 3 private doctor's offices each with private restroom, 2 other restrooms, lab, and break room. The site improvements include 45 spaces. The seller financed 100% of the purchase price, but it was confirmed that this was done at the seller's request for tax purposes and did not have a significant impact on the purchase price. The property is located on the former Palmyra (HCA) Medical Center campus and is subject to restrictions of certain medical office uses.

SITE AREA/EST. VALUE: 0.8 Acre

FINANCING: 100% owner financing; No effect on price

PRICE PER BUILDING S.F.: \$119.10/sf (with land value)

COMPARABLE SALE #1

***808 Thirteenth Avenue
Albany, Georgia***



IMPROVEMENT SALE #2

LOCATION: 620 Pointe North Boulevard, Albany, GA

GRANTOR: PEDEBE, LLC

BUYER: Southwest Oral and Maxillofacial Surgery, LLC

SALES PRICE: \$650,000

SALES DATE: July 30, 2013

VERIFICATION: Seller; deed book 4051/ page 167

CONDITION OF SALE: Arm's Length; see note

DESCRIPTION/REMARKS: The improvements consist of a build-to-suit (2010) 1.5 story, wood-frame medical office building that contains 4,611 sf (3,911 s.f. on the first level and 700 s.f. on the second floor). The area on the second floor is basically one large open room and is primarily used for file storage. For analysis purposes, the 2nd floor area is accounted for at 50% of the actual area, and the total effective area is considered to be 4,261 sf. The building also has a 520 s.f. covered drop-off/pick-up area at the rear. The building is designed for use as an oral surgery center.

SITE AREA/EST. VALUE: Pad Site in Office Park/\$100,000 (excludes site work)

FINANCING: Cash to seller

COMMENTS: This started as a lease purchase over a five-year period. The purchase price option was to increase \$10,000 each year with the current option price at \$755,000. The lessee has been paying \$16.50/sf triple-net rent. The rent payments do not apply to the purchase price. Lessee and owner renegotiated the purchase price to \$650,000, although one of the partners of the seller felt the actual value was closer to \$690,000.

COMPARABLE SALE #2 (cont.)

INDICATED CAP RATE: 10.7% based on NOI of \$69,458 and contracted price of \$650,000

PRICE PER BUILDING S.F.: \$152.55 (based on 4,261 sf)

PICTURE OF SALE #2

***620 Pointe North Boulevard
Albany, Georgia***



IMPROVEMENT SALE #3

LOCATION: 2305 Lullwater Road, Albany, GA

GRANTOR: L. Larry Perkins

GRANTEE: Kent C. Simmons

SALES PRICE: \$265,000 (50% Interest)
+265,000 adjustment for partial interest
\$530,000 adjusted sales price

DATE OF RECORD: January 3, 2014

DEED BOOK/PAGE: 4092/196

VERIFICATION: Representative of Grantee/Previous Inspection

CONDITION OF SALE: Arm's Length; see note

DESCRIPTION/REMARKS: This is the sale of a 50% undivided interest in a one-story, dental office building containing approximately 4,045 square feet of office area. There are 444 s.f. in covered porches. The building was constructed in 1996 and was in average condition at the time of sale. Dr. Simmons purchased the 50% undivided interest from his partner, Dr. Perkins. The transaction was based on appraised value agreed upon by both parties.

SITE AREA 1.058 Acre

FINANCING: Cash to Seller; No Effect on Value

INDICATED CAP RATE: N/A (not rented nor purchased for investment potential)

PRICE PER BUILDING S.F.: \$131.03 (based on adjusted sales price)

COMPARABLE SALE #3

***2305 Lullwater Road
Albany, Georgia***



IMPROVEMENT SALE #4

LOCATION: 2201 Dawson Road, Albany, GA
GRANTOR: Thomas A. Hilsman
GRANTEE: Phoebe Putney Health System, Inc.
SALES PRICE: \$247,000
DATE OF RECORD: 11/13/2012
DEED BOOK/PAGE: 3960/44
VERIFICATION: Appraiser/Tax Records
CONDITION OF SALE: Arm's Length

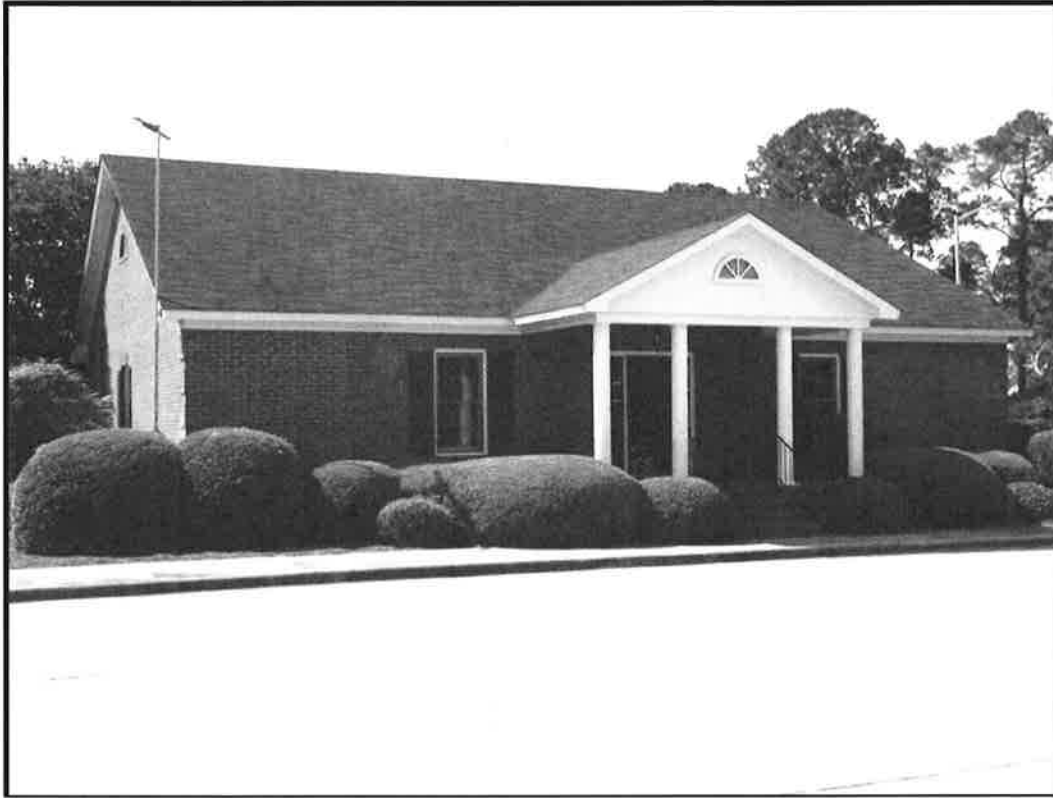
DESCRIPTION/REMARKS:

The improvement is a one-story brick veneer medical office building containing 2,244 square-foot of gross area. The building was constructed in 1985. The roof was reportedly replaced in 2009 and the HVAC in 2007. The interior contains a waiting room, receptionist room, file and secretarial room, an office, patient restroom, a private physician's office with adjoining restroom, x-ray room, lab, 4 exam rooms, and a kitchen with adjoining employee restroom. There is a stairway to an unfinished second floor which is mostly attic space. The carpet flooring needs to be replaced. The interior trim is fairly standard with some built-ins in the physician's office. There are 14 parking spaces on the site.

SITE AREA/EST. VALUE: 0.259 acre/\$50,000
FINANCING: Cash to Seller; No Effect on Value
INDICATED CAP RATE: N/A (not rented nor purchased for investment potential)
PRICE PER BUILDING S.F.: \$110.07/sf

COMPARABLE SALE #4

***2201 Dawson Road
Albany, Georgia***



IMPROVEMENT SALE #5

LOCATION: 2607 Gillionville Road, Albany, GA

GRANTOR: Glover Corporate Centre LLC

BUYER: Albany Area Primary Healthcare

CONTRACTED PRICE: \$566,000 (see comments)

SALES DATE: 02/18/2013

DEED BOOK/PAGE: 3990/128

VERIFICATION: Representative of Buyer; Inspection

CONDITION OF SALE: Arm's Length/see note

DESCRIPTION/REMARKS: The improvements consist of a one-story, masonry, dental office building constructed in 2002 that contains 4,574 s.f. The building has a reception/waiting area, 7 exam rooms, 2 doctors' offices, 2 business offices, (4) 2-fixture bathrooms, 2 lab areas, an x-ray room and a file room. The building was in average condition and the quality is rated as average. There are 34 asphalt parking spaces.

SITE AREA/EST. VALUE: 0.951 Acre; \$95,000

FINANCING: Cash to seller; see comments

INDICATED CAP RATE: N/A

PRICE PER BUILDING S.F.: \$123.74 (with land value included)

COMMENTS:

The contract price was determined by both parties agreeing to sell the property based upon an independent appraisal. The purchaser is also acquiring all of the FF&E associated with the practice. This was appraised and priced separately (\$201,500) from the real property. As part of the purchase agreement, the seller will remain a practicing dentist in the subject building. The seller actually received \$482,000 in cash (reflected on PT Form) with the difference being treated as a charitable gift to AAPHC which is a non-profit organization serving Southwest Georgia in areas of internal medicine, pediatrics, family medicine, obstetrics and gynecology, as well as dentistry.

PICTURE OF SALE #5

*2607 Gillionville Road
Albany, Georgia*



IMPROVEMENT SALE #6

LOCATION: 322 E. Jackson Street, Thomasville, GA
GRANTOR: Terry Smith
GRANTEE: Quail Pines Properties, LLC
SALES PRICE: \$445,000
DATE OF RECORD: 01/15/2016
DEED BOOK/PAGE: 2001/4
SOURCE OF DATA: Buyer; PT Form, Deed
CONDITION OF SALE: Arm's Length

DESCRIPTION/REMARKS:

This is a well-constructed brick over wood frame dental office building constructed in 1991. The first floor contains a gross building area of approximately 2,843 square feet. The second level is accessed by a permanent staircase and contains 1,748 s.f. This area is basically one large room used for file storage and a laundry area. The floors are plywood and the walls are unfinished sheetrock. Ceiling heights are 8' with a clip on the sides to a height of 5.5'. The area is not centrally heated and cooled, but this could be added. For analysis purposes, the upstairs is treated at 25% of its actual area, or 437 sf. The first level includes a 2-section lab, x-ray room, clinic area with 6 dental chair stations, sterilization area, a consult exam room, a small meeting room, a doctor's office with adjoining 3-fixture bathroom, HC patient bath, kitchen/break area, small 2-fixture bath, receptionist area, record room, and waiting area with front entry. Additional features include signage and paved parking and drives. The building has a composition shingle roof, central HVAC, and crawl space foundation. Interior finishes include sheetrock walls with some vinyl wallpaper, 8' and 10' acoustical tile and sheetrock ceilings, florescent lighting, and carpet, vinyl tile, and hardwood flooring. Some of the interior finishes are slightly "dated". The site improvements include 23 parking spaces.

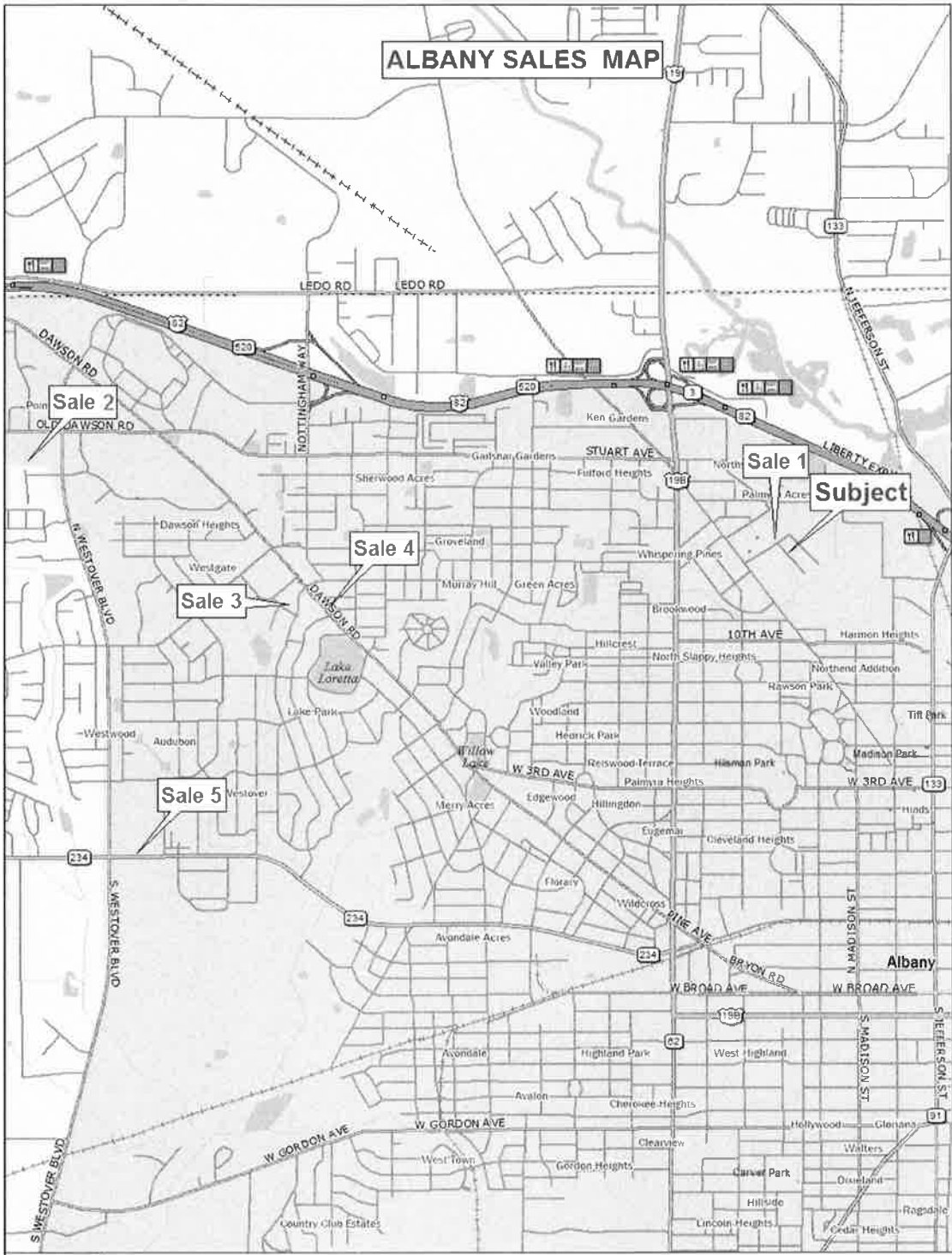
SITE AREA/EST. VALUE: 0.37 Acre
FINANCING: Cash to seller; No effect on price
PRICE PER BUILDING S.F.: \$135.67/sf (based on eff. area of 3,280 sf)

COMPARABLE SALE #6

*322 E. Jackson Street
Thomasville, Georgia*

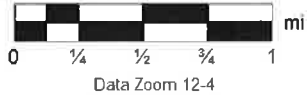


ALBANY SALES MAP



DE LORME

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RECONCILIATION OF THE SALES COMPARISON APPROACH TO VALUE

Below is a brief synopsis of the sales found. Each is similar in use (medical office). However, some are different in size, age, construction, and amenities offered. Each of the sales will be analyzed and adjustments made to the sales to arrive at an indicated value for the subject. No similar competitive listings of medical offices were found in Albany. The sales prices per-square-foot are shown in the chart below.

ALBANY AREA OFFICE SALES

SALE	LOCATION	SALES DATE	SALES PRICE	AGE AT SALE	SIZE	PRICE PER SQUARE FOOT
1	808 Thirteenth Ave, Albany, GA	06-2014	\$ 608,000	35	5,105	\$119.10
2	620 Pointe North Blvd, Albany, GA	07-2013	\$ 650,000	3	4,261	\$152.55
3	2305 Lullwater Rd, Albany, GA	01-2014	\$ 530,000*	18	4,045	\$131.03
4	2201 Dawson Road, Albany, GA	11-2012	\$ 247,000	27	2,244	\$110.07
5	2607 Gillionville Rd., Albany, GA	02-2013	\$ 566,000	11	4,574	\$123.74
6	322 E. Jackson St., Thomasville, GA	01-2016	\$ 445,000	25	3,280	\$135.67
SUB	1912 Arlington Lane, Albany, GA			21	3,773	

* based on 100% interest

SUMMARY OF IMPROVED SALES

The appraiser has listed 5 comparable sales within the Albany market area and a sale in Thomasville for comparison with the subject. All of the sales were medical offices at the time of sale. The sales vary somewhat in size, quality and age/condition. However, these are the most recent and most comparable medical office building sales in this area available to the appraiser.

Most of the sales occurred from 2012 to 2014, however, one 2016 sale is included as well. A definitive market conditions adjustment could not be determined through matched paired analysis. Based upon the sales that occurred over this time period, it does not appear that a market conditions adjustment is warranted.

No property rights conveyed or financing adjustments are believed to be warranted. The age/condition adjustments reflect the estimated differences in the age and condition of the sales and that of the subject. The effective age of each sale was estimated based on its condition, amount of renovation (if any), and actual age at the time of sale. The quality adjustment was somewhat subjective. The estimated adjustments to the sales are listed in the grid provided on the next page.

SALES ADJUSTMENT GRID

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Price Per S.F.		\$119.10*	\$152.55	\$131.03	\$110.07	\$123.74	\$135.67
RESTRICTIVE COVENANTS		Equal	Super/-5%	Super/-5%	Super/-5%	Super/-5%	Super/-5%
LOCATION/SITE ADJ.	0.743 Ac Avg	Similar	Pad/Similar	Sup/-5%	Similar	Similar	Sup./-5%
AGE/CONDITION	21 Actual 15 eff.	35/14 eff -1%	3 eff/Sup. -12%	15 eff	20 eff/Inf. +5%	11 eff -4%	15 Eff
BUILDING SIZE & L/B RATIO	3,773 sf	5,105 sf +5%	4,261 sf	4,045 sf	2,244 sf -5%	4,574 sf	3,280 sf
QUALITY/APPEAL	Average Carport & Garage	Similar Carports	Super/-5% Carport +2%	Similar None +5%	Infer/+10% None +5%	Similar None +5%	Similar None +5%
AMENITIES							
NET ADJUSTMENT		+4%	-20%	-5%	+10%	-4%	-5%
ADJUSTED VALUE		\$123.86	\$122.04	\$124.48	\$121.08	\$118.79	\$128.89

*Price includes renovations done immediately after purchase

Summary:

Sale 1 was sold with restrictive covenants in place that restricted the building from being utilized for certain medical-related uses. The subject site was originally sold with similar restrictions in 1994 when the subject building was constructed. The subject was later purchased by the original seller (Palmyra Park Hospital) that had placed the restrictions on the property. Then, in 2011, the subject property was sold as part of a portfolio acquisition to the current owner, the Hospital Authority of Albany-Dougherty County. Since it is not known whether these same restrictions are still in effect or whether the current owner would want to extend these same restrictions on a future buyer, the appraiser has provided two values: one value with the use restrictions and one without any use restrictions. It appears that the restrictions impacted Sale 1 by approximately -5% when compared with the other sales.

The medical office sales previously listed indicate a fairly narrow adjusted range of values from \$118.79 to \$128.89 per square foot with a mean of \$123.19/sf. Due to Sale 1's location next door to the subject and its similar quality, appeal, and similar restricted use element, Sale 1 was given the most weight. With more weight placed on Sale 1, a value of \$124.00/sf is estimated for the subject.

Therefore, this would indicate a value for the subject as of the effective date of the appraisal, April 7, 2016 as follows:

$$3,773 \text{ Square Feet} \times \$124.00 = \$467,852, \text{ or rounded to: } \$468,000$$

It appears that the subject building needs a new roof and the exterior trim needs painting. The preliminary value above is adjusted downward by \$12,000 (\$10,000 for a roof allowance and \$2,000 for exterior paint) since this adjustment was not made in the sales adjustment grid. This would indicate an "as is" value for the subject of \$456,000 with the deed restriction in place. The estimated value without the deed restriction would be approximately 5% higher or \$479,000.

Sales Comparison Approach Summary

Est. Value with Deed Restriction:	\$456,000
Est. Value without Deed Restriction:	\$479,000

THE INCOME APPROACH

The value of a property is the present worth of the anticipated future benefits to be received by the property. In the Income Approach, the anticipated net operating income to be received by the property is capitalized into present worth.

To arrive at net income, the potential gross income based on market rent plus services is estimated. An allowance for vacancy and credit loss is deducted from potential gross income to arrive at effective gross income. The expenses chargeable to the operation of the property are deducted from effective gross income to arrive at net operating income.

The net operating income is capitalized at an appropriate rate to arrive at the present worth or value of the property. The capitalization rate is the rate of return that prudent investment capital is demanding to be attracted to the purchase of the anticipated net income with all its inherent risks.

Thus: $\text{Net Operating Income Divided by the Capitalization Rate} = \text{Value}$.

The appraiser was not able to find any similar, recent medical offices that were purchased based upon an in-place lease for the purpose of holding as investment rental property. Each of the sales used in the sales comparison approach were purchased for owner-occupancy. Due to the lack of sales providing a market-derived cap rate, and the due to the lack are arm's length rental comps on medical office space, an income approach has not been performed. The omission of the income approach is not believed to adversely affect the reliability of the value conclusion.

ANALYSIS, CORRELATION, AND FINAL VALUE ESTIMATE

The approaches to value have been pursued in detail in the previous sections of this report. The individual findings have indicated the following estimates of value:

	<u>With Deed Restriction</u>	<u>W/O Deed Restriction</u>
<i>Cost Approach</i>	<i>\$451,000</i>	<i>\$475,000</i>
<i>Sales Comparison Approach</i>	<i>\$456,000</i>	<i>\$479,000</i>
<i>Income Approach</i>	<i>Not Used</i>	<i>Not Used</i>

Theoretically, each of these estimates of value would be the same if an appraiser had infinite pertinent data before him and he could carry out each step of the approaches with exacting precision. Appraising, however, is not an exact science whereby infinite data on a specific property can be reasonably gathered nor can such data as is available be analyzed in a strict mathematical manner.

Therefore, the approaches to value will seldom be identical, but they normally would fall within a reasonable range. Having arrived at three preliminary value estimates, it is then the appraiser's responsibility to review the specific purpose of the appraisal to consider the type of property being appraised and to weigh the reliability of the information used in each of the value estimates. With this final review and analysis, he then can best determine which approach should be given the most consideration and, from this, arrive at the final value estimate for the property under consideration.

The ***Cost Approach***, which utilizes the estimated replacement costs new less the estimated depreciation plus land value, indicated a value of ***\$451,000*** (with deed restrictions) and ***\$475,000*** (without deed restrictions). Due to the lack of recent land sales in the subject area, and due to the difficulty in accurately measuring all forms of depreciation, the cost approach is given less weight.

The ***Sales Comparison Approach*** utilized the per-unit-of-value technique which indicated a value of ***\$456,000*** (with deed restrictions) and ***\$479,000*** (without deed restrictions). The appraiser was able to analyze several medical office building sales in the subject market area. This approach is often considered the best indicator of value for owner-occupied office buildings for the appraiser can adjust for differences in the land to building ratio, size, age, condition, and quality. Since the appraiser was able to analyze an adequate number of sales in the area that were considered fairly comparable to the subject, and since this is the method most often used by purchasers and sellers alike for this type of property, the sales comparison approach is given the most weight.

The *Income Approach* was not used due to the lack of comparable sales that were leased at the time of sale and due to the lack of market derived capitalization rates.

After careful analyses and consideration of all the approaches, I believe the conclusions developed in the Sales Comparison Approach to value to be more significant as it more directly reflects the thinking and attitudes of the typical purchaser of this type of property.

Thus, based on the analysis and conclusions developed herein, together with the other data discussed throughout this report, it is my opinion that the Market Value of the subject as defined herein as of April 7, 2016, is:

Estimated Value Assuming Prior Deed Restrictions: **\$456,000**

Estimated Value Without Prior Deed Restrictions: **\$479,000**

ESTIMATED EXPOSURE TIME

The Dictionary of Real Estate Appraisal – Fifth Edition defines **Exposure Time** as “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”.

The Dictionary of Real Estate Appraisal – Fifth Edition defines **Marketing Time** as “an opinion of the amount of time it might take to sell a real property interest at the concluded market value level during the period immediately after the effective date of appraisal”.

The appraiser cannot give a definitive answer on the question of how long it would take to market the property since the sales used were sold in conjunction with practice buyouts or between partners, and not listed for sale on the open market with a realtor. The estimated value is based on an estimated exposure time of 10 months based on other professional office sales data with which the appraiser is familiar. It is the appraiser's opinion that a normal marketing period at the appraised price would be 10 to 12 months. This is based on the property being actively and aggressively marketed at a realistic asking price by a reputable and knowledgeable real estate broker.

ADDENDUM

ORIGINAL DEED RESTRICTIONS

Book 1396 Page 231

8. The Purchaser acknowledges and agrees that the use of the Property shall be limited to the construction and maintenance of a medical office building (the "Building") for the care and treatment of human beings and parking facilities incidental thereto; provided that, without the prior written consent of the administrator of the Hospital (as defined below), no occupant of the Building shall use it for a "commercial ancillary service." A "commercial ancillary service" shall mean any service provided by an occupant of the Building on a commercial basis, including but not limited to any laboratory, x-ray, radiological imaging, physical therapy, pulmonary or cardiological testing, to persons who are not patients of such occupant. In no event shall the Building be used by occupants thereof as an out-patient surgical facility, birthing center or clinic in which to treat acquired immune deficiency syndrome ("AIDS"). The foregoing is not intended to preclude treatment of persons diagnosed as having AIDS, for other illnesses, diagnosis or treatment so long as the primary or secondary use of the Building is not an AIDS clinic. The provisions of this paragraph shall be a covenant running with the land to be set forth in the deed, enforceable for so long as the hospital currently known as HCA Palmyra Park Hospital (the "Hospital") continues to operate as an acute-care hospital adjacent to the Property. The Building shall be used solely by (a) physicians who are members in good standing on the active associate, consulting or courtesy medical staff of the Hospital, (b) the employees of such physicians, or (c) other persons with the prior written permission of the Hospital Administrator.

10. The Purchaser covenants and agrees that Seller shall have the right of first refusal to purchase the Property or any portion thereof which may be offered for sale by Purchaser. Notwithstanding the foregoing, it is understood and agreed by the parties that the Purchaser may organize into a partnership, assign any or all of its rights under this agreement relating to the Property, to a related entity or to (i) members of Purchaser's families or to (ii) trusts for their benefit, or make other transfers, so long as the transferee is a related entity, which may be in the best interest of Purchaser for business reasons, without the same being considered a sale or an offer to sell the Property; however, the Property shall, as to any future sale, remain subject to Seller's right of first refusal. The term "related entity" shall mean one in which at least fifty percent (50%) of the voting power is in the Purchaser, or members of Purchaser's families.

In the event of Seller's exercise of the right of first refusal, unless otherwise agreed, the consideration to be paid by Seller to Purchaser shall be an amount equal to the price which a bona fide third party has, in good faith, offered to pay for the Property (the "Offer"), and on terms no less favorable to Purchaser than those contained in the Offer. Notice of the Offer shall contain all material terms of the proposed transaction. Seller shall have thirty (30) days from its receipt of notice of the Offer, within which to advise Purchaser of Seller's decision to buy or not to buy the Property. Closing shall occur no later than thirty (30) days from the date which Seller advised Purchaser of its decision to repurchase the Property. If the Seller herein declines to buy the Property in accordance with this provision, Purchaser shall have ninety (90) days to close on the sale in accordance with the Offer, or the right of first refusal shall again be applicable to the Property. This Right of First Refusal shall not impair any secured creditors right to exercise a non-judicial power of sale with respect to the Property. This Paragraph shall survive Closing and be a covenant running with the land.

QUALIFICATIONS OF MICHAEL C. EVERETT

Current Position: Owner/President of Southern Appraisal Company, (effective Jan. 2003)

Staff appraiser with Southern Appraisal Co. from 1991 to 2002

Appraiser Classification: Certified-General Real Property Appraiser in the State of Georgia, License Number 2976

Professional Designation: MAI – Appraisal Institute

Other Positions/Affiliations: Member of Albany Board of Realtors (MLS)

Served six years on the Albany-Dougherty Planning Commission

Member of Porterfield United Methodist Church – Trustee

Leadership Albany – Class of 2003-2004

General Education: Bachelor of Business Administration–Finance, The University of Georgia

Appraisal Education: Residential Valuation
Evaluating Residential Construction
Standards of Professional Practice, Part A
Standards of Professional Practice, Part B
Standards of Professional Practice, Part C
Appraisal Principles
Appraisal Procedures
Advanced Residential Narrative & Form Report Writing
Understanding Limited Appraisals–General
Appraising Historic Property
Basic Income Capitalization, Course 310
General Applications, Course 320
Advanced Income Capitalization, Course 510
Highest & Best Use and Market Analysis, Course 520
Advanced Sales Comparison & Cost Approaches, Crs. 530
Report Writing & Valuation Analysis, Course 540
Advanced Applications, Course 550

Clients/References: SunTrust Bank, Regions Bank, SB& T Bank/Synovus, AB&T National Bank, Heritage Bank, Ameris Bank, Flint Community Bank, Colony Bank, and Various Institutional and Independent Clients

**STATE OF GEORGIA
REAL ESTATE APPRAISERS BOARD**

MICHAEL CASH EVERETT

2976

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A
CERTIFIED GENERAL REAL PROPERTY APPRAISER

THE PRIVILEGE AND RESPONSIBILITIES OF THIS APPRAISER CLASSIFICATION SHALL CONTINUE IN EFFECT AS LONG AS THE APPRAISER PAYS REQUIRED APPRAISER FEES AND COMPLIES WITH ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39-A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY
Chairperson

RONALD M. HECKMAN
JEANMARIE HOLMES
KEITH STONE

JEFF A. LAWSON
Vice Chairperson

10144711

MICHAEL CASH EVERETT

2976
Status ACTIVE

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER

State of Georgia
Real Estate Commission
Suite 1000 - International Tower
229 Peachtree Street, N.E.
Atlanta, GA 30303-1805

ORIGINALLY LICENSED

06/23/1992
END OF RENEWAL
01/31/2017



WILLIAM L. ROGERS, JR.
Real Estate Commissioner

10144711

MICHAEL CASH EVERETT

2976
Status ACTIVE

CERTIFIED GENERAL REAL PROPERTY APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY REQUIRED EDUCATION IN A TIMELY MANNER

State of Georgia
Real Estate Commission
Suite 1000 - International Tower
229 Peachtree Street, N.E.
Atlanta, GA 30303-1805



WILLIAM L. ROGERS, JR.
Real Estate Commissioner

10144711

**HOSPITAL AUTHORITY OF ALBANY-
DOUGHERTY COUNTY, GEORGIA**

Financial Statement Update

April-2016 YTD

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA
BALANCE SHEET
4/30/2016

Unaudited
April 30, 2016

ASSETS

Current Assets:	\$
Cash and cash equivalents	100,354
Assets limited as to use - current	-
Patient accounts receivable, net of allowance for doubtful accounts	-
Supplies, at lower of cost (first in, first out) or market	-
Other current assets	-
Total current assets	100,354

Property and Equipment, net

Other Assets:	-
Goodwill	-
Total other assets	-

Total Assets	\$ 100,354
--------------	------------

LIABILITIES AND NET ASSETS

Current Liabilities:	-
Accounts payable	-
Accrued expenses	-
Estimated third-party payor settlements	-
Deferred revenue	-
Short-term obligations	-
Total current liabilities	-

Total liabilities	-
-------------------	---

Net assets:	-
Unrestricted	100,354

Total net assets	100,354
------------------	---------

Total liabilities and net assets	\$ 100,354
----------------------------------	------------

HOSPITAL AUTHORITY OF ALBANY-DOUGHERTY COUNTY, GEORGIA
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN UNRESTRICTED NET ASSETS
4/30/2016

Unaudited

April 30, 2016

OPERATING REVENUE:

Net patient service revenue (net of provision for bad debt)	
Lease Consideration	65,967
Total Operating Revenue	65,967

OPERATING EXPENSES:

Salaries and Wages	
Employee health and welfare	
Medical supplies and other	
Professional services	4,997
Purchased services	217
Depreciation and amortization	
Total Operating Expenses	5,214
Operating Loss	60,754

NONOPERATING INCOME (EXPENSES):

Gain in Long Term Lease	-
Interest Expense	-
Total Nonoperating Income	-
EXCESS OF REVENUE OVER EXPENSE	60,754



FACILITIES UPDATE – JOE AUSTIN

MAY 19, 2016



ONCOLOGY FLOOR RENOVATION

Nurse Station

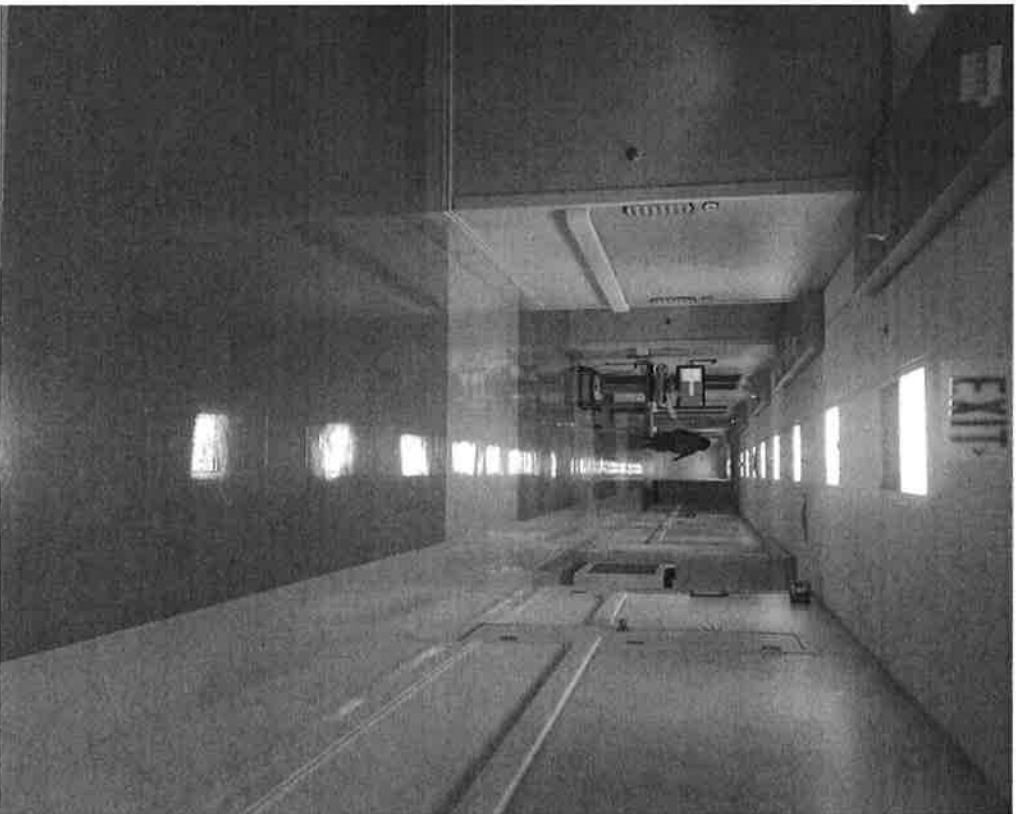
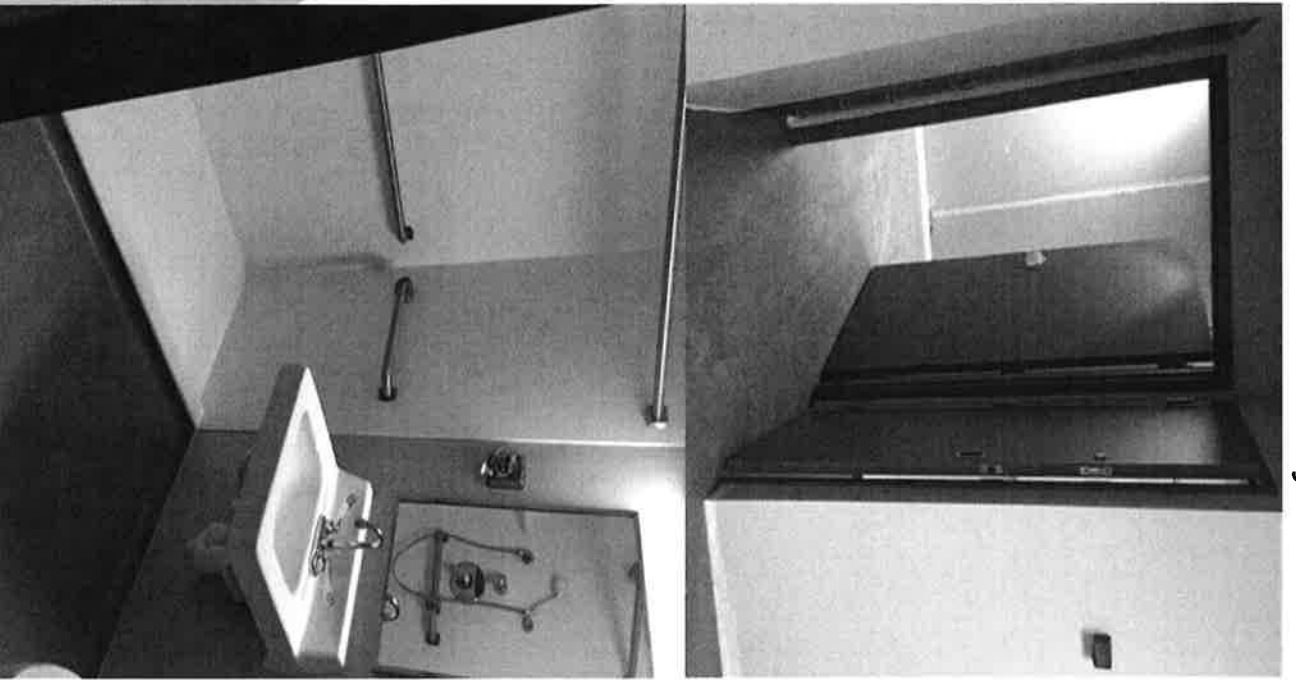


Before



After

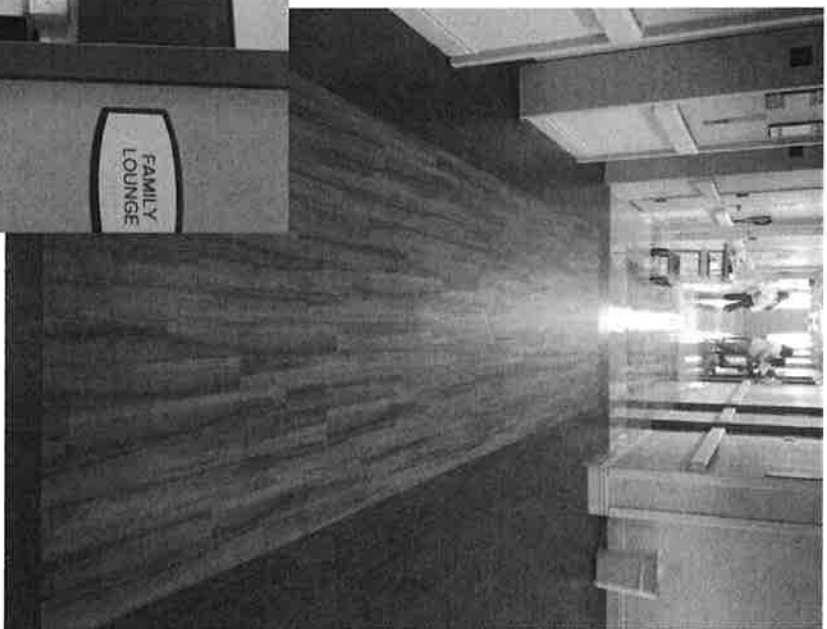
Patient Room - Before



Patient Floor - After



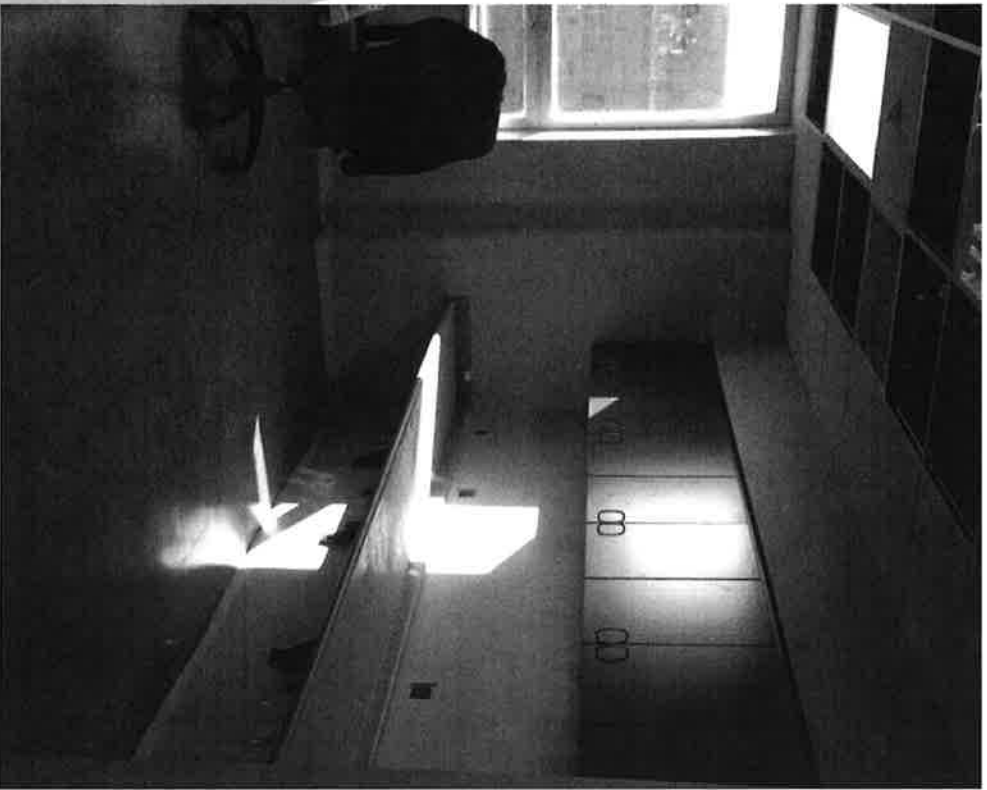
Family Waiting Room - Before



Family Waiting Area - After

Physician Dictation

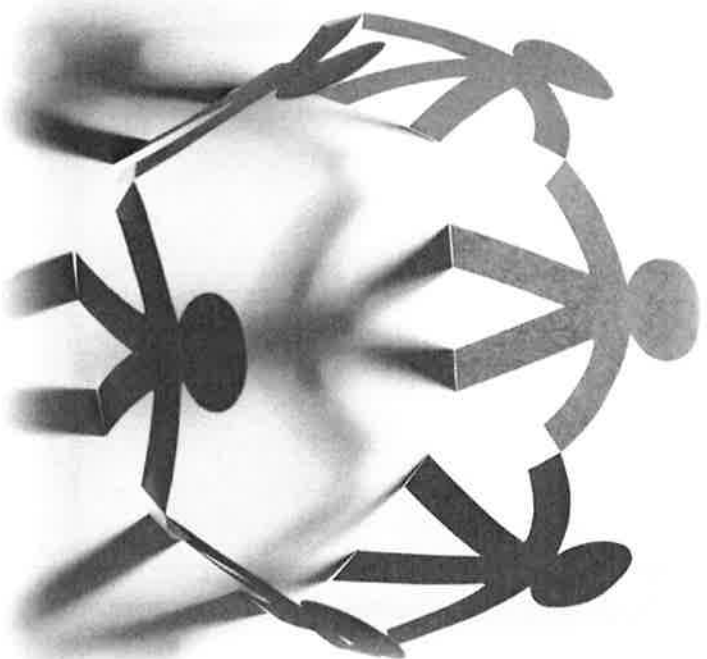
Before



After



Questions?





COMMUNITY CARE CLINIC

Current State



Phoebe Emergency Services

Emergency Department Throughput

Discharge Home - March 2015

- Main 270 minutes / North 174 minutes
- VHA National Avg – 137 minutes

Press Ganey “Overall Score” (Patient Engagement)

- FY13 28th %tile
- FY14 18th %tile
- FY15 8th %tile

* Predictor of Patient Experience is Wait Time

**Ensuring a sustainable
future to meet
emergent needs**



Future of Emergency Services

- **Manage Our Volume**

Appropriate Access
Care Campaign

Right Care. Right Place. Right Time.

Educating patients to:
Choose a Better Way

- **Specialize resources based on patient type**

Choose A Better Way
Know your options to access the right Phoebe care.

At Phoebe, we've developed new ways to make it easier than ever to access our experts – with new choices that can even help you save time and money.



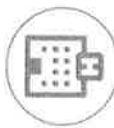
Primary Care

- Minor illnesses
- Preventive visits
- Convenient appointments



Urgent Care and Community Care

- Non-life-threatening illnesses or injuries
- Walk-ins welcome
- Extended hours



Emergency Care

- Life-threatening illnesses or injuries
- Immediate attention
- 24/7 hospital-based care

Learn more at choosephoebe.com





Right Care. Right Place. Right Time.

COMMUNITY CARE CLINIC

Volume - April

CCC Volume - April





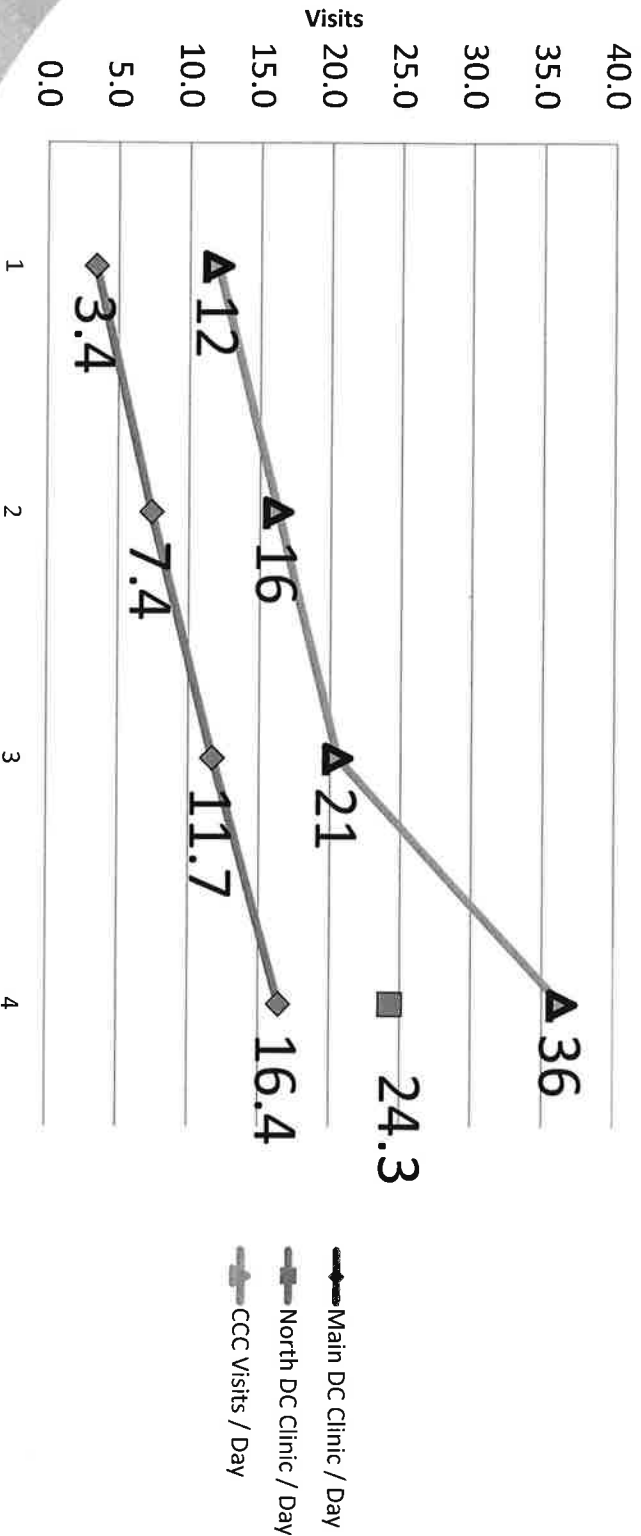
Right Care. Right Place. Right Time.

COMMUNITY CARE CLINIC

Go Live – March 1, 2016

Goal – 40 pts / day

Clinic Vists / Day - April 2016

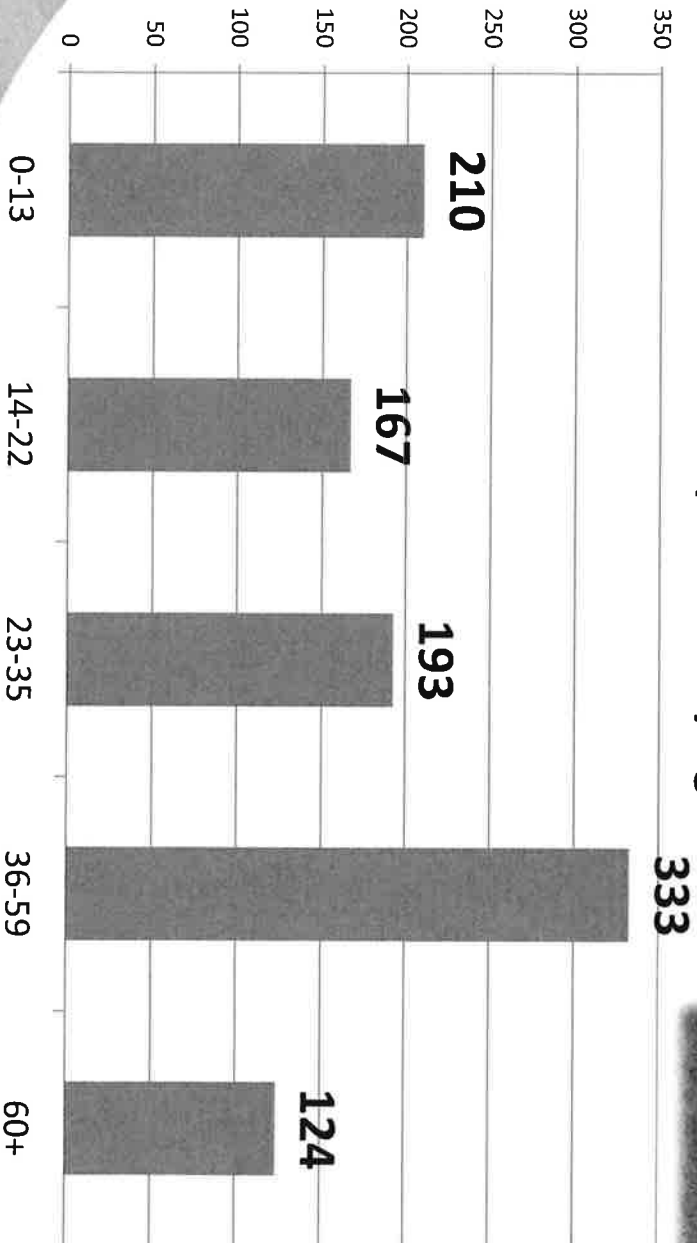




Right Care. Right Place. Right Time.

COMMUNITY CARE CLINIC Demographics

April Visits by Age



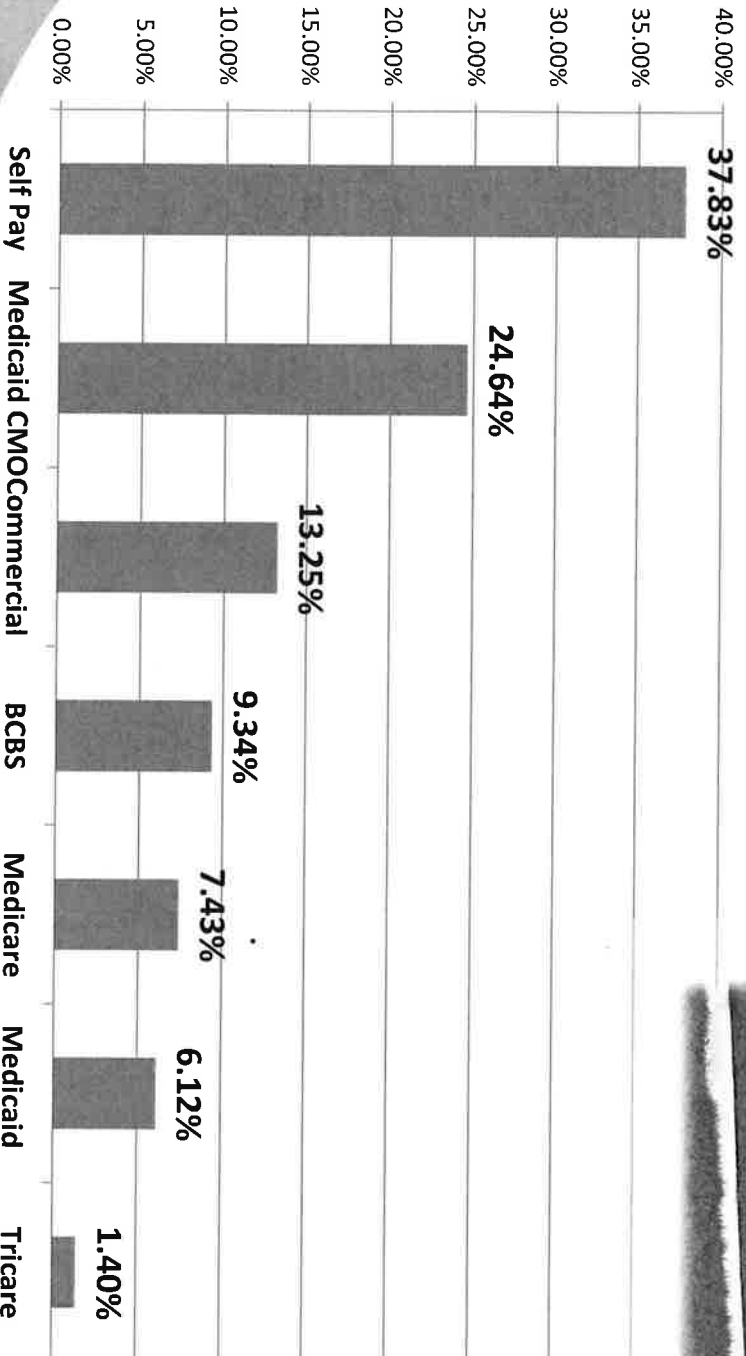


Right Care. Right Place. Right Time.

COMMUNITY CARE CLINIC

Demographics

April Visits by Payor Mix



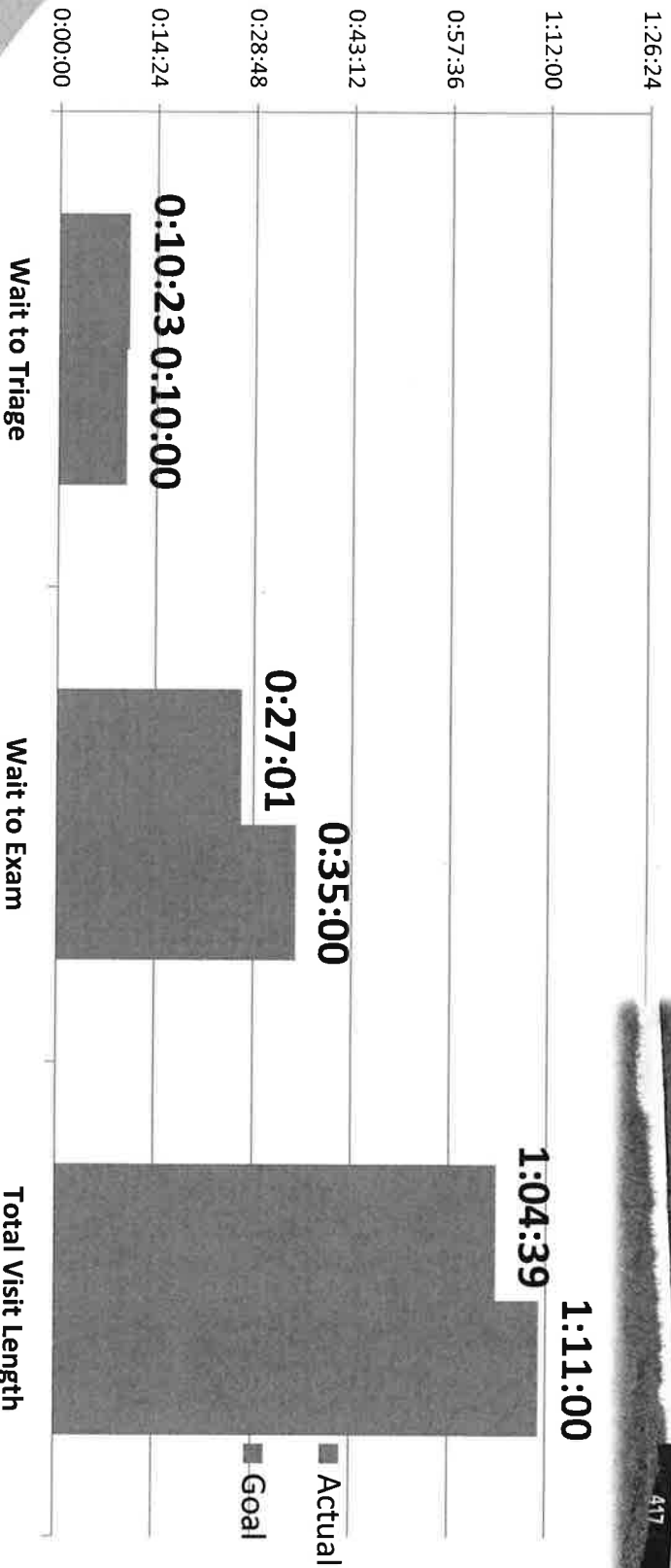


Right Care. Right Place. Right Time.

COMMUNITY CARE CLINIC

Wait Times

Visit Times for April





Right Care. Right Place. Right Time.

COMMUNITY CARE CLINIC
Right Care, Right Place, Right Time
....at the Right Cost.

Top 5 Diagnosis - Community Care Clinic - (03/01/16 - 04/17/16)

Top 5 Dx (by count)	Community				
	17 Clinic Cases	Clinic Charges	Average per Case	Avg. EC Charge	Savings
J069: Acute upper respiratory infection, unspecified	47 \$	6,226.00 \$	132.47	\$1,187.28	\$49,576.16
J029: Acute pharyngitis, unspecified	40 \$	4,209.00 \$	105.23	\$1,176.31	\$42,843.40
K088: Other specified disorders of teeth	18 \$	2,202.00 \$	122.33	\$1,000.00	\$15,798.00
R05: Cough	15 \$	1,861.00 \$	124.07	\$1,000.00	\$13,139.00
J329: Chronic sinusitis, unspecified	15 \$	1,774.00 \$	118.27	\$1,439.90	\$19,824.50
Grand Total	135 \$	16,272.00 \$	120.53	\$1,166.32	\$141,181.06



Media Coverage

Ribbon cut on Phoebe Community Care Clinic

Clinic, meant to improve the flow at nearby emergency center, opens to patients today

By Jennifer Parks

jennifer.parks@albanyherald.com Feb 29, 2016 (0)



The ribbon was cut Monday on the Phoebe Community Care Clinic at 417 Fourth Ave. The facility will begin seeing patients today for minor ailments. (Staff Photo: Jennifer Parks)

Phoebe opens new clinic fo

BY JAZMYNE HANKERSON | SUNDAY, MARCH 6TH 2016



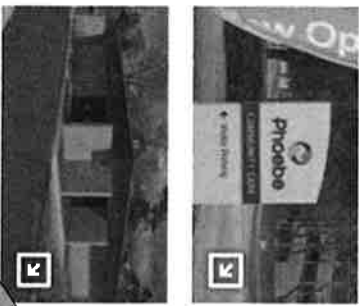
NEWS WEATHER SPORTS AE



Southwest Georgia residents now have another health care treatment option that can help your pockets and save you time! Jazmyne Hankerson

Phoebe Community Care opened for business

Published: Tuesday, March 1st 2016, 7:38 pm EDT
 Updated: Tuesday, March 1st 2016, 7:38 pm EDT
 By Aaryn Valenzuela, Anchor CONNECT



ALBANY, GA (WALB) - Phoebe's new Community Care Center has opened its doors to the public today. It's located on 4th street just across from the hospital. Hospital officials say the new facility will help ease the ER. They'll be open 9 to 9 weekdays, and 9 to 5 on weekends. Copyright 2016 WALB. All rights reserved.

"I don't mind this little walk because they doing all they can to help me with my bad leg."

Leave the ER for real emergencies

Published: Monday, April 25th 2016, 5:02 pm EDT
 Updated: Monday, April 25th 2016, 5:03 pm EDT
 By Melissa Hodges, Anchor CONNECT



(WALB image)

ALBANY, GA (WALB) - You shouldn't go to the emergency room for a real emergency. That's the word from Phoebe Memorial Hospital.

They've got a new policy that should save time and money for many patients. Starting today, people who show up to the Emergency Center with a minor health problem will be directed to the new facility.



Laura Schearer (WALB image)

"Phoebe is never going to turn anyone away who has an emergency medical condition."

"They said we are going to send you across the street and then you can go to the ER. We will call and help you with your leg."

"In the clinic they will be seen quicker, and it will not be as expensive," said Phoebe's Laura Schearer.

The most expensive place to receive care is in an ER, and the way for people with minor health problems can be many hours long. folks with serious problems go first.

"Phoebe is never going to turn anyone away that has an emergency medical condition," said Schearer.



Gloria Jean Clyde (WALB image)



Phoebe's Clinic (WALB image)



<http://www.walb.com/story/31903468/editorial-phoebe-community-care-center>



NEWS

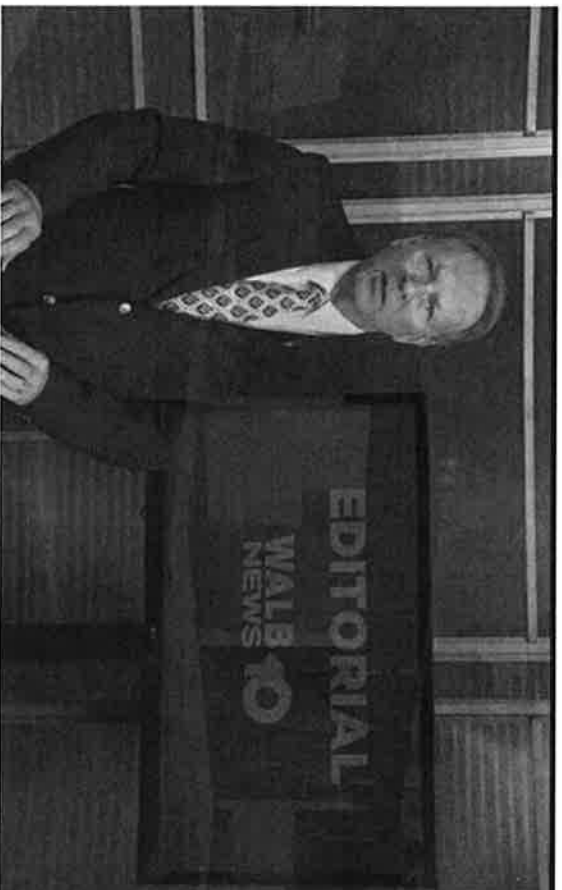
WEATHER

SPORTS

VIDEO

BUZZ

Editorial: Phoebe Community Care Center

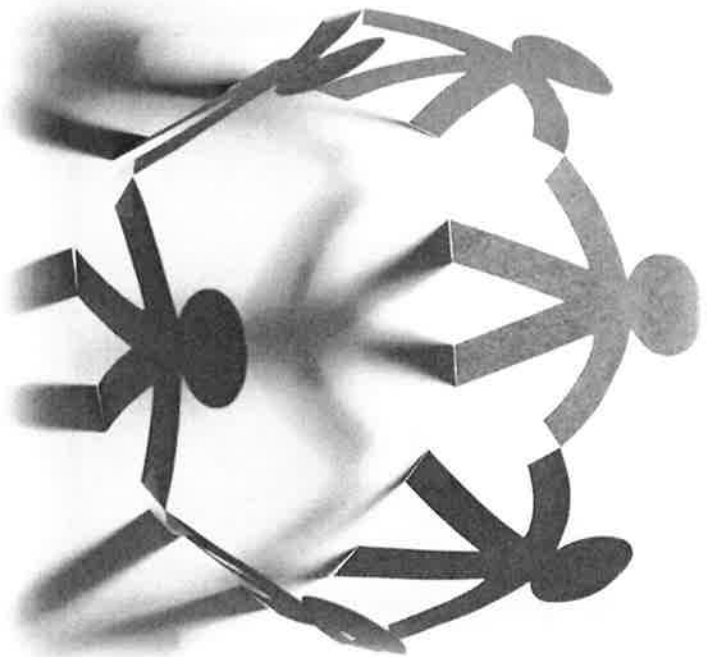


“People who have a stomach ache, or just don't feel good should use this clinic, and not clog up the ER with minor ailments.

That facility is needed by people, with life-threatening conditions, like heart attacks, severe car wrecks, or serious wounds. ”

**JIM WILCOX,
VP & General Manager**

Questions?



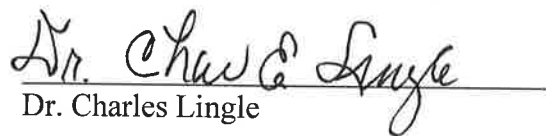
STATE OF GEORGIA
COUNTY OF DOUGHERTY

AFFIDAVIT RELATIVE TO CLOSED MEETING

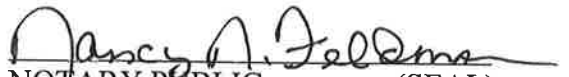
Personally appeared before the undersigned, Dr. Charles Lingle, who having been duly sworn, deposes and states as follows:

1. I am over the age of 18 years, I am suffering under no disabilities and I am competent to testify to the matters contained herein.
2. I am the Chairman of the Board of the Hospital Authority of Albany-Dougherty County, Georgia (the "Authority").
3. On May 19, 2016, at a meeting of the Authority Board, a motion was duly approved in a roll call vote for the Authority Board to go into closed session for the purposes of: (i) engaging in privileged consultation with legal counsel; (ii) to discuss potentially valuable commercial plans, proposals or strategy that may be of competitive advantage in the operation of Phoebe Putney Memorial Hospital or its medical facilities; and (iii) to discuss confidential matters or information pertaining to peer review or provided by a review organization as defined in O.C.G.A §31-7-131.
4. To the best of my knowledge and belief, the business conducted during the closed portion of the meeting was devoted solely to the above matters for which the meeting was closed.

This the 19th day of May, 2016.


Dr. Charles Lingle

Sworn to and subscribed before me this
19th day of May, 2016.


NOTARY PUBLIC (SEAL)
Dougherty County, Georgia
My Commission Expires: 5/19/17