

S. PHILLIPS & CO., INC.

Healthcare Valuation Consultants

COMPANY PROFILE

The valuation of healthcare and seniors housing properties is complex and requires specialized experience. **S. Phillips & Co., Inc.**, was established in 1991 to meet the needs of clients requiring this specialized experience and knowledge. Our staff has over 75 years of combined healthcare and seniors housing valuation and consulting experience, including two individuals which hold the MAI designation.

S. Phillips & Co., Inc. keeps abreast of the ever changing healthcare and seniors housing regulatory requirements and reimbursement methodologies and maintains an extensive database in order to remain a leader in this volatile industry.

S. Phillips & Co., Inc. understands that our services are only a part of the due diligence process for our clients. As such, we do not quote delivery dates that we cannot meet. We understand that reliability is essential in this competitive industry. We have developed an unparalleled reputation among our clients for reliability, while never sacrificing quality.

S. Phillips & Co., Inc. is large enough to provide large portfolio valuation and consulting services, but small enough to maintain exceptional quality and individual attention to our clients. Whether you require a single-property assignment or multi-facility portfolio assignment, we have the experience, staffing and technology to meet your needs. We can tailor our reports to the scope and intended use of the individual client.

QUALIFICATIONS OF STAN T. PHILLIPS, MAI

S. PHILLIPS & CO., INC.

992 Winscott Road, Suite A • Benbrook, Texas 76126

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EXPERIENCE

S. Phillips & Co., Inc., June 1991 - Present

Managing Director

Personnel supervision and training, supervising day-to-day operations, FIRREA and USPAP compliance reviews, appraisal review and production, and client relations.

George F. West & Associates, May 1987-June 1991

Vice President/Commercial Review Appraiser

Began as an associate real estate appraiser producing commercial and residential appraisal reports; was subsequently promoted to vice-president and in charge of appraisal review, client relations, and management of the day-to-day operations.

Joseph A. Dengel & Company, May 1985-May 1987

Associate Appraiser-Residential and Commercial Appraiser

Started as a research assistant in charge of collecting and verifying factual data for appraisal staff; subsequently promoted to an associate appraiser providing residential and commercial appraisal reports within the Dallas area.

PROFESSIONAL DESIGNATIONS, MEMBERSHIPS AND COMMITTEES

Member of the Appraisal Institute (MAI) #09323, March 1992

Admissions Committee, North Texas Chapter of Appraisal Institute (1992-1994)

Experience Review Committee, North Texas Chapter of Appraisal Institute (1992-1994)

Regional Ethics and Counseling Committee, Appraisal Institute (1993-1997)

Member of the Assisted Living Facilities Association of America (ALFAA)

Member of the Texas Assisted Living Association (TALA)

Member of the Texas Health Care Association (THCA)

Contributing Member to the National Investment Center (NIC) for Seniors Housing & Long Term Care

LICENSES AND CERTIFICATIONS

Texas Real Estate Salesman's License No. 370449

Georgia State Certified General Appraiser - License Number CG-006237 (7/31/2004)

Kentucky State Certified General Appraiser - (7/31/2004)

Massachusetts State Certified General Appraiser (6/0/04)

Nevada State Certified General Appraiser - License Number 03895 (6/19/2004)

North Carolina State Certified General Appraiser - License Number 2744 (5/25/04)

Texas State Certified General Appraiser - License Number TX-1321407-G (6/30/05)

Tennessee State Certified General Appraiser - License Number 0002846 (4/30/05)

QUALIFICATIONS OF STAN T. PHILLIPS, MAI, (Cont.)

EDUCATION AND PROFESSIONAL TRAINING

- Texas Tech University, Agricultural Finance
- Applied Residential Property Valuation
- Capitalization Theories, Part B
- Standards and Professional Practice
- Highest and Best Use Analysis
- Rates, Ratios, and Reasonableness
- RTC Affordable Housing Disposition Program
- Appraising Nursing/Congregate Care Facilities
- Intro. to Appraising Real Property
- Capitalization Theories Part A
- Applied Income Property Valuation
- Computer Appraisal Applications
- Reviewing Appraisals
- Subdivision Analysis
- Understanding Limited Appraisals

SPECIALIZED EXPERIENCE

Mr. Phillips has been engaged in real estate valuation and consultation since 1984 with over 15 years specialized health care experience. He has completed assignments on various health care facilities throughout the United States including nursing homes, assisted living facilities, congregate care facilities, hospitals and medical clinics. Additionally, Mr. Phillips has provided consulting and appraisal review services for various financial institutions and private companies. Mr. Phillips has completed health care appraisal assignments for real estate lending purposes, distressed operational workout, litigation support, new construction, and internal management decision making. Previous assignments range from Market Value estimates of the fee simple, leased fee, or leasehold estates on both existing and proposed health care facilities. These value estimates are typically inclusive of real estate, operating equipment, and goodwill, which is allocated, based on sound appraisal techniques. Mr. Phillips attends numerous healthcare and seniors housing trade shows, conferences and conventions across the country and has lectured on a variety of health care and seniors housing topics over the past ten years.

PROFESSIONAL REFERENCES

Mr. Gary Balestri, MAI
Senior Vice President
Harris Bank, N.A.
111 West Monroe, 4 East
Chicago, Illinois 60603
312/461-2153

Mr. Peter Longo
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Attorney at Law
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205/458-9473

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Vice President/Underwriter
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PARTIAL CLIENT LIST

Allfirst Mortgage	Department of H.U.D.	Lutheran Good Samaritan Society
American First Financial	East Texas National Bank	Malone Mortgage Company
American Health Services	F.D.I.C.	Marksman Realty Services
American National Bank	First American Bank	Medical Office Properties, Inc.
AmSouth Bank	First National Bank of Oklahoma	Nationwide Health Properties
Bank of America	Founders National Bank	Peoples National Bank
Bank of Oklahoma	GMACCM	Preference Assisted Living, Inc.
Bank of Texas	Great Southern Bank	Provident Group
Bank of the West	Guaranty Federal Bank	Red Mortgage Capital, Inc.
Bank Plus, Mississippi	Hasmark Corporation	Regions Bank
Bayview Financial	Healthcare Centers of Texas	Residences for Retirement, Inc.
CAMLU Retirement, Inc.	Healthcare Capital Finance	Reunion Bank
Capital Funding	Holiday Retirement Corporation	Senior Care Consultants, Inc.
Care Inn Properties, Inc.	Home Savings Bank	Sensitive Care, Inc.
Cathedral Rock Capital	Homestead Management	SouthTrust Bank
Centex Management	JPMorgan Chase Bank	Summit National Bank
Century Care, Inc.	Kapson Senior Quarters, Inc.	Tennessee Health Management
CitiLine Mortgage Company	Karell Capital Ventures, Inc.	Texas Commerce Bank
Comerica Bank, Texas	Key Bank	The Covenant Group, Inc.
Compass Bank	LaSalle Bank, N.A.	Torchmark Development Group
Continental Wingate Mortgage	Legacy Living Centers	Uncommon Care, Inc.
Crockett National Bank	Liberty Bank of Arkansas	US Bank
Crosson & Dannis, Inc.	Living Centers of America	Veranda Senior Communities
Cypress Health Care, Inc.	Loyal American Insurance Co.	Ziegler Financing Corporation