Address New Owner:	Map-Parcel Numbers:	Send Tax Bills To:
c/o GrayCo, Inc. 5004 Monument Avenue Suite 200 Richmond, Virginia 23230	97-151.00	c/o GrayCo, Inc. 5004 Monument Avenue Suite 200 Richmond, Virginia 23230
This instrument prepared by: Kacy J. Whitehead, Greenberg Traurig, LLP, 600 Three Galleria Tower, 13155 Noel Road, Dallas, TX 75204		

SPECIAL WARRANTY DEED

FOR AND IN CONSIDERATION of the sum of Thirty Million, Seven Hundred Twenty-One Thousand and 00/100 DOLLARS ($30,721,000) cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, HERMITAGE PROPERTIES, INC., a Delaware corporation (the "Grantor") has bargained and sold, and by these presents transfers and conveys to Gray Property 6001, LLC, a Virginia limited liability company (the "Grantee"), Grantee's (successors) and assigns, certain land in Davidson County, State of Tennessee, being more particularly described in Exhibit A, which is attached hereto and incorporated herein by reference (the "Property").

This conveyance of the Property, and all covenants and warranties contained herein, are made expressly subject to the matters set forth on Exhibit B hereto (the "Permitted Exceptions").

This is (improved) property, known as The Cove at Priest Lake Apartments, LOCATED AT 3960 Bell Road, Hermitage, Tennessee 37076.

TO HAVE AND TO HOLD the Property, with all appurtenances, estate, title, and interest thereto belonging to the Grantee, Grantee's (successors) and assigns, forever.

STATE OF NEW YORK

COUNTY OF New York

I hereby swear or affirm that, to the best of Affiant's knowledge, information and belief, the actual consideration for this transfer or value of the property transferred, whichever is greater, is $30,721,000, which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.

Affiant

Subscribed and sworn to before me this 12 day of December, 2005

Notary Public

My Commission Expires:

CATHERINE A. SASSANO
NOTARY PUBLIC, State of New York
No. 01SA6105636
Qualified in Westchester County
Certificate filed in New York County
Commission Expires February 23rd 2008

CATHERINE A. SASSANO NOTARY PUBLIC STATE OF NEW YORK

Davidson County DEEDWARR
Recvd: 12/14/05 16:00 6 pgs
Fees:33.00 Taxes:113667.70

20051214-0150388

Grantor covenants with the Grantee that the Property is free from all encumbrances made or suffered by Grantor, except to the extent otherwise set forth herein.

Grantor further covenants and binds itself, its successors and assigns to warrant and forever defend the title to the Property to the Grantee, Grantee's (successors) and assigns against the lawful claims of all persons whomsoever claiming by, through or under Grantor.

IN WITNESS WHEREOF, the Grantor has executed this Deed this ___ day of December, 2005.

HERMITAGE Properties, Inc.,
a Delaware corporation

By: _____
Name: John M. DeMilt
Its: Vice President

STATE OF NEW YORK

COUNTY OF New York

Before me, the undersigned, a Notary Public in and for the state and County aforesaid, personally appeared John M. DeMilt, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence, and who, upon his (her) oath, acknowledged (her) himself to be the Vice President of Hermitage Properties, Inc., a Delaware corporation, and that (s)he as such Vice President, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of Hermitage Properties, Inc. as his(her) free act and deed.

Witness my hand seal at office, this 12 day of December, 2005.

[NOTARIAL SEAL]

CATHERINE A. SASSANO NOTARY PUBLIC STATE OF NEW YORK

_____
Notary Public
My commission expires:

CATHERINE A. SASSANO
NOTARY PUBLIC, State of New York
No. 01SA6105838
Qualified in Westchester County
Certificate filed in New York County
Commission Expires February 23rd 2008

EXHIBIT A

Land in Davidson county, being all of Lot 1 as shown on the final subdivision plat entitled "Lots 1, 2 & 3 ALTA Lake P.U.D. Subdivision Plat" as recorded in the Register's Office for Davidson County, Tennessee as Instrument Numbers 200003020020461, 200003020020462 and 200003020040463 as amended by Surveyor's Certificate of Correction recorded as Instrument number 200003090024166 in the Register's Office for Davidson county, Tennessee.

Being all the same property conveyed to Hermitage Properties, Inc., a Delaware corporation by Special Warranty Deed from Priest Lake Limited Partnership, a Delaware limited partnership filed of record June 11, 2002, as Instrument No. 20020611-0071163, Register's Office for Davidson County, Tennessee.

Together with the easement rights set forth in the Easement Agreement, dates March 10, 2000, recorded as Instrument Number 200003140026104 in the Register's Office for Davidson County, Tennessee.

Included in the above property, but expressly excluded therefrom, is that property conveyed to First suburban Water Utility District of Davidson County, Tennessee (Cumberland Utility District) of record in Book 10971, page 622, as corrected in Book 11283, page 913, Register's Office for Davidson County, Tennessee.

Being the same property described as:

Being a tract of land in the eastern portion of Davidson County. lying in the 12th Councilmanic District of Nashville, Tennessee. Bounded on the north by Right-of-Way (ROW) of Interstate 40 (ROW varies), on the east by ROW of Mills Road (ROW varies) First Suburban Water Utility and District of Davidson County Deed Bk. 11480, Pg. 862 (RODC), on the south by ROW of Bell Road (ROW varies), & on the west by Bennett-Volunteer, LLC as recorded in Deed Book 11480, Page 866 Registers Office Davidson County (RODC). Tract being described as follows:

POINT OF BEGINNING being a set point on the southeast ROW return on the northwest corner at the intersection of Mills Road and Bell Road; thence with the northerly margin of said ROW of Bell Road North 81°14'00" West 734.96 feet to a set point; thence North 82°37'00" West 241.38 feet to a set point, also being the southwest corner of the tract being described; thence leaving said ROW North 7°48'24" East 758.93 feet to a set point; thence North 84°53'57" East 88.74 feet to a set point; thence North 7°48'24" East 109.53 feet to a set point; thence North 23°15'25" West 130.00 feet to a set point; thence North 4°13'46" East 180.00 feet to a set point in the southerly ROW of Interstate 40, being the northwest corner of the tract being described; thence with said ROW of Interstate 40 and curve to the right having a radius of 5569.55 feet, an arc length of 370.47 feet, a central angle of 3°48'40", a chord bearing and distance of South 72°01'46" West 370.39 feet to a found concrete monument; thence North 87°57'52" East 654.74 feet to a found concrete monument in the westerly margin of Mills Road; thence leaving said ROW of Interstate 40 and running with the ROW of Mills Road South 7°28'49" West 521.92 feet to a set point; thence leaving said ROW and along the boundary of said First Suburban Water Utility Property the next 3 calls North 85°00'04" West 104.77 feet to a set point; thence South 4°59'56" West 110.00 feet to a set point; thence South 85°00'04" East 100.00 feet to a set point; thence South 7°28'49" West 54.42 feet to a found iron rod; thence south 83°49'56" East 1.68 feet to a set point; thence South 6°42'26" West 745.99 feet to a set point; thence with a curve to the right having a radius of 30.00 feet, an arc length of 48.20 feet, a central angle of 92°03'48", a chord bearing and distance of South 52°44'13" West 43.18 feet to the point of beginning.

EXHIBIT B
TO SPECIAL WARRANTY DEED

PERMITTED EXCEPTIONS

1. Taxes and assessments for the year 2006 and subsequent years, which are not yet due and payable.

2. If improvements are completed after January 1 of any year the law requires supplemental assessments for the year in which improvements are completed, as defined by Statute.

3. The plat of record in Instruments Nos. 200003020050461, 200003020050462, and 200003020050463, Register's Office for Davidson County, Tennessee, as amended by Surveyor's Certificate of Correction Final Subdivision Plat Lots 1, 2, & 3 ATLA Lake P.U.D. Subdivision Nashville, Davidson County, Tennessee, recorded as Instrument No. 200003020020461, of record in Instrument No. 200003090024166, said Register's Office, shows the following:

   - Public detention pond easement meandering from the northwesterly portion of the land to the southeasterly portion
   - 20 foot public sanitary sewer easement meandering from the westerly boundary of the land to the northeasterly corner of the land
   - 40 foot greenway easement along the southerly boundary of the land adjacent to Bell Road
   - Cemetery at the easterly boundary of the land
   - Water Line easement next to the westerly boundary of the First Suburban Utility District property, which property is at the easterly boundary of the land

4. Utility Easement to Metropolitan Government of Nashville and Davidson County, acting by and through the Electric Power board of said Government of record in Instrument No. 20040608-0067698 in the Register's Office, Davidson County, Tennessee.

5. Easement to First Suburban Water Utility District of Davidson County, Tennessee (Cumberland Utility District) of record in Book 10971, page 619 in the Register's Office, Davidson County, Tennessee, as affected by an Easement recorded in Book 11480, Page 862 in the Register's Office of Davidson County, Tennessee.

6. Easement(s) to BellSouth Telecommunications, Inc. of record in Instrument No. 20001013-0101893 in the Register's Office, Davidson County, Tennessee.

7. All of the terms and provisions set forth and contained in that certain Lease between Priest Lake, Lessor, and Web Service Company, Inc., Lessee, a memorandum of which is recorded in Instrument No. 20010209-0013050.

8. Easement Agreement of record in Instrument No. 20003140026104 in the Register's Office, Davidson County, Tennessee.

9. Access rights of others in and to that portion of the land embraced within the bounds of the cemetery located along the easterly side of the land.

10. Controlled access rights to Interstate 40, lying northerly of the land.