Appraisal of Real Property
of
Krystal Restaurant

941 Glynn Street North
Fayetteville, Fayette County, Georgia

As Of:

July 10, 2007

Prepared for

[redacted]
201 W. Taylor Street
Griffin, GA 30223

Prepared By

Fletcher & Company
Real Estate Appraisers and consultants
PO Box 884
Griffin, GA 30224
(770) 227-4008

KEN A. FLETCHER

FLETCHER & COMPANY
Real Estate Appraisals
P. O. Box 884 • 770-227-4008
Griffin, Georgia 30224

July 26, 2007

[redacted]
201 West Taylor Street
Griffin, GA 30223

RE: Summary Appraisal Report
Krystal Restaurant
941 Glynn Street North
Fayetteville, Fayette County, Georgia 30253

Dear Mr[redacted]

At your request, we have appraised the referenced property and estimated the current fee simple market value of the real estate. The effective date of this appraisal is July 10, 2007, the date of our most recent inspection of the property.

The appraisal was prepared to assist the client in collateral valuation for lending purposes. The attached report was prepared in conformance with the Uniform Standards of Professional Appraisal Practice. This is a summary report prepared under Standard Rule 2-2 of the Uniform Standards of Professional Appraisal Practice "USPAP" as to reporting of an opinion of value.

As of July 10, 2007 it is my opinion that the Market Value in the Fee Simple Interest is as follows:

Nine Hundred Eighty Thousand Dollars
$980,000

The undersigned appraiser states that his employment was not conditioned upon his producing a specific value or a value within a given range. Further employment or the payment of the fee is not dependent upon producing specified values.

Fletcher and Company appreciates the opportunity to serve you in this matter. Should you have any questions, or if we can be of further assistance, please contact us.

Respectfully submitted,

James C. Clanton
State of Georgia
Certified General License #7262

Table of Contents

Summary of Salient Facts and Conclusions

Facility Name	**Krystal Restaurant**
Property Address:	**941 Glynn Street North** **Fayetteville, Fayette County, Georgia**
Parcel ID:	[redacted]
Owner:	[redacted]
Site Size:	**28,314 square feet, or approximately .65 acres**
Building Sizes:	**3,529 Gross Square Feet used as a Krystal restaurant, with an additional 935 square feet of canopy including the drive-thru.**
Year Built:	**1984**
Zoning:	**C-3, Highway Commercial**
Interest Appraised:	**Fee Simple**
Effective Date of Appraisal:	**July 10, 2007**
Date of Report	**July 16, 2007**
Value Conclusions:	**(Fee Simple)**

Market Value at Highest and Best Use:

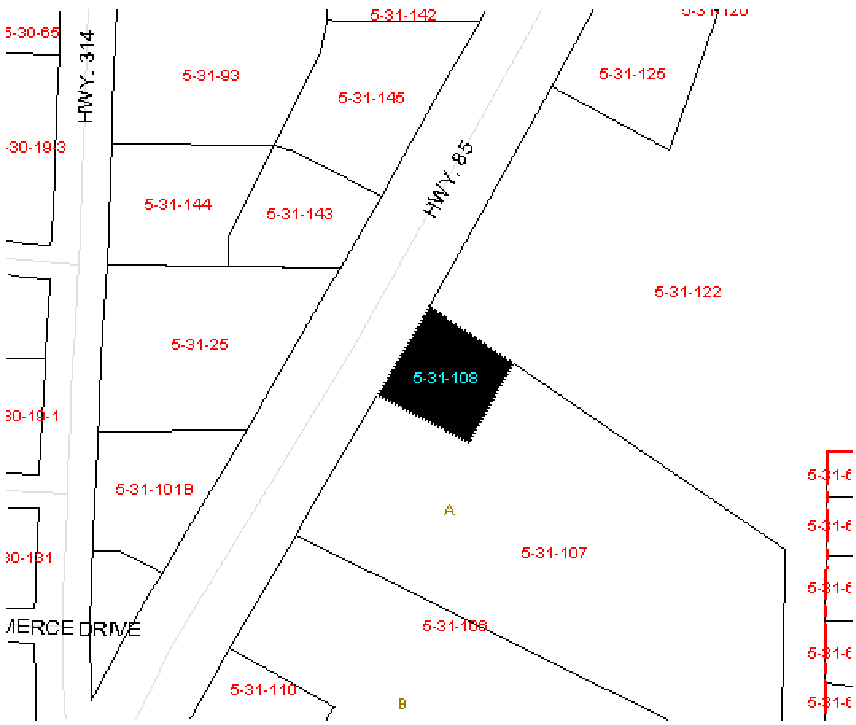
$980,000

{II}
Assignment Description

Property Identification

The subject property was reportedly a former Hardee's restaurant that was purchased and remodeled to its current use as a Krystal restaurant, all located at 941 Glynn Street N. Fayetteville, Georgia. The building is a single-story structure that was reportedly constructed in 1984. The facility was in fair condition at the time of inspection; however, the purchaser is anticipated on spending a reported $250,000 for minor renovations and to complete the mandate by Krystal Corporation.

The total site contains approximately .65 acres, or 28,314 square feet. It is identified by Fayette County Assessor's Office as Parcel Number 0531-108. Below is a copy of the tax map.



Appraisal Objective and Property Rights

The objective of this appraisal is to estimate the current fee simple market value of the real estate.

Intended Use and Intended Users

Per Standard Rule 1-2 of USPAP, the intended use and users of the appraisal must be stated. [redacted] needs the market value of the Fee Simple Interest in the subject property for collateral evaluation purposes. The intended user of the report would be [redacted]

Effective Date of the Appraisal / Report Date

The final estimate of market value represents our opinion estimates as of July 10, 2007, the most recent date of the real estate inspection. The report date is July 16, 2007.

Statement of Ownership and Sales History

Standards Rule 1-5 of USPAP requires an analysis of all agreements of sale, options, or listings, and at least a three-year sales history of the subject property. According to Fayette County Deed Book 789 Page 684, FBR Enterprises, Incorporated purchased the subject property from Dermond Food Services, Incorporated for $465,000, on March 2, 1993, at which time improvements were reportedly made to convert the building into a Krystal restaurant. Currently PAW Foods, Incorporated has a contract to purchase the subject property from FBR Enterprises, Incorporated for $820,000, with up to an additional $5,000 for the transfer of the Krystal franchise. Additionally, AMW Investment Group, Incorporated, an affiliate of PAW Foods, Incorporated, has a contract to simultaneously purchase the real property associated with the Seller's Krystal franchise for $820,000. A title search is recommended for official determination.

Assumptions and Limiting Conditions

The appraisal is made subject to the following conditions and assumptions:

1. Any legal description or plats reported herein are assumed to be accurate. Any sketches, plats or drawings included in this report are included to assist the reader in visualizing the property. I have made no survey of the property and assume no responsibility in connection with such matters.

2. No responsibility is assumed for matters that are legal in nature. The title is assumed to be good and marketable and in fee simple interest unless discussed otherwise in this report. The property is appraised as free and clear of existing liens, assessments and encumbrances, except as noted in the attached report.

3. The appraiser does not assume responsibility for sub-surface soil conditions. No geological reports have been furnished to the appraiser.

4. Unless otherwise noted, it is assumed that there are no encroachments, zoning or restriction violations affecting the subject property.

5. The property is assumed to be under competent and aggressive management.

6. Information, estimates, and opinions used in this appraisal are obtained from sources considered reliable; however, no liability for them can be assumed by the appraiser.

7. The value estimates reported herein apply to the entire property and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests is set forth in the report.

8. This report may not be used for any purpose other than as stated in the report, by any other than the client without previous consent of the appraiser and his client and then only with proper qualifications.

9. The appraiser assumes the reader or user of this report has been provided with copies of all leases and amendments, if any, encumbering this property.

10. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news sales or other media, without the prior written consent and approval of the author. This pertains particularly to valuation conclusions, the identity of the appraiser or firm with which he is associated.

11. The final value estimate has been concluded on the basis that the property is environmentally compliant. Further, the acreage was based on information supplied by the owner and/or public records. If the actual acreage or developable unit is different than the amounts used in this report, the appraiser reserves the right to modify the concluded value.

12. The final value estimate has been concluded that the subject is not subject to flooding. For an official determination a certified survey is recommended.

13. The financial profitability of the Krystal restaurant has not been performed. This appraisal report assumes that the business operation of the Krystal restaurant is profitable and is able to support the subject improvements.

Certification

The undersigned does hereby certify on behalf of Fletcher & Company that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our 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.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to requirements of the Appraisal Institute relating to review by its duly authorized representatives, unless this would conflict with law or public policy.

- James C. Clanton inspected the subject property and market.

James C. Clanton
Certified General Georgia
Real Estate Appraiser #7262

Appraiser Competency

James C. Clanton is experienced in the valuation of commercial, retail, office, industrial, land acquisition and development, condemnation, recreational, assisted living facilities and special purpose properties. For additional information on the competency of the appraiser, please review the Qualifications of Appraiser in this report.

The appraiser has extensive experience in appraising properties similar to the subject property.

The Scope of Work

According to Advisory Opinion 28 of USPAP, an appraisal must "1) identify the problem to be solved; 2) determine and perform the scope of work necessary to develop credible assignment results; and 3) disclose the scope of work in the report."[1]

The primary purpose of the appraisal is to meet the requirements of Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act ("FIRREA") of 1989 with respect to real estate-related financial transactions as we understand these requirements [redacted] needs an appraisal to assist it with collateral valuation of the subject property. This Summary appraisal report covers the necessary collection and analysis of data, property inspections and the application of accepted approaches to value. This report sets forth the rationale, assumptions, conditions and significant facts upon which the final value is based. All of the generally accepted approaches to value have been considered within this report.

Typically, the Cost, Sales Comparison and Income Approaches are applicable and reliable valuation methods. Our analysis has determined the highest and best use of the property is for the continued use as a Krystal restaurant. Therefore, the Improved Sales Comparison and Income Approaches to value have been performed in this report. Due to the age of the subject improvements, the Cost Approach has not been performed.

The following is a brief discussion of the various inspections and analysis and data collection and analysis considered and utilized in arriving at a conclusion of value.

1. An inspection and analysis of area and neighborhood factors which would have an impact on the subject property.

2. An inspection and analysis of the physical features of the subject property and any factors which would have a positive or negative influence on value.

3. Property consideration of the present zoning and a discussion of highest and best use of the subject.

4. The collection, analysis, and verification of market data considered pertinent to arriving at the value estimates made by the Sales Comparison, Cost and Income Approach (when applicable).

[1] Ibid. P. 213.

5. The value indications for the three approaches are then reconciled into a final estimate of value.

6. An inspection and analysis of the physical features of the subject property and any factors which would have a positive or negative influence on value.

7. Property consideration of the present zoning and a discussion of highest and best use of the subject.

8. The collection, analysis, and verification of market data considered pertinent to arriving at the value estimates made by the Sales Comparison, Cost and Income Approach (when applicable).

9. The value indications for the three approaches are then reconciled into a final estimate of value.

The appraisal has been prepared in accordance with Uniform Standards of Professional Appraisal Practice requirements (USPAP).

Definitions

Market Value

Market Value is defined 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 are 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 acting in what they consider their best interests;
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."[2]

Fee Simple Interest or Estate

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."[3]

Real Property

"All interests, benefits, and rights inherent in the ownership of physical real estate; the bundle of rights with which the ownership of the real estate is endowed." In

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[2] *Uniform Standards of Professional Appraisal Practice*, 2006 Edition (The Appraisal Foundation), p. 194 (as published in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989).

[3] *The Dictionary of Real Estate Appraisal, 4th* Ed., (Chicago Appraisal Institute, 2002), p. 113.

some states, real property is defined by statute and is synonymous with real estate. See also personal property; real estate.[4]

Improvements

"Buildings or other relatively permanent structures or developments located on, or attached to, land."[5]

Personal Property

"Identifiable tangible objects that are considered by the general public as being 'personal' -for example, furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; all tangible property that is not classified as real estate."[6]

Intangible Personal Property

"Property that has no physical existence beyond merely representational, nor any extrinsic value; includes rights over tangible real and personal property, but not rights of use and possession. Its value lies chiefly in what it represents. Examples include corporate stock, bonds, money on deposit, goodwill, restrictions on activities (for example, patents and trademarks), and franchises. Note: Thus, in taxation, the rights evidenced by outstanding corporation stocks and bonds constitute intangible property of the security holders because they are claims against the assets owned and income received by the corporation rather than by the stockholders and bondholders; interests in partnerships, deeds, and the like are not ordinarily considered intangible property for tax purposes because they are owned by the same persons who own the assets and receive the income to which they attach."[7]

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[4] Ibid, 234.
[5] Ibid, 142.
[6] *Uniform Standards of Professional Appraisal Practice*, 2006 Edition (The Appraisal Foundation), p.4.
[6] *The Dictionary of Real Estate Appraisal, 4th* Ed., (Chicago Appraisal Institute, 2002), p. 148.

Goodwill

"The intangible asset that arises as a result of a name, reputation, customer patronage, location, products, and similar factors that have not been separately identified and/or valued but that generate economic benefits.[8]

Exposure Time

"The estimated length of time the property interest being appraised would have been offered on the market prior to a hypothetical consummation of a sale at market value on the effective date of the appraisal.[9]

It is our opinion that the estimated exposure time for the subject property prior to the effective date of this report would have been less than twelve months.

Marketing Time

"an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal."

With regard to marketability, primary consideration has been given to the subject's overall location, features, the socioeconomic characteristics of the area, and probable near-term and long-term market demand for the property. The marketing time for the appraised is based on a review of real estate sales, some of which are provided later in this report, together with conversations with brokers and other real estate professionals in the subject market.

The estimated marketing time is estimated less than twelve months based on current market conditions.

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[8] *The Dictionary of Real Estate Appraisal, 4th* Ed., (Chicago Appraisal Institute, 2002), p. 128.
[8] *Uniform Standards of Professional Appraisal Practice*, 2006 Edition (The Appraisal Foundation), p. 90.
[9] *Uniform Standards of Professional Appraisal Practice*, 2006 Edition (The Appraisal Foundation), p. 128.

Market conditions are considered favorable with reasonable interest rates and no financing concessions necessary.

{III}
IDENTIFICATION OF PROPERTY

Property Data

Site Description

Location:	941 Glynn Street North Fayetteville, Fayette County, Georgia
Land Area:	Approximately .65 acres, 28,314 square feet. The appraiser reserve the right to modify the concluded value if the actual size from a new survey is found to vary significantly from the size derived from the Fayette County Tax Assessor's Office.
Shape:	The subject property is somewhat square in shape.
Frontage:	The site has frontage along southeast side of Glynn Street N/SR 85 and the southwest side of the entrance road to the Retail Development.
Topography:	The site is best described as gently slightly sloping
Utilities:	Water, Gas, Sewer and Electricity are all available to the subject property.
Environmental:	There were no visible signs of hazards from the visit to the site. This report assumes that there are no environmental hazards present that would impact the value of the property.
Flood Plain:	According to the FEMA Flood Map. 13113C0045D, dated March 18, 1996, the subject is located in Zone X. Zone X is defined as areas determined to be outside the 500-year floodplain. This report assumes that the property is not in a flood hazard area and will not be subject to flooding. For official

determination, a certified survey is recommended.

Easements: The appraiser is not aware of any detrimental easements or encroachments encumbering the site other than typical utility and access easements.

Real Estate Taxes: The subject is identified by Fayette County Tax Assessor's Office with a Parcel Number. The following table details the subject's current assessment and taxes payable to the city and county.

2006 Property Assessment Data

	Land Size		Tax Appraisal Data			Tax Assessed	Millage Rate	Property
Parcel Number	SF	Acres	Land	Improvements	Total	Value @ 40%	City & County	Taxes 2006
0531-108	28,314	0.65	$283,000	$259,110	$542,110	$216,844	31.08	$6,740
Total	28,314	0.65	$283,000	$259,110	$542,110	$216,844	31.08	$6,740

Millage Rate Per $1,000 of Assessed Value
Annual Taxes

Based on the value conclusion in this report, The subject is under assessed for tax valorem purposes.

Zoning: The subject site is zoned C-3, Highway Commercial District by the City of Fayetteville. The use as a restaurant development represents a compatible use with the surrounding neighborhood, which consists of various free standing as well as developed shopping center improvements along the major thoroughfare, with single family residential developments along the secondary streets. A list of few potential uses include single tenant retail business and service stores, with a maximum floor area 50,000 to 75,000 square feet as commercial planned unit development; convenience stores; restaurants, including drive-through facilities, hotels/motels and motor vehicle repair centers. According to officials at the City of Fayetteville, the subject property is a legal and conforming use. For official zoning and allowances, a letter of permissible uses must be obtained from the City of Fayetteville's Planning and Zoning Department. The excerpt from the City of Fayetteville's Zoning Ordinance is located in the Exhibit section of this report.

Description of the Improvements

The building is a single story wood framed structure that was reportedly built in 1984. The total area of the restaurant building is 3,529 square feet. Additionally, there is 710 square feet of canopy area including the drive-thru. The major construction components of the subject property are as follows:

Foundation:	Reinforced concrete slab foundation
Structural:	Wood Structural framework
Exterior Walls:	A combination of EIFS & Metal Siding
Roof Covering:	Inelastic membrane covering with rolled asphalt roofing in selected areas.
Interior Finish:	A combination of synthetic bead board, painted gypsum, ceramic tile and FRP board in selected areas on the walls; quarry tile floors; acoustical ceiling tile with painted gypsum board in selected areas.
HVAC:	Central heat and air conditioning is provided via a combination of Trane and Lennox package units located on top of the subject. Additionally, there are three exhaust units located on top of the building. This appraisal assumes that the HVAC and exhaust system is adequate.

Electrical & Plumbing: The property has 600 Amp service provided through four Square D electrical panels. There are suspended fluorescent light fixtures throughout the property. The electrical components of the subject property is assumed to be adequate.

Other: There is also one Kolpak walk-in cooler and one Kolpak walk-in freezer. Additionally, there are 3 hood vents, with associated grills and fryers; Rinnai tankless water heater and a Hoshizaki Ice manchine.

Site Improvements: Site improvements consists of asphalt paved parking, concrete walkways, exterior light poles and lighting, wood fencing, wooden utility shed, and signage

AREA & NEIGHBORHOOD OVERVIEW

Area Analysis

Introduction

The purpose of this analysis is to review historic and projected economic and demographic data to determine whether Fayetteville, Fayette County, and the subject neighborhood will experience future economic stability, or decline.

The appraised properties are located just off of SR 85/Glynn Street North. This location has good access in Fayetteville. State Route 85, 54 and 92 anchors Fayetteville, Fayette County, which is located approximately 15 miles south of interstates I-85 & the I-75 connection. Further, Fayette County is included in the 29 county Atlanta Metropolitan Statistical Area (MSA) and is bordered by Clayton, Fulton, Henry and Coweta counties. Fayette County lies approximately 30 miles south of downtown. Fayetteville's location off of SR 85 gives good access to routes North, South, East and West.

Population:

In 1990, Fayette County's population was 62,415; in 2000 the population had grown to 91,263, indicating a compound annual growth rate of 46.2% between 1990 and 2000. The year-end 2005 population estimate was 106,671, indicating a compound annual increase of 2.8% between 2000 and 2006.

The following table illustrates historical population trends for Fayetteville and Fayette County.

		Population		Average % Change Per Yr	% Change Per Year
Jurisdiction	***1990***	***2000***	***2005***	***1990-2000***	***2000-2005***
City of Fayetteville	**5,827**	**11,148**	**14,998**	**9.1%**	**6.9%**
Fayette	**62,415**	**91,263**	**106,671**	**4.6%**	**2.8%**

Source: US Census Bureau
Fayette County Population Estimate is a 2006 Figure

Between 2000 and 2005, the population in Fayette County grew at an estimated compound rate of 2.8%, while the State of Georgia grew at a rate of 2.16% for the same period. However, the City of Fayetteville experienced an annual change of 6.9% for the same time. Given the recent compound increase in the population base for Fayetteville and Fayette County, the population growth trends foreshadow a healthy economic climate through the near future.

The highest concentrated age group of the county's inhabitants is between the ages of 35 and 54, or 33.1%. In terms of household size, at the end of 2005 the number of households stood at 35,987 in Fayette County with an average household size of 2.88 persons.

A demographic profile for Fayette County appears in the chart below.

Category	Demographic Profile	**Fayette County**	**State of Georgia**
Age Distribution	0-19	27.6%	29.5%
	20-34	17.1%	23.1%
	35-54	33.1%	29.7%
	55+	22.2%	17.7%
Estimated Average Household Size:		2.88 persons	2.65 persons
Median Household Income:			
	$0 – $14,999	5.5%	15.4%
	$15,000 - $24,999	4.1%	11.6%
	$25,000-$34,999	9.5%	11.6%
	$35,000 - $49,999	13.2%	15.5%
	$50,000 & $74,999	16.5%	19.1%
	$75,000 & Over	51.2%	26.8%
Median Household Income:		$76,421	$49,280

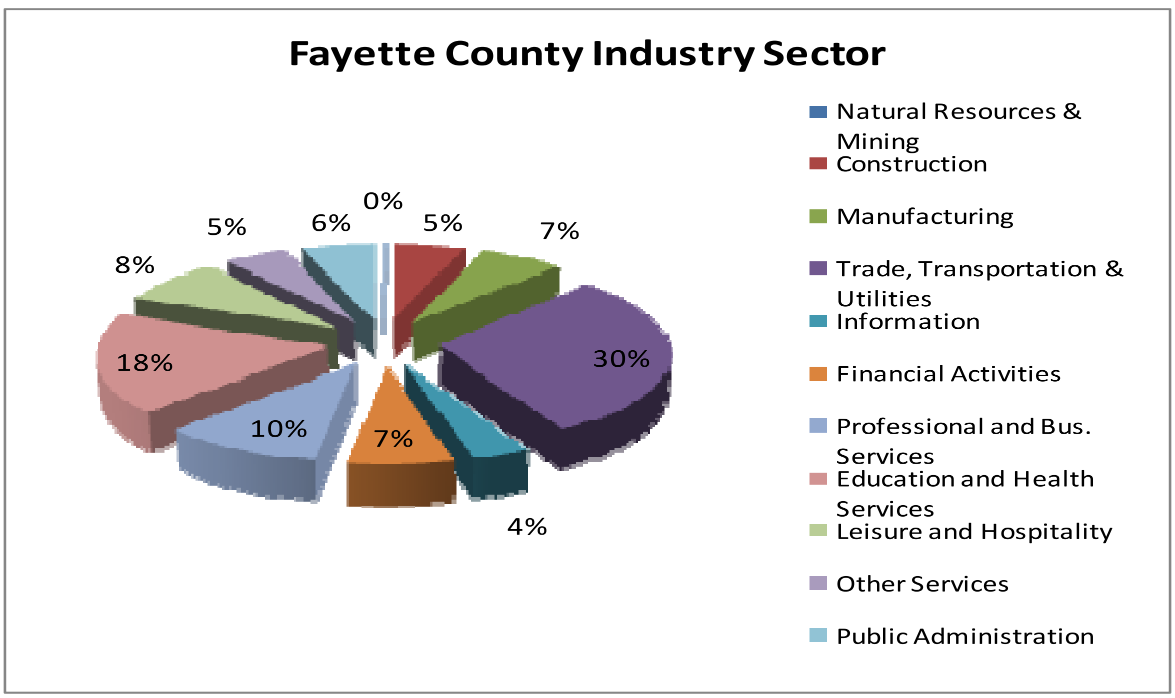
Source: US Census Bureau – 2000 & 2005 Data
May not add due to rounding.

As the year end 2005 statistics indicates that 67.7% of the households in Fayette County earned over $50,000 per annum. As indicated in the table above, Fayette County was significantly above the state of Georgia in median household income.

Area Business and Related Economic Trends

According to the Georgia Department of Labor, Fayette County's unemployment rate is currently 3.8%, while the Fayette County area is experiencing a rate of 5.0%. A comparison of the major components of the economic base for 2005 is presented in the table below.

	Fayette County		State of GA	National
Industrial Sector	Employment - 2005	% of Total	% of Total	% of Total
Natural Resources & Mining	86	0.2%	1.2%	2.2%
Construction	2,949	5.5%	8.9%	9.7%
Manufacturing	3,556	6.6%	12.1%	15.0%
Trade, Transportation & Utilities	16,052	29.9%	22.1%	25.4%
Information	1,953	3.6%	2.8%	3.1%
Financial Activities	3,589	6.7%	7.0%	9.1%
Professional and Bus. Services	5,542	10.3%	10.2%	12.4%
Education and Health Services	9,762	18.2%	18.4%	26.0%
Leisure and Hospitality	4,518	8.4%	7.4%	10.7%
Other Services	2,674	5.0%	4.7%	6.1%
Public Administration	3,071	5.7%	5.3%	6.1%
Total County	53,752	100.0%	100.0%	100.0%
Source: Bureau of Labor Statistics				



The five largest employers in the area are as follows:

Employer	***Industry***
Fayette Community Hospitals. Inc	Healthcare
Kroger Company	Retail
Matsushita Electric Corp. of America	Manufacturing
Publix Super Market Incorporated	Retail
World Airways, Incorporated	Transportation

Source: Georgia Department of Labor

In summary, the Atlanta metropolitan region has been a nucleus in the growth of Georgia and the southeastern United States; steady increases in the population and job growth have been a byproduct of the strong economic base. Currently, Atlanta continues to gain new jobs faster and maintain unemployment levels lower than most areas of the US. However, the Metropolitan Atlanta economy continues to send mixed messages, which is reflective as the national economy as a whole. Unemployment rates for both and the state of Georgia have recently remained stable; however, as two automotive plants close, the Bellsouth/AT&T merger, and the fate of Delta Airlines as it emerges out of bankruptcy protection, long-term economic predictions are not possible. Yet, despite slowing indicated by certain economic indicators, Atlanta's fundamentals remain strong and a pattern of stable growth should continue well into the foreseeable future.

Neighborhood Analysis

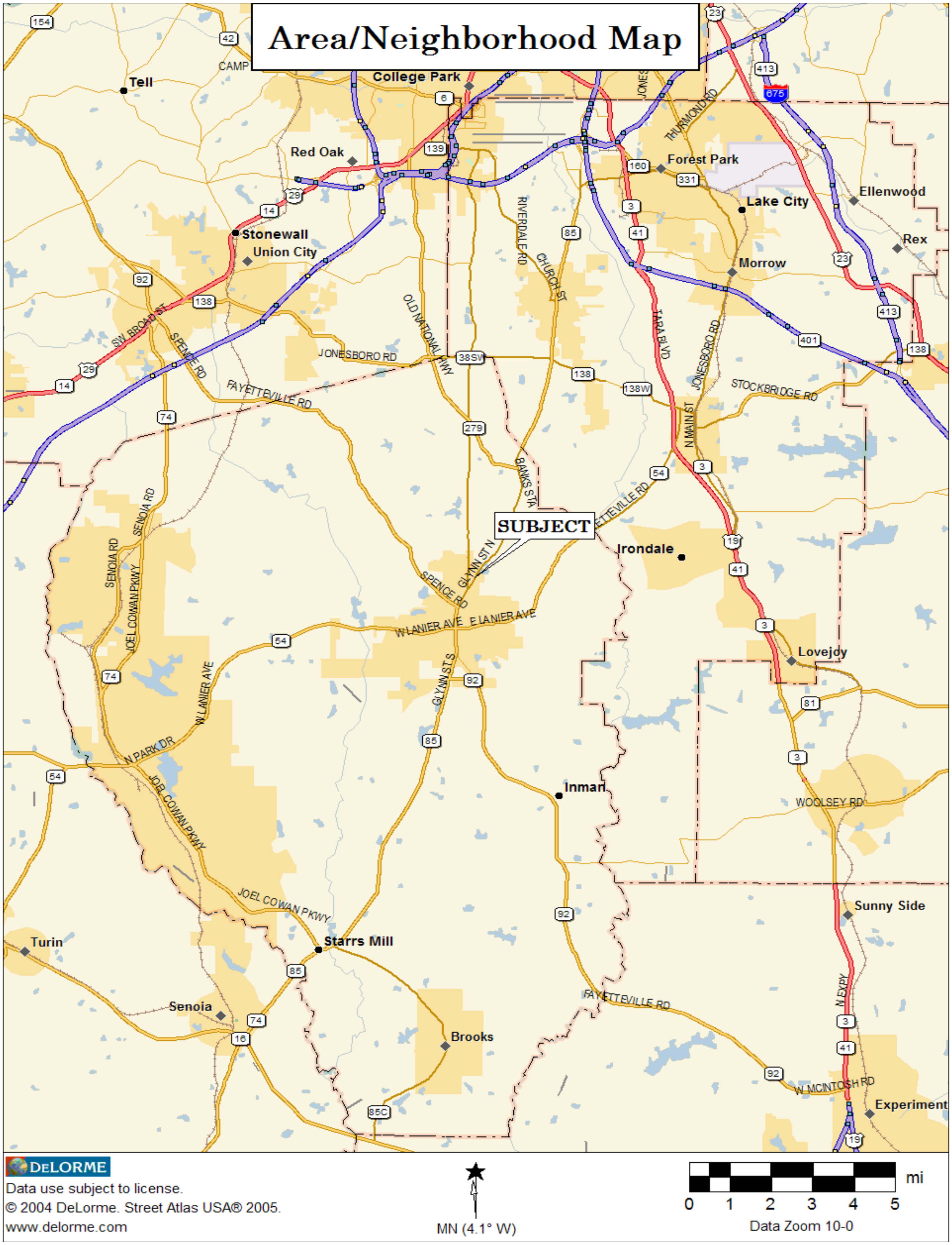
A neighborhood is a group of complimentary land uses. The function of the neighborhood analysis is to describe the immediate land surrounding environs. As previously mentioned, the subject parcel is located on the southeast side of SR 85/Glynn Street North and the southwest side of private drive into the Fayetteville Crossing shopping center, in Fayetteville, Fayette County, GA. The neighborhood boundaries are considered to be the Clayton County line to the north, SR 54/East Lanier Avenue to the south, Corinth Road to the east and SR 92/Spence road to the west. A neighborhood map is provided at the end of this section.

SR 85 is a subdivided highway that traverses the neighborhood in a south to northeasterly direction. Major outlets throughout the neighborhood include State Routes 85, 92, 54, 139, and 314. SR 85 is a dominantly developed with commercial uses. The subject is an outparcel of the Fayetteville Crossing shopping center that is anchored by World Gym, Hobby Lobby and Flooring & Tile Super Store. Adjacent developments include the Banks Station Center. This shopping center is anchored predominately by Staples, but other tenants include Food Depot, Dollar General and a movie theatre. Additionally, Chick-Fil-A, Applebee's and the Bank of America, are developed outparcels, of this center. Other developments along SR 85 include the Banks Crossing, a JC Penny and Kroger anchored shopping center, and the Fayette Pavilion just north of the subject and includes, Kohls, HH Gregg, Dick's Sporting Goods, Jo Ann, Tinseltown Theatre, Wal-Mart, Best Buy, Party City, Publix, Rooms to Go, Target, Old Navy, Ross and The Home Depot.

SR 54, 92 and 139 all are major outlets with commercial developments; however, these outlets are secondary to SR 85 and include more single and multi-family residential developments blended with light commercial improvements. Access to Interstate 75 and 285 is via SR 85 north. SR 54 intersects US 19/41 north of the subject, which allows connection to Interstate 75 north of that intersection.

In conclusion, the subject properties have good access to the major thoroughfares. The neighborhood is developed with a mixture of commercial blended with residential uses, all which are considered favorable. Given the subject's location for good real estate developments, demand is anticipated in the near future.

Area/Neighborhood Map



HIGHEST AND BEST USE

Highest and Best Use is a real estate valuation principle that dictates that the market trends to put property to its most profitable use, and that use which provides the greatest benefits of ownership. The Appraisal of Real Estate, 12th Edition, defines highest and best use as:

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

Because the principle of highest and best use reflects the actions of the market, generally accepted professional appraisal practice requires that the subject property must be valued under this premise. If the property being appraised is improved with a structure, two highest and best use analyses are required; the highest and best use of the land as though vacant, and the highest and best use of the total property as developed. The highest and best use analysis is developed using the following four criteria. The highest and best use must be Legally Permissible, Physically Possible, Financially Feasible, and Maximally Productive.

Land as if Vacant

Physically Possible – As previously mentioned, the subject property contains .65 acres. Many uses would be physically possible including commercial, office, service, or other compatible use; however, developments requiring large parcels would not be possible due to the size and configuration of the site.

Legally Permissible - In estimating the highest and best use of a property, the legally permissible uses are typically determined by the zoning constraints of the jurisdiction in which the property is located. The subject parcel is located within Fayette County and is under this jurisdiction of the city of Fayetteville. The property is zoned C-3, Highway Commercial District. The subject is located in a neighborhood that is predominately composed of retail on the primary streets, with detached single family residential improvements located on secondary outlets. According to the Fayetteville's Planning and Zoning Department, the subject's current use as a Krystal Restaurant is a legal and conforming use and is compatible with the surrounding land uses. For official zoning and allowances, a letter of permissible uses must be obtained from the City of Fayetteville's Planning and Zoning Department.

Financially Feasible and Maximally Productive Uses - After determining which uses are physically possible and legally permissible, it is necessary to determine what potential uses are economically feasible. A use that produces an overall positive return, be it cash flow or return on investment, is economically feasible. From the list of economically feasible uses, the one use that produces the greatest return is chosen. This is the maximally productive use and, therefore, is the highest and best use of the property. This thought process could be described as a detailed process of elimination.

The appraiser was not engaged in nor has performed a feasibility study whether new construction of a restaurant development would or would not be financially feasible at the present time. However, according the buyer, the property's operation is reportedly profitable; therefore, new development of a Krystal restaurant may be profitable to develop. Additionally, the buyer stated that he had anticipated on spending an estimated $250,000 on a combination of building improvements as well as some personal property.

Maximally Productive – Of all the financially feasible uses, each use is analyzed to determine which use will return the highest profit or which use will be the maximally productive use.

Highest and Best Use as if Vacant - Of the available alternative uses that are physically and legally acceptable, the best alternative use for the subject site as if vacant would be to hold undeveloped until construction of a new retail/service development is determined financially productive.

Property as Currently Improved

The building is currently operating as a Krystal restaurant. The purpose of this analysis is to determine whether to leave the improvements as they are, to modify them, or to tear them down.

Physically Possible and Legally Permissible Uses - It would be physically possible and legally permissible to renovate the improvements, to leave the improvements as they are, or to tear them down. The subject facility is considered to be functional and it is in fair condition. Therefore, it would be physically possible to leave the improvements as they are or to remove them and to construct similar improvements.

Economically Feasible and Maximally Productive Uses – The property is currently operated as a used Krystal restaurant. The highest and best use, as improved, is considered to be its current use. The improvements represent a higher value than the land alone.

Therefore, based primarily upon the type and quality of the subject improvements, the subject's conformance with types and quality of land uses in the area, the lack of any apparent alternative use that would provide a higher return to the land, and demonstrated market acceptance of the subject property, as reflected in the valuation section of this report, it is my opinion that the current Highest and Best Use for the improved property is for its continued use as a building that houses a Krystal restaurant.

{IV}
VALUATION

THE VALUATION PROCESS

The valuation process is the orderly program in which data used to estimate the value of the subject property are acquired, classified, analyzed, and presented. The first step in the process is to define the appraisal problem, i.e., identify the real estate, the effective date of value estimate, the property rights being appraised, and the type of value sought. Once this has been accomplished, the Appraiser collects and analyzes the factors that affect the market value of the subject property. These factors are addressed in the area and neighborhood analysis, the site and improvement analysis, and the highest and best use analysis, and in the application of the three approaches to value: The sales comparison approach, the cost approach, and the income capitalization approach.

The sales comparison approach is used to estimate the value of the land as though vacant and/or the property as improved. The Appraiser gathers data on sales of comparable properties and analyzes the nature and conditions of each sale, making logical adjustments for dissimilar characteristics. Typically, a common denominator is found. For land value, the unit of comparison is usually price per square foot or per acre.

The second approach applied is the cost approach to value. Accrued depreciation is deducted from the new cost of the improvements and this figure is added to the land value to indicate the value of the whole property. The third approach applied is the income capitalization approach and is predicated on the assumption that a definite relationship exists between the amount of income a property can earn and its value. In other words, value is created by the expectation of benefits to be derived in the future. In this approach, the anticipated annual net income of the subject property is processed to produce an indication of value. Net income is the income generated before payment of any debt service. Income is converted into value through capitalization, in which net income is divided by a capitalization rate. Factors such as risk, time, and interest on capital invested, and recapture of the depreciating assets are considered in selecting the capitalization rate.

The final step in the valuation process is the reconciliation or correlation of the value indications. In the reconciliation, the Appraiser considers the relative applicability of each approach used, examines the range of the value indications, and gives most weight to the approach that appears to produce the most reliable solution to the appraisal problem. The purpose of the appraisal, the type property, and the adequacy and reliability of each approach to value are all taken into consideration. To apply the three approaches to value, information pertaining to the fair market value of the subject property must be derived from the market because the Appraiser seeks to anticipate the actions of buyers and sellers in the market.

APPROACH TO VALUE

Two of the three traditional approaches to value were considered applicable and were utilized in this report. The Sales Comparison and the Income Approaches to value are located on the following pages. Due to the age of the subject property, the Cost Approach was not performed in this analysis.

COST APPROACH

In the cost approach, value is established based on the cost of reproducing or replacing the property, less depreciation from physical deterioration, functional obsolescence, and economic/external obsolescence. The cost figures are based on similar size, quality, and type construction using the Marshall & Swift Cost Systems. Given the property's age, depreciation is difficult to estimate; further, buyers for properties such as the subject are purchasing based on current operations. Therefore, buyers are more interested in the current income aspects of the operations, with additional consideration given to other properties that may be substituted (Sales Comparison) for the subject. Given these facts, the Cost Approach was omitted from this report.

Land Analysis

As stated above, the Cost Approach was not performed in this appraisal; therefore, the land was not value separately.

SALES COMPARISON APPROACH

Improved Sales Analysis

This indication of value of the subject property is based on an analysis of the sales of similar properties located in similar market areas. In order to find the most comparable sales, the appraiser used sales within the metro Atlanta market, spanning over the past three years. These prices are typically analyzed on a per square foot basis. A comparable analysis is set forth as follows:
The below sales are cash equivalent sales.

Improved Sales Summary				
	Sales Price	Size	Sales Price Per SF	Date of Sale
Improved Sale 1	$1,392,550	4,672	$298.06	May-07
Improved Sale 2	$1,192,090	3,054	$390.34	Aug-06
Improved Sale 3	$1,400,000	3,527	$396.94	Feb-06
Improved Sale 4	$775,000	3,000	$258.33	Oct-04
Improved Sale 5	$785,000	2,733	$287.23	May-04
Improved Sale 6	$1,260,000	2,364	$532.99	Jul-05

Sale 1 at $298.06 per square foot is a Burger King Restaurant located in Ellenwood, GA. The property was reportedly constructed in 2000 and is considered to be in good condition. An upward adjustment was made to the comparable for its inferior location, while a downward adjustment was applied for its superior age. No other necessary adjustments were made to the comparable sale.

Sale 2 at $390.34 per square foot is a Wendy’s Restaurant located in Jonesboro, GA. The property was reportedly developed in 1998 and is considered to be in good condition. A downward locational adjustment was applied to the sale as well as a downward age adjustment. No other necessary adjustments were applied against the comparable sale.

Sale 3 at $396.94 per square foot is an Arby’s/Mrs. Winner’s combination restaurant located in Jonesboro, GA. The property was reportedly constructed in 1985; however, recent renovations had been made to the sale. A downward locational adjustment was applied to the sale as well as a downward condition of improvements adjustment. No other necessary adjustments were applied against the comparable sale.

Sale 4 at $258.33 per square foot is a Long John Silvers/Kentucky Fried Chicken combination restaurant located in College Park, GA. The property was reportedly constructed in 2003 and is considered to be in good condition. The property transferred in October 2004; therefore, a slight upward time adjustment was applied to the sale. Additionally, the subject is located in a better market; therefore, an upward locational adjustment was applied to the sale. As previously mentioned, the comparable was constructed in 2003 and was purchased in 2004; therefore, a downward age/condition of improvement adjustment was applied. No other necessary adjustments were applied against the comparable sale.

Sale 5 at $258.33 per square foot is a Burger King restaurant located in Riverdale, GA. The property was reportedly constructed in 1989 and is considered to be in fair condition. The property transferred in May 2004; therefore, a slight upward time adjustment was applied to the sale. Further, the comparable received a slight downward locational adjustment. No other necessary adjustments were applied against the comparable sale.

Sale 6 at $532.99 per square foot is a Taco Bell restaurant located in Fayetteville, GA. The property was reportedly constructed in 1988 and is considered to be in good condition. The property transferred in May 2005. A downward age condition adjustment was applied to the sale. No other necessary adjustments were applied against the comparable sale.

In addition to the above sales, Krystal Corporation purchased 4 stores within the last two weeks. The stores were located in McDonough (2,100 SF), Lovejoy (2,100 SF), Stockbridge (1,050 SF) and Winder (1,050 SF). The reported purchased price was $4,600,000 or for a total purchase price per square foot of $730.16 SF. Currently, the stores are undergoing minor updating, such as new signage and newly designed tables and chairs.

Therefore, based on the above data with consideration given to condition, overall location, age and utility, the appraiser concludes that a reasonable per unit value for the subject is estimated at $285.00 per square foot.

	SF	$/SF	
VALUE INDICATION	3,529	$285	$1,005,765
VALUE (Rounded)			$1,010,000

Indicated Value via the Sales Comparison Approach = $1,010,000

Krytstal Restaurant

Improved Sales Comparison Grid

Name	SUBJECT	*Improved Sale 1*	*Improved Sale 2*	*Improved Sale 3*	*Improved Sale 4*	*Improved Sale 5*	*Improved Sale 6*
Location	941 Glynn Street N.	81 Fairview Road	11121 Tara Boulevard	8490 Tara Blvd	6407 Riverdale Road	6457 Tara Blvd	246 Banks Crossing
	Fayetteville, GA	Ellenwood, GA 30294	Jonesboro, GA 30236	Jonesboro, GA	College Park, GA	Riverdale, GA	Fayetteville, GA
Year Built	1984	2000	1998	1985	2003	1989	1988
Land Area (Acres)	0.65	1.170	0.840	0.950	0.740	0.77	0.65
Gross Building Area (Square Feet)	3,529	4,672	3,054	3,527	3,000	2,733	2,364
Date of Sale		May-07	Aug-06	Feb-06	Oct-04	May-04	Jul-05
Sale Price		$1,392,550	$1,192,090	$1,400,000	$775,000	$785,000	$1,260,000
Price Per Square Foot		$298.06	$390.34	$396.94	$258.33	$287.23	$532.99
Use	Fast Food Restaurant	Fast Food Restaurant	Fast Food Restaurant	Fast Food Restaurant	Fast Food Restaurant	Fast Food Restaurant	Fast Food Restaurant
ADJUSTMENTS:							
Financing		0%	0%	0%	0%	0%	0%
Adjusted Indication		$298.06	$390.34	$396.94	$258.33	$287.23	$532.99
Conditions of Sale		0%	0%	0%	0%	0%	0%
Adjusted Indication		$298.06	$390.34	$396.94	$258.33	$287.23	$532.99
Market Conditions		0%	0%	0%	5%	5%	5%
Adjusted Indication		$298.06	$390.34	$396.94	$271.25	$301.59	$559.64
OTHER ADJUSTMENTS:							
Location		5%	-15%	-15%	15%	-10%	0%
Age/Quality/Condition of Improvements		-10%	-10%	-10%	-10%	0%	-20%
Net Income		0%	0%	0%	0%	0%	0%
Other Description							
Other Adjustments		0%	0%	0%	0%	0%	0%
Net Other Adjustments		-5%	-25%	-25%	5%	-10%	-20%
Indicated Adjusted Value Estimates- Per SF		$283.16	$292.75	$297.70	$284.81	$271.43	$447.72

Value Indications	*Price Per SF*
Range Minimum:	$271.43
Range Maximum:	$447.72
Range Average:	$312.93
Standard Deviation	$6.78
Reconciled Value Estima	**$285.00**

	SF	$/SF	
VALUE INDICATION	**3,529**	**$285**	$1,005,765
VALUE (Rounded)			**$1,010,000**

Improved Sale IS-1

Property Identification

1.	Property Type:	Fast Food Restaurant
2.	Property Name:	Burger King
3.	Address:	81 Fairview Road Ellenwood, GA 30294
4.	Tax ID:	0025-04-010-002

Sale Data

5.	Grantor: Grantee:	TKO Properties, Inc./The Kalle Organization Inc. Ronald D. Kimbell Enterprises, Inc.
6.	Sale Price:	$1,392,550
7.	Price Per SF:	$298.06
8.	Sale Date:	May 1, 2007
9.	Deed Book/Page:	Dekalb County Book 10164/Page 88
10.	Verification:	CoStar/Public Records
11.	Condition of Sale:	Arm's Length
12.	Financing:	All Cash to Seller

Property Data

13.	Building Size:	4,672	Square Feet
14.	Land Area:	1.17	Acres
15.	Year Built:	2000	
16.	Building Age:	7	Years

17. Comments:

This is a sale of a Burger King Restaruant located in Ellenwood, GA. The property is currently operating under this franachise.

IMPROVED SALE IS-1

Improved Sale IS-2

<u>Property Identification</u>

1.	Property Type:	Fast Food Restaurant
2.	Property Name:	Wendy's
3.	Address:	11121 Tara Boulevard
		Jonesboro, GA 30236
4.	Tax ID:	06-0130-131-016

<u>Sale Data</u>

5.	Grantor:	VA Properties, II, LLC
	Grantee:	Renee Linda Levratto-Gross
6.	Sale Price:	$1,192,090
7.	Price Per SF:	$390.34
8.	Sale Date:	August 2, 2006
9.	Deed Book/Page:	Clayton County Book 8745 Page 619
10.	Verification:	CoStar/Public Records/Amy
11.	Condition of Sale:	Arm's Length
12.	Financing:	All Cash to Seller

<u>Property Data</u>

13.	Building Size:	3,054	Square Feet
14.	Land Area:	0.84	Acres
15.	Year Built:	1998	
16.	Building Age:	9	Years

17. Comments:

This is a sale of a Wendy's restaurant. The restaruant is located in the Lovejoy Station, a Publix anchored shooping center.

IMPROVED SALE IS-2

Improved Sale IS-3

Property Identification

1.	Property Type:	Fast Food Restaurant
2.	Property Name:	Arby's & Mrs. Winners
3.	Address:	8490 Tara Blvd Jonesboro, GA
4.	Tax ID:	13-242B-00B-001

Sale Data

5.	Grantor:	Spirit Master Funding, LLC
	Grantee:	Thomas Phillip Castro
6.	Sale Price:	$1,400,000
7.	Price Per SF:	$396.94
8.	Sale Date:	February 8, 2006
9.	Deed Book/Page:	Clayton County Book 8519/Page 31
10.	Verification:	CoStar/Public Records
11.	Condition of Sale:	Arm's Length
12.	Financing:	All Cash to Seller

Property Data

13.	Building Size:	3,527	Square Feet
14.	Land Area:	0.95	Acres
15.	Year Built:	1985	
16.	Building Age:	22	Years

17. Comments:

This is a sale of a Arby's/Mrs Winners Restaruant located in Jonesboro. The seller was reportedly a REIT, that sold the property based on a 8.33% capitalization rate. The seller would not verify the exact details of the transaction.

IMPROVED SALE IS-3

Improved Sale IS-4

Property Identification

1.	Property Type:	Fast Food Restaurant
2.	Property Name:	Taco Bell/Kentucky Fried Chicken
3.	Address:	6407 Riverdale Road College Park, GA
4.	Tax ID:	13-089A-00A-008

Sale Data

5.	Grantor:	P.B. Riverdale, LLC
	Grantee:	5407 Realty, LLC
6.	Sale Price:	$775,000
7.	Price Per SF:	$258.33
8.	Sale Date:	October 6, 2004
9.	Deed Book/Page:	Clayton County Book 7840/Page 202
10.	Verification:	CoStar/Public Records/Beth
11.	Condition of Sale:	Arm's Length
12.	Financing:	All Cash to Seller

Property Data

13.	Building Size:	3,000	Square Feet
14.	Land Area:	0.74	Acres
15.	Year Built:	2003	
16.	Building Age:	4	Years

17. Comments:

This is a sale of a Long John Silvers and Kentucky Fried Chicken combination. The property was a year old at the time of the purchase.

IMPROVED SALE IS-4

Improved Sale IS-5

Property Identification

1.	Property Type:	Fast Food Restaurant
2.	Property Name:	Burger King
3.	Address:	6457 Tara Blvd
		Riverdale, GA
4.	Tax ID:	13-142D-E006

Sale Data

5.	Grantor:	Arrowhead Shopping Center Associates
	Grantee:	Burger King Corporation
6.	Sale Price:	$785,000
7.	Price Per SF:	$287.23
8.	Sale Date:	May 4, 2004
9.	Deed Book/Page:	Clayton County Book 7522/Page 23
10.	Verification:	CoStar/Public Records/JV Store Manager
11.	Condition of Sale:	Arm's Length
12.	Financing:	All Cash to Seller

Property Data

13.	Building Size:	2,733	Square Feet
14.	Land Area:	0.77	Acres
15.	Year Built:	1989	
16.	Building Age:	18	Years

17. Comments:

This is a sale of a Burger King Restaruant located in Riverdale, GA. The property is located in a mature shopping center that is anchored with an Office Depot.

IMPROVED SALE IS-5

Improved Sale IS-6

Property Identification

1.	Property Type:	Fast Food Restaurant
2.	Property Name:	Taco Bell
3.	Address:	246 Banks Crossing
		Fayetteville, GA
4.	Tax ID:	0531-121-01

Sale Data

5.	Grantor:	Taco Bell of America, Inc.
	Grantee:	Bravo Food Group, LLC
6.	Sale Price:	$1,260,000
7.	Price Per SF:	$532.99
8.	Sale Date:	July 12, 2005
9.	Deed Book/Page:	Fayette County Book 2810/Page 361
10.	Verification:	Public Records/Fayette County Tax Assessor's Office
11.	Condition of Sale:	Arm's Length
12.	Financing:	All Cash to Seller

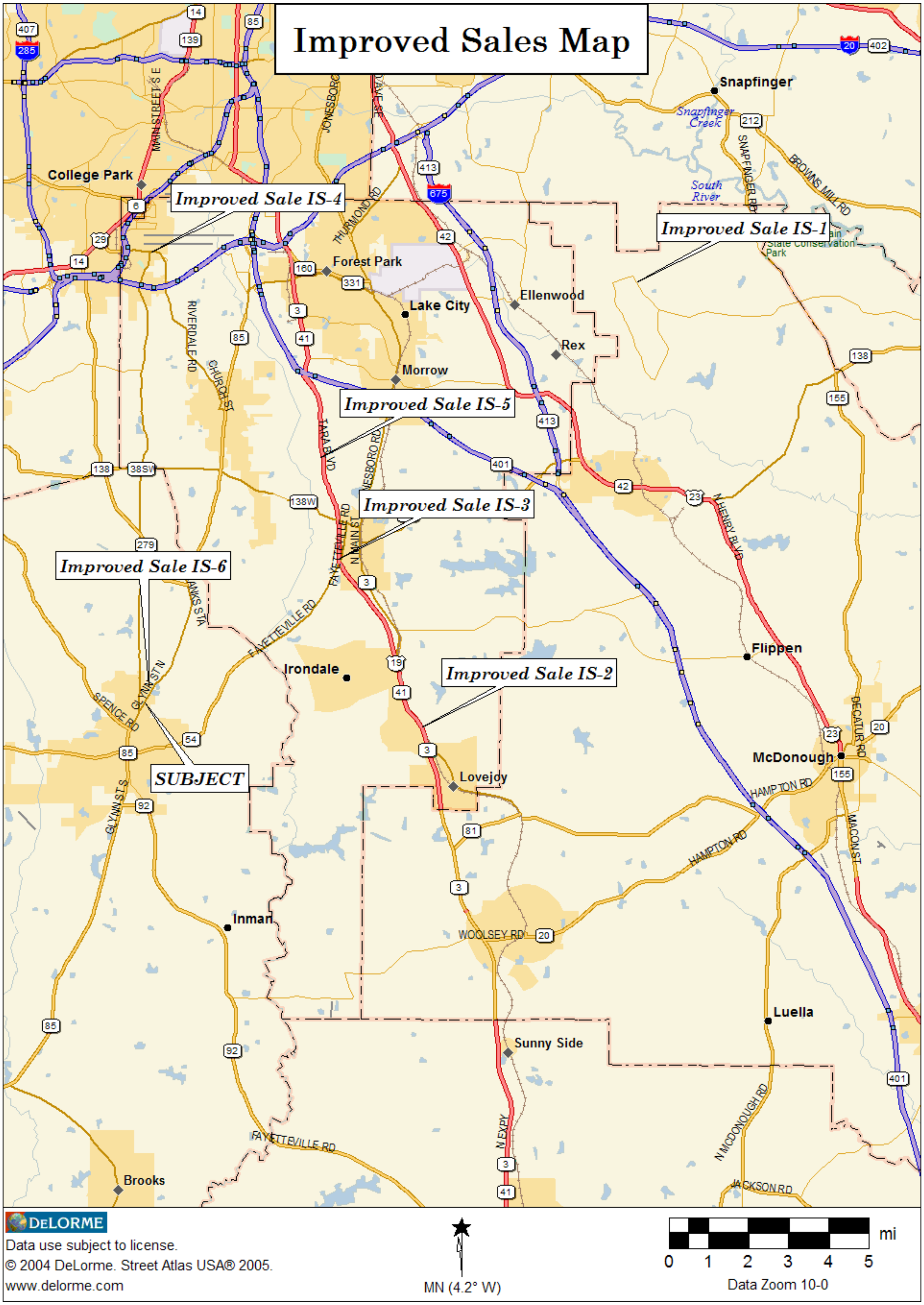
Property Data

13.	Building Size:	2,364	Square Feet
14.	Land Area:	0.65	Acres
15.	Year Built:	1988	
16.	Building Age:	19	Years

17. Comments:

This is a sale of a Taco Bell restaurant located on SR 85 in Fayetteville.

IMPROVED SALE IS-6



Improved Sales Map
Improved Sale IS-1
Improved Sale IS-2
Improved Sale IS-3
Improved Sale IS-4
Improved Sale IS-5
Improved Sale IS-6
SUBJECT
College Park
Forest Park
Lake City
Ellenwood
Rex
Morrow
Snapfinger
Snapfinger Creek
South River
Irondale
Flippen
McDonough
Lovejoy
Inman
Sunny Side
Luella
Brooks
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INCOME APPROACH

(Direct Capitalization)

Investment properties are valued on their ability to generate an income stream which characterized by its quantity, quality, and desirability. Therefore, analysis of a property in terms of its ability to provide a sufficient net annual return on investment capital is an important means of developing a value indication. This estimate is developed in the income capitalization approach by capitalizing the projected net income at a rate commensurate with investment risks inherent to the ownership of the property. Such a conversion of income considers competitive returns offered by alternative investment opportunities. When properly applied, this approach is generally considered to provide the most reliable indication of value for income producing properties.

The Direct Capitalization was calculated using an Excel spreadsheet. The initial step in estimating the value of the subject via the Income Approach is to determine the property's market or economic rent. The subject property has no past rental history. A rental survey of similar type properties was conducted with the following rents observed.

	Address	Area	Use	Terms
1.	5845 Stewart Parkway Douglasville, GA	2,210 SF+/-	Taco Bell Restaurant	$61.99 Per SF (Triple Net) Bought on a 7.23% Cap Rate
2.	1342 Mulkey Road Marietta, GA	2,274 SF+/-	Taco Bell Restaurant	$56.27 Per SF (Triple Net) Bought on a 7.21% Cap Rate
3.	5080 Glade Road Acwort, GA	2,259 SF+/-	Taco Bell Restaurant	$44.76 per SF (Triple Net) Bought on a 7.69% Cap Rate
4.	2430 Mcalpin Terrace East Point, GA	1,764 SF+/-	Mrs. Winner's Restaurant	$20.56 per SF (Net Basis) 20 Year Term with escalations
5.	20 Bullsboro Drive Newnan, GA	3,200 SF+/-	Mexican Restaurant	$15.00 per SF (Triple Net)

Revenue

The above rent comparables range from $15.00 to $61.99 per SF per year on a net to a triple-net basis for similar type properties. Considering the above comparables, the appraiser has modeled a potential speculative rental rate per square foot for the subject property to be $32.00 per year.

Vacancy and Collection Loss

Typically, franchised restaurants, such as the subject, are typically leased on long term basis. For the purpose of this analysis, the appraiser has modeled a vacancy and collection loss of 8%.

Operating Expenses

As previously mentioned, the majority of the rent comparables are leased on a triple net basis, with one comparable on a net basis. Therefore, the appraiser only modeled a management fee and reserves to be deducted from the Effective Gross Income.

Management Fee

Typically management of a property is performed by an outside management firm that would report directly to the lessor. These services would include monthly reports, tax preparation and overseeing the property and serving between the lessee and the lessor. Management expenses are typically negotiated as a percentage of collected revenues. Professional management fees range from 2% to 5%. For the purpose of this analysis, the appraiser has utilized a 5% management fee or $5,195.

Reserves

Capital improvements, or reserves for replacements, typically include an allowance for replacement for roof covers, paving, HVAC, and other short-lived items. Given the age and condition of the subject property, a reserve allowance of 5% of collected revenues or $5,195 has been used in this analysis.

Total operating expenses for in the analysis total $10,389.

CAPITALIZATION

To determine the concluded value via the Income Approach, the Net Operating Income must be capitalized at an appropriate rate to arrive at a value estimate for the subject property.

Real Estate Investor Surveys

One technique used to determine the proper capitalization rate involves analyzing surveys of real estate investors. These surveys include data on investors operating regionally, nationally, such as representative of insurance companies, commercial banks, pension funds, investment banking firms, syndication firms and investment advisory firms. Such companies invest in all types of real estate properties, including office buildings, retail shopping centers, restaurants, hotels, apartment complexes, and industrial and healthcare facilities. Anticipated yields varied according to perceived risks associated with different types of investment real estate. In addition, OARs are dependent on these types of investors, their cost of capital, expectations about future inflation, and anticipated holding period.

According to *Realty Rates Investor Survey, Second Quarter 2007,* indicated OAR's for the fast food restaurants range from 7.24% to 13.60%, with an average of 10.33%.

Additionally, another method of obtaining capitalization rates is the market extraction method. Improved Sale IS-3 was purchased back from a lease-back; the implied rate was 8.33%. Additionally, as previously stated, the comparable rental properties had implied capitalization rates of 7.23%, 7.21% and 7.69%. As previously stated in the Sales Comparison Approach section, this property was constructed in 1984. Therefore, it is the appraiser's opinion that the subject should have a capitalization rate that is higher than the comparables.

In addition to the previous publications, and the capitalization rates derived from the improved sales, another accepted method to develop an overall rate is a formula based on expected financial and funds cost. This is as follows:

Assumptions:

Mortgage at 8.5%; 20 year - Monthly Amortization; 80% LTV
Equity at 12%
Holding Period 10 years
No appreciation or depreciation

METHOD 3: BAND OF INVESTMENT					
Weighted Debt Component:	80%	x	8.50%	=	0.0680
Weighted Equity Component:	20%	x	12.00%	=	0.0240
					0.092
				Rounded To:	**9.2%**

Therefore, based on the national survey, the appraiser has utilized a capitalization rate of 10.0%. The 10.0% capitalization rate is slightly lower than the average aforementioned rate as indicated by Realty Rates; however, due to the size, age, layout of the property, overall condition, potential, as well as its overall location and associated risks, the appraiser concludes that an overall rate of 10.0% is appropriate for this type of property.

Indicated Value via the Income Approach Called = $940,000 - Rounded

Direct Capitalization

REVENUES:				
Potential Gross Revenues	Area	Rent Per SF		
Total Potential Gross Revenue	3,529	$32		$112,928
Less: Vacancy & Collection Loss	8.00%			$9,034
Effective Gross Income				$103,894
OPERATING EXPENSES:				
Management 5%				$5,195
Reserves 5%				$5,195
Total Expenses				$10,389
NET OPERATING INCOME				$93,504
Capitalization Rate			10.0%	
Value				$935,044
Total Value Rounded	Value Per SF	**$266.36**		**$940,000**

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2007*

RESTAURANTS - FAST FOOD

Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	2.20%	**DCR Technique**	1.15	0.084202	0.80	**7.75**
Debt Coverage Ratio	1.15	**Band of Investment Technique**				
Interest Rate	6.92%	Mortgage	80%	0.084202	0.067362	
Amortization	25	Equity	20%	0.091800	0.018360	
Mortgage Constant	0.084202	OAR				**8.57**
Loan-to-Value Ratio	80%	**Surveyed Rates**				**7.24**
Equity Dividend Rate	9.18%					
Maximum						
Spread Over 10-Year Treasury	6.35%	**DCR Technique**	1.75	0.136920	0.60	**14.38**
Debt Coverage Ratio	1.75	**Band of Investment Technique**				
Interest Rate	11.07%	Mortgage	60%	0.136920	0.082152	
Amortization	15	Equity	40%	0.152500	0.061000	
Mortgage Constant	0.136920	OAR				**14.32**
Loan-to-Value Ratio	60%	**Surveyed Rates**				**13.60**
Equity Dividend Rate	15.25%					
Average						
Spread Over 10-Year Treasury	4.03%	**DCR Technique**	1.45	0.106007	0.70	**10.76**
Debt Coverage Ratio	1.45	**Band of Investment Technique**				
Interest Rate	8.75%	Mortgage	70%	0.106007	0.074205	
Amortization	20	Equity	30%	0.119115	0.035735	
Mortgage Constant	0.106007	OAR				**10.99**
Loan-to-Value Ratio	70%	**Surveyed Rates**				**10.33**
Equity Dividend Rate	11.91%					

*1st Quarter 2007 Data

{V}

RECONCILIATION AND FINAL ESTIMATE

Summary of Value Conclusions		
Building Size (Square Feet)	3,529	
Cost Approach (Tangible Assets Only)		N/A
Sales Comparison Approach		$1,010,000
Reconciled Income Approach		$940,000
Reconciled Market Value of Real Estate		**$980,000**
Per Building Square Foot		$277.70
Per Square Foot of Land Only		$34.61

The Cost Approach is more reliable when appraising new construction or special purpose properties as to the highest and best use and for feasibility. Given the age of the property, the appraiser considers this approach to be less reliable and was not performed.

The Sales Comparison Approach is generally the most reliable indicator of value since it typically reflects actions of buyers and sellers in the market place, especially in an active market.

The Income Approach is the most basic of the three approaches and is normally the starting point for the developer or lender. The Income Approach is considered a reliable indication of value since a typical investor is concerned with the income producing aspect of the property.

Consideration is given to both the Sales Comparison and the Income Approaches to value. In determining our final estimate, equal reliance was placed on both the Sales Comparison and Income Approaches.

As of July 10, 2007 it is my opinion that the Market Value with Fee Simple Interest in the subject property is as follows:

Nine Hundred Eighty Thousand Dollars
($980,000) - Rounded

{VII}

ADDENDA