

## **Exhibit VII**

### **Post-Redevelopment Values of Collateral Properties**

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The below table summarizes the market values of the properties collateralizing the subject loans, after the redevelopment of the first two listed properties is completed, with the supporting information contained in the pages that follow

<b>Property Name</b>	<b>Post-Redevelopment Market Value</b>	<b>Basis for Valuation</b>
<i>The Pit Stop of Durham</i>	<b>\$7,745,000</b>	<b>Proforma / Actual Rent Roll as of January 2, 2008 based on most recently executed leases (see Page 2).</b>
<i>The Courtyard of Chapel Hill</i>	<b>\$11,760,000</b>	<b>Proforma / Actual Rent Roll as of January 2, 2008 based on most recently executed leases (see Page 3).</b>
<i>Meadowmont Village Condo of Chapel Hill</i>	<b>\$525,000</b>	<b>Recent sales comps of similar units in Meadowmont Village and Orange County Appraised Real Estate Values as of Jan. 2008 (see Page 4).</b>
<b>Total</b>	<b>\$20,030,000</b>	

# Exhibit VII

## Post-Redevelopment Values of Collateral Properties

### The Fit Stop of Durham - Preferred Rent Roll & Stabilized Value

As of January 2, 2008

Unit(s)	D/B/A	Corporate Entity	Principals	N/A	Start	Expiry	Base Mo.	PSF	TC AM	PSF	Gross Mo.	PSF	Other Key Lease Provisions	Next Bump	Sec. Dep.	+/- % Rent?
1 & 2	Precision Tune	Automotive Unlimited, Inc.	Brian Valley /Nary Hartwell	4,554	12/20/1989	12/31/2009	5,611.28	14.79	1,271.33	3.35	6,882.61	18.14	No escalations during current lease / 3 live-year extension options of 6% every 5 years	1/1/2010	-	No
3 & 4	Colonial Tire	Colonial Tire & Automotive, Inc.	Ronnie Lloyd	4,350	2/1/2007	1/31/2011	5,375.88	14.83	1,395.63	3.85	6,771.51	18.68	Annual escalations the greater of 3.0% or CPI(U) Inflation Index	2/1/2008	5,200.00	No
5	Meineke Mutter	Meineke, Inc.	Franchisee TBD	2,950	4/1/2008	3/31/2018	3,857.13	15.69	946.46	3.85	4,803.59	19.54	Annual escalations the greater of 3.0% or CPI(U) Inflation Index	3/31/2009	4,803.59	No
6,7 & L	AAA Auto Care Center	AAA Car Care, LLC	Jess F. Lams / Heidi Fava	5,475	7/6/2004	7/31/2009	5,475.00	12.00	1,756.56	3.85	7,231.56	15.85	No escalations / 4 two-year extension options of 10%, 4%, 4% & 4%	8/1/2009	5,475.00	No
K	Whipz & Chainz Custom Cars & Bikes	ACG Enterprises, Inc.	Carlos Brown	4,146	8/1/2006	10/31/2011	5,420.90	15.69	1,330.18	3.85	6,751.08	19.54	Annual escalations the greater of 3.0% or CPI(U) Inflation Index (starting in Year 3)	8/1/2008	6,751.08	No
J	Whipz & Chainz Custom Cars & Bikes	ACG Enterprises, Inc.	Carlos Brown	1,320	5/1/2007	10/31/2011	1,925.00	17.50	385.00	3.50	2,310.00	21.00	Annual escalations the greater of 3.0% or CPI(U) Inflation Index	8/1/2008	-	No
I	La Tropicale	N/A	Gladwyn Jarvis	1,265	2/1/2008	1/31/2013	1,808.33	17.15	368.96	3.50	2,177.29	20.65	Annual escalations the greater of 3.0% or CPI(U) Inflation Index	1/31/2009	2,177.29	No
H	Spice & Curry Grocery	N/A	Nagi Reddy, Satish & Srinivas Aramanda	1,240	4/1/2006	3/31/2008	1,431.17	13.85	397.83	3.85	1,829.00	17.70	Base Rent is greater of stated base rent or 6% of gross sales	N/A	1,431.17	Yes
E,F & G	Spice & Curry Restaurant	N/A	Nagi Reddy, Satish & Srinivas Aramanda	3,720	6/22/2004	6/30/2008	4,441.15	14.33	1,193.50	3.85	5,634.65	18.18	Annual escalations of 2.0% per year / One four year extension option at 2.0% per year	6/30/2006	4,960.00	Yes
B,C&D	54 West Bar & Grill	ACG Enterprises, Inc.	Carlos Brown	3,780	8/1/2007	10/31/2012	5,512.50	17.50	1,102.50	3.50	6,615.00	21.00	Annual escalations the greater of 3.0% or CPI(U) Inflation Index	9/1/2008	6,615.00	No
A	Chosun OK Restaurant	N/A	Jong Seok (a.k/a Jay Bae)	1,860	9/1/2004	12/31/2009	2,467.31	15.92	596.75	3.85	3,064.06	19.77	Annual escalations of 2.0% per year / One five year extension option at 2.0% per year	9/1/2008	2,712.50	No
AA	Baba Ghamnooj Restaurant	Baba Ghamnooj International	Jamal Haddad	2,440	11/1/2006	10/31/2011	5,083.33	25.00	711.67	3.50	5,795.00	28.30	Annual escalations the greater of 3.0% or CPI(U) Inflation Index / The Percentage Rent Formula (6% above \$200,000 annually) will comfortably drive \$25 ft base rent, but base rate is \$140 per square foot	9/1/2008	3,558.33	Yes
							<b>Annual</b>	<b>48,408.98</b>	<b>11,456.35</b>	<b>3.71</b>	<b>59,865.33</b>	<b>19.36</b>			<b>43,683.96</b>	

Note: The light blue highlighted tenancies contemplate Meineke will assume lease and take over Unit 5 and Whipz & Chainz will move into Unit J (from Unit 5), and La Tropicale will obtain financing and execute lease (currently have an executed LOI)

Capital Infusion @ Acquisition	2,335,938
Draw Down to Acquire ICoCH	(652,863)
Draw Down to Acquire WYC	(361,707)
Capital Improvements To Date	158,774
Total Equity @ Cost	1,460,142
Loan Facility	3,900,000
Credit Line	100,000
Requested Increase in Credit Line	200,000
Total Loan	4,200,000
Loan-to-Value	54%
DSCR @ 7% LO	1.98
DSCR @ 9% Constant	1.54

  

Operating Revenue	718,384
Operating Expenses	137,476
Net Operating Income	580,908
FMV @ 7.5% Cap Rate	7,745,437
Acquisition Price	4,300,000
Closing Costs	464,471
Capital Improvements To Date	158,774
Total Cost Basis	4,963,245
3 Year Value Creation	2,980,966
Equity @ FMV	3,545,437
Incr.	61%
3 Year Internal Rate of Return	52%

# Exhibit VII

## Post-Redevelopment Values of Collateral Properties

The Courtyard of Chapel Hill - Proforma Rent Roll & Capitalized Value																		
As of January 2, 2008																		
Unit ID	Formerly	DBA	Former Tenant	Corporate Entity	Principals	N/A	Lease Date	Commence	Expires	Base/Mo.	PSF	TICAM	PSF	Gross/Mo.	PSF	Options and Other Comments		
A-1-1	Units 1, 2 & 3	Penang	N/A (was tenant at acquisition)	Penang Malaysian Cuisine of NC, Inc.	Celine & Conrad Thurstone	5,970	5/24/2002	1/1/2002	10/31/2010	7,860.50	15.80	4,120.00	8.00	11,980.50	24.08	Two 4-year renewal options [to 2018] / 6-month notice to extend		
B-1&2-1	Unit 4	Animation & Fine Arts Gallery	The Stock Exchange	Formerly The Stock Exchange	By an Giammen & Greg Leaks	1,432	2/1/2008	8/1/2008	12/31/2017	3,580.00	30.00	954.67	8.00	4,534.67	38.00	Escalators at the greater of 4.0% or CPI-(U) / One 3-year option to renew		
B-1-2	Unit 5	Loos Pops	The Stock Exchange	N/A	Summer Backwell / Connie Semars	576	12/5/2006	1/1/2007	2/28/2009	1,440.00	30.00	-	-	1,440.00	30.00	Escalators at the greater of 4.0% or CPI-(U) / One 3-year option to renew		
B-1-3	Unit 6	Tix Fiver	N/A (was tenant at acquisition)	N/A	Orin Robbins	824	9/25/2001	1/1/2001	10/31/2009	1,225.25	17.84	619.33	8.00	1,844.38	26.86	One Two-year option		
B-2-2	Unit 27	Animation & Fine Arts Gallery	Dis. Batson & Irons	Formerly Batson & Irons	By an Giammen & Greg Leaks	1,500	2/1/2008	8/1/2008	12/31/2017	3,750.00	30.00	1,000.00	8.00	4,750.00	38.00			
C-1	Unit 9	El Boutique Tapas Restaurant	Yrind Software	Formerly Yrind	Chris & Elise Bruce	1,006	3/1/2008	7/1/2008	6/30/2013	2,263.50	27.00	670.67	8.00	2,934.17	35.00	One Five-Year Option to Renew		
C-2	Roof-top Add-On	El Boutique Tapas Restaurant	N/A (New Construction)	N/A	Chris & Elise Bruce	1,000	3/1/2008	7/1/2008	6/30/2013	2,250.00	27.00	666.67	8.00	2,916.67	35.00	One Five-Year Option to Renew		
D-1	Unit 30	Bonne Soiree	Clinical Tools	N/A	Tina Vaughn / Chris Smith	2,268	2/8/2006	2/9/2006	5/31/2013	3,780.00	20.00	1,512.00	8.00	5,292.00	28.00	Escalators the greater of 3.0% or CPI-(U) / One 7-year option / 5.5 % Rent		
D-2	Unit 25	Dixon Weinstein	N/A (was tenant at acquisition)	Dixon Weinstein Architects, PA	Dan Dixon / Elin Weinstein	2,239	5/11/1998	9/30/1988	8/31/2008	3,043.72	16.53	-	-	3,043.72	16.53	No options remain, and lease is subject to annual increases based on CPI-U		
E-1-1	Unit 18	Great Cuts	N/A (was tenant at acquisition)	N/A	Roger & Cathy Tillson	350	12/12/2003	1/1/2003	10/31/2008	673.33	23.09	233.33	8.00	906.66	31.09	Wishes to renew for another 5 years		
E-1-2	Unit 30	Queen of Sheba	Clinical Tools	N/A	Freshlight Daba	1,940	2/1/2008	2/1/2008	1/31/2018	4,526.67	28.00	1,293.33	8.00	5,820.00	36.00			
E-1-3	Unit 16	Sandwich	N/A (was tenant at acquisition)	N/A	High & Janet Elbert	1,157	6/8/2004	9/1/2004	8/31/2012	2,488.63	25.50	771.33	8.00	3,229.96	33.50	Rent moved to market rate effective Dec. 1, 2007		
E-1-4	Unit 16	Rooster Ventures	N/A (was tenant at acquisition)	N/A	Badi Bradley	270	6/8/2004	9/1/2004	8/31/2012	573.75	25.50	180.00	8.00	753.75	33.50	Rent moved to market rate effective Dec. 1, 2007		
E-2-1	Unit 21	McKevry's Courtyard Pub	Clinical Tools & SCK Designs	McKevry's LLC	Prishup with Mike Warring	1,525	12/1/2007	5/1/2008	4/30/2018	3,050.00	24.00	1,016.67	8.00	4,066.67	32.00			
E-2-2	Unit 23	McKevry's Courtyard Pub	Pregnancy Support Services	McKevry's LLC	Prishup with Mike Warring	375	12/1/2007	5/1/2008	4/30/2018	750.00	24.00	250.00	8.00	1,000.00	32.00			
E-2-3	Unit 30	Cinus Prates & Yiga	Clinical Tools	Cinus Prates & Yiga	Kathy Butler	1,515	3/1/2008	6/1/2008	5/31/2013	3,000.00	24.00	1,010.00	8.00	4,040.00	32.00	One Five-Year Option to Renew		
E-3-1	Unit 30	Message Envy	Clinical Tools	TBD	Franchisee TBD	3,357	3/1/2008	7/1/2008	6/30/2013	6,514.00	24.00	2,171.33	8.00	8,685.33	32.00	One Five-Year Option to Renew		
E-3-2	Units 31 & 32	Message Envy	New-Century Digital Media	TBD	Franchisee TBD	1,143	3/1/2008	7/1/2008	6/30/2013	2,286.00	24.00	762.00	8.00	3,048.00	32.00	One Five-Year Option to Renew		
F-1-1	Unit 13	Flour Girls Bakery	Swanson & Associates	Formerly Swanson & Associates	Jill & Courtney Leskey	400	2/1/2008	3/1/2008	2/29/2018	933.33	28.00	491.33	8.00	1,424.66	42.74	TICAM includes the financing of TI amortized over 10 yrs at 10%		
F-1-2	Units 14 & 15	3 Cups	N/A (was tenant at acquisition)	3 Cups, Inc.	Lex Alexander	1,015	6/8/2004	9/1/2004	8/31/2012	2,156.88	25.50	676.67	8.00	2,833.55	33.50	Rent moved to market rate effective Dec. 1, 2007		
G-1&2	Part Unit 3 w/ terrace	Baba Channoy	1/2 Penang and 1/2 New Construction	Baba Channoy International	Amal Haddad	1,900	2/6/2007	2/1/2008	1/31/2013	4,037.50	25.50	1,266.67	8.00	5,304.17	33.50	Annual escalators the greater of 3.0% or CPI(U) Inflation Index		
											Annual	60,183.06	79,849.05	30.29				
											Annual	722,196.72	22.85	235,991.92	7.46	958,188.64	30.29	
											Operating Revenue	958,189						
											Operating Expense	250,000						
											Net Operating Income	708,189						
											NOI (w/ Blue Conversions)	749,057						
											NOI (w/ Blue & McKevry's)	849,057						
											FMV @ 7.25% C.R.	11,759,792						
											Acquisition Price	3,000,000						
											Closing Costs	312,680						
											Acquisition of Valer Lots	791,000						
											Valer Lot Improvements	29,000						
											Capital Improvements To Date	849,560						
											Additional Capital Improvements	1,500,000						
											Total Cost Basis	6,482,240						
											Three-Year Value Creation	8,447,112						
											Incr						25%	

Note: The tenants highlighted in yellow have either entered into Letters of Intent or have indicated their wish to enter into a tenancy at The Courtyard of Chapel Hill if the parking situation were resolved [There are other tenant prospects interested in the event of no follow-through], and will take occupancy in 2008. With **Project Lemonade**, the parking arrangements will be better than ever contemplated, and will turn a negative into an enormous positive. Overall, new leases are being entered into at double the previous rental rate. The two tenants highlighted in light blue will be transitioned out in 2008, and replaced with tenancies that coincide with the Vision contemplated.

Capital Infusion @ Acquisition	652,863
Additional Capital Infusion	849,560
Total Equity @ Cost	1,502,423
Equity @ FMV	6,809,792
Incr.	353%
3 year Internal Rate of Return	105%
Current Loan	2,650,000
Incremental Loan Request	2,320,000
Total Loan	4,950,000
Loan-to-Value	42%
DSCR @ 7% IO	2.45
DSCR @ 9% Constant	1.91

## Exhibit VII

# Post-Redevelopment Values of Collateral Properties

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Below is the valuation per Jan 2008 Orange County appraisal of the Meadowmont Village condominium directly below Mr. Young's unit #134. It has the same layout, except the two units have the following differences: (1) #134 has superior views, for instance #124 has southern views obstructed by rooftop HVAC units; (2) #134 has 10 foot ceilings while #124 has 8 foot ceilings; (3) #134 has an enclosed terrace, but #124 does not. Other 3<sup>rd</sup> floor condos less desirably located in Meadowmont Village have sold in excess of \$500,000 – ergo the FMV of **\$525,000** for Mr. Young's Unit is reasonable.

Data is current as of 12/14/2009 at 11:46pm

ESCOLAR MARIA LUISA ETAL

AND ALFONSO ESCOLAR

**124 MEADOWMONT VILLAGE CIR**

CHAPEL HILL, NC 27517

Bill Number: 200938335	Account Number: 308180
Description: #124 BLDG D MEADOWMONT VILLAGE	<a href="#">Link to GIS</a>
Tract: 765778 - Map Block Lot: 52H..124 - PIN 9798-64-7228.124	
Special Code:	Note:

Real Value	<b>\$487,640.00</b>	City Tax	\$2,408.94
Personal Value	\$0.00	County Tax	\$5,102.66
3R OR STORMWATER FEE IS NOT A LIEN ON REAL PROPERTY		3R Fee	\$37.00
		Stormwater Fee	\$0.00
		Vehicle Fee	\$0.00
		Interest Due	\$0.00
Rate Code	22	Total Due	\$7,548.60
Last Payment Date	12/14/2009	Payment	\$7,548.60
Due Date	09/01/2009	Balance Due	PAID IN FULL

Orange County Tax Collector  
228 S. Churton Street, Suite 200  
P.O. Box 8181  
Hillsborough, NC 27278