2015

PetroMARK©
VALUATION SOFTWARE

USER GUIDE

PetroMARK®
VALUATION SOFTWARE

Welcome to PetroMARK®

Using today's cloud computing technology, PetroMARK® is the fastest, most efficient software program available for completing fair market evaluation reports for convenience stores and gas stations. Not only does PetroMARK® compute the fair market value estimates of all three asset classes:

- tangible assets, realty (real estate);
- tangible assets, non-realty (equipment);
- intangible assets (business value);

but, PetroMARK® also produces a 10-page printed report providing you with superior, hard-copy loan file documentation fulfilling the requirements of the *Interagency Guidelines for Appraisals and Evaluations* (Part XIII, published by the FDIC, 2010).
And,

ALL OF THIS IN LESS THAN 15-MINUTES!

Quick Start Guide

It Only Takes 15 Minutes!

Step 1
Questionnaire
Download the 4-page Evaluation Report Questionnaire from the PetroMARK® website and e-mail or fax to the store owner/operator. In this step, the store owner/operator also provides you with photographs and the latest tax assessment statement. Once the questionnaire is completed and returned, you are ready to begin.

Step 2
PetroMARK® On-Line Program
Log into the on-line PetroMARK® website. Enter the information into the Property Identification Panel. Go to the Trade Area Module and click the print button for ESRI's® *Retail Marketplace Report*, Site Map and Traffic Count Map, all in one PDF.

Go to the Input-Output Panel and enter the 21 property evaluation variables in the Input Panel.

Step 3
Print
Click the Evaluation report print button. You're done!

inside this user guide

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a first word

Key Advantages

- ✓ Lower-Cost/Better Quality. PetroMARK® will save you 50% to 70% of your current cost of evaluations and at the same time produce superior valuation analyses and provide you with better documented reports. PetroMARK® is your one-stop solution for evaluation reports on any gas station or convenience store anywhere in the USA.

- ✓ Intuitive and Easy! Anyone can use PetroMARK®. Simply type in 21 key variables of the location characteristics and physical features of the property, and the valuation results are instantly displayed! You are in-and-out in less than 15 minutes!

- ✓ Cloud computing technology allows 24/7 access for an unlimited number of users from any Internet connection.

- ✓ Trade Area supply/demand analysis is built-in to PetroMARK® and is powered by ESRI®, the most reliable and widely used GIS demographic platform in the world. This is an essential element of credible gas station and convenience store evaluations.

- ✓ Valuation estimates are based on earnings potential of the property for a typical operator. This is the valuation method endorsed by the appraisal industry and recommended by Guidance Note 12, of *International Valuation Standards* (IVS).

a first word

Overview

The beauty of PetroMARK® is simplicity. Operation is intuitive.

PetroMARK® is an on-line property evaluation program that can be completed without the necessity of a site inspection of the subject property.

PetroMARK's® exclusive Property & Operations Survey completed by the property owner or store operator provides important information about the property. Once the survey is returned, the input variables required by PetroMARK® can easily be entered Into the program in less than 15 minutes. The estimated fair market values are instantly calculated and are visible on the same screen. Clicking the "Print Button" produces a 10-page PDF presentation-ready report that provides important file documentation and includes a complete description of key calculations and valuation methodology.

Hundreds of calculations, logic functions and equations are executed at the speed of light.

Also included as a separate report is a custom Trade Area Analysis powered by ESRI's® GIS platform. You receive the *Retail Marketplace Report*, trade area maps and traffic count all in one printable PDF.

a first word

How Retail Property Value is Created

The valuation methodology used by PetroMARK® is an income approach using a capitalization of EBIDTA. This is the only method that can estimate the value of all three asset classifications:

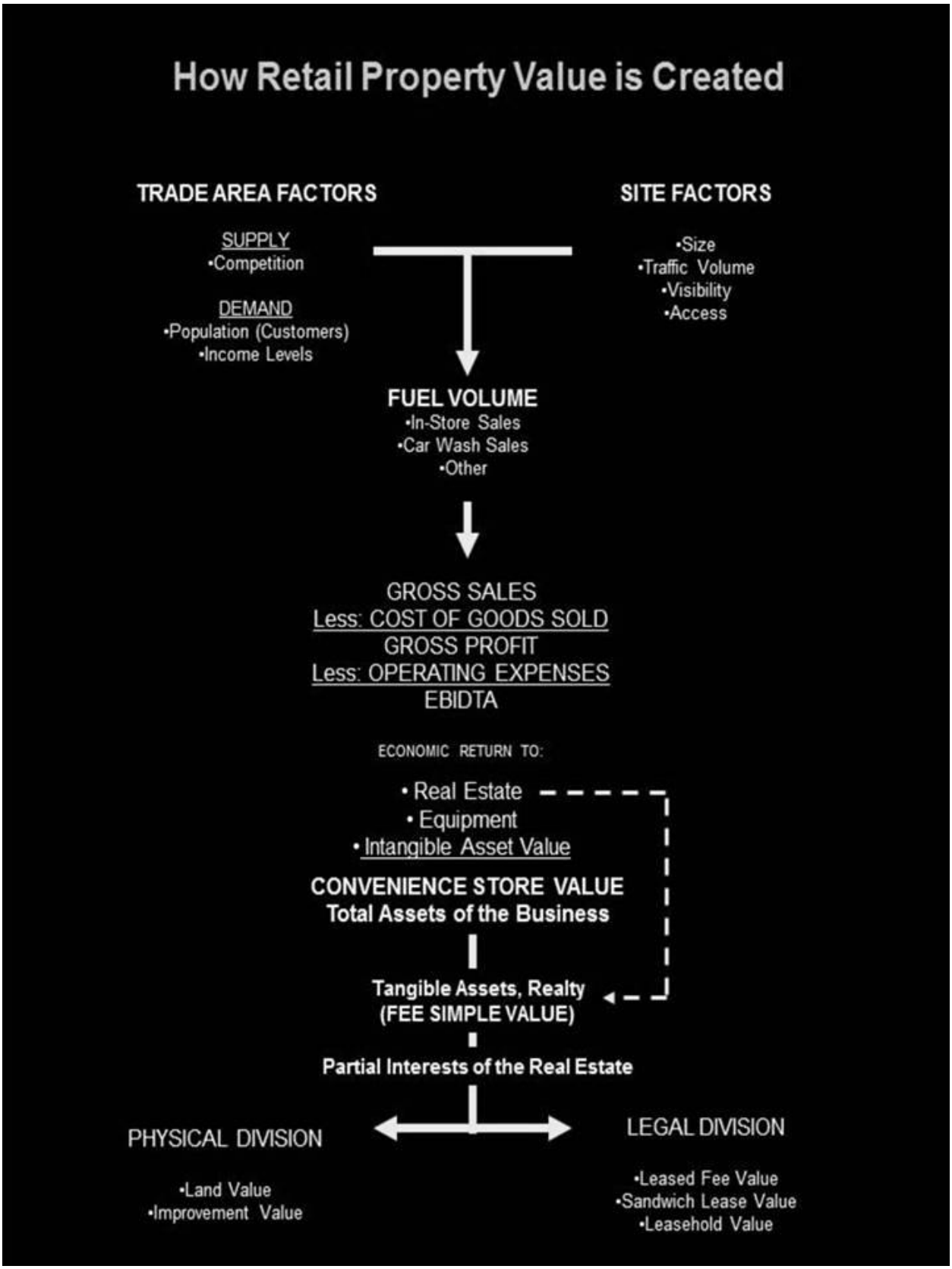
- ✓ **Real Estate**
- ✓ **Equipment**
- ✓ **Intangible Business Value.**

PetroMARK® estimates the fee simple fair market value under typical management and separates these values in accordance with FIRREA .

Market value is determined by earnings.

The convenience industry believes that fuel sales drive the other profit centers of the business. As can be seen in the diagram on the next page, the trade area and site factors determine fuel volume, the amount of earnings, and ultimately, the fair market value of any convenience store.

This is how PetroMARK® works.


How Retail Property Value is Created
TRADE AREA FACTORS
SUPPLY
•Competition
DEMAND
•Population (Customers)
•Income Levels
SITE FACTORS
•Size
•Traffic Volume
•Visibility
•Access
FUEL VOLUME
•In-Store Sales
•Car Wash Sales
•Other
GROSS SALES
Less: COST OF GOODS SOLD
GROSS PROFIT
Less: OPERATING EXPENSES
EBIDTA
ECONOMIC RETURN TO:
• Real Estate
• Equipment
• Intangible Asset Value
CONVENIENCE STORE VALUE
Total Assets of the Business
Tangible Assets, Realty
(FEE SIMPLE VALUE)
Partial Interests of the Real Estate
PHYSICAL DIVISION
•Land Value
•Improvement Value
LEGAL DIVISION
•Leased Fee Value
•Sandwich Lease Value
•Leasehold Value

a first word

The following sections describe:

- **PetroMARK®'s Property & Operations Survey**
- **Trade Area Module**
- **Input Panel**
- **Output Panel**
- **Diagnostic Ratios Panel**

The Appendix contains step-by-step examples of:

1. How to complete a Fee Simple Value Estimate of a Convenience Store.

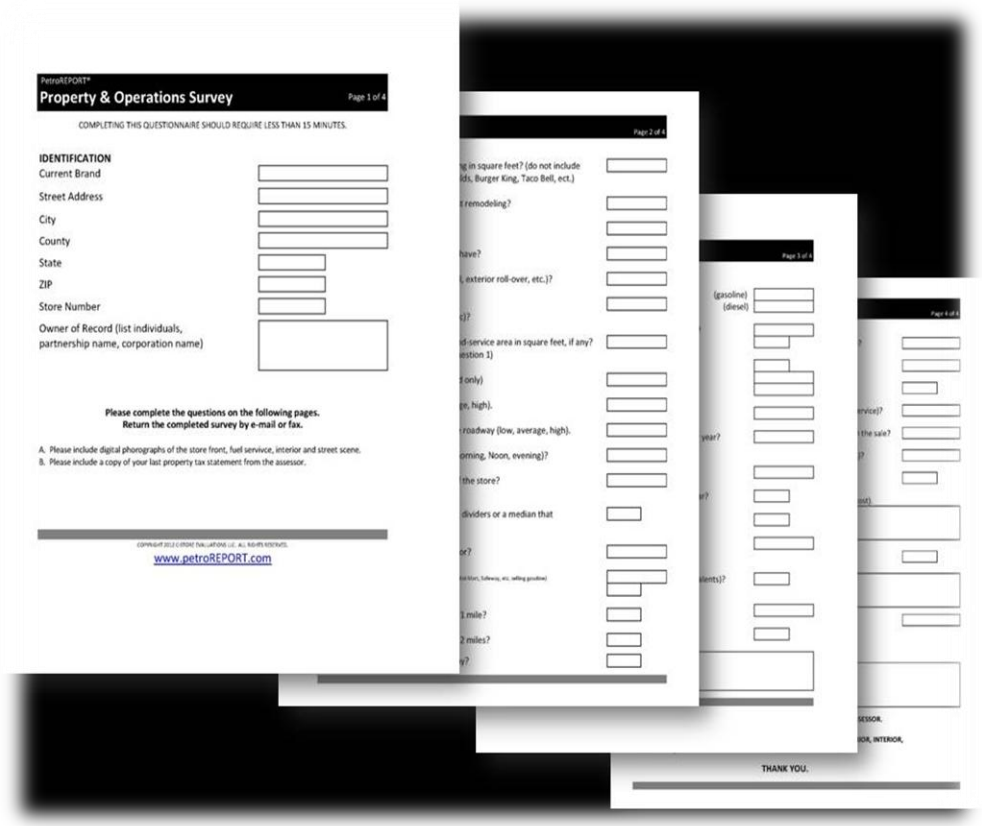
2. How to Complete a Trade Area Analysis on a Limited-Service Restaurant and Over 40 Other Types of Retail Property.

3. How to Complete a Feasibility Analysis on Proposed Convenience Store.

4. How to Estimate Real Estate NOI for Debt Coverage Ratios and Lease Rates.

the property & operations survey

The PetroMARK® Property and Operations Survey



PetroMARK's® exclusive Property & Operations Survey serves an important function by allowing an opportunity for the owner-operator to provide important input into the evaluation procedure.

The survey is four pages in a form-fill PDF that can be sent to the owner-operator by e-mail or fax. The owner-operator should be able to complete the survey in less than 10 minutes. The survey asks the owner-operator several important questions, such as "average gallons sold" and competitive locations. This information can then be compared and cross-checked with PetroMARK's® estimates. The survey is completed by the owner-operator and then returned to the PetroMARK® user by e-mail or fax.

Download the PROPERTY & OPERATIONS SURVEY PDF at the PetroMARK® homepage. You can save the PDF file for e-mailing or faxing.

the property & operations survey

The PetroMARK® Property & Operations Survey

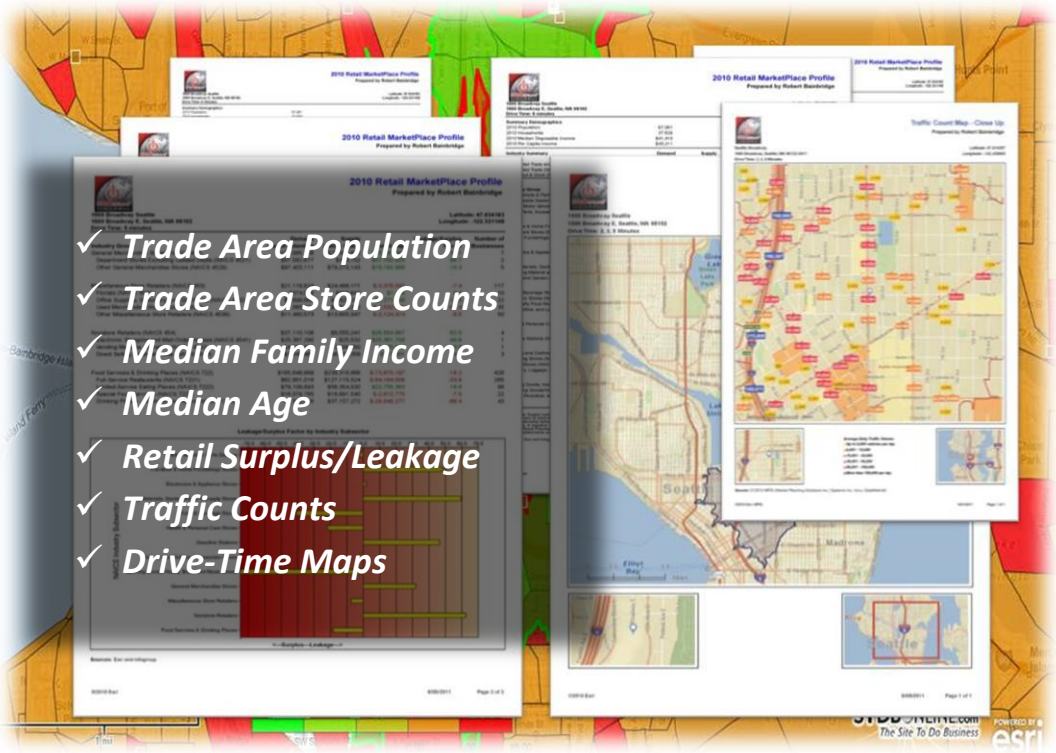
Often, the owner-operator is the most knowledgeable person to answer certain questions about the property. The Property & Operations Survey gives the owner-operator an important opportunity to provide this input and help prevent errors. For example, the assessor's data or file records may show an outdated size for the store building of 1,500 square feet, when the actual size had been expanded to 2,000 square feet through a recent remodel. The survey helps prevent this type of data error, helping you promote and maintain good customer relations with the store owner/operator.

The responses on the PetroMARK® Property & Operation Survey are keyed to the Input Panel. So, once the survey is returned, the data can easily be entered in the PetroMARK® program.

In the next sections we will discuss the Trade Area Module, Property Identification Panel and Input-Output Panels.

trade area supply/demand module

The PetroMARK's® Trade Area Analysis Module



Measuring supply and demand in the trade area is so important for reliable valuations of convenience stores and gas stations that PetroMARK® has partnered with ESRI®, the world's largest and most reliable GIS demographic platform. PetroMARK's® Trade Area Module allows you to complete a supply/demand analysis in minutes for any store in the USA.

Because retail fuel properties are special use properties that cannot be easily adapted to other uses, the supply and demand relationship in the trade area is much more important for estimating market value than it is for other types of real estate. The PetroMARK® program will not produce accurate estimates of value if the trade area characteristics are ignored. In fact, no gas station or convenience store appraisal is reliable without a trade area supply/demand analysis. The lack of a supply/demand analysis is the most common mistake made in gas station and convenience store appraisals.

PetroMARK® allows you full access to ESRI's® *Retail Marketplace Report*, which provides you with a complete demographic and economic analysis of the trade area. ESRI's® *Retail Marketplace Report* prints out as a 9-page PDF and includes trade area population, competing locations, median family income, number of households, supply and demand, aggregate sales by NAICS codes, and more.

As a matter of fact, you can use PetroMARK's® fast, efficient access to the ESRI® *Retail Marketplace Report* to complete a trade area analysis on over 40 different types of retail properties, such as restaurants, and automobile dealerships. As a PetroMARK® user, access to the *Retail Marketplace Report* is faster and less costly through PetroMARK's® Trade Module than through ESRI's® single-report feature.

TRADE AREA DELINEATION

Before any supply and demand variables can be entered into PetroMARK®, the analyst must define the trade area. The trade area is a different concept than a neighborhood. The trade area is that geographical area within which the store draws its customers and operates as a primary competitor. The purpose of defining the trade area is to specifically quantify the resident population (demand) and number of competitors (supply).

The best available knowledge should be used in estimating the trade area boundaries of the store being analyzed. For desktop analysis, rules-of-thumb and convention might be the best available guidance. Generally, convenience stores and retail fuel properties are vehicle oriented businesses that have a primary trade area of about a 2-3 minute drive-time.

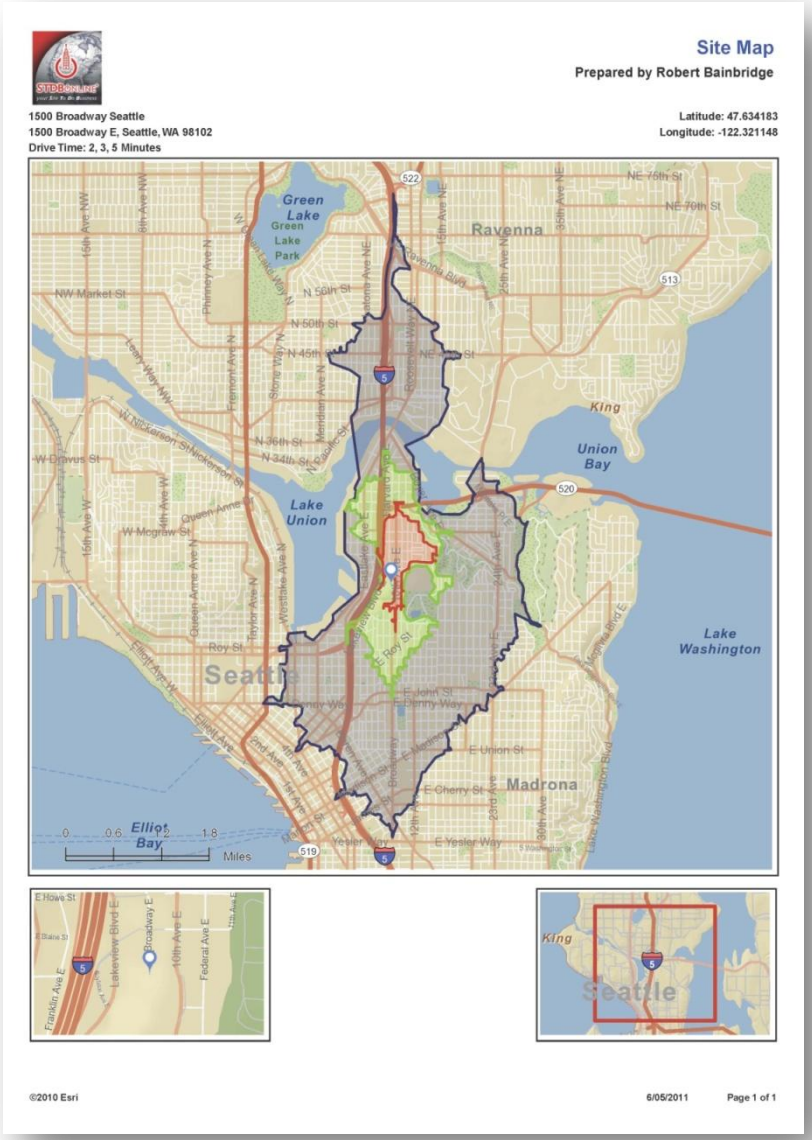
A less accurate definition might be the 2 to 3 mile ring. A 2-3 minute drive-time will be sufficient for PetroMARK® for most locations in developed urban locations.

PRINTING THE TRADE AREA ANALYSIS

The Trade Area Module is a single web-page on the PetroMARK® website. Simply click the "PRINT" button and ESRI's® Retail Marketplace report is printed as a separate, stand –alone, presentation-ready PDF that can be used as part of your file documentation. In addition, a trade area drive-time map and traffic count map are also in included in your PDF, providing everything needed for entering the variables in the PetroMARK® program.

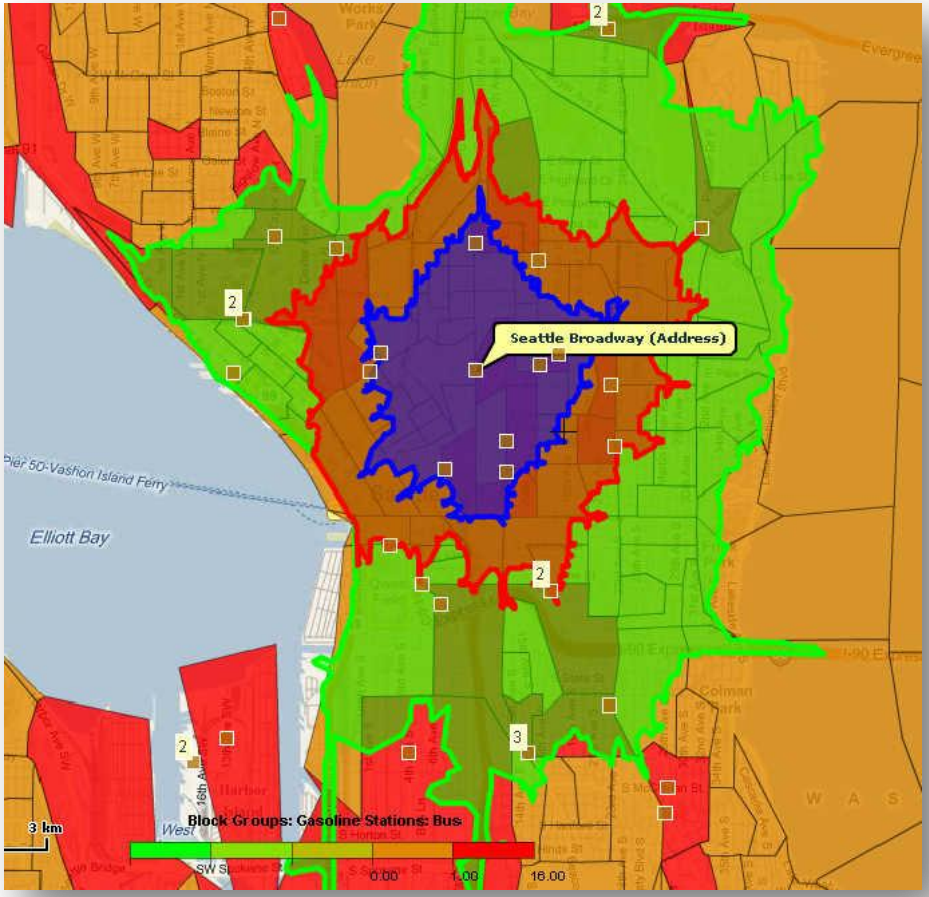
The following pages describe how to use the information from the Trade area Module printout.

1. Trade Area Boundaries Drive-Time Map



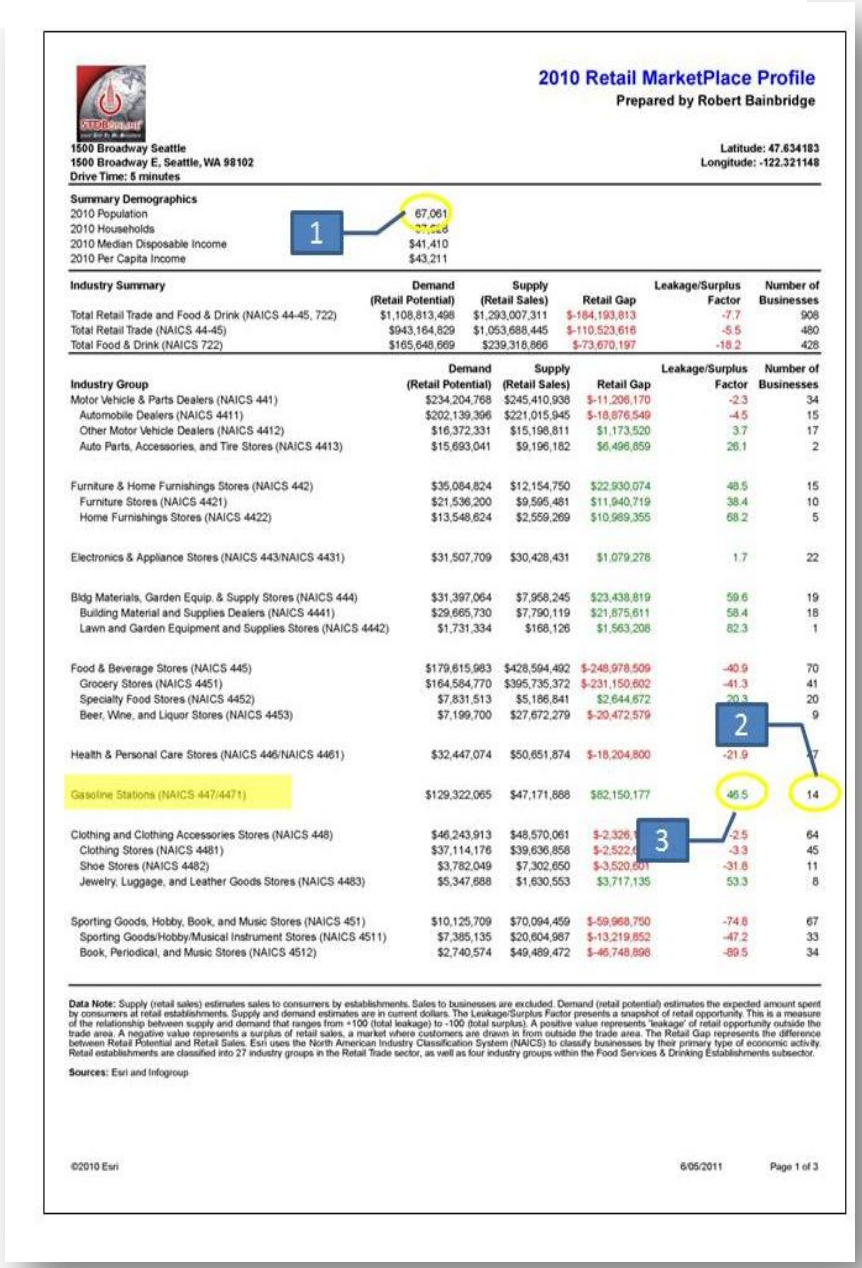
ESRI's® Site Map shows the trade area boundaries at the 3-minute, 5-minute, and 7-minute drive-time. The drive-time boundary is the geographical limit of the trade area. For example, the 3-minute drive-time shows all of that area around the study location that a customer can reach the store within a 3-minutes driving time at the posted speed limit. Notice that the drive-times are elongated on the major highways where vehicle speeds are higher.

2. ESRI's® Competition Map



ESRI's® mapping feature also produces a map showing the geographic locations of competing locations. The competitors are selected by the NAICS code 447 for retail motor fuel businesses. The competing locations are marked by a symbol and are located relative to the drive times from the study location.

3. ESRI's®Retail Marketplace Report



2010 Retail MarketPlace Profile
Prepared by Robert Bainbridge

1500 Broadway Seattle
1500 Broadway E, Seattle, WA 98102
Drive Time: 5 minutes

Latitude: 47.634183
Longitude: -122.321148

Summary Demographics

2010 Population	67,061
2010 Households	[illegible]
2010 Median Disposable Income	$41,410
2010 Per Capita Income	$43,211

Industry Summary	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	$1,108,813,498	$1,293,007,311	$-184,193,813	-7.7	908
Total Retail Trade (NAICS 44-45)	$943,164,829	$1,053,688,445	$-110,523,616	-5.5	480
Total Food & Drink (NAICS 722)	$165,648,669	$239,318,866	$-73,670,197	-18.2	428

Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers (NAICS 441)	$234,204,768	$245,410,938	$-11,206,170	-2.3	34
Automobile Dealers (NAICS 4411)	$202,139,396	$221,015,945	$-18,876,549	-4.5	15
Other Motor Vehicle Dealers (NAICS 4412)	$16,372,331	$15,198,811	$1,173,520	3.7	17
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	$15,693,041	$9,196,182	$6,496,859	26.1	2
Furniture & Home Furnishings Stores (NAICS 442)	$35,084,824	$12,154,750	$22,930,074	48.5	15
Furniture Stores (NAICS 4421)	$21,536,200	$9,595,481	$11,940,719	38.4	10
Home Furnishings Stores (NAICS 4422)	$13,548,624	$2,559,269	$10,989,355	68.2	5
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	$31,507,709	$30,428,431	$1,079,278	1.7	22
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	$31,397,064	$7,958,245	$23,438,819	59.6	19
Building Material and Supplies Dealers (NAICS 4441)	$29,665,730	$7,790,119	$21,875,611	58.4	18
Lawn and Garden Equipment and Supplies Stores (NAICS 4442)	$1,731,334	$168,126	$1,563,208	82.3	1
Food & Beverage Stores (NAICS 445)	$179,615,983	$428,594,492	$-248,978,509	-40.9	70
Grocery Stores (NAICS 4451)	$164,584,770	$395,735,372	$-231,150,602	-41.3	41
Specialty Food Stores (NAICS 4452)	$7,831,513	$5,186,841	$2,644,672	20.3	20
Beer, Wine, and Liquor Stores (NAICS 4453)	$7,199,700	$27,672,279	$-20,472,579	-58.7	9
Health & Personal Care Stores (NAICS 446/NAICS 4461)	$32,447,074	$50,651,874	$-18,204,800	-21.9	17
Gasoline Stations (NAICS 447/4471)	$129,322,065	$47,171,888	$82,150,177	46.5	14
Clothing and Clothing Accessories Stores (NAICS 448)	$46,243,913	$48,570,061	$-2,326,1[illegible]	-2.5	64
Clothing Stores (NAICS 4481)	$37,114,176	$39,636,858	$-2,522,6[illegible]	-3.3	45
Shoe Stores (NAICS 4482)	$3,782,049	$7,302,650	$-3,520,601	-31.8	11
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	$5,347,688	$1,630,553	$3,717,135	53.3	8
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	$10,125,709	$70,094,459	$-59,968,750	-74.8	67
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	$7,385,135	$20,604,987	$-13,219,852	-47.2	33
Book, Periodical, and Music Stores (NAICS 4512)	$2,740,574	$49,489,472	$-46,748,898	-89.5	34

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents "leakage" of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector.

Sources: Esri and Infogroup

©2010 Esri 6/05/2011 Page 1 of 3

ESRI's® Retail Marketplace Report provides you with:

1.Population within the trade area.

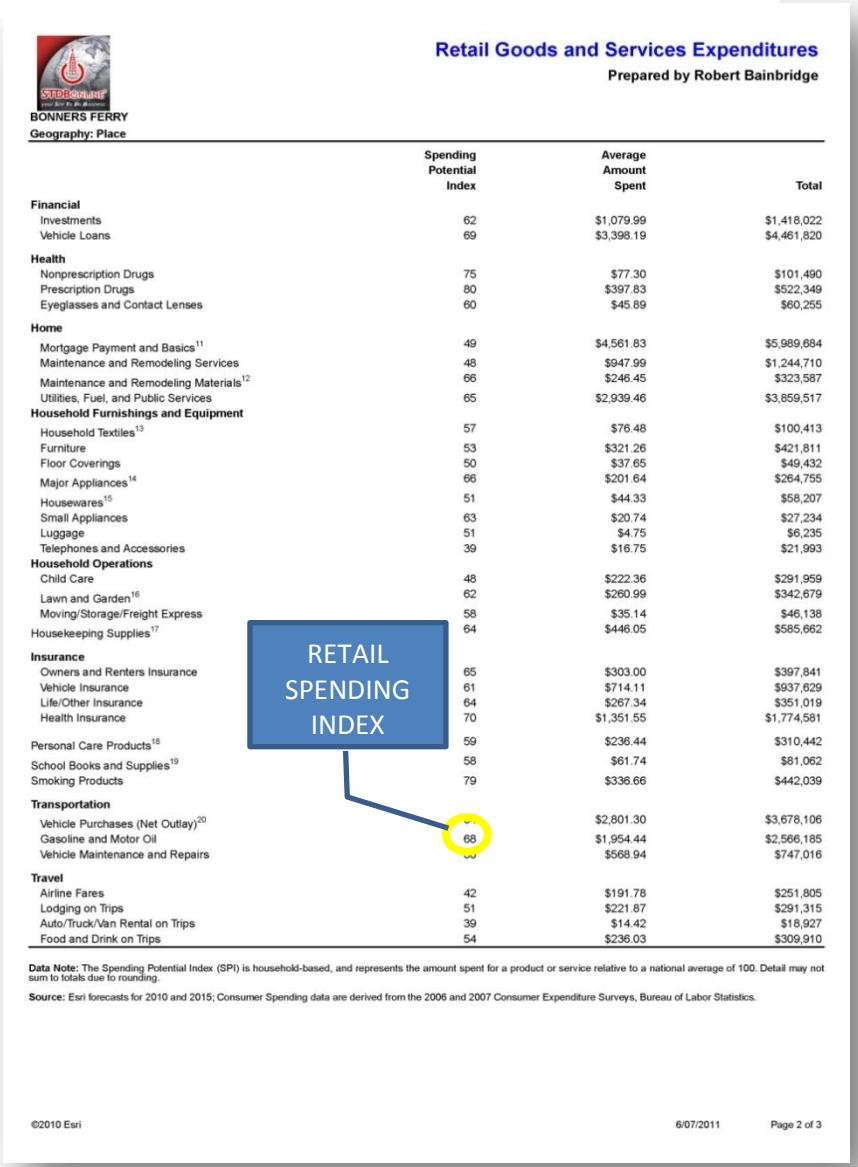
2.Number of convenience stores and gas stations. Look for NAICS code 447/44751 near the bottom of the page.

3. Surplus/Leakage Factor.

In this example, the population is 67,061 and the store count is 14 within the 5-minute drive-time. The surplus/leakage factor is 46.5.

Population is a measure of demand. Store count is a measure of supply, and the surplus/leakage factor is one measure of supply/demand relationship. Here, the trade area is under-supplied.

4. ESRI's® Retail Spending Index



Retail Goods and Services Expenditures

Prepared by Robert Bainbridge

BONNERS FERRY
Geography: Place

	Spending Potential Index	Average Amount Spent	Total
Financial			
Investments	62	$1,079.99	$1,418,022
Vehicle Loans	69	$3,398.19	$4,461,820
Health			
Nonprescription Drugs	75	$77.30	$101,490
Prescription Drugs	80	$397.83	$522,349
Eyeglasses and Contact Lenses	60	$45.89	$60,255
Home			
Mortgage Payment and Basics[11]	49	$4,561.83	$5,989,684
Maintenance and Remodeling Services	48	$947.99	$1,244,710
Maintenance and Remodeling Materials[12]	66	$246.45	$323,587
Utilities, Fuel, and Public Services	65	$2,939.46	$3,859,517
Household Furnishings and Equipment			
Household Textiles[13]	57	$76.48	$100,413
Furniture	53	$321.26	$421,811
Floor Coverings	50	$37.65	$49,432
Major Appliances[14]	66	$201.64	$264,755
Housewares[15]	51	$44.33	$58,207
Small Appliances	63	$20.74	$27,234
Luggage	51	$4.75	$6,235
Telephones and Accessories	39	$16.75	$21,993
Household Operations			
Child Care	48	$222.36	$291,959
Lawn and Garden[16]	62	$260.99	$342,679
Moving/Storage/Freight Express	58	$35.14	$46,138
Housekeeping Supplies[17]	64	$446.05	$585,662
Insurance			
Owners and Renters Insurance	65	$303.00	$397,841
Vehicle Insurance	61	$714.11	$937,629
Life/Other Insurance	64	$267.34	$351,019
Health Insurance	70	$1,351.55	$1,774,581
Personal Care Products[18]	59	$236.44	$310,442
School Books and Supplies[19]	58	$61.74	$81,062
Smoking Products	79	$336.66	$442,039
Transportation			
Vehicle Purchases (Net Outlay)[20]		$2,801.30	$3,678,106
Gasoline and Motor Oil	68	$1,954.44	$2,566,185
Vehicle Maintenance and Repairs		$568.94	$747,016
Travel			
Airline Fares	42	$191.78	$251,805
Lodging on Trips	51	$221.87	$291,315
Auto/Truck/Van Rental on Trips	39	$14.42	$18,927
Food and Drink on Trips	54	$236.03	$309,910

RETAIL SPENDING INDEX

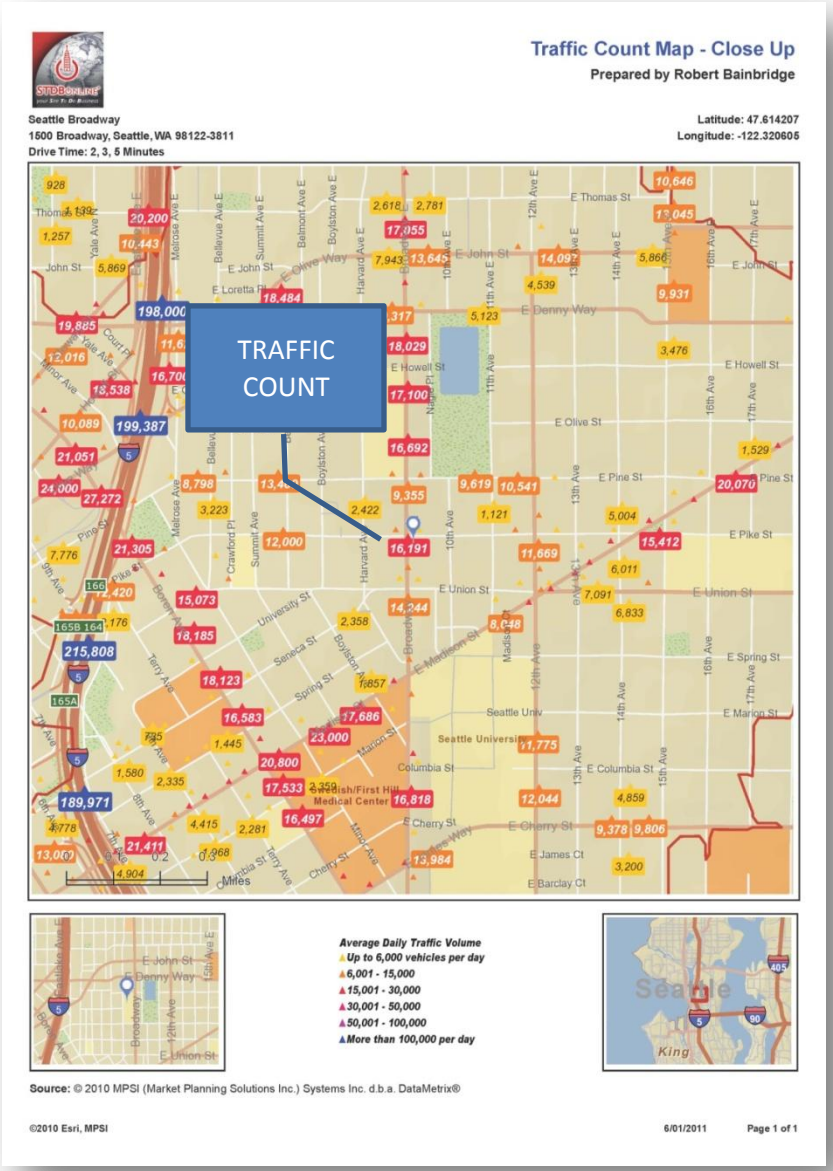
Data Note: The Spending Potential Index (SPI) is household-based, and represents the amount spent for a product or service relative to a national average of 100. Detail may not sum to totals due to rounding.

Source: Esri forecasts for 2010 and 2015; Consumer Spending data are derived from the 2006 and 2007 Consumer Expenditure Surveys, Bureau of Labor Statistics.

The Retail Spending Index is a measure of the demographic strength of the trade area. ESRI® uses a sophisticated algorithm to calculate the spending potential of the residents within the trade are to shop at a specific type of business. The demographics characteristics measured here include such factors as age groups, income levels, family size, education levels, etc.

In this example, the spending potential index is 68, meaning that the resident population is only 68% as likely to shop for gasoline as the national average (the nation average is "1").

5. Traffic Counts



Also included in PetroMARK's® Trade Area Analysis Module is ESRI's Traffic count Map – Close Up, showing the average daily traffic volume at the study location and surrounding roadways.

The map symbol shows the location of the subject store.

ESRI's® Retail Marketplace Report Industry Groups

Motor Vehicle & Parts Dealers (NAICS 441)
- Automobile Dealers (NAICS 4411)
- Other Motor Vehicle Dealers (NAICS 4412)
- Auto Parts, Accessories, and Tire Stores (NAICS 4413)

Furniture & Home Furnishings Stores (NAICS 442)
- Furniture Stores (NAICS 4421)
- Home Furnishings Stores (NAICS 4422)

Electronics & Appliance Stores (NAICS 443/NAICS 4431)

Building Materials, Garden Equip. & Supply Stores (NAICS 444)
- Building Material and Supplies Dealers (NAICS 4441)

Lawn and Garden Equipment and Supplies Stores (NAICS 4442)

Food & Beverage Stores (NAICS 445)
- Grocery Stores (NAICS 4451)
- Specialty Food Stores (NAICS 4452)
- Beer, Wine, and Liquor Stores (NAICS 4453)

Health & Personal Care Stores (NAICS 446/NAICS 4461)

Gasoline Stations (NAICS 447/4471)

Clothing and Clothing Accessories Stores (NAICS 448)
- Clothing Stores (NAICS 4481)
- Shoe Stores (NAICS 4482)
- Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)

Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)

Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)

Book, Periodical, and Music Stores (NAICS 4512)

General Merchandise Stores (NAICS 452)
- Department Stores Excluding Leased Depts.(NAICS 4521)
- Other General Merchandise Stores (NAICS 4529)

You can utilize PetroMARK's Trade Area Analysis Module to measure supply and demand for other types of properties. The Retail marketplace Report lists over 40 different types of retail properties and give you the supply and demand characteristics of each. The appendix gives you an example of how to complete a supply/demand analysis for a restaurant. The table below lists all of the industry groups of the *Retail Marketplace Report*.

Miscellaneous Store Retailers (NAICS 453)
- Florists (NAICS 4531)
- Office Supplies, Stationery, and Gift Stores (NAICS 4532)
- Used Merchandise Stores (NAICS 4533)
- Other Miscellaneous Store Retailers (NAICS 4539)

Non-store Retailers (NAICS 454)
- Electronic Shopping and Mail-Order Houses (NAICS 4541)
- Vending Machine Operators (NAICS 4542)
- Direct Selling Establishments (NAICS 4543)

Food Services & Drinking Places (NAICS 722)
- Full-Service Restaurants (NAICS 7221)
- Limited-Service Eating Places (NAICS 7222)
- Special Food Services (NAICS 7223)
- Drinking Places - Alcoholic Beverages (NAICS 7224)

In the next section, we show you how to enter this data into PetroMARK's® program Input Panel.

the input panels

The Property Identification Panel

Identification Panel

Identification	ENTER PROPERTY IDENTIFICATION BELOW
CLIENT FILE NO.	Enter Your File Number
PROJECT NAME	Panther Creek C-Store
STATE JURISDICTION	Enter the State of the Study Location
DATE OF EVALUATION	August 13, 2012
CLIENT NAME	Enter "Mr. or Ms. Enter Your Name
YOUR BUSINESS NAME	Enter Your Business Name
Your Street Address	Enter Your Street Address
Your City, State, Zip	Enter Your Cty, State, ZIP
PURPOSE	an evaluation of the total assets of the business.
STUDY LOCATION	Enter Name of Study Location
Street Address	Enter Street Address of Study Location
City	Enter City of Study Location
State	Enter State of Study Location
Zip	Enter ZIP of study Location
County	Enter County of Study Location
OWNER	Enter Owner of Study Location
BRAND	Enter Brand of Study Location
PROPERTY TYPE	convenience store with gas station

The first inputting section is the Property Identification Panel. On this page, the ownership and address information is recorded. The identification Panel data is used by PetroMARK® to populate those portions of the printed report that provide descriptive information about the subject property, such as the address and ownership, and the identification of the user-analysis.

Except for the street address, none of the input data in the identification panel effects the valuation conclusions.

The “Project Name” entry will carry forward and appear at the top left of all printed pages of the evaluation report.

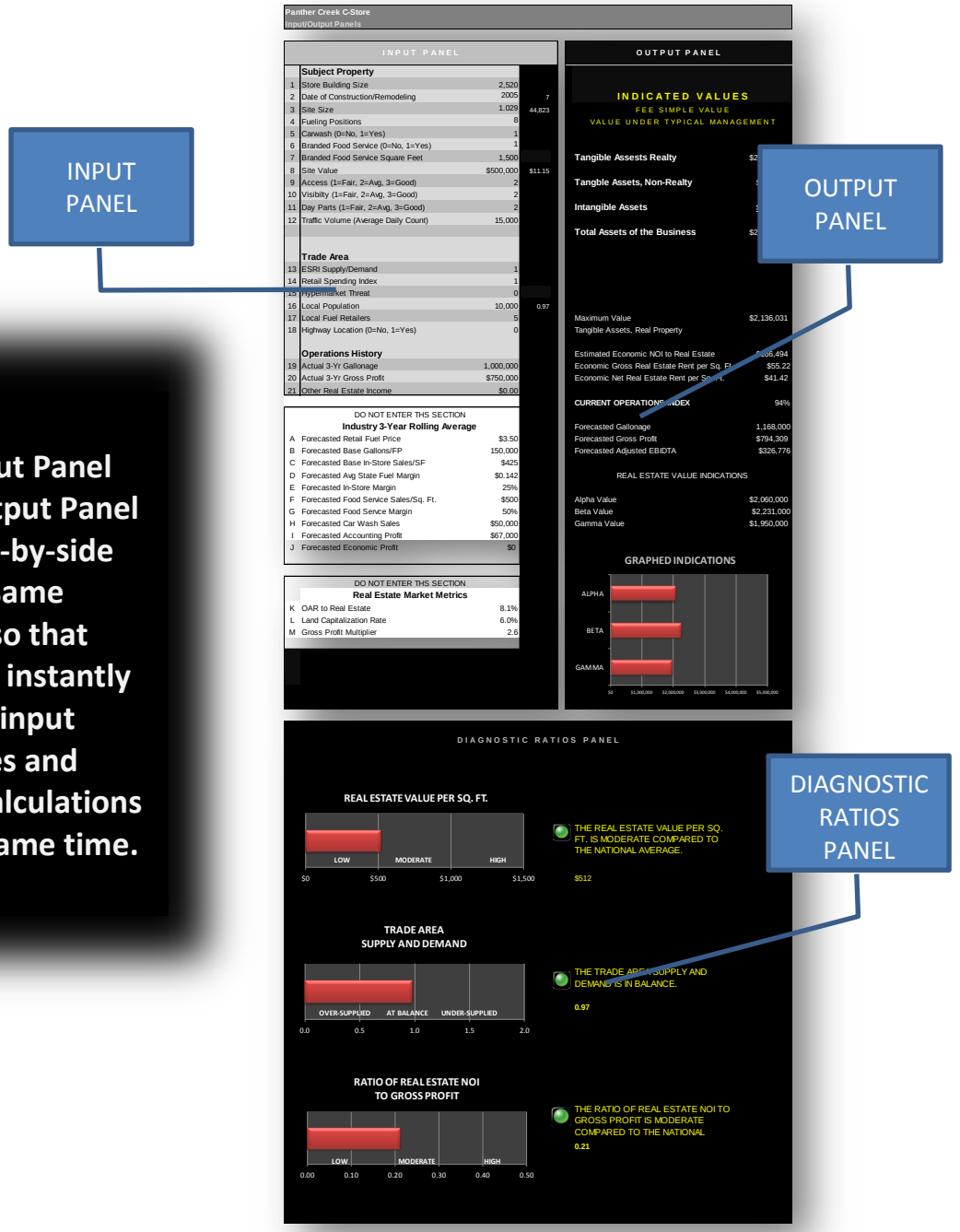
the input panels

The Input Panel

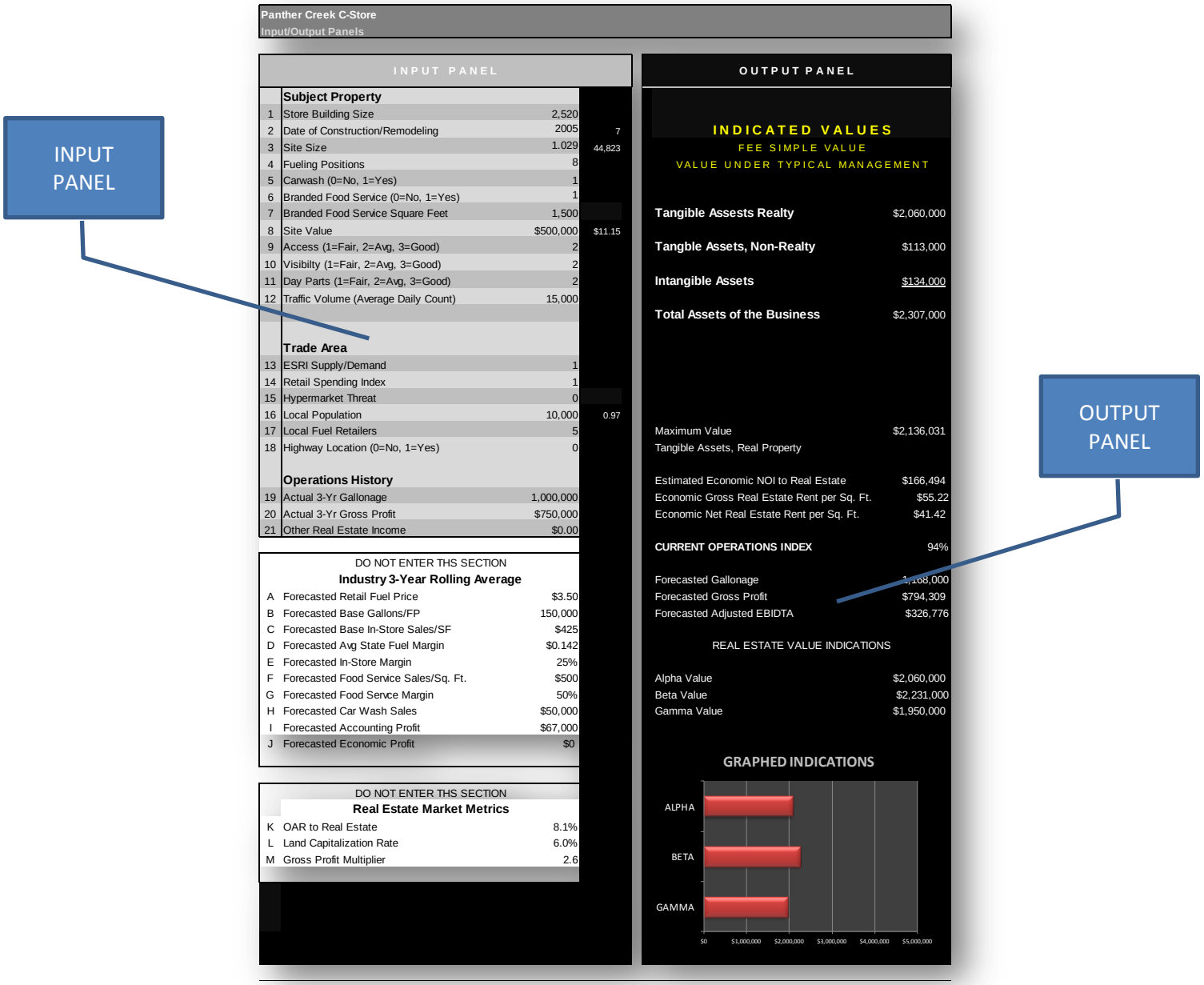
The Input Panel lists 21 variables used by PetroMARK® in calculating the value estimates. These inputs are easy to enter and nearly intuitive.

The resulting value calculations are instantly available on the adjacent Output Panel to the right of the Input Panel. This allows immediate valuation feedback so you can easily perform "what-if" scenarios and vary the input variables to instantly observe the resulting changes in value without leaving the Input Panel/

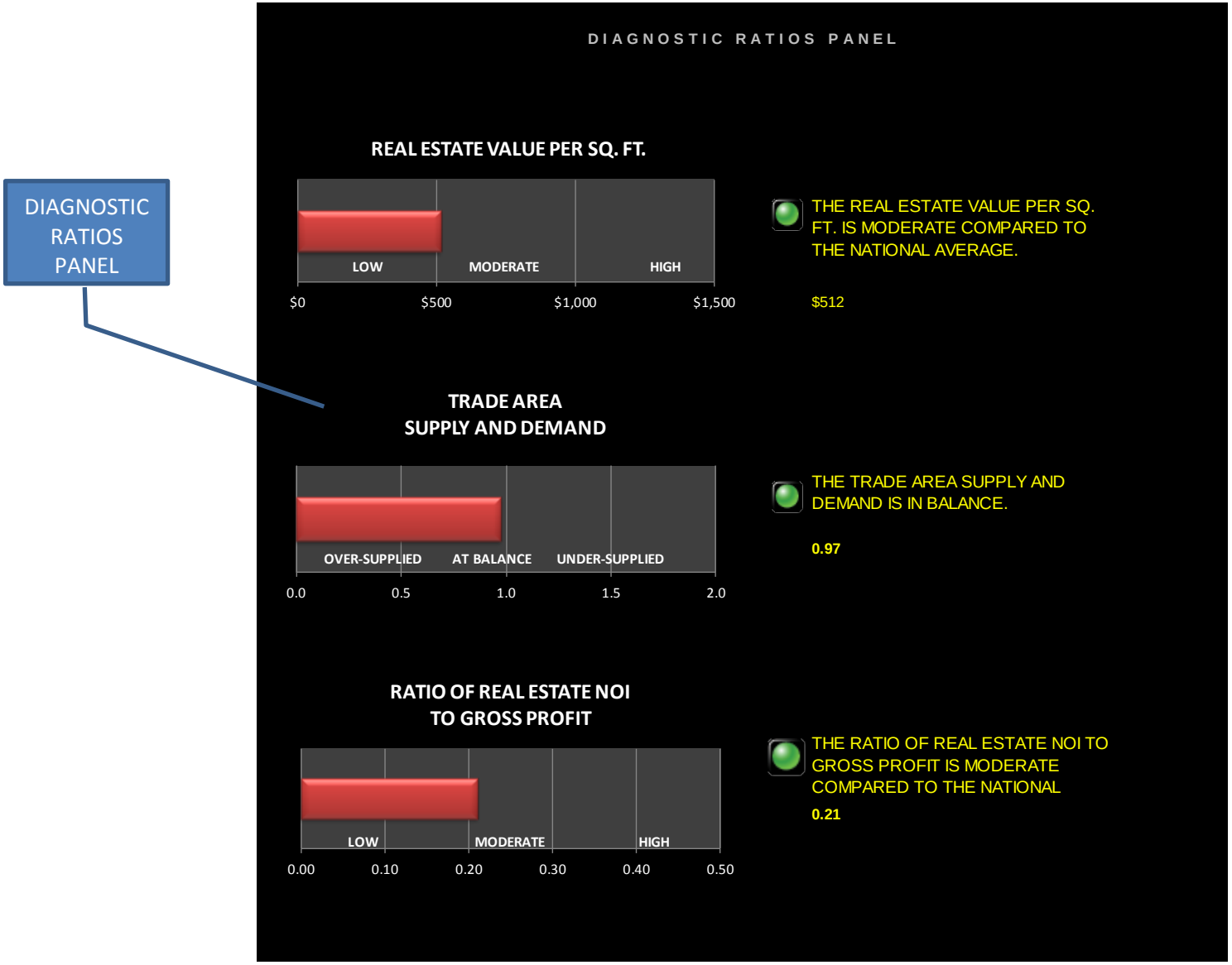
The Input Panel and Output Panel are side-by-side on the same screen so that you can instantly see the input variables and value calculations at the same time.



Detail View of the Input-Output Panels



Detail View of the Diagnostic Ratios Panel



QUICK REFERENCE
Summary of Sources of Input Data

INPUT PANEL: Subject Property Section

Most of these input variables are sourced from the Property & Operations Survey or the tax assessor's record, both of which are provided by the store owner/operator. The tax assessor's record will often include the size of the site and building. If a difference exists between the assessor's land and/or building sizes and the operator's entries on the survey, ask the operator about this difference. For example, the store may have been recently enlarged and the assessment record does not yet show it.

INPUT	SOURCE
SUBJECT PROPERTY	
1. Store Building Size	Property & Operations Survey and/or Tax Assessor's Statement
2. Date of Construction/Remodeling	Property & Operations Survey and/or Tax Assessor's Statement
3. Site Size	Property & Operations Survey and/or Tax Assessor's Statement
4. Fueling Positions	Property & Operations Survey and/or Tax Assessor's Statement
5. Carwash	Property & Operations Survey and/or Tax Assessor's Statement
6. Branded Food Service	Property & Operations Survey
7. Branded Food Service Square Feet	Property & Operations Survey
8. Site Value	Property & Operations Survey and/or Tax Assessor's Statement
9. Access	Property & Operations Survey
10. Visibility	Property & Operations Survey
11. Day Parts	Property & Operations Survey
12. Traffic Volume	PetroMARK® Trade Area Module: Traffic Count, Close-Up Map

QUICK REFERENCE
Summary of Sources of Input Data

INPUT PANEL: Trade Area Section

Nearly all of required inputs for the Trade Area section of the Input Panel can be taken from the printout of PetroMARK's® Trade Area Module. The hypermarket threat input is found on the Property & Operations Survey or in Google Earth® In Google Earth®, go to the "Find Businesses tab and search for "gas stations". All gas stations in close proximity to the study location will be shown on the map. Hypermarkets such as Walmart, Costco, HEB, etc. selling gasoline within two miles of the study location are classified as a active threat.

INPUT	SOURCE
TRADE AREA	
13. ESRI Supply/Demand	PetroMARK® Trade Area Module: Retail Marketplace Report
14. Retail Spending Index	PetroMARK® Trade Area Module: Retail Marketplace Report
15. Hypermarket Threat	Survey and /or Google Earth: "Find Businesses" Tab: gas stations
16. Primary Market Population	PetroMARK® Trade Area Module: Retail Marketplace Report
17. Primary Market Competitors	PetroMARK® Trade Area Module: Retail Marketplace Report
18. Highway Location	PetroMARK® Trade Area Module: Site Map and /or Google Earth®

QUICK REFERENCE
Summary of Sources of Input Data

INPUT PANEL: Operations History

The owner/operator is the only source for the past economic performance of the store. Because of this, the Property & Operations Survey is the source document for these inputs.

INPUT	SOURCE
OPERATIONS	
19. Actual 3-YR Gallonage	Property & Operations Survey
20. Actual 3-YR Gross Profit	Property & Operations Survey
21. Other Real Estate Income	Property & Operations Survey

Although PetroMARK® is intuitive, for reference explanations for each input variable are on the following pages.

1. Store Building Size

INPUT PANEL			
	Subject Property		
1	Store Building Size	2,520	
2	Date of Construction/Remodeling	2004	8
3	Site Size	1.029	44,823
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	1	
6	Branded Food Service (0=No, 1=Yes)	1	
7	Branded Food Service Square Feet	1,500	
8	Site Value	$500,000	$11.15
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	15,000	

SOURCE: Property & Operations Survey and/or Tax Assessor's Statement

Enter the gross building area of the store. The gross building area corresponds to the outside measurements of the building. For example: A store building measuring 40 feet by 60 feet has a gross area of 2,400 square feet. This is the number that should be entered. PetroMARK® uses this input to calculate forecasted in-store sales and other metrics. For multiple use buildings with other uses such as food service or tenant space, do not include these.

Do not include:

a. Dedicated food service such as QSR, 2:1 restaurant space.

b. Car wash buildings

c. Auxiliary buildings, such as Quick-Lube, auto –service or rented space to other users.

2. Date of Construction/Remodeling

INPUT PANEL			
	Subject Property		
1	Store Building Size	2,520	
2	Date of Construction/Remodeling	2004	8
3	Site Size	1.029	44,823
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	1	
6	Branded Food Service (0=No, 1=Yes)	1	
7	Branded Food Service Square Feet	1,500	
8	Site Value	$500,000	$11.15
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	15,000	

SOURCE: Property & Operations Survey and/or Tax Assessor's Statement

Enter year built or year of last major remodel. If major remodeling to the building has occurred since the original construction then enter the year of the remodeling. Normal repair and (---) , such as painting or a roof repair, is not considered a major remodel. Upgrades to the fuel service are not included here.

3. Site Size

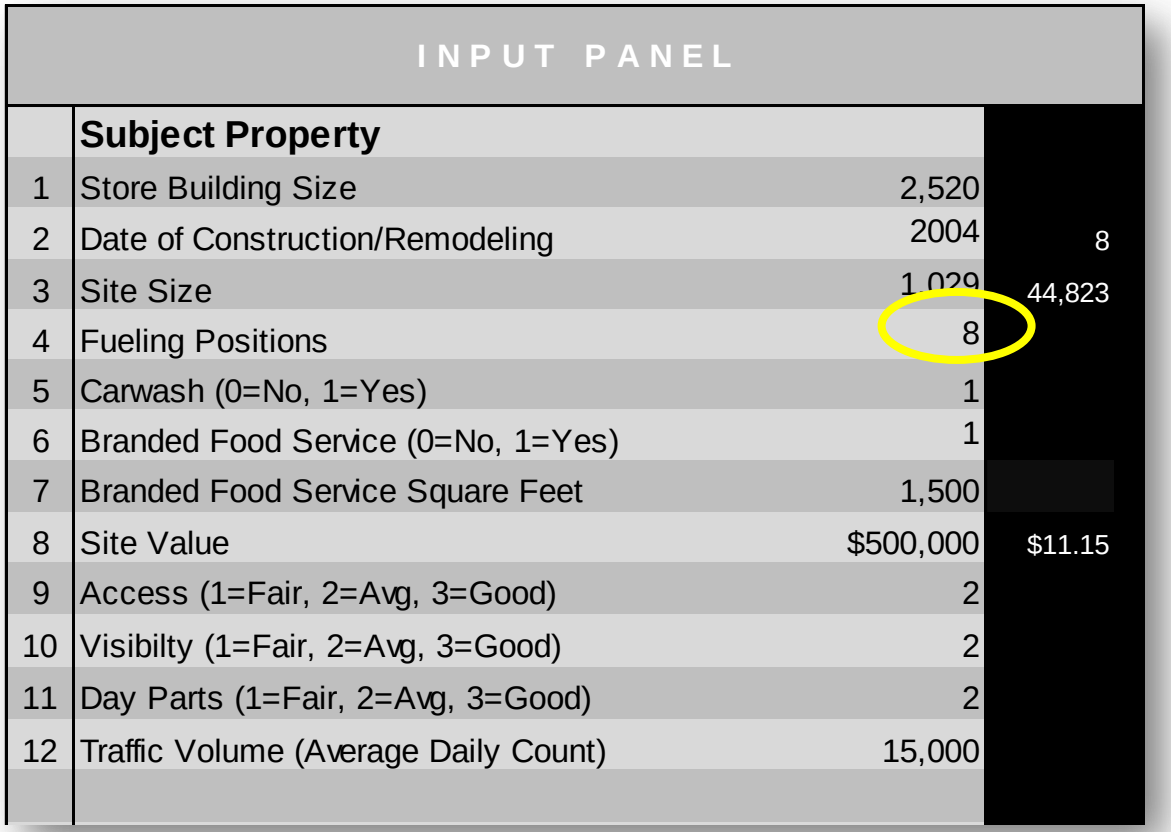
INPUT PANEL			
	Subject Property		
1	Store Building Size	2,520	
2	Date of Construction/Remodeling	2004	8
3	Site Size	1.029	44,823
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	1	
6	Branded Food Service (0=No, 1=Yes)	1	
7	Branded Food Service Square Feet	1,500	
8	Site Value	$500,000	$11.15
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	15,000	

SOURCE: Property & Operations Survey and/orTax Assessor's Statement

Enter the size of the site in acres.

The size of the site is used in a second-tier calculation in estimating the value of the site. This entry does not have a direct relationship to the calculation of projected EBIDTA. So, the estimated values will not usually change in direct proportion to this entry. Excess marketable land is not included in the entry. For example, if a study location was situated on a 2 acre site, yet only one acre was used by the store and the other acre was undeveloped, enter only one acre. The value of excess marketable land is always estimated separately and added to the final value conclusion by the user. For sites smaller than one acre, enter decimal equivalent. For all site sizes entered, PetroMARK® will show the equivalent size in square feet in the adjacent block column to the right of the entry.

4. Fueling Positions



INPUT PANEL			
	Subject Property		
1	Store Building Size	2,520	
2	Date of Construction/Remodeling	2004	8
3	Site Size	1,029	44,823
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	1	
6	Branded Food Service (0=No, 1=Yes)	1	
7	Branded Food Service Square Feet	1,500	
8	Site Value	$500,000	$11.15
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	15,000	

SOURCE: Property & Operations Survey and/or Tax Assessor's Statement

Enter the total number of fueling positions. PetroMARK® uses this entry as one of variables in calculating "Projected Gallonage." Fueling positions is the number of vehicles that can receive fuel at the same time. Typically a dispenser is two-sided allowing two fueling positions for every dispenser. For example, a store with four fueling dispensers would usually have eight fueling positions. Fueling positions is a better metric than "number of hoses" or "number of dispensers" because fueling positions determines the peak hour fueling capacity of the business. The other descriptions do not and can vary. For instance, some dispensers have one hose, while others have two, three, or four. Yet, the number of fuel positions does not change and is not affected by these other characteristics of the dispensers. Occasionally, dispensers can be arranged in-line where two dispensers only service one fuel position. So, the number of dispensers should be used as the input variable.

5. Carwash

INPUT PANEL			
	Subject Property		
1	Store Building Size	2,520	
2	Date of Construction/Remodeling	2004	8
3	Site Size	1.029	44,823
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	1	
6	Branded Food Service (0=No, 1=Yes)	1	
7	Branded Food Service Square Feet	1,500	
8	Site Value	$500,000	$11.15
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	15,000	

SOURCE: Property & Operations Survey and/or Tax Assessor's Statement

Enter "0" for "No" and "1" for "Yes".

The type of carwash is not distinguished by PetroMARK®. An exterior rollover wash is the base value ----- in the valuation model. Tunnel washes are more costly and self-serve wand washes are less costly. However, the entry is used in the calculation of replacement cost and not in the more important calculation of adjusted EBIDITA. "Forecasted Car Wash Sales" is the more important entry and this entry has a direct impact on the value estimate.

Figure 1 Typical exterior roll-over car wash

6. Branded Food Service

INPUT PANEL			
	Subject Property		
1	Store Building Size	2,520	
2	Date of Construction/Remodeling	2004	8
3	Site Size	1.029	44,823
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	1	
6	Branded Food Service (0=No, 1=Yes)	1	
7	Branded Food Service Square Feet	1,500	
8	Site Value	$500,000	$11.15
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	15,000	

SOURCE: Property & Operations Survey

Enter a "0" for "No" and a "1" for "Yes".

The entry here for "Branded Food Service" is used by PetroMARK® in calculating the replacement cost of the equipment. This entry is not directly used in estimating the contribution value of the study location's food service, which is addressed below with "Forecasted Food Service Sales."

Figure 2 Example of branded food service.

7. Branded Food Service Square Feet

INPUT PANEL			
	Subject Property		
1	Store Building Size	2,520	
2	Date of Construction/Remodeling	2004	8
3	Site Size	1.029	44,823
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	1	
6	Branded Food Service (0=No, 1=Yes)	1	
7	Branded Food Service Square Feet	1,500	
8	Site Value	$500,000	$11.15
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	15,000	

SOURCE: Property & Operations Survey

For branded food service, enter the gross floor area in square feet.

This entry should only include separate, nationally-co-branded, dedicated food service space, such as McDonalds®, Burger King®, Taco Bell®, etc. This type of space is a separate profit center from merchandise sales , and is often in the form of a quick-serve restaurant (QSR), or 2-in-1 (a full-size add-on). This space will have dining, service and kitchen space, and often a separate drive-up window.

PetroMARK® uses this entry in calculating the food service sales as a separate portion of annual gross sales and for estimating cost new of the building.

Figure 3 Branded food service with dedicated floor space.

8. Site Value

INPUT PANEL			
	Subject Property		
1	Store Building Size	2,520	
2	Date of Construction/Remodeling	2004	8
3	Site Size	1.029	44,823
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	1	
6	Branded Food Service (0=No, 1=Yes)	1	
7	Branded Food Service Square Feet	1,500	
8	Site Value	$500,000	$11.15
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	15,000	

SOURCE: Property & Operations Survey and/or Tax Assessor's Statement

Enter the estimate for value of the site.

This input is not used in estimating adjusted EBIDTA. "Site Value" is a secondary input for estimating a replacement value of the real estate and plays a role in the algorithm in calculating economic profit. In most cases, it is not critically important that this entry is precise. To be within 20% high or low of the actual fair market value of the site is usually sufficient. Sources for this entry can include the owner's opinion, the PetroMARK® Property & Operations Survey, or the tax assessed value.

This entry should reflect the value of the site at its highest and best use as thought vacant. The type, age or condition of the improvements has no effect on the value of the underlying site. The value of excess marketable land is not included. Include only that value of the portion of the land utilized by the business operation. For example, if the study location includes two acres valued at $100,000 per acre and only one acre was utilized by the business, then one acre would be considered as excess marketable land. In this instance only $100,000 would be entered into PetroMARK®. The other $100,000 value of the excess marketable land would be added by the user as property value over and above the final indications of PetroMARK®.

9. Access

INPUT PANEL			
	Subject Property		
1	Store Building Size	2,520	
2	Date of Construction/Remodeling	2004	8
3	Site Size	1.029	44,823
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	1	
6	Branded Food Service (0=No, 1=Yes)	1	
7	Branded Food Service Square Feet	1,500	
8	Site Value	$500,000	$11.15
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	15,000	

SOURCE: Property & Operations Survey
Enter “1” for fair, “2” for average and “3” for good.

The entry for “access” pertains to the ease or difficulty for a customer to leave the direction of travel, enter the property, and re-gain access to the direction of travel. Right-hand turning movements are easier for customers than left-hand turns. An entry of ‘2” is considered average. Poorer than average should be rated “1”. For example, a mid-block location on a street with a raised median restricts the return to travel in only one direction. Corner locations generally have better access than mid-block locations.
If the quality of access is unknown to the user, then use “2”.

10. Visibility

INPUT PANEL			
	Subject Property		
1	Store Building Size	2,520	
2	Date of Construction/Remodeling	2004	8
3	Site Size	1.029	44,823
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	1	
6	Branded Food Service (0=No, 1=Yes)	1	
7	Branded Food Service Square Feet	1,500	
8	Site Value	$500,000	$11.15
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	15,000	

SOURCE: Property & Operations Survey
Enter "1" for fair, "2" for average and "3" for good.

A qualitative factor for visibility is entered to reflect signage visibility from the roadway. Customers generally require a 7-second reaction time to safely enter a retail location. If the quality of the study location's visibility is known, enter the appropriate rating. Otherwise, enter "2" for average.

11. Day Parts

INPUT PANEL			
	Subject Property		
1	Store Building Size	2,520	
2	Date of Construction/Remodeling	2004	8
3	Site Size	1.029	44,823
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	1	
6	Branded Food Service (0=No, 1=Yes)	1	
7	Branded Food Service Square Feet	1,500	
8	Site Value	$500,000	$11.15
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	15,000	

SOURCE: Property & Operations Survey

Some locations benefit from nearby customer generators or commuter routes. Day Parts refers to the time of day when peak customer counts occurs. For example, a study location on the going-to-home side of a commuter route would likely have a strong morning day part and be rated “3”. A study location that drew a large number of customers from an adjacent factory during the lunch hour might have a strong lunch-time day part.

If the user does not know the particular strength of the study location’s day part, then use “2”.

12. Traffic Volume

INPUT PANEL			
	Subject Property		
1	Store Building Size	2,520	
2	Date of Construction/Remodeling	2004	8
3	Site Size	1.029	44,823
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	1	
6	Branded Food Service (0=No, 1=Yes)	1	
7	Branded Food Service Square Feet	1,500	
8	Site Value	$500,000	$11.15
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	15,000	

SOURCE: PetroMARK® Trade Area Module: Traffic Count, Close-Up Map

Enter the traffic volume as "vehicles-per-day".

Higher traffic counts are usually associated with higher sales volumes of motor fuel and in-store sale. About 15,000 vehicles per day are considered average for a convenience store.

Enter the traffic volume for the fronting street as shown on ESRI's® "Traffic Volume Close-Up" report from the printout in the Trade Area module.
Study locations fronting on roadways with a raised median: only the traffic on the store-site of the median should be considered.
Corner location benefits from traffic on two streets. However, remember that intersections with predominate turning movement may include the same vehicles passing from one side of the store to the other. It is important in these instances not to double-count.

13. ESRI Supply/Demand

	Trade Area		
13	ESRI Supply/Demand	1	
14	Retail Spending Index	1	
15	Hypermarket Threat	0	
16	Local Population	10,000	0.97
17	Local Fuel Retailers	5	
18	Highway Location (0=No, 1=Yes)	0	

SOURCE: PetroMARK® Trade Area Module: ESRI's® *Retail Marketplace Report*

Enter the supply/demand ratio as shown on ESRI's® the Retail Marketplace Profile printout from the Trade Area Analysis Module.

This input variable is used as a coefficient in the projection of earnings for the study location.

The default entry is "1", indicating that supply and demand in the trade area is in-balance.

14. Retail Spending Index

	Trade Area		
13	ESRI Supply/Demand	1	
14	Retail Spending Index	1	
15	Hypermarket Threat	0	
16	Local Population	10,000	0.97
17	Local Fuel Retailers	5	
18	Highway Location (0=No, 1=Yes)	0	

SOURCE: PetroMARK® Trade Area Module: ESRI's® *Retail Marketplace Report*

This input variable measures the propensity, or liklihood for residents in the study location's trade area to shop at convenience stores based on the demographic make-up of the residents within the trade area. Factors such as age and median income levels are already included in this index.

Enter the Retail spending Index shown on the ESRI's "Retail Marketplace Profile" printout from the Trade Area Analysis Module.

The default entry is "1" which indicates that the Retail Spending Index for the trade area is at the national average.

15. Hypermarket Threat

	Trade Area		
13	ESRI Supply/Demand	1	
14	Retail Spending Index	1	
15	Hypermarket Threat	0	
16	Local Population	10,000	0.97
17	Local Fuel Retailers	5	
18	Highway Location (0=No, 1=Yes)	0	

SOURCE: Property & Operations Survey and/or Google Earth®: "Find Businesses" tab: gas stations

Hypermarket competition is an important consideration in the valuation of any retail fuel property. Hypermarkets are large discount retailers or grocery chains that sell retail motor fuel at a significant discount from the average street price. Hypermarkets with 2 miles or a 3-minute drive-time of the study location have a negative influence on market value. Enter "1" if a hypermarket is located within these ranges. Enter "0" if no hypermarket thread exists. The determination of a hypermarket threat can be sourced from the completed Evaluation Survey or from Google earth. In using Google earth, entering "gas stations" under the business search tab will reveal hypermarket brands such as Murphy, Costco, HEB, etc.

16. Local Population

	Trade Area		
13	ESRI Supply/Demand	1	
14	Retail Spending Index	1	
15	Hypermarket Threat	0	
16	Local Population	10,000	0.97
17	Local Fuel Retailers	5	
18	Highway Location (0=No, 1=Yes)	0	

SOURCE: PetroMARK® Trade Area Module: ESRI's® *Retail Marketplace Report*

The local population entry is a measure of demand that originates from the resident population within the trade area. This figure can be taken from the ESRI® Retail Marketplace Profile printout n the Trade Area Module.

For communities of less than 5,000 population, use the entire population of the community as the entry here.

17. Local Fuel Retailers

	Trade Area		
13	ESRI Supply/Demand	1	
14	Retail Spending Index	1	
15	Hypermarket Threat	0	
16	Local Population	10,000	0.97
17	Local Fuel Retailers	5	
18	Highway Location (0=No, 1=Yes)	0	

SOURCE: PetroMARK® Trade Area Module: ESRI's® *Retail Marketplace Report*

The aggregate number of competitors plus the study location is the quantified measure of the supply of retail fuel properties within the trade area. The greater the supply, the less customer demand for the study location, all other factors being equal, and the lower the market value.

All retail fuel locations within the trade area should be captured in this entry. If, for example, five competitive fuel retailers are present, then enter "6" which includes the study location. Hypermarkets are accounted for in the separate entry and are not entered here. The number of competing retailers can be sourced from the completed PetroMARK® Property & Operations Survey, Google Earth® or the ESRI® Retail Marketplace Profile Report printout from the Trade Area Analysis Module.

Merchandise-only convenience stores that do not sell motor fuel are not included.

18. Highway Location

	Trade Area		
13	ESRI Supply/Demand	1	
14	Retail Spending Index	1	
15	Hypermarket Threat	0	
16	Local Population	10,000	0.97
17	Local Fuel Retailers	5	
18	Highway Location (0=No, 1=Yes)	0	

SOURCE: PetroMARK® Trade Area Module: ESRI's® *Retail Marketplace Report*

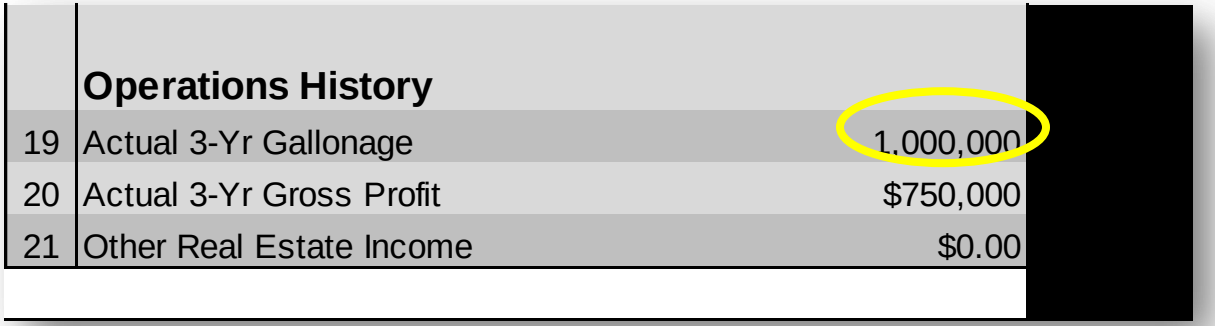
This input variable distinguishes urban and suburban locations from highway locations. Highway locations are usually not dependent upon nearby resident population. Because of this, PetroMARK® will give less weight to the resident population as a driver of demand when a highway location is indicated.

For urban and suburban locations the resident population within the trade area is an important factor in estimating demand for the study location.
If the study location is a highway location and is more dependent on the pass-by traffic on the highway, then enter "1", otherwise enter "0".

OPERATIONS HISTORY

The completed PetroMARK® Property & Operations Survey is the source for the operations history of the property. These entries are not used in the valuation calculations, but are important benchmarks for comparison. It is not unusual for the actual historic operating numbers to vary -25% to +25% of PetroMARK's ® projections, because PetroMARK® projects the study location's operation as though under typical management, not under current management

19. Actual 3-Yr Gallonage

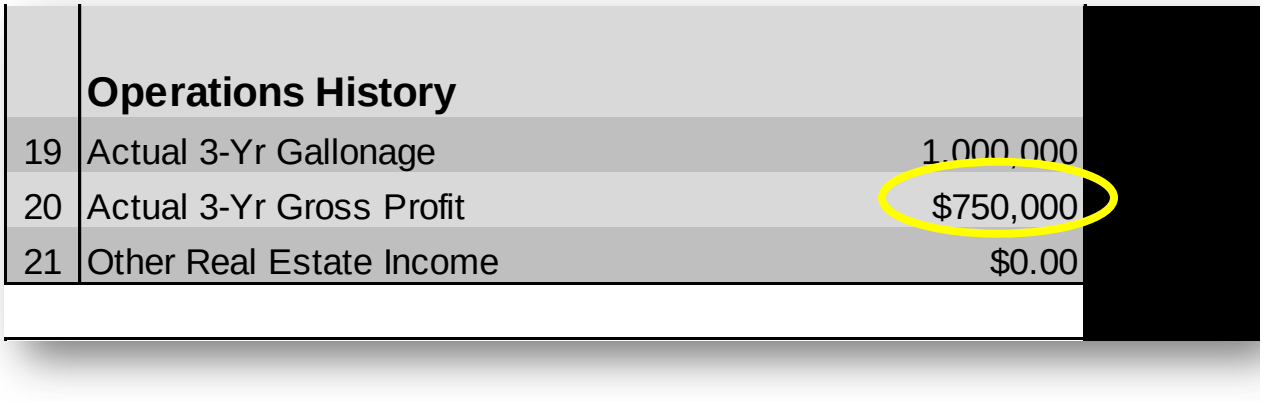


	Operations History	
19	Actual 3-Yr Gallonage	1,000,000
20	Actual 3-Yr Gross Profit	$750,000
21	Other Real Estate Income	$0.00

SOURCE: Property & Operations Survey

Enter the actual average annual motor fuel gallons sold. This figure is provided on the completed PetroMARK® Property & Operations Survey. An average is a better reflection of current operations because fuel sales can vary from year to year. Include all grades of motor fuel (including diesel) in this entry.

20. Actual 3-Yr Gross Profit



	Operations History	
19	Actual 3-Yr Gallonage	1,000,000
20	Actual 3-Yr Gross Profit	$750,000
21	Other Real Estate Income	$0.00

SOURCE: Property & Operations Survey

This entry is taken from the completed PetroMARK® Property & Operations Survey. Gross profit is a fundamental measure of performance. It is gross sales less cost of goods sold. Gross profit usually varies from year-to-year, so the average or typical level is entered here. This entry is used to compare PetroMARK's® forecasted gross profit under typical management to the operator's actual gross profit.

This entry is taken from the PetroMARK® Survey or the operator's financial statements.

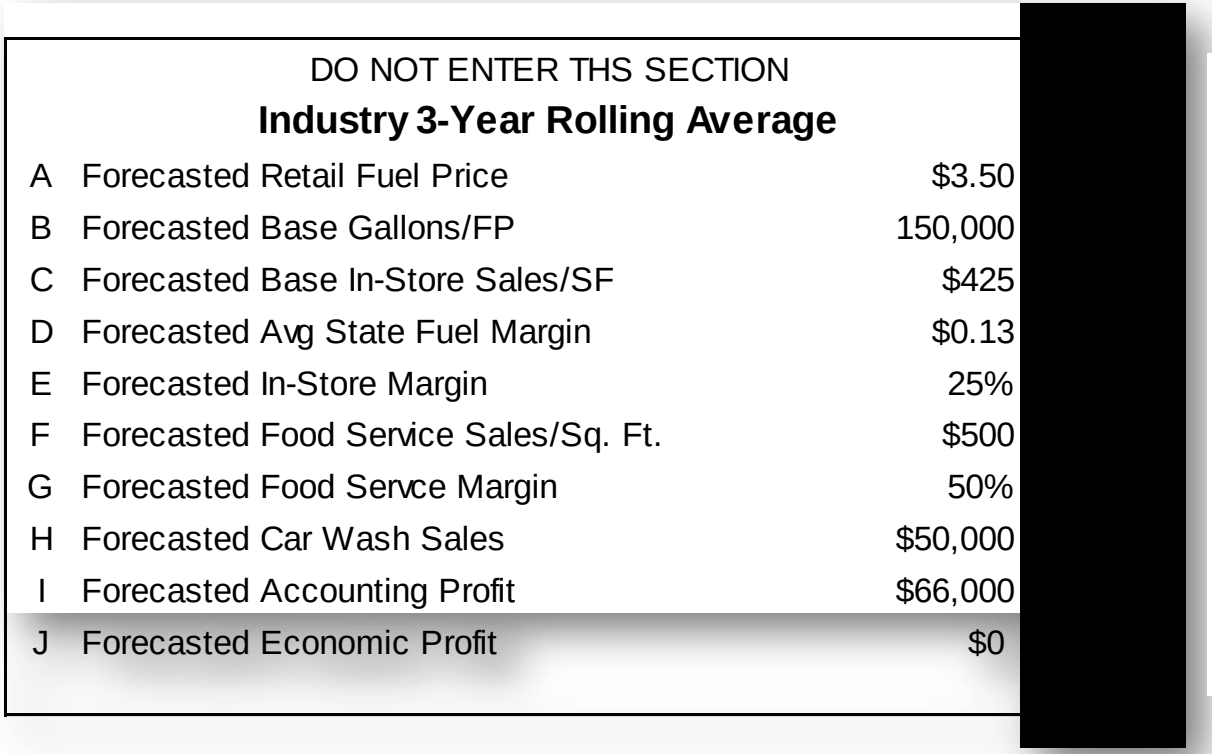
21. Other Real Estate Income

	Operations History	
19	Actual 3-Yr Gallonage	1,000,000
20	Actual 3-Yr Gross Profit	$750,000
21	Other Real Estate Income	$0.00

SOURCE: Property & Operations Survey

Other income, such as rental income, is entered here. The amount should be net to the operator. This entry is for non-business income earned by the property. Fuel, merchandise, food service, and car wash income should not be entered here. Rental income from on-site billboards, coffee kiosks, and other non-business lease income are typical items that are captured here. If no other property income is present then leave blank. Other businesses external to the property are not included.

INDUSTRY 3-YEAR ROLLING AVERAGE BASE SALES



DO NOT ENTER THS SECTION

Industry 3-Year Rolling Average

A	Forecasted Retail Fuel Price	$3.50
B	Forecasted Base Gallons/FP	150,000
C	Forecasted Base In-Store Sales/SF	$425
D	Forecasted Avg State Fuel Margin	$0.13
E	Forecasted In-Store Margin	25%
F	Forecasted Food Service Sales/Sq. Ft.	$500
G	Forecasted Food Servce Margin	50%
H	Forecasted Car Wash Sales	$50,000
I	Forecasted Accounting Profit	$66,000
J	Forecasted Economic Profit	$0

INDUSTRY 3-YEAR ROLLING AVERAGE BASE SALES

Do make changes to the pre-populated entries for A through J. These entries are provided to you as part of the PetroMARK® valuation model. Updates are made by C-Store Evaluations LLC once a year to these metrics from published industry sources, such as NACS *State of Industry Report*, Convenience Store News *Industry Report*, Bizminer®, First Research, and the OPIS *Retail Year in Review*, and others. We input a 3-year rolling coverage for most of these entries.

REAL ESTATE MARKET METRICS

DO NOT ENTER THS SECTION

Real Estate Market Metrics

K	OAR to Real Estate	8.1%
L	Land Capitalization Rate	6.0%
M	Gross Profit Multiplier	2.6

REAL ESTATE METRICS

Do make changes to the pre-populated entries for K through M. These entries are provided to you as part of the PetroMARK® valuation model. Updates are made by C-Store Evaluations LLC once a year to these metrics from published industry sources, such as Realty Rates®, the Appraisal Institute and other recognized industry sources.

the output panel

The Output Panel

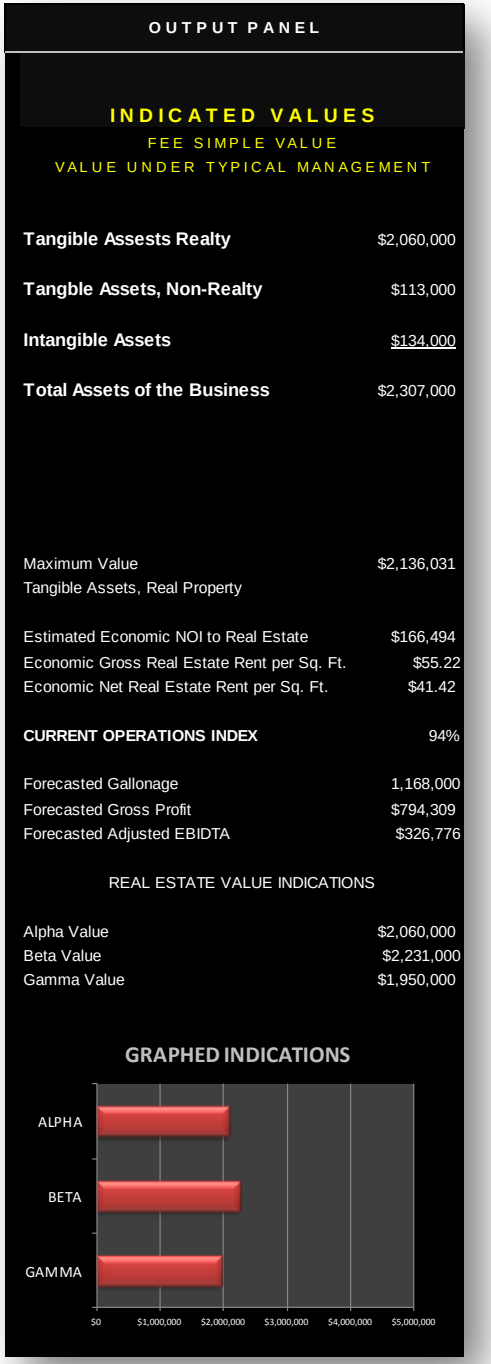
INDICATED VALUES
The current calculated values are shown in this panel. The calculations in PetroMARK® are completed instantaneously. So, changes to any input variable will produce immediate results to check the impact of the change on the valuation.
The three categories of assets for a retail convenience business are:

a. Tangible Assets, Realty
b. Tangible Assets, Non-Realty
c. Intangible Assets

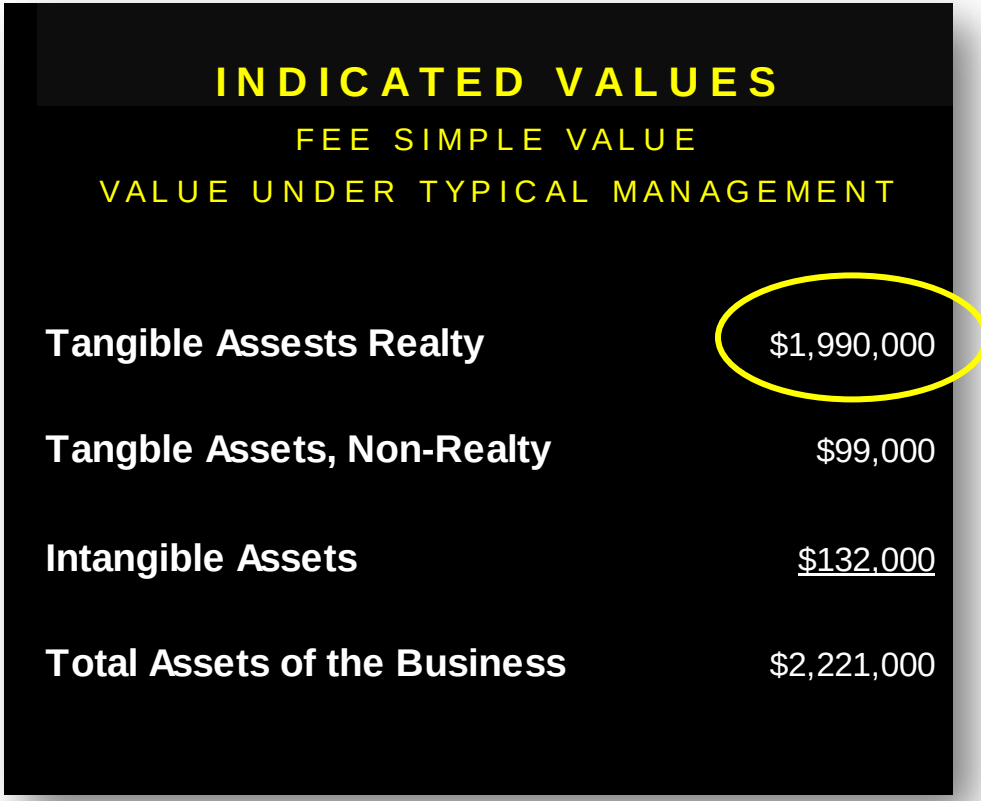
PetroMARK® computes these values under typical management. So, these figures are the equivalent valuation of the fee simple fair market value.

Nature of C-Store Asset Values

The real estate component is the largest-value asset, typically comprising 80% to 90% or more of the Total Assets of the Business. Tangible Assets, Non-Realty (FF&E) is usually 4% or less of the Total Assets of the Business, and Intangible Assets often make up about 10% to 20% of the Total Assets of the Business.

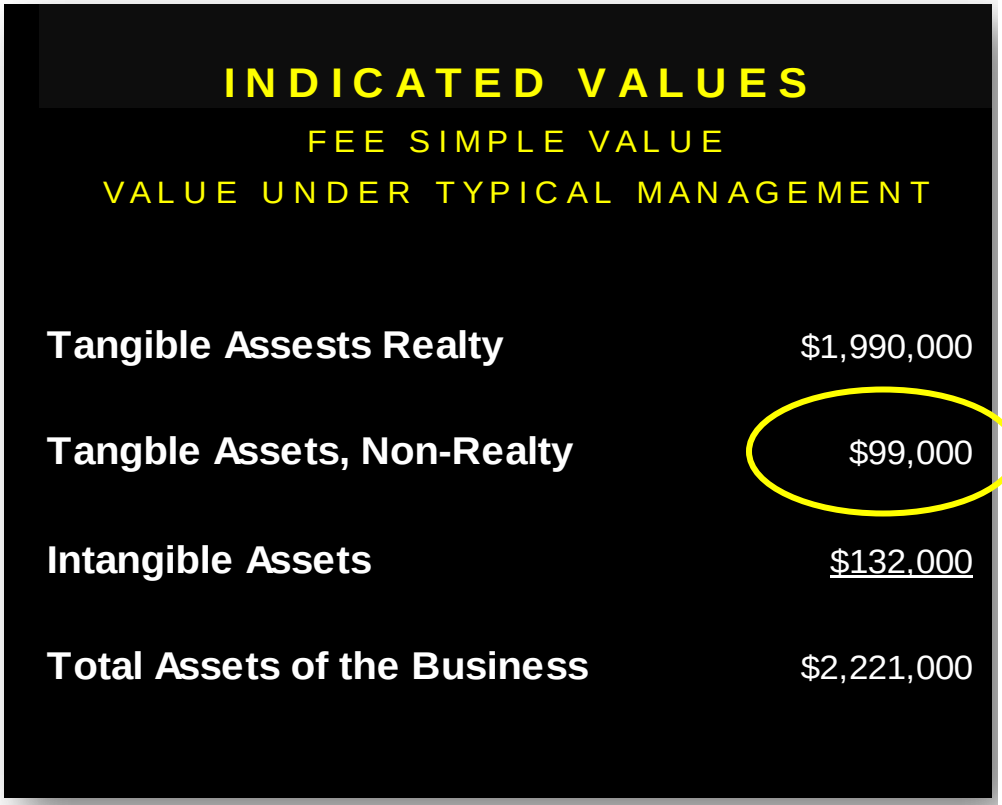


Tangible Assets Realty



TANGIBLE ASSETS, REALTY
This output value includes the site, store building, non-moveable coolers and freezers, built-in counters, fuel dispensers, canopy, underground fuel storage tanks and the associated electronic and piping. The car wash building and mechanism, if any, are also included here.
Moveable personal property, intangible business value and excess marketable land are not included.

Tangible Assets, Non-Realty



TANGIBLE ASSETS, NON-REALTY

Moveable personal property, or FF &E, used in the operating of the business is included in this output value. For example: cash registers, gondolas, shelving, hot dog rollers, free-standing coolers are included here. The printed report output itemizes the tangible assets, non-realty included in a typical store and also shows the age-life depreciation calculations used by Petro Mark to estimate value.

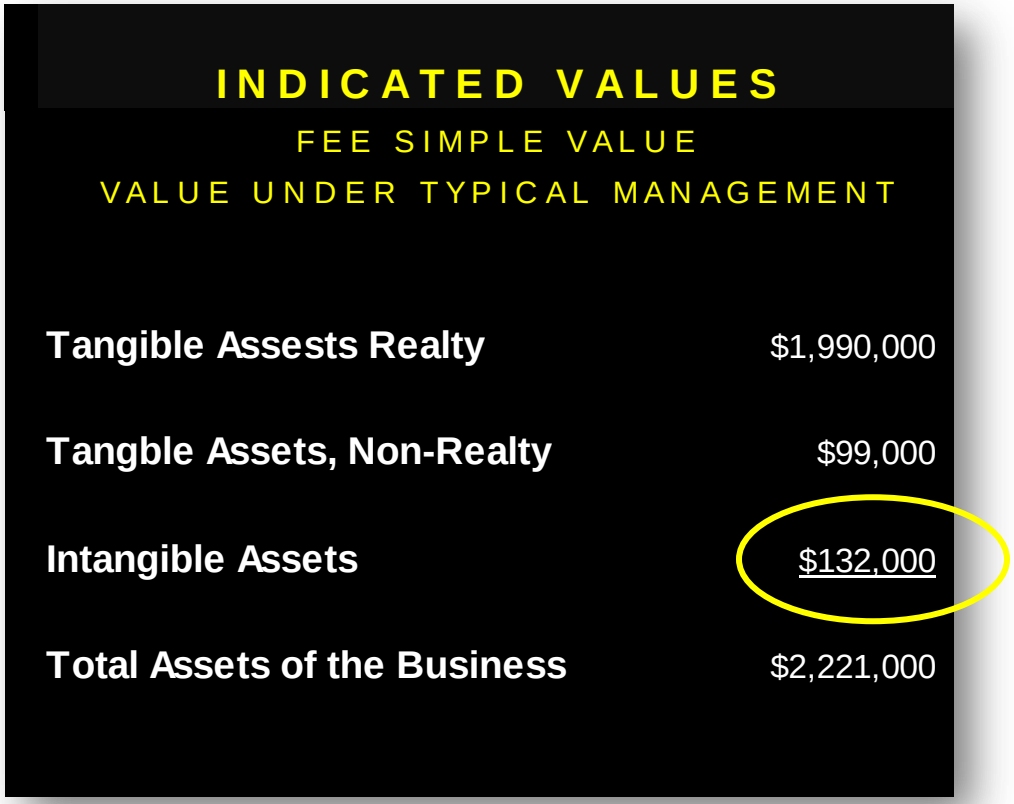
Food service equipment for a branded food service operation, if any, is included here if Entry 6 of the Input Panel is indicated.

If the store is more than 10 years old, then the FF& E is considered fully depreciated and a lump sum amount is figured as the value.

The associated FF&E itemization is included as part of the printed report.

Tangible assets, non-realty have a shorter economic life then the realty. Therefore, PetroMARK® uses a higher capitalization rate for estimating the value of this portion of the earnings stream.

Intangible Assets



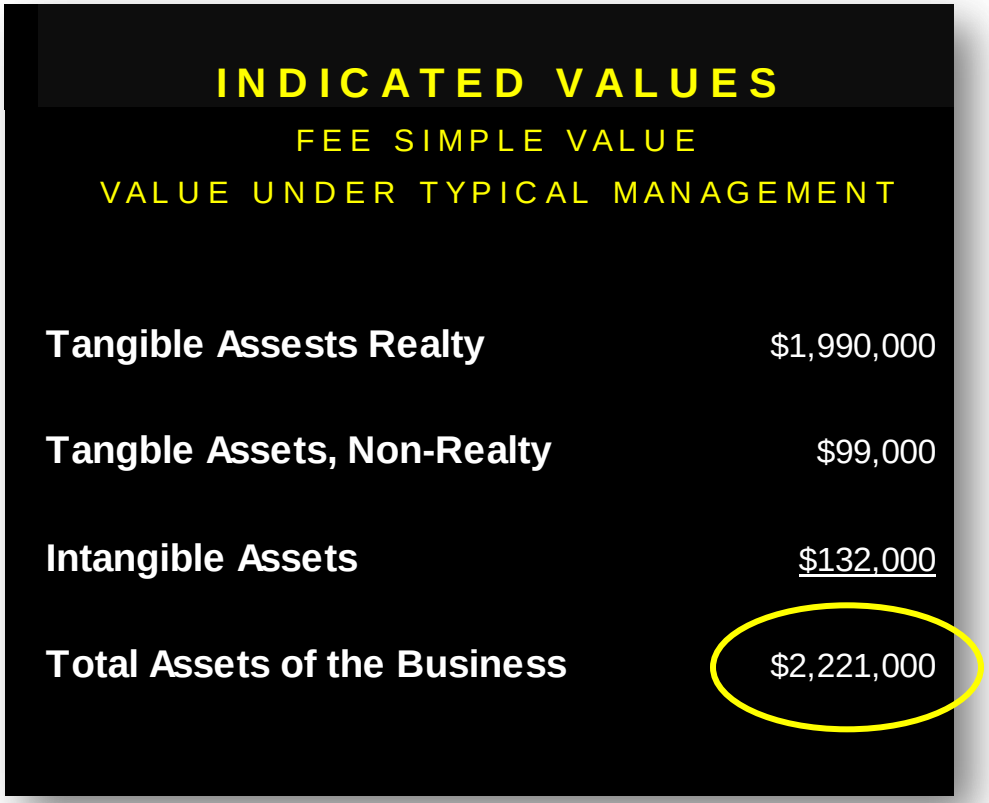
INTANGIBLE ASSETS

The value under typical management has an intangible component that is reflected in the current industry-average accounting profit. This is what the average store owner in the United States earns in the business over and above the claims on the tangible assets.

The intangible asset value can be higher than the indication from accounting profit alone, if market imbalances are present. Excess earnings from market imbalance are economic profit.

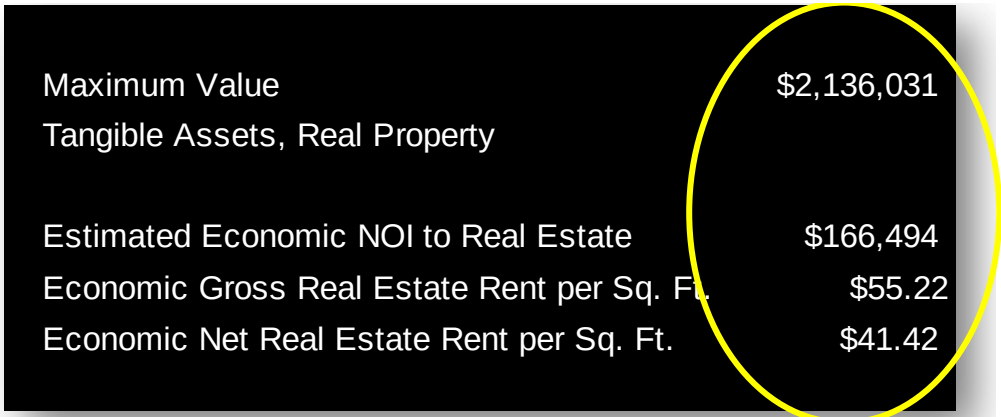
Petro Mark uses a series of algorithms and logic functions to estimate economic profit, if any, under typical management.

Total Assets of the Business



TOTAL ASSETS OF THE BUSINESS
The sum of the three asset categories, tangible assets, non-realty, and intangible assets, is the total assets of the business (TAB) or going concern value of the fee simple interest. This is the total value of assets under typical management.
Petro Mark's® model design produces value estimates for all three asset categories. Other models or valuation techniques relying on a sales regression cannot estimate the intangible asset component. Only an EBIDTA-based model, such as the one used by Petro Mark, can estimate all three asset categories.

Maximum Value and Economic Rent to Real Estate



Maximum Value
This output metric is the maximum possible value of the real estate (site, buildings, and fuel service) based upon replacement cost and the market value of the site.

PetroMARK's® algorithms do not allow the estimated value of the tangible assets, realty to exceed this figure.

This concept is consistent with the appraised principal of substitution, which states that a potential buyer would pay no more for a property than the cost of constructing a substitute property.

Estimated Economic NOI to Real Estate
The estimated Economic NOI to Real Estate is the allocation of the earnings residual to the real estate asset. This is the economic net operating income of the fee simple estate under typical management. This is the amount of income earned by the real estate after deducting all necessary operating costs and expenses, including management, property taxes, maintenance and reserves for the real estate. This is the portion earnings capitalized to calculate the value of the real estate assets.

The Economic Gross Real Estate Rent per Sq. Ft. is the potential gross rent to the real estate based on the total building size, including food service area.

The Economic Net Real Estate Rent per Sq. Ft. is the same as the Estimated NOI to Real Estate divided by the total store building size, including food service area. Car wash buildings and ancillary structures are not used in this calculation.

These economic earnings to the real estate are based on the earnings capacity of the physical assets at this location. These figures may or may not correspond to actual rent. However, any actual rent in excess of the economic rent reported here is over the amount that the business can justify.

Current Operations Index

CURRENT OPERATIONS INDEX

The Current Operations Index is a ratio of the annual gross profit of the current operator divided by PetroMARK®'s forecasted annual gross profit under typical management. This is a reliable measure of how well the current operator is performing relative to industry averages taking into account the physical assets and trade area characteristics of the study location.

Forecasted Gallonage, Gross Profit and NOI to Real Estate

Because PetroMARK® uses an earnings capitalization to estimate the value of the real estate, it is important for the user to know the economic performance measures forecasted from the input panel. The section below in the Output Panel provides a quick summary of these important conclusions.

FORECASTED GALLONAGE

Forecasted Gallonage is the annual projected sales of motor fuel expressed in gallons. Fuel sales tend to lead and drive the other profit centers of the business. Although any operator can increase gallonage by lowering the retail price of motor fuel and cutting margins, PetroMARK®'s projection is based on typical management for the location and may differ from the actual gallonage obtained by the current operator.

FORECASTED GROSS PROFIT

Gross Profit is a fundamental measure of economic performance that can be used to easily make comparisons to published industry averages or between locations. Gross Profit is calculated by subtracting the cost of goods sold from gross sales. Because it removes the effects of annual price inflation, it is a better performance measure than gross sales. It also equalizes comparisons of locations with different profit centers, such as food service and car washes. The output here is the forecasted annual Gross Profit for the study location under typical management.

FORECASTED ADJUSTED EBIDTA

Forecasted Adjusted EBIDTA is the economic earnings before interest, depreciation, taxes and amortization. This figure is calculated under typical management. Adjusted EBIDTA is calculated for valuation purposes without deductions for real estate-related expenses, such as property taxes and building maintenance, which are deducted later.

Real Estate Value Indications

The real estate component typically comprises 80% to 90% of the Total Assets of the Business, making it the most important aspect of the valuation. This section of the Output Panel provides a comparison of PetroMARKS's® indication of value for the real estate (Alpha Value) with two other comparative metrics of real estate value described below, the *Beta Value* and *Gamma Value*.

ALPHA VALUE

The Alpha Value is PetroMARKS's® estimate of value for the real estate. This is the same as the Tangible Assets, Realty indication shown above under "Indicated Values". This figure includes the site, store building(s), fuel service, and other real estate.

This is always the most reliable and important indication of value for the real estate. This estimate of value is based on a capitalization of earnings (EBIDTA) and is directly proportional to the earnings capacity of the property under typical management.

The Beta and Gamma Values are only shown for administrative comparison, and are not intended to override or replace the Alpha Value.

BETA VALUE

The Beta Value is an estimate of the value of the real estate based on an Automated Valuation Model (AVM). This AVM is a multiple regression analysis of over 100 sales of convenience store properties. The Coefficient of Determination (a measure of correlation) in this model is 93% and the Coefficient of Variation (a measure of error) is 11%.

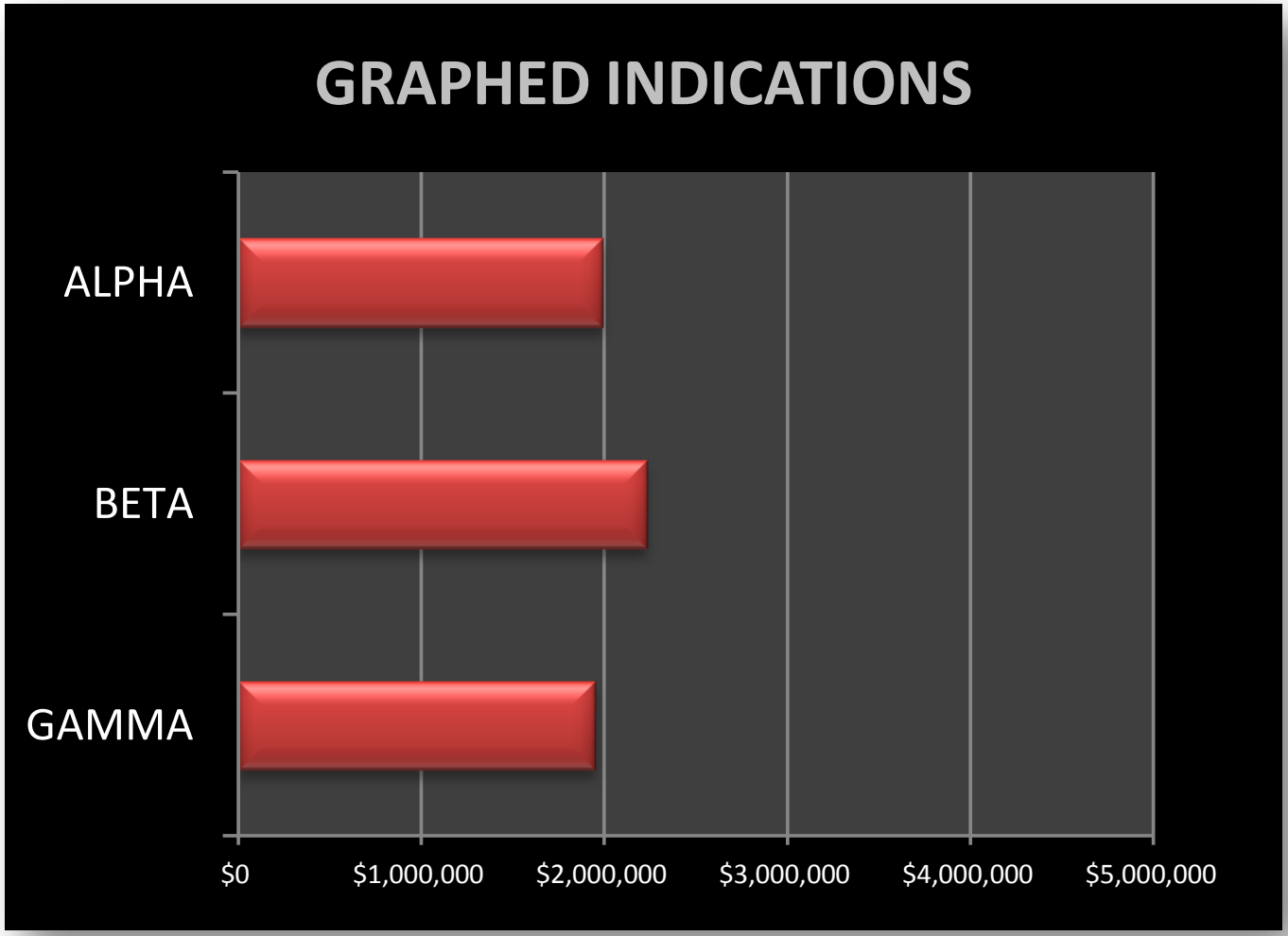
Because this multiple regression model is based on sale prices as the dependent variable, the model is a sales comparison approach, not an earnings-based approach. Because of this, the Beta Value shown here is entirely independent of the Alpha and Gamma Values.

GAMMA VALUE

This output is the calculated value of the real estate (site, site improvements, buildings, fuel service, and canopy) based on a capitalization of the average 3-year actual earnings of current operator. It is not the market value of the fee simple ownership under typical management. It corresponds to the current operation index and is reflexive of that entry. If the Gamma value is lower than the indicated fee simple value of the "tangible Assets, Realty," then the possibly exists that the earnings from the current operation are insufficient to amortize a mortgage loan issued at fee simple market value.

This output allows a simple administrative comparison of the probable value of the real estate under current earnings to the fee simple value of the real estate.

For easy visual reference, PetroMARK® automatically graphs the Alpha, Beta and Gamma Values at the bottom of the Output Panel.



the diagnostic ratios panel

The Diagnostic Ratios Panel

DIAGNOSTIC RATIOS PANEL

Three key ratios are shown in the Diagnostic Ratios Panel. The Diagnostic Ratios Panel is visible from the Input-Output page allowing current feed-back on the validity of the input variables.

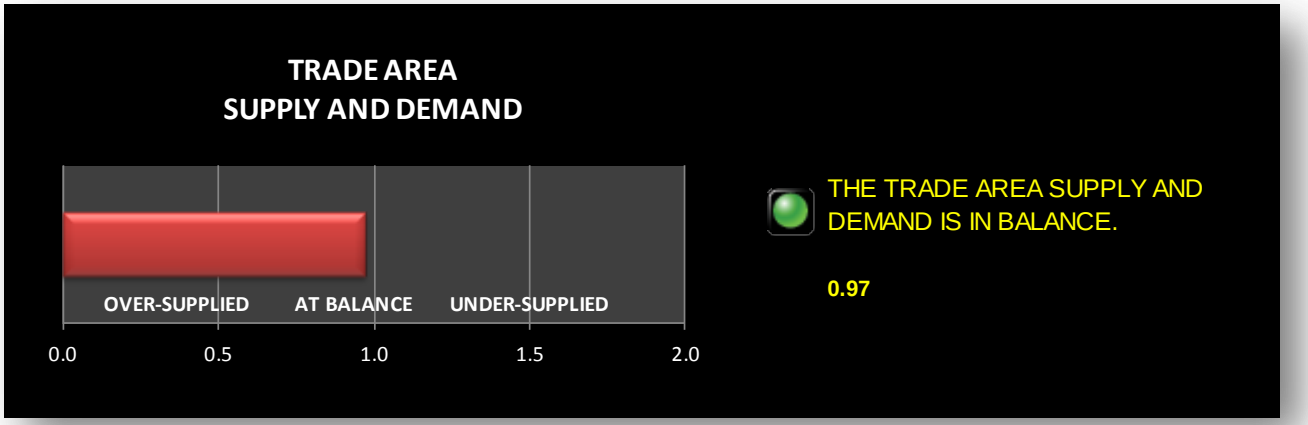
REAL ESTATE PRICE PER SQUARE FOOT

The first ratio is the "Price per Square Foot" of the real estate compared to the national average. The "Price per Square Foot" is the total value of the real estate, including the site, site improvements, store building, fuel service, and car wash, if any, divided by the gross size of the store building. This is a common measure of real estate value allowing an overall comparison to the last three years national average. The national averages are taken from published CoStar Sales Data.

This ratio includes all of the real estate, but not moveable personal property, such as food service equipment, nor intangible asset value.

Low indications of this ratio would be associated with older, under-performing stores, or stores in over-supplied trade areas.

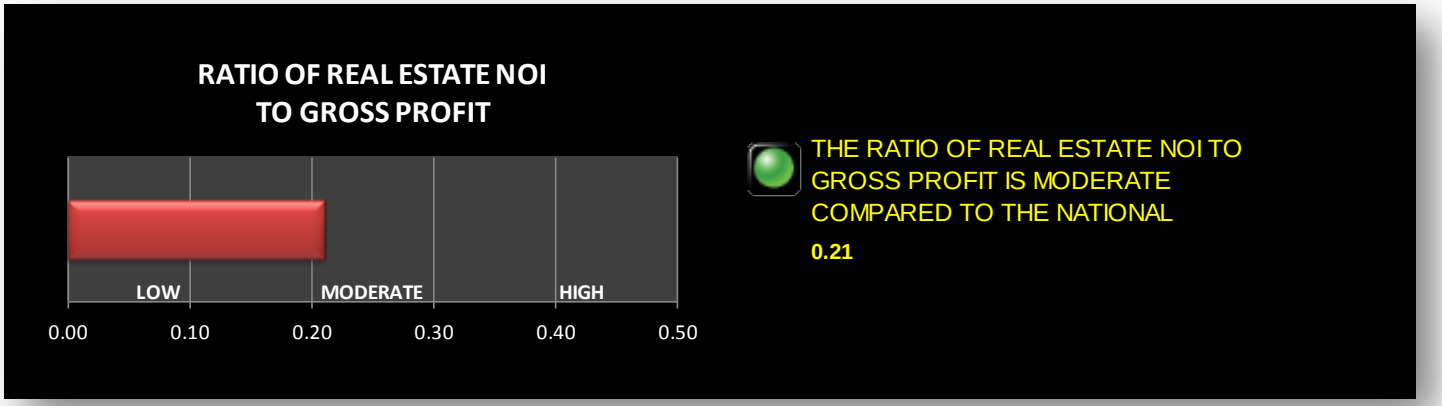
High ratios might be caused by stores with additional profit centers, such as car washes, or quick serve restaurants, or larger than average fuel service facilities.



TRADE AREA SUPPLY AND DEMAND

One of the most important ratios affecting market value, the Trade Area Supply and Demand Ratio shows the calculated location quotient for the primary trade area, which is usually the 3-minute drive-time. A location quotient between 0.75 and l.25 indicates the subject's primary trade area is in-balance, or similar to the population-to-store ratio of the national average. Location quotients below 0.50 are showing trade areas that are significantly over-supplied. Because sales levels and margins are reduced in over-supplied trade areas, the market value will also be lower. PetroMARK® uses a series of quadratic equations based upon our field experience with actual stores to estimate this impact on market value.

Likewise, location quotients above 1.25 indicate an under-supplied trade area and excess earning and higher market value will be evident in these locations.



RATIO OF REAL ESTATE NOI TO GROSS PROFIT

The Ratio of Real Estate NOI to Gross Profit is PetroMARK's® calculation of projected net operating income to the real estate divided by the forecasted Gross Profit. These forecasted amounts are based fee simple ownership and typical management.

Gross profit is one of the single-most important measures of financial strength. Gross profit is total gross sales less cost-of-goods-sold. Because it subtracts out the operator's wholesale cost of fuel and merchandise, gross profit:

(a) Removes the effects of inflation in comparing one year's economic performance to another.
(b) Equalizes the profit centers of the operation, such as branded food service and a car wash.

These characteristics allow quick and useful comparisons of one property to another or to the national average.

Based on our research, this ratio should be in the range from 0.17 to 0.27, with 0.21 as an average.

INDICATOR LIGHTS

Green, yellow and red indicator lights are formatted to alert the analyst to unusual observations. Unusual low or high indications may result from the nature of the study, location or may be attributable to an entry mistake.

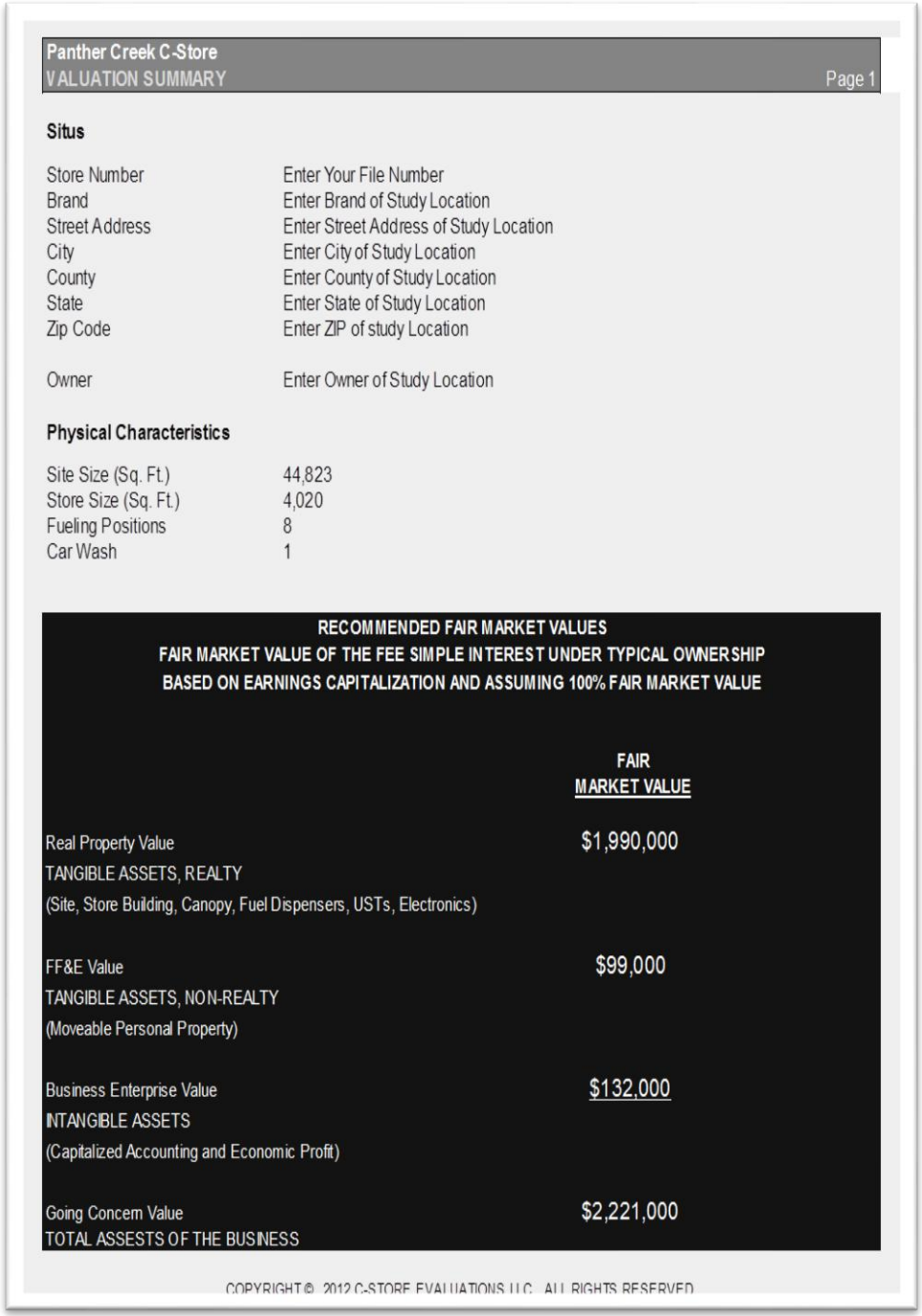
Consistency should usually be observed. For example, a low real estate price per square foot should be consistent with a low indication of gross profit, or an over-supplied trade area. On the other hand, it would be unusual to find a high real estate value per square foot in an over-supplied trade area.

A red light indicating an unusual observation is simply to alert the analyst of a potential inconsistency. The analyst should review the input variables whenever unusual observations are present.

the printed report

PetroMARK's 10-Page Printed evaluation Report

At the touch of a button, PetroMARK® produces a 10-page hard copy evaluation report meeting the file documentation requirements of the Interagency Guidelines for evaluation reports, as published by the FDIC. Let's look at each page of the PetroMARK® evaluation report.



Panther Creek C-Store
VALUATION SUMMARY Page 1

Situs

Store Number	Enter Your File Number
Brand	Enter Brand of Study Location
Street Address	Enter Street Address of Study Location
City	Enter City of Study Location
County	Enter County of Study Location
State	Enter State of Study Location
Zip Code	Enter ZIP of study Location
Owner	Enter Owner of Study Location

Physical Characteristics

Site Size (Sq. Ft.)	44,823
Store Size (Sq. Ft.)	4,020
Fueling Positions	8
Car Wash	1

RECOMMENDED FAIR MARKET VALUES
FAIR MARKET VALUE OF THE FEE SIMPLE INTEREST UNDER TYPICAL OWNERSHIP
BASED ON EARNINGS CAPITALIZATION AND ASSUMING 100% FAIR MARKET VALUE

	FAIR MARKET VALUE
Real Property Value TANGIBLE ASSETS, REALTY (Site, Store Building, Canopy, Fuel Dispensers, USTs, Electronics)	$1,990,000
FF&E Value TANGIBLE ASSETS, NON-REALTY (Moveable Personal Property)	$99,000
Business Enterprise Value INTANGIBLE ASSETS (Capitalized Accounting and Economic Profit)	$132,000
Going Concern Value TOTAL ASSESTS OF THE BUSINESS	$2,221,000

PetroMARKS's® PRINTED EVALUATION REPORT
Page 1 *Summary*

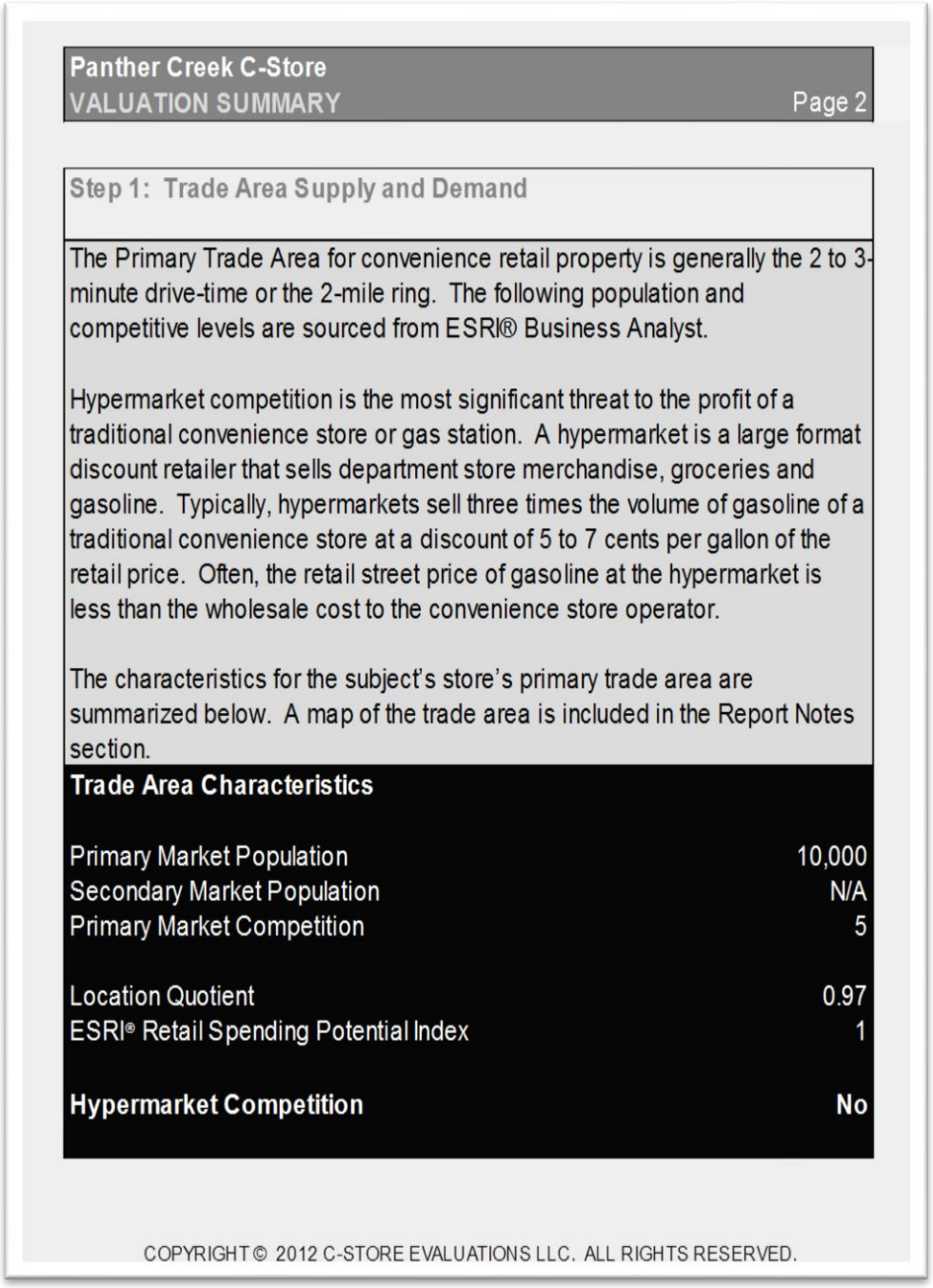
Page 1 is a summary showing the address and ownership data under "situs" and some of the important physical characteristics of the study location under "Physical Characteristics".

The black panel summarizes the estimated values of the three asset classes:

1. Tangible Assets, Realty - This is all real property including the site, site improvements, store building, fuel service and car wash, if any.
2. FF&E Value – Includes all moveable personal property used in the operation of the business such as cash registers, shelving, and moveable refrigerated display cases. This value is based upon depreciated replacement cost and an itemization is included on Page 10.
3. Intangible Assets – Intangible assets, or business enterprise, value XXXX arises from excess earnings over that amount necessary to provide an economic return to the tangible assets. This is a summary of the capitalized allocations to the accounting and economic profit on Page 5.

Together the tangible assets, realty, tangible assets, non-realty, and intangible assets are the Total Assets of the business or Going Concern Value.

All of these reported values are assuming fee simple ownership under typical management. These values are not based on the current operations of the owner and are not dependent on current branding, operations, or supply contracts.



Panther Creek C-Store
VALUATION SUMMARY Page 2

Step 1: Trade Area Supply and Demand

The Primary Trade Area for convenience retail property is generally the 2 to 3-minute drive-time or the 2-mile ring. The following population and competitive levels are sourced from ESRI® Business Analyst.

Hypermarket competition is the most significant threat to the profit of a traditional convenience store or gas station. A hypermarket is a large format discount retailer that sells department store merchandise, groceries and gasoline. Typically, hypermarkets sell three times the volume of gasoline of a traditional convenience store at a discount of 5 to 7 cents per gallon of the retail price. Often, the retail street price of gasoline at the hypermarket is less than the wholesale cost to the convenience store operator.

The characteristics for the subject's store's primary trade area are summarized below. A map of the trade area is included in the Report Notes section.

Trade Area Characteristics

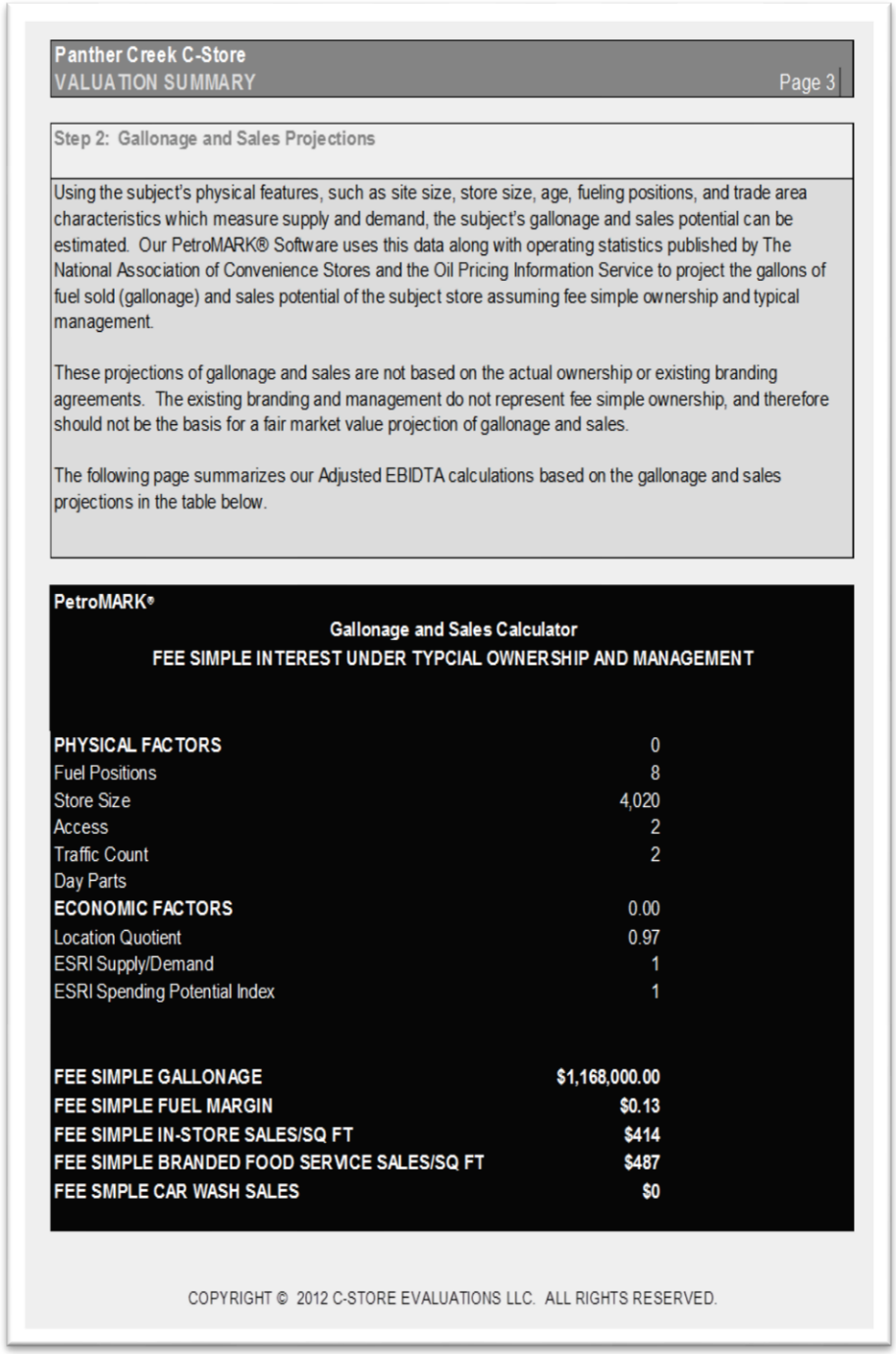
Primary Market Population	10,000
Secondary Market Population	N/A
Primary Market Competition	5
Location Quotient	0.97
ESRI® Retail Spending Potential Index	1
Hypermarket Competition	**No**

PetroMARKS's® PRINTED EVALUATION REPORT
Page 2 ***Step 1: Trade Area Supply and Demand***

Page 2 begins with a description of the primary trade area and also includes a discussion of hypermarket competition. The supply and demand characteristics and hypermarket competition of the trade are are critically important elements in determining the market value of any specially-built property such as a gas station or convenience store.

PetroMARK® explicitly includes these important trade area characteristics in estimating the value of the study location.

The Trade Area characteristics panel on page 2 summarizes the characteristics of the trade area. All of these variables are used in calculation of forecasted earnings.



Panther Creek C-Store
VALUATION SUMMARY Page 3

Step 2: Gallonage and Sales Projections

Using the subject's physical features, such as site size, store size, age, fueling positions, and trade area characteristics which measure supply and demand, the subject's gallonage and sales potential can be estimated. Our PetroMARK® Software uses this data along with operating statistics published by The National Association of Convenience Stores and the Oil Pricing Information Service to project the gallons of fuel sold (gallonage) and sales potential of the subject store assuming fee simple ownership and typical management.

These projections of gallonage and sales are not based on the actual ownership or existing branding agreements. The existing branding and management do not represent fee simple ownership, and therefore should not be the basis for a fair market value projection of gallonage and sales.

The following page summarizes our Adjusted EBIDTA calculations based on the gallonage and sales projections in the table below.

PetroMARK®

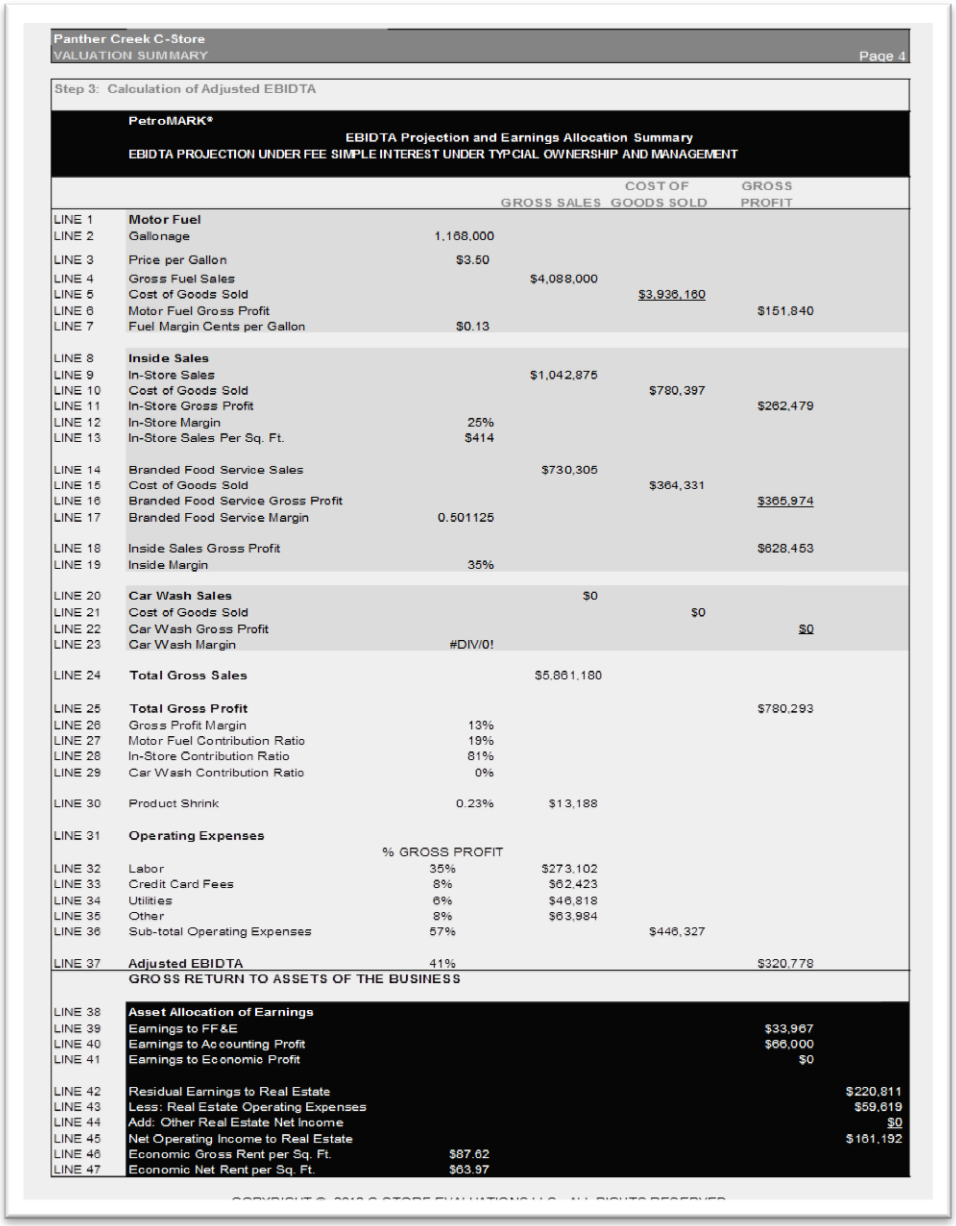
Gallonage and Sales Calculator

FEE SIMPLE INTEREST UNDER TYPCIAL OWNERSHIP AND MANAGEMENT

PHYSICAL FACTORS	0
Fuel Positions	8
Store Size	4,020
Access	2
Traffic Count	2
Day Parts	
ECONOMIC FACTORS	0.00
Location Quotient	0.97
ESRI Supply/Demand	1
ESRI Spending Potential Index	1
FEE SIMPLE GALLONAGE	**$1,168,000.00**
FEE SIMPLE FUEL MARGIN	**$0.13**
FEE SIMPLE IN-STORE SALES/SQ FT	**$414**
FEE SIMPLE BRANDED FOOD SERVICE SALES/SQ FT	**$487**
FEE SMPLE CAR WASH SALES	**$0**

PetroMARKS's® PRINTED EVALUATION REPORT
Page 3 *STEP 2. Gallonage and Sales Projections*

Page 3 describes how the physical characteristic of the study location, such as store size and number of fueling positions, and the trade area characteristics are used to forecast sales and margins for the study location. The forecasted fee simple sales and margins are summarized in the lower section of the panel. These economic projections are carried forward to the calculation of EBIDTA under simple ownership.



Panther Creek C-Store
VALUATION SUMMARY
Page 4

Step 3: Calculation of Adjusted EBIDTA

PetroMARK*
EBIDTA Projection and Earnings Allocation Summary
EBIDTA PROJECTION UNDER FEE SIMPLE INTEREST UNDER TYPICAL OWNERSHIP AND MANAGEMENT

			GROSS SALES	COST OF GOODS SOLD	GROSS PROFIT	
LINE 1	**Motor Fuel**					
LINE 2	Gallonage	1,168,000				
LINE 3	Price per Gallon	$3.50				
LINE 4	Gross Fuel Sales		$4,088,000			
LINE 5	Cost of Goods Sold			$3,936,160		
LINE 6	Motor Fuel Gross Profit				$151,840	
LINE 7	Fuel Margin Cents per Gallon	$0.13				
LINE 8	**Inside Sales**					
LINE 9	In-Store Sales		$1,042,875			
LINE 10	Cost of Goods Sold			$780,397		
LINE 11	In-Store Gross Profit				$262,479	
LINE 12	In-Store Margin	25%				
LINE 13	In-Store Sales Per Sq. Ft.	$414				
LINE 14	Branded Food Service Sales		$730,305			
LINE 15	Cost of Goods Sold			$364,331		
LINE 16	Branded Food Service Gross Profit				$365,974	
LINE 17	Branded Food Service Margin	0.501125				
LINE 18	Inside Sales Gross Profit				$628,453	
LINE 19	Inside Margin	35%				
LINE 20	**Car Wash Sales**		$0			
LINE 21	Cost of Goods Sold			$0		
LINE 22	Car Wash Gross Profit				$0	
LINE 23	Car Wash Margin	#DIV/0!				
LINE 24	**Total Gross Sales**		$5,861,180			
LINE 25	**Total Gross Profit**				$780,293	
LINE 26	Gross Profit Margin	13%				
LINE 27	Motor Fuel Contribution Ratio	19%				
LINE 28	In-Store Contribution Ratio	81%				
LINE 29	Car Wash Contribution Ratio	0%				
LINE 30	Product Shrink	0.23%	$13,188			
LINE 31	**Operating Expenses**	% GROSS PROFIT				
LINE 32	Labor	35%	$273,102			
LINE 33	Credit Card Fees	8%	$62,423			
LINE 34	Utilities	6%	$46,818			
LINE 35	Other	8%	$63,984			
LINE 36	Sub-total Operating Expenses	57%		$446,327		
LINE 37	**Adjusted EBIDTA**	41%			$320,778	
	GROSS RETURN TO ASSETS OF THE BUSINESS					
LINE 38	**Asset Allocation of Earnings**					
LINE 39	Earnings to FF&E				$33,967	
LINE 40	Earnings to Accounting Profit				$66,000	
LINE 41	Earnings to Economic Profit				$0	
LINE 42	Residual Earnings to Real Estate					$220,811
LINE 43	Less: Real Estate Operating Expenses					$59,619
LINE 44	Add: Other Real Estate Net Income					$0
LINE 45	Net Operating Income to Real Estate					$161,192
LINE 46	Economic Gross Rent per Sq. Ft.	$87.62				
LINE 47	Economic Net Rent per Sq. Ft.	$63.97				

PetroMARKS's® PRINTED EVALUATION REPORT
Page 4 *STEP 3: Calculation of Adjusted EBIDTA*

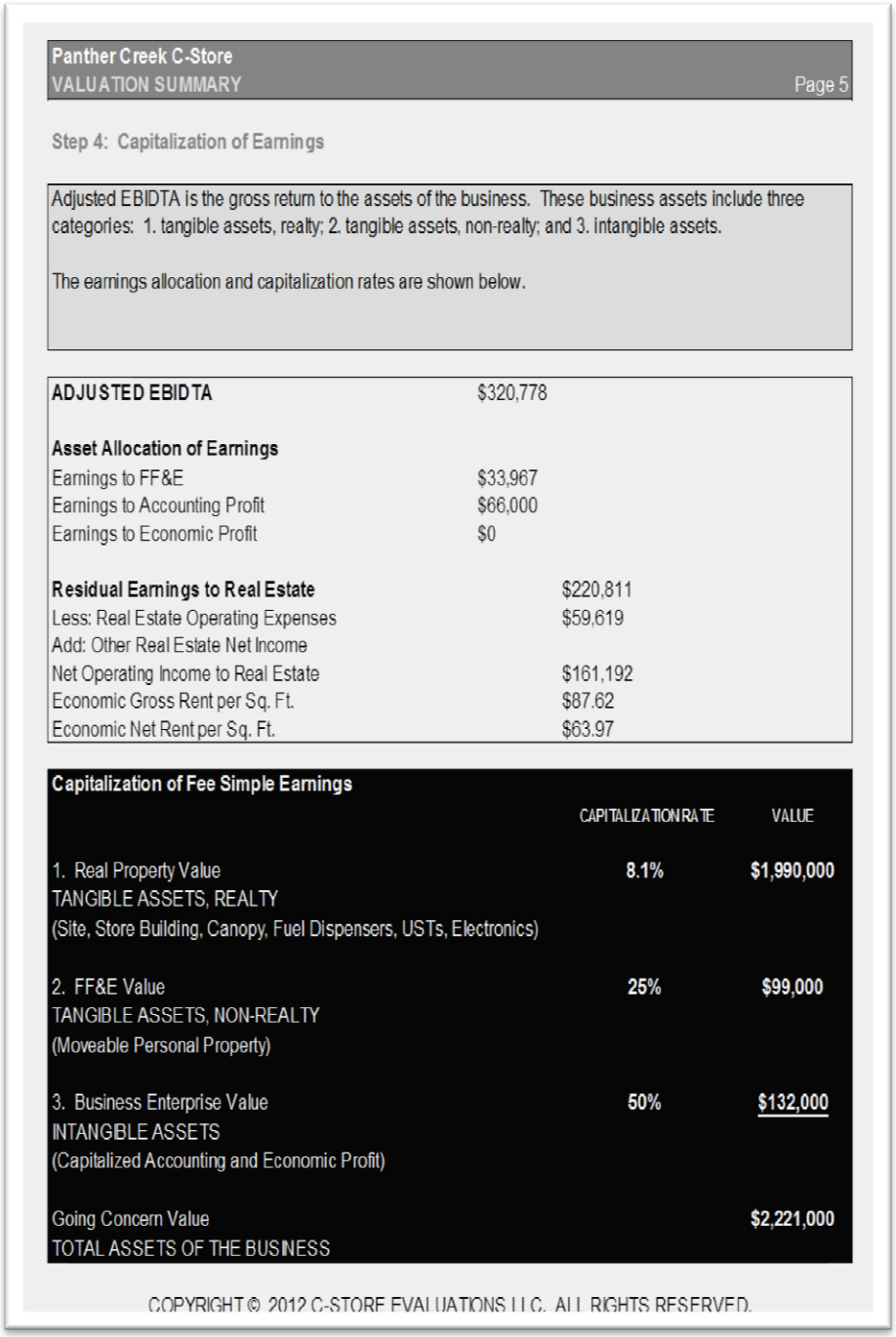
The calculation of adjusted EBIDTA is step 3 and is shown on page 4. This page show the complete projection of earnings from gross sales at the upper portion to adjusted EBIDTA on line 36. EBIDTA is "Earnings Before Interest, Depreciation, Taxes, and Amortization." It is a common measure of economic performance for the retail ?

The term "Adjusted EBIDTA" reflects stabilized, reconstructed EBIDTA before any deductions to the three asset classes. For example, even though the owner's financial statement may show a deduction for "occupancy costs" or "property taxes", these types of expenses are not included in the calculation of adjusted EBIDTA, but will be deducted later from the earnings allocation to real estate.

Adjusted EBIDTA represents the unallocated, gross return to all three asset classes:

a) Tangible Assets, realty
b) Tangible Assets, non-realty
c) Intangible Assets

The allocations made by PetroMARK® to these asset classes are show in the panel at the lower of the page portion.



Panther Creek C-Store
VALUATION SUMMARY Page 5

Step 4: Capitalization of Earnings

Adjusted EBIDTA is the gross return to the assets of the business. These business assets include three categories: 1. tangible assets, realty; 2. tangible assets, non-realty; and 3. intangible assets.

The earnings allocation and capitalization rates are shown below.

ADJUSTED EBIDTA	$320,778	
Asset Allocation of Earnings		
Earnings to FF&E	$33,967	
Earnings to Accounting Profit	$66,000	
Earnings to Economic Profit	$0	
Residual Earnings to Real Estate		$220,811
Less: Real Estate Operating Expenses		$59,619
Add: Other Real Estate Net Income		
Net Operating Income to Real Estate		$161,192
Economic Gross Rent per Sq. Ft.		$87.62
Economic Net Rent per Sq. Ft.		$63.97

Capitalization of Fee Simple Earnings

	CAPITALIZATION RATE	VALUE
1. Real Property Value TANGIBLE ASSETS, REALTY (Site, Store Building, Canopy, Fuel Dispensers, USTs, Electronics)	8.1%	$1,990,000
2. FF&E Value TANGIBLE ASSETS, NON-REALTY (Moveable Personal Property)	25%	$99,000
3. Business Enterprise Value INTANGIBLE ASSETS (Capitalized Accounting and Economic Profit)	50%	$132,000
Going Concern Value TOTAL ASSETS OF THE BUSINESS		$2,221,000

PetroMARKS's® PRINTED EVALUATION REPORT
Page 5 ***Step 4: Capitalization of Earnings***

Step 4 is the capitalization of the earnings allocation from adjusted EBIDTA and this process is shown on page 5. Under "Asset Allocation of Earnings" the specific earnings allocations to FF&E (tangible assets, non-realty) and accounting and economic profit (intangible assets) are shown.

Subtracting these from adjusted EBIDTA is the residual earnings to real estate. Real estate operating expenses:

a.) Maintenance and repairs
b.) Property insurance
c.) Property taxes
d.) Reserves for replacement are then deducted to arrive at net operating income ? to real estate.

The economic gross rent and economic net rent per square foot are shown in the bottom of this panel.

The capitalized values of the three asset classes are summarized in the lower panel of page 5.

Panther Creek C-Store
VALUATION SUMMARY Page 6

			NATIONAL MEDIAN PRICE	ASSESSED VALUE
2006	$503.28	2,810	$1,414,217	
2007	$496.39	2,747	$1,363,583	
2008	$456.22	2,658	$1,212,633	
2009	$360.09	2,554	$919,670	
2010	$301.94	2,607	$787,158	

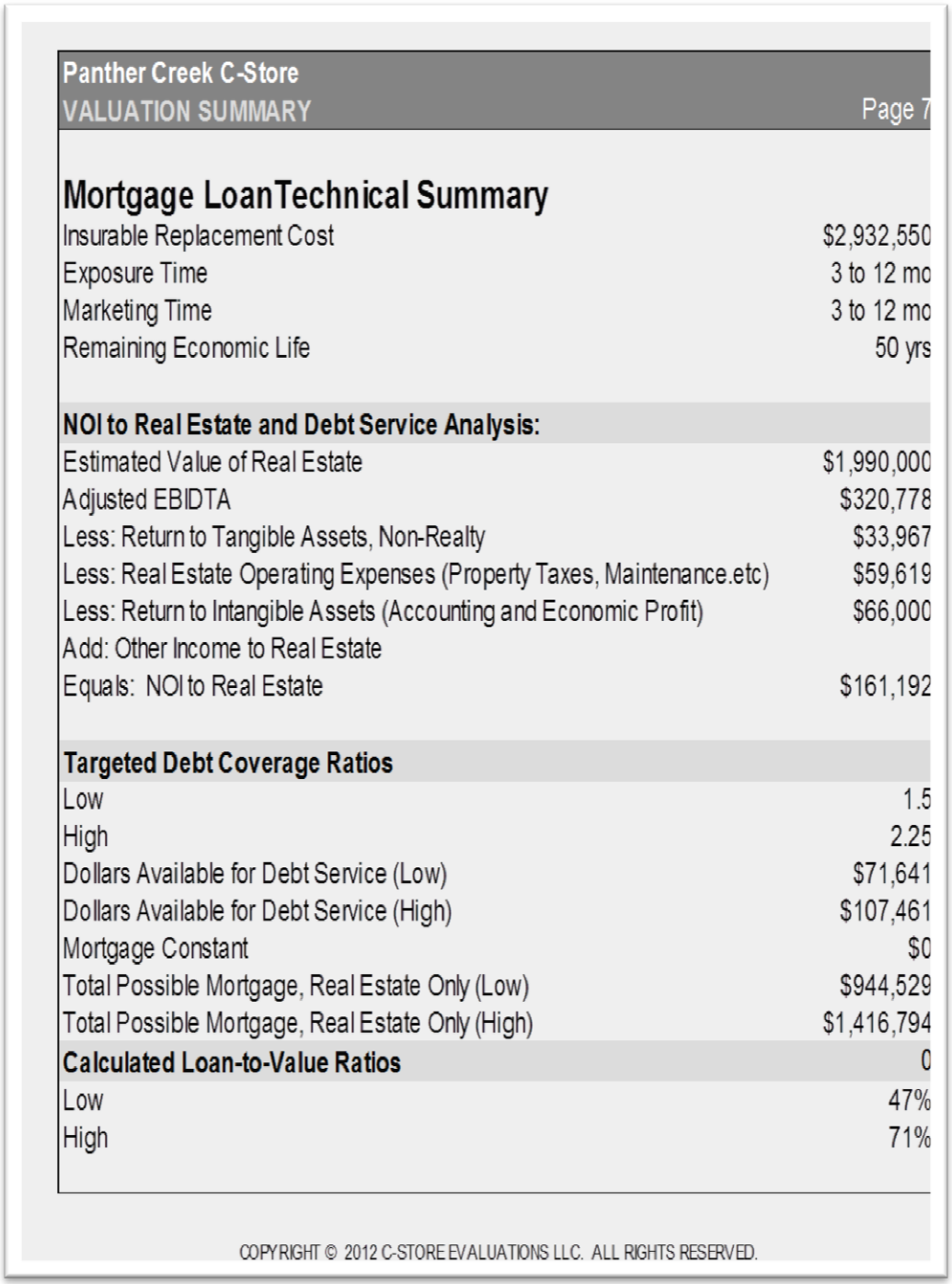
The estimated value of the subject real estate is:
$495 per square foot.

PetroMARKS's® PRINTED EVALUATION REPORT
Page 6 ***National 5-Year Pricing Trend***

A compilation of the national median sale prices of convenience stores with fuel service is included as a reference in the graph on page 6.

This data is for comparison only and does not affect PetroMARK®'s value calculations for the study location.

These prices are sourced from published CoStar sale data for convenience stores with fuel service. These prices reflect only the real estate. FF&E and intangible business value are not included.



Panther Creek C-Store
VALUATION SUMMARY Page 7

Mortgage LoanTechnical Summary

Insurable Replacement Cost	$2,932,550
Exposure Time	3 to 12 mo
Marketing Time	3 to 12 mo
Remaining Economic Life	50 yrs
NOI to Real Estate and Debt Service Analysis:	
Estimated Value of Real Estate	$1,990,000
Adjusted EBIDTA	$320,778
Less: Return to Tangible Assets, Non-Realty	$33,967
Less: Real Estate Operating Expenses (Property Taxes, Maintenance.etc)	$59,619
Less: Return to Intangible Assets (Accounting and Economic Profit)	$66,000
Add: Other Income to Real Estate	
Equals: NOI to Real Estate	$161,192
Targeted Debt Coverage Ratios	
Low	1.5
High	2.25
Dollars Available for Debt Service (Low)	$71,641
Dollars Available for Debt Service (High)	$107,461
Mortgage Constant	$0
Total Possible Mortgage, Real Estate Only (Low)	$944,529
Total Possible Mortgage, Real Estate Only (High)	$1,416,794
Calculated Loan-to-Value Ratios	0
Low	47%
High	71%

PetroMARKS's® PRINTED EVALUATION REPORT
Page 7 ***Technical Summary***

Page 7 is a Mortgage Loan Technical Summary with separate sections for the "? To real estate and debt service analysis" and targeted "Debt service coverage rations".

These figures are based on the earnings capacity of the real estate under fee simple ownership with typical management.

Panther Creek C-Store
VALUATION SUMMARY

Feasibility Analysis for New Construction

FAIR MARKET VALUE		
1. Estimated Fair Market Value of Real Estate at Completion of Constuction	$1,990,000	
PROJECT COST		
2. Cost of the Site	$500,000	
3. All Inclusive Cost of Real Property Improvements	$3,289,510	
4. Total Cost of Real Estate	$3,789,510	
DIFFERENCE		
5. Difference (Value less cost)		-$1,799,51

CONCLUSION

THIS PROJECT IN NOT FEASIBLE BECAUSE THE COST EXCEEDS FAIR MARKET VALUE AT THE TIME OF COMPLETION OF THE CONSTRUCTION.

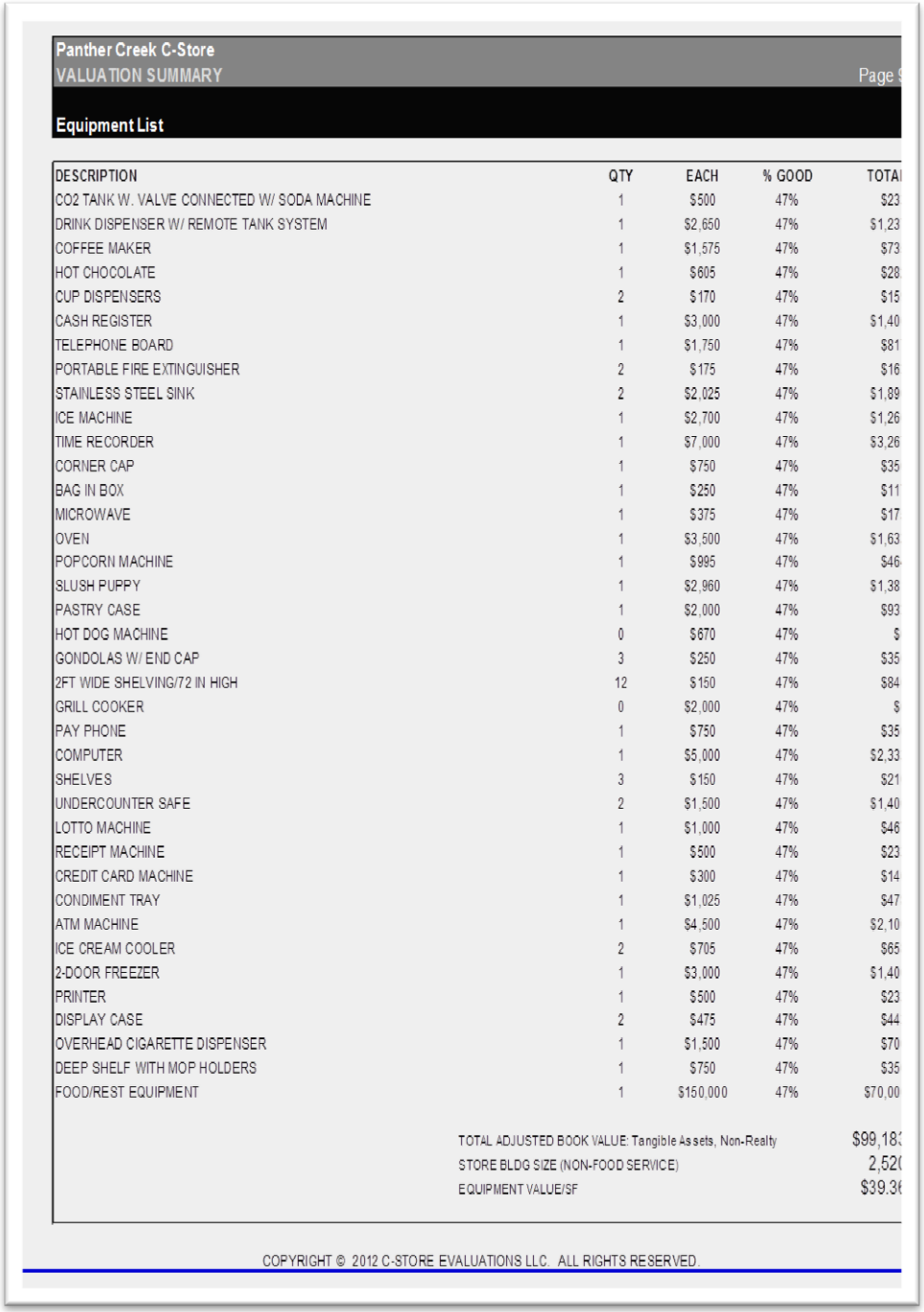
PetroMARKS's® PRINTED EVALUATION REPORT
Page 8 ***Feasibility Analysis for Proposed Convenience Stores***

FEASIBILITY ANALYSIS FOR NEW CONSTRUCTION

A simple financial feasibility test for new construction is shown on page 8. This financial test compares the forecasted fair market value to the total project cost. If the difference is positive, the project is financially feasible. If the difference is negative, the costs exceed value, and the project is not feasible.

By adjusting the input value of the site in Line 8 of the input panel, the maximum amount that can be paid for a site can be estimated (See appendix, Example 3.)

No discounting for time of construction, or present value calculations are used in this analysis.



Panther Creek C-Store
VALUATION SUMMARY Page 9

Equipment List

DESCRIPTION	QTY	EACH	% GOOD	TOTAL
CO2 TANK W. VALVE CONNECTED W/ SODA MACHINE	1	$500	47%	$23
DRINK DISPENSER W/ REMOTE TANK SYSTEM	1	$2,650	47%	$1,23
COFFEE MAKER	1	$1,575	47%	$73
HOT CHOCOLATE	1	$605	47%	$28
CUP DISPENSERS	2	$170	47%	$15
CASH REGISTER	1	$3,000	47%	$1,40
TELEPHONE BOARD	1	$1,750	47%	$81
PORTABLE FIRE EXTINGUISHER	2	$175	47%	$16
STAINLESS STEEL SINK	2	$2,025	47%	$1,89
ICE MACHINE	1	$2,700	47%	$1,26
TIME RECORDER	1	$7,000	47%	$3,26
CORNER CAP	1	$750	47%	$35
BAG IN BOX	1	$250	47%	$11
MICROWAVE	1	$375	47%	$17
OVEN	1	$3,500	47%	$1,63
POPCORN MACHINE	1	$995	47%	$46
SLUSH PUPPY	1	$2,960	47%	$1,38
PASTRY CASE	1	$2,000	47%	$93
HOT DOG MACHINE	0	$670	47%	$
GONDOLAS W/ END CAP	3	$250	47%	$35
2FT WIDE SHELVING/72 IN HIGH	12	$150	47%	$84
GRILL COOKER	0	$2,000	47%	$
PAY PHONE	1	$750	47%	$35
COMPUTER	1	$5,000	47%	$2,33
SHELVES	3	$150	47%	$21
UNDERCOUNTER SAFE	2	$1,500	47%	$1,40
LOTTO MACHINE	1	$1,000	47%	$46
RECEIPT MACHINE	1	$500	47%	$23
CREDIT CARD MACHINE	1	$300	47%	$14
CONDIMENT TRAY	1	$1,025	47%	$47
ATM MACHINE	1	$4,500	47%	$2,10
ICE CREAM COOLER	2	$705	47%	$65
2-DOOR FREEZER	1	$3,000	47%	$1,40
PRINTER	1	$500	47%	$23
DISPLAY CASE	2	$475	47%	$44
OVERHEAD CIGARETTE DISPENSER	1	$1,500	47%	$70
DEEP SHELF WITH MOP HOLDERS	1	$750	47%	$35
FOOD/REST EQUIPMENT	1	$150,000	47%	$70,00

TOTAL ADJUSTED BOOK VALUE: Tangible Assets, Non-Realty	$99,18
STORE BLDG SIZE (NON-FOOD SERVICE)	2,52
EQUIPMENT VALUE/SF	$39.3

PetroMARKS's® PRINTED EVALUATION REPORT
Page 9 ***Equipment List and Value Summary***

EQUIPMENT LIST AND VALUE SUMMARY

A line-item summary of the equipment or FF&E is shown on page 9. This is the tangible assets, non-realty. The calculations of value are based on straight-line depreciation and this list is a useful compilation of the items of equipment found in a typical convenience store operation.

If the age of the equipment is in excess of 10 years, a lump sum value replaces the line-item calculations. In most cases, the value of the FF&E is less than 4% of the total assets of the business. The fuel service, such as the underground storage tanks (UST's), dispensers, canopy and piping, and electronics are not included here, but are part of the real estate.

An allocation for food service kitchen equipment is made if Line 6 of the Input Panel indicates a branded food service operation.

This itemized list does not represent a physical inventory of the study location. In most valuation situations, a physical inventory of the FF&E is not required; and small discrepancies on individual line-item amounts will not have a measurable impact on PetroMARK®'s value calculations.

PetroMARKS's® PRINTED EVALUATION REPORT
Page 10 ***Sources and Documentation***

SOURCES AND DOCUMENTATION

A list of industry sources used by PetroMARK® is provided to document the operating variables and valuation metrics used in the program.

???????

PetroMARK® is a versatile valuation analysis tool that allows to quickly:

Estimate the fee simple value of :

- ✓ **the tangible assets, realty**
- ✓ **the tangible assets, non-realty**
- ✓ **intangible assets**

Together these three asset categories sum to the Going Concern Value, or Total Assets of the Business.

Trade Area Supply/Demand Analysis for over 45 Retail Property Classifications

Feasibility Analysis for proposed Convenience Store

Estimate Net Operating Income (NOI) to Real Estate for debt coverage Ratios and Lease Rates

Examples with step-by-step instructions for these types of problems are shown in the Appendix.

appendix

Example #1
An Evaluation Report for Fee Simple Market Value

Example Using PetroMARK® to Estimate the Fee Simple Value of an Existing Convenience Store

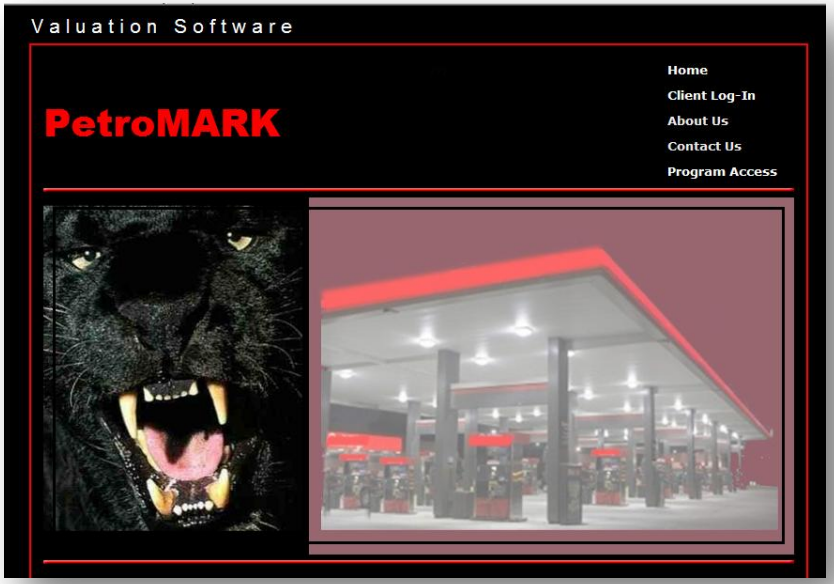
ESTIMATED COMPLETION TIME: 15 MINUTES

BACKSTORY

You are the Account Officer for a commercial bank. You have been requested to obtain a real estate Evaluation for monitoring an existing mortgage loan on convenience store located at 123 Panther Creek Road in Coral Springs, Florida. You have downloaded the Evaluation Report Questionnaire PDF from the PetroMARK® website and e-mailed it the borrower (store operator). In less than 10 minutes, the borrower returned the completed questionnaire by e-mail along with the requested photographs of the exterior and interior of the property and a copy of the last property tax assessment notice.

The completed PetroMARK® Questionnaire and photographs are shown in Exhibit A.

To calculate the Fair Market Value under fee simple ownership and typical management the user is only required to complete the input variables on lines 1 through 21 of the input panel.



STEP 1
Transmit the PetroMARK® questionnaire by e-mail or fax to the owner or operator. A PDF version of the questionnaire can be found on the Property Identification Page.

Once the owner-operator has completed and returned the questionnaire, we are ready to begin PetroMARK®. The entire process from the time of entering the first input to printing the report should be less than 15 minutes.

STEP 2
After logging into PetroMARK®, begin with the Property Identification page and input the information in the panel.
The street address entered here will be used by PetroMARK's® Trade Area Analysis module to produce the 3-minute drive time and required trade area metrics in the next section. Portions of PetroMARK's ® Trade Area Report are shown in Exhibit 2.

STEP 3
Trade area module. Go to the Trade Area Module and click the print button. A 12-page trade area report showing demographics for the 3, 5 an 7-minute drive-times from the study location street address will be printed as a separate PDF file.
(Describe the report and numbers required)

STEP 4

Go to the Input-Output Panel and enter the 21 variables in the input panel. After entering the input variables, check the Diagnostic Ratios Panel for any unusual relationships. Make any necessary corrections to input variables. The estimated values are displayed in the Output Panel.

At this point, any "what if" scenarios or sensitivity analysis can be performed by changing one or more input variables and observing the resulting impact on the estimated values.

When satisfied that the input variables are correct, click the 'print report' button to produce a 10-page, presentation-quality, PDF report. This printed report, along with the trade area analysis report completed questionnaire and photographs provides excellent file documentation and support for the evaluation.

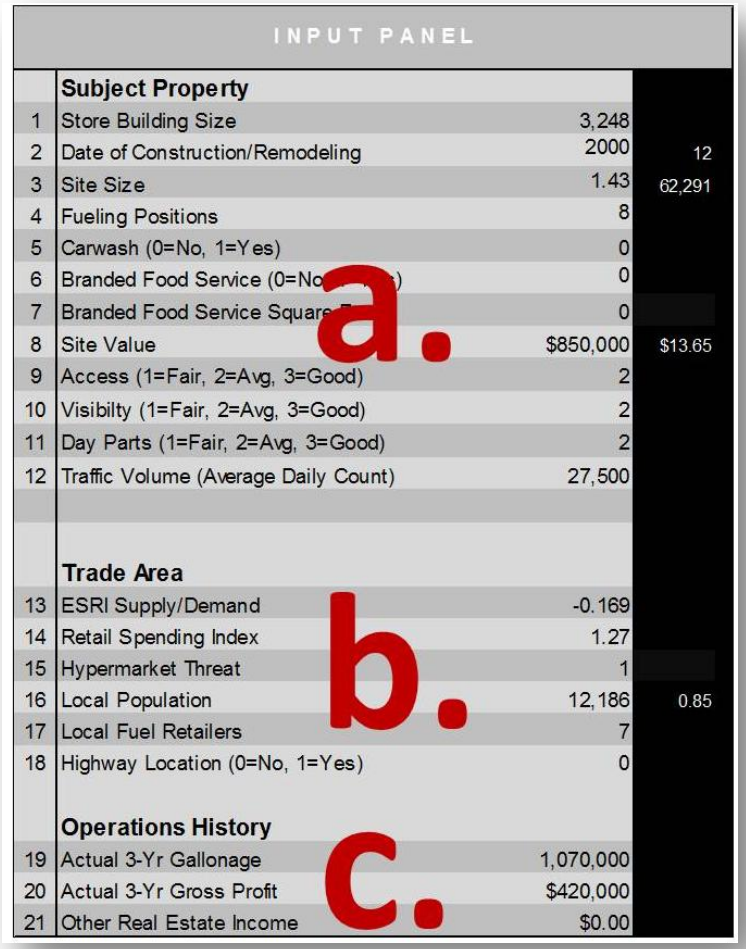
PetroMARK's ® default settings reflect the typical physical characteristics and operating performance of the national averages published in the NACS *State of the Industry Report* and Convenience Store News *Industry Report*.
The Input Panel is divided into three sections:

(a) Subject Property (Inputs 1 - 12)

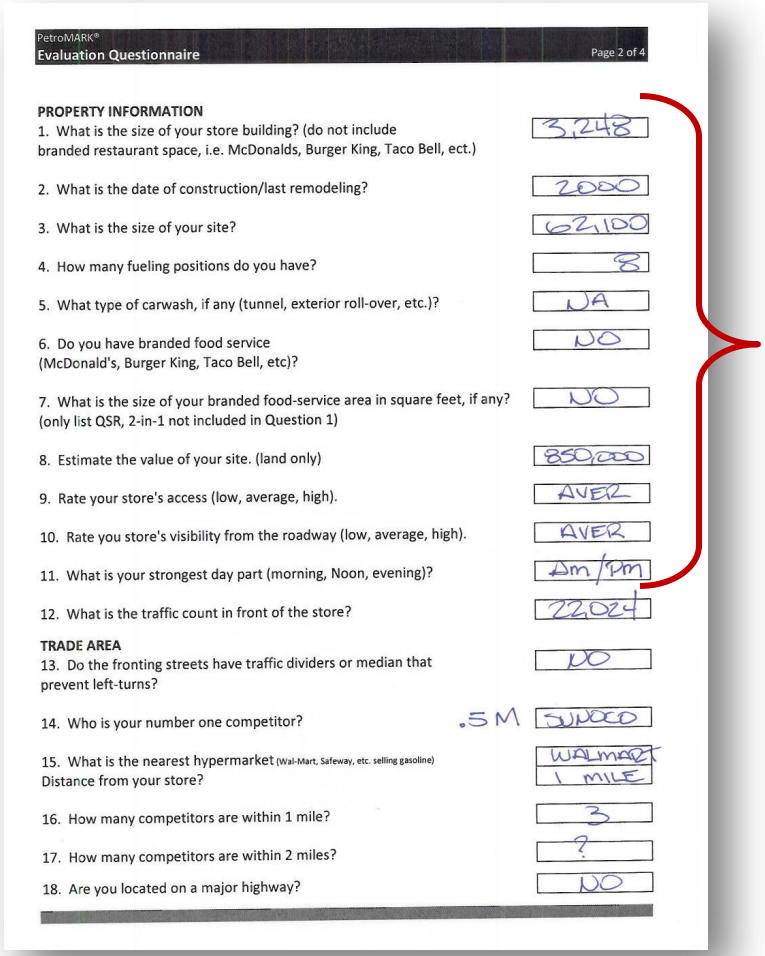
(b) Trade Area (Inputs 13 – 18)

(c) Operations History (Inputs 19 – 21)

The tables below summarize the input variables and source. Notice that the lines of the Input Panel correspond to the question numbers on the PetroMARK® Questionnaire. The Property Identification data is not shown.



Inputs 1 - 11



PetroMARK®
Evaluation Questionnaire
Page 2 of 4

PROPERTY INFORMATION

1. What is the size of your store building? (do not include branded restaurant space, i.e. McDonalds, Burger King, Taco Bell, ect.) — 3,248
2. What is the date of construction/last remodeling? — 2000
3. What is the size of your site? — 62,100
4. How many fueling positions do you have? — 8
5. What type of carwash, if any (tunnel, exterior roll-over, etc.)? — NA
6. Do you have branded food service (McDonald's, Burger King, Taco Bell, etc)? — NO
7. What is the size of your branded food-service area in square feet, if any? (only list QSR, 2-in-1 not included in Question 1) — NO
8. Estimate the value of your site. (land only) — 850,000
9. Rate your store's access (low, average, high). — AVER
10. Rate you store's visibility from the roadway (low, average, high). — AVER
11. What is your strongest day part (morning, Noon, evening)? — Am/PM
12. What is the traffic count in front of the store? — 22,024

TRADE AREA

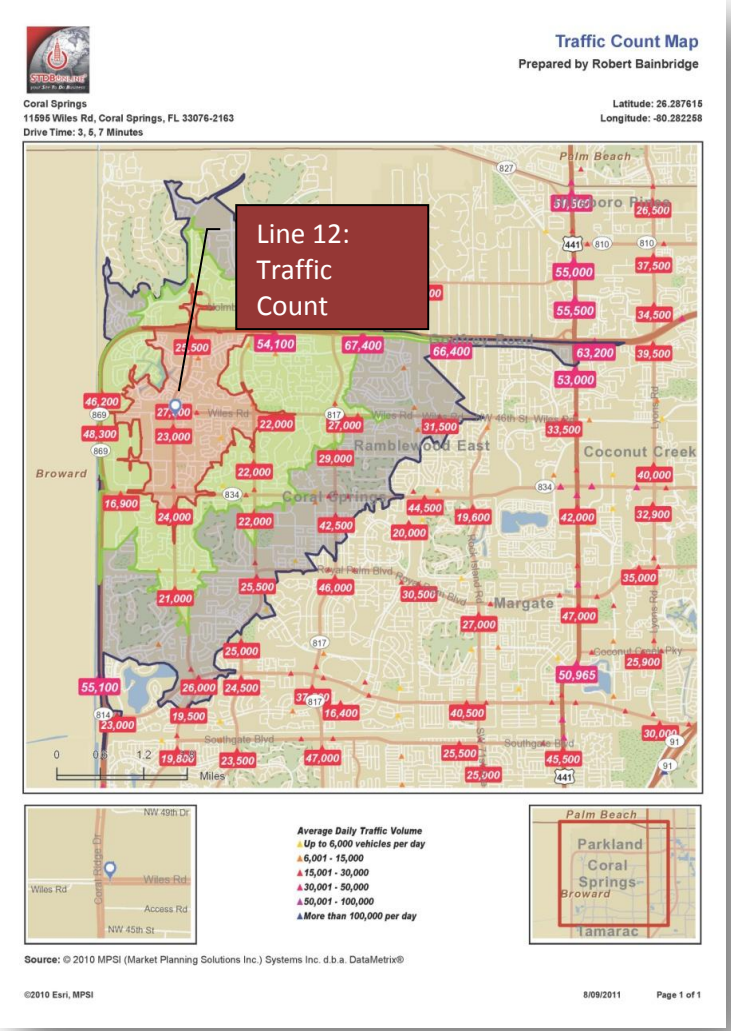
13. Do the fronting streets have traffic dividers or median that prevent left-turns? — NO
14. Who is your number one competitor? — .5M JUNCO
15. What is the nearest hypermarket (Wal-Mart, Safeway, etc. selling gasoline) Distance from your store? — WALMART 1 MILE
16. How many competitors are within 1 mile? — 3
17. How many competitors are within 2 miles? — ?
18. Are you located on a major highway? — NO

INPUT PANEL

	Subject Property		
1	Store Building Size	3,248	
2	Date of Construction/Remodeling	2000	12
3	Site Size	1.43	62,291
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	0	
6	Branded Food Service (0=No, 1=Yes)	0	
7	Branded Food Service Square Feet	0	
8	Site Value	$850,000	$13.65
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	27,500	
	Trade Area		
13	ESRI Supply/Demand	-0.169	
14	Retail Spending Index	1.27	
15	Hypermarket Threat	1	
16	Local Population	12,186	0.85
17	Local Fuel Retailers	7	
18	Highway Location (0=No, 1=Yes)	0	
	Operations History		
19	Actual 3-Yr Gallonage	1,070,000	
20	Actual 3-Yr Gross Profit	$420,000	
21	Other Real Estate Income	$0.00	

The SUBJECT PROPERTY inputs can be sourced from the PetroMARK® Questionnaire and/or tax assessment statement. Although the tax assessment statement will not include all of this data, it is a public record that can be used to verify the physical sizes of the store and site.

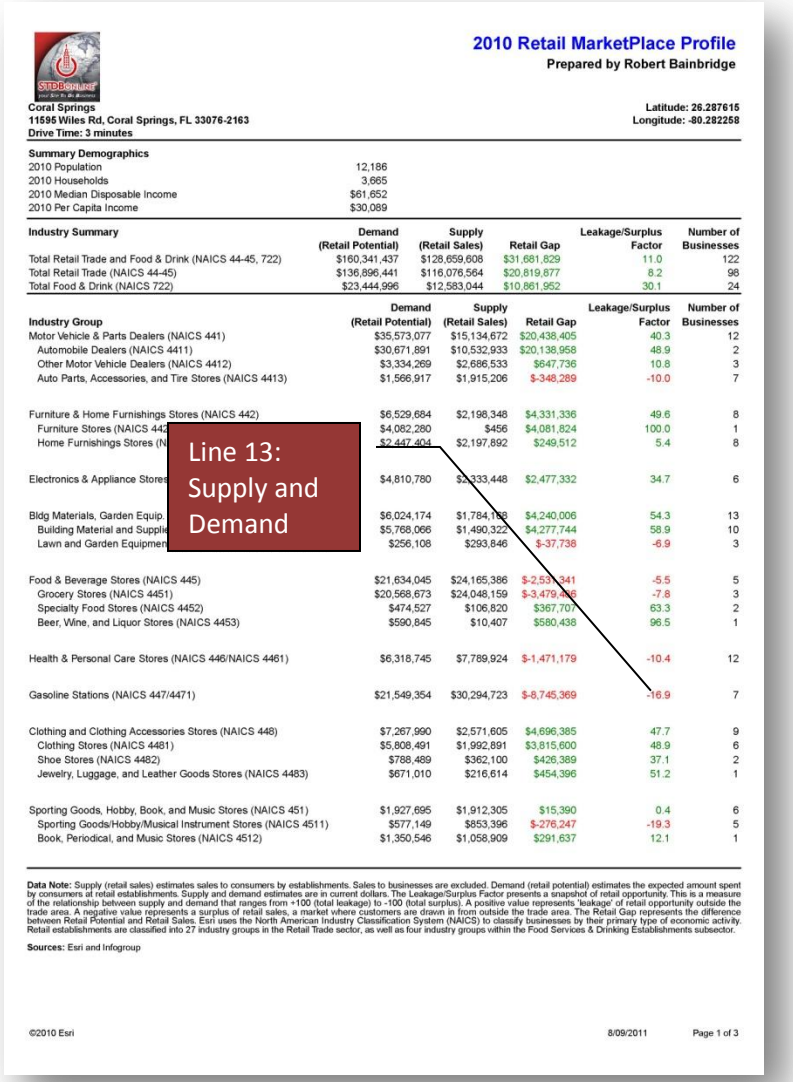
Input 12



INPUT PANEL			
	Subject Property		
1	Store Building Size	3,248	
2	Date of Construction/Remodeling	2000	12
3	Site Size	1.43	62,291
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	0	
6	Branded Food Service (0=No, 1=Yes)	0	
7	Branded Food Service Square Feet	0	
8	Site Value	$850,000	$13.65
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	27,500	
	Trade Area		
13	ESRI Supply/Demand	-0.169	
14	Retail Spending Index	1.27	
15	Hypermarket Threat	1	
16	Local Population	12,186	0.85
17	Local Fuel Retailers	7	
18	Highway Location (0=No, 1=Yes)	0	
	Operations History		
19	Actual 3-Yr Gallonage	1,070,000	
20	Actual 3-Yr Gross Profit	$420,000	
21	Other Real Estate Income	$0.00	

Traffic count is listed as Question 12 on the PetroMARK® Questionnaire. It is also provide on the Traffic Count Map produced in PetroMARK's® Trade Area Analysis Module, shown here. Most often, the Traffic Count Map is more accurate.

Input 13



2010 Retail MarketPlace Profile
Prepared by Robert Bainbridge

Coral Springs
11595 Wiles Rd, Coral Springs, FL 33076-2163
Drive Time: 3 minutes

Latitude: 26.287615
Longitude: -80.282258

Summary Demographics

2010 Population	12,186
2010 Households	3,665
2010 Median Disposable Income	$61,652
2010 Per Capita Income	$30,089

Industry Summary	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	$160,341,437	$128,659,608	$31,681,829	11.0	122
Total Retail Trade (NAICS 44-45)	$136,896,441	$116,076,564	$20,819,877	8.2	98
Total Food & Drink (NAICS 722)	$23,444,996	$12,583,044	$10,861,952	30.1	24

Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers (NAICS 441)	$35,573,077	$15,134,672	$20,438,405	40.3	12
Automobile Dealers (NAICS 4411)	$30,671,891	$10,532,933	$20,138,958	48.9	2
Other Motor Vehicle Dealers (NAICS 4412)	$3,334,269	$2,686,533	$647,736	10.8	3
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	$1,566,917	$1,915,206	$-348,289	-10.0	7
Furniture & Home Furnishings Stores (NAICS 442)	$6,529,684	$2,198,348	$4,331,336	49.6	8
Furniture Stores (NAICS 442	$4,082,280	$456	$4,081,824	100.0	1
Home Furnishings Stores (N	$2,447,404	$2,197,892	$249,512	5.4	8
Electronics & Appliance Stores	$4,810,780	$2,333,448	$2,477,332	34.7	6
Bldg Materials, Garden Equip.	$6,024,174	$1,784,168	$4,240,006	54.3	13
Building Material and Supplie	$5,768,066	$1,490,322	$4,277,744	58.9	10
Lawn and Garden Equipmen	$256,108	$293,846	$-37,738	-6.9	3
Food & Beverage Stores (NAICS 445)	$21,634,045	$24,165,386	$-2,531,341	-5.5	5
Grocery Stores (NAICS 4451)	$20,568,673	$24,048,159	$-3,479,486	-7.8	3
Specialty Food Stores (NAICS 4452)	$474,527	$106,820	$367,707	63.3	2
Beer, Wine, and Liquor Stores (NAICS 4453)	$590,845	$10,407	$580,438	96.5	1
Health & Personal Care Stores (NAICS 446/NAICS 4461)	$6,318,745	$7,789,924	$-1,471,179	-10.4	12
Gasoline Stations (NAICS 447/4471)	$21,549,354	$30,294,723	$-8,745,369	-16.9	7
Clothing and Clothing Accessories Stores (NAICS 448)	$7,267,990	$2,571,605	$4,696,385	47.7	9
Clothing Stores (NAICS 4481)	$5,808,491	$1,992,891	$3,815,600	48.9	6
Shoe Stores (NAICS 4482)	$788,489	$362,100	$426,389	37.1	2
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	$671,010	$216,614	$454,396	51.2	1
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	$1,927,695	$1,912,305	$15,390	0.4	6
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	$577,149	$853,396	$-276,247	-19.3	5
Book, Periodical, and Music Stores (NAICS 4512)	$1,350,546	$1,058,909	$291,637	12.1	1

Line 13: Supply and Demand

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector.

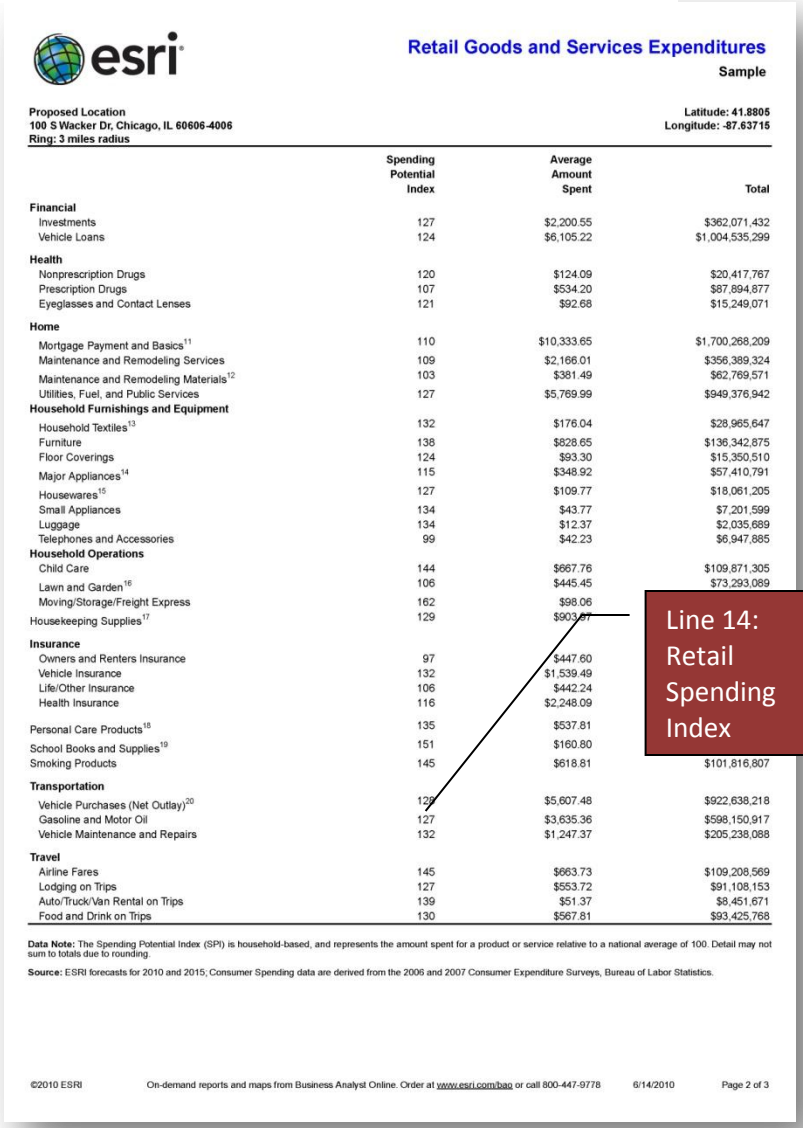
Sources: Esri and Infogroup

©2010 Esri 8/09/2011 Page 1 of 3

INPUT PANEL			
	Subject Property		
1	Store Building Size	3,248	
2	Date of Construction/Remodeling	2000	12
3	Site Size	1.43	62,291
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	0	
6	Branded Food Service (0=No, 1=Yes)	0	
7	Branded Food Service Square Feet	0	
8	Site Value	$850,000	$13.65
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	27,500	
	Trade Area		
13	ESRI Supply/Demand	-0.169	
14	Retail Spending Index	1.27	
15	Hypermarket Threat	1	
16	Local Population	12,186	0.85
17	Local Fuel Retailers	7	
18	Highway Location (0=No, 1=Yes)	0	
	Operations History		
19	Actual 3-Yr Gallonage	1,070,000	
20	Actual 3-Yr Gross Profit	$420,000	
21	Other Real Estate Income	$0.00	

The ESRI Supply/Demand input is found on the Retail MarketPlace Profile report generated by PetroMARK's® Trade Area Analysis Module. Here this input is -16.9.

Input 14



esri

Retail Goods and Services Expenditures
Sample

Proposed Location
100 S Wacker Dr, Chicago, IL 60606-4006
Ring: 3 miles radius

Latitude: 41.8805
Longitude: -87.63715

	Spending Potential Index	Average Amount Spent	Total
Financial			
Investments	127	$2,200.55	$362,071,432
Vehicle Loans	124	$6,105.22	$1,004,535,299
Health			
Nonprescription Drugs	120	$124.09	$20,417,767
Prescription Drugs	107	$534.20	$87,894,877
Eyeglasses and Contact Lenses	121	$92.68	$15,249,071
Home			
Mortgage Payment and Basics[11]	110	$10,333.65	$1,700,268,209
Maintenance and Remodeling Services	109	$2,166.01	$356,389,324
Maintenance and Remodeling Materials[12]	103	$381.49	$62,769,571
Utilities, Fuel, and Public Services	127	$5,769.99	$949,376,942
Household Furnishings and Equipment			
Household Textiles[13]	132	$176.04	$28,965,647
Furniture	138	$828.65	$136,342,875
Floor Coverings	124	$93.30	$15,350,510
Major Appliances[14]	115	$348.92	$57,410,791
Housewares[15]	127	$109.77	$18,061,205
Small Appliances	134	$43.77	$7,201,599
Luggage	134	$12.37	$2,035,689
Telephones and Accessories	99	$42.23	$6,947,885
Household Operations			
Child Care	144	$667.76	$109,871,305
Lawn and Garden[16]	106	$445.45	$73,293,089
Moving/Storage/Freight Express	162	$98.06	
Housekeeping Supplies[17]	129	$903.67	
Insurance			
Owners and Renters Insurance	97	$447.60	
Vehicle Insurance	132	$1,539.49	
Life/Other Insurance	106	$442.24	
Health Insurance	116	$2,248.09	
Personal Care Products[18]	135	$537.81	
School Books and Supplies[19]	151	$160.80	
Smoking Products	145	$618.81	$101,816,807
Transportation			
Vehicle Purchases (Net Outlay)[20]	129	$5,607.48	$922,638,218
Gasoline and Motor Oil	127	$3,635.36	$598,150,917
Vehicle Maintenance and Repairs	132	$1,247.37	$205,238,088
Travel			
Airline Fares	145	$663.73	$109,208,569
Lodging on Trips	127	$553.72	$91,108,153
Auto/Truck/Van Rental on Trips	139	$51.37	$8,451,671
Food and Drink on Trips	130	$567.81	$93,425,768

Data Note: The Spending Potential Index (SPI) is household-based, and represents the amount spent for a product or service relative to a national average of 100. Detail may not sum to totals due to rounding.

Source: ESRI forecasts for 2010 and 2015; Consumer Spending data are derived from the 2006 and 2007 Consumer Expenditure Surveys, Bureau of Labor Statistics.

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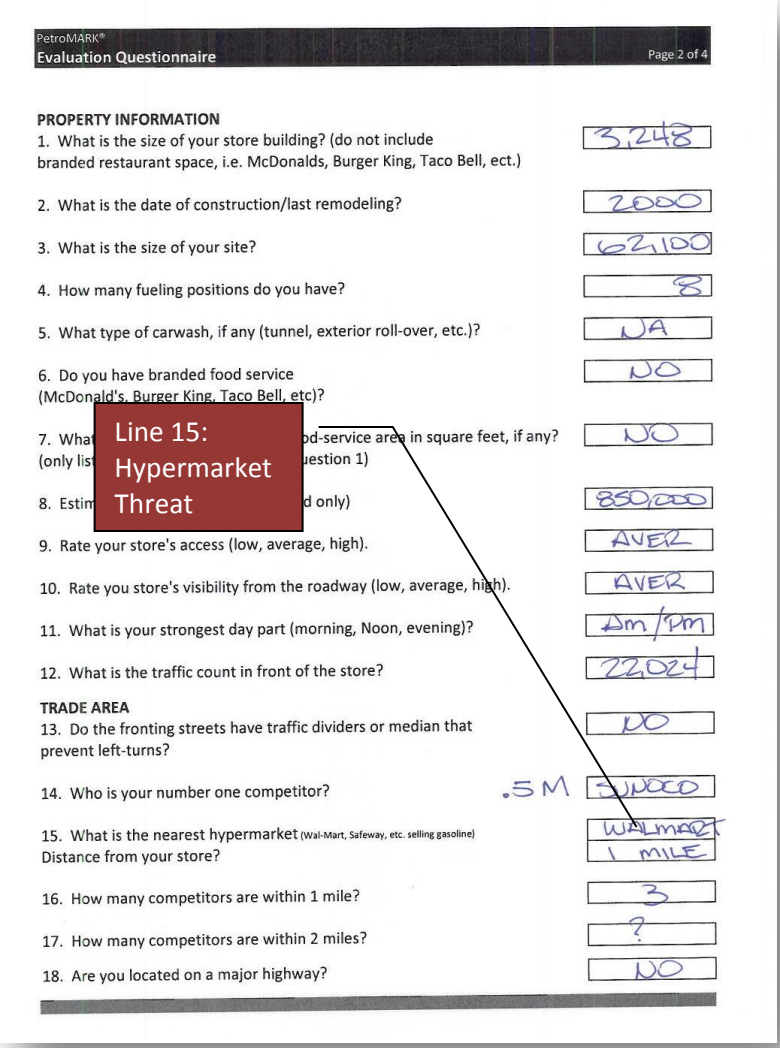
Line 14: Retail Spending Index

INPUT PANEL			
	Subject Property		
1	Store Building Size	3,248	
2	Date of Construction/Remodeling	2000	12
3	Site Size	1.43	62,291
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	0	
6	Branded Food Service (0=No, 1=Yes)	0	
7	Branded Food Service Square Feet	0	
8	Site Value	$850,000	$13.65
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	27,500	
	Trade Area		
13	ESRI Supply/Demand	-0.169	
14	Retail Spending Index	1.27	
15	Hypermarket Threat	1	
16	Local Population	12,186	0.85
17	Local Fuel Retailers	7	
18	Highway Location (0=No, 1=Yes)	0	
	Operations History		
19	Actual 3-Yr Gallonage	1,070,000	
20	Actual 3-Yr Gross Profit	$420,000	
21	Other Real Estate Income	$0.00	

The Retail Spending Index is found on the Retail Goods and Services Expenditures report generated by PetroMARK's® Trade Area Analysis Module. Here this input is 1.27.

Input 15



PetroMARK®
Evaluation Questionnaire
Page 2 of 4

PROPERTY INFORMATION

1. What is the size of your store building? (do not include branded restaurant space, i.e. McDonalds, Burger King, Taco Bell, ect.) — 3,248
2. What is the date of construction/last remodeling? — 2000
3. What is the size of your site? — 62,100
4. How many fueling positions do you have? — 8
5. What type of carwash, if any (tunnel, exterior roll-over, etc.)? — NA
6. Do you have branded food service (McDonald's, Burger King, Taco Bell, etc)? — NO
7. What … od-service area in square feet, if any? (only list … uestion 1) — NO
8. Estim … d only) — 850,000
9. Rate your store's access (low, average, high). — AVER
10. Rate you store's visibility from the roadway (low, average, high). — AVER
11. What is your strongest day part (morning, Noon, evening)? — Am/PM
12. What is the traffic count in front of the store? — 22,024

TRADE AREA

13. Do the fronting streets have traffic dividers or median that prevent left-turns? — NO
14. Who is your number one competitor? .5M — UNOCO
15. What is the nearest hypermarket (Wal-Mart, Safeway, etc. selling gasoline) Distance from your store? — WALMART / 1 MILE
16. How many competitors are within 1 mile? — 3
17. How many competitors are within 2 miles? — ?
18. Are you located on a major highway? — NO

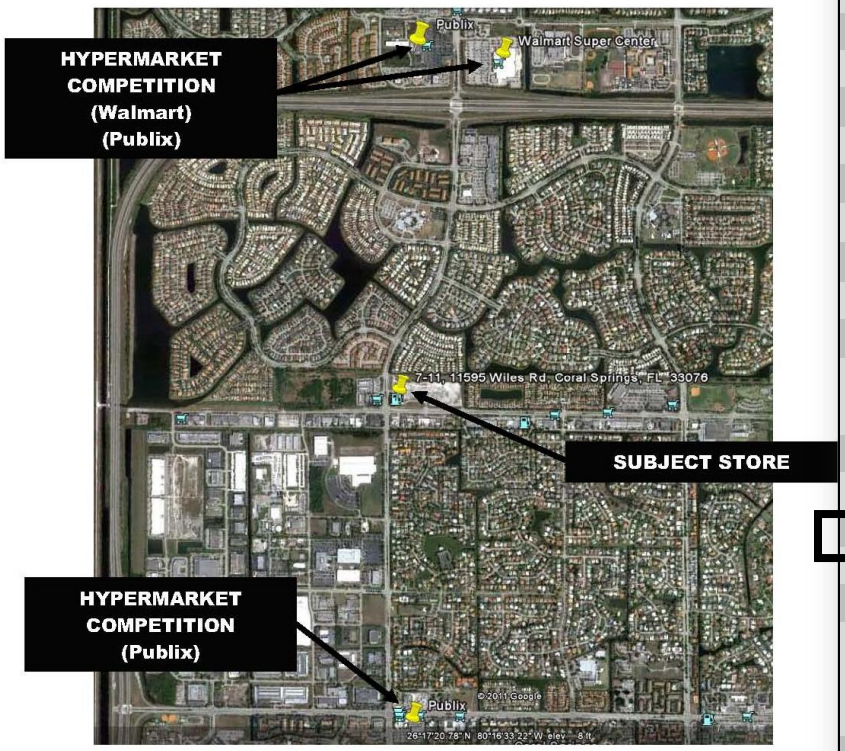
Line 15: Hypermarket Threat

INPUT PANEL			
	Subject Property		
1	Store Building Size	3,248	
2	Date of Construction/Remodeling	2000	12
3	Site Size	1.43	62,291
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	0	
6	Branded Food Service (0=No, 1=Yes)	0	
7	Branded Food Service Square Feet	0	
8	Site Value	$850,000	$13.65
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	27,500	
	Trade Area		
13	ESRI Supply/Demand	-0.169	
14	Retail Spending Index	1.27	
15	Hypermarket Threat	1	
16	Local Population	12,186	0.85
17	Local Fuel Retailers	7	
18	Highway Location (0=No, 1=Yes)	0	
	Operations History		
19	Actual 3-Yr Gallonage	1,070,000	
20	Actual 3-Yr Gross Profit	$420,000	
21	Other Real Estate Income	$0.00	

The Hypermarket Threat input is found on both Line 15 of the PetroMARK® Questionnaire and on Google Earth's® vicinity map (next page).

Input 15

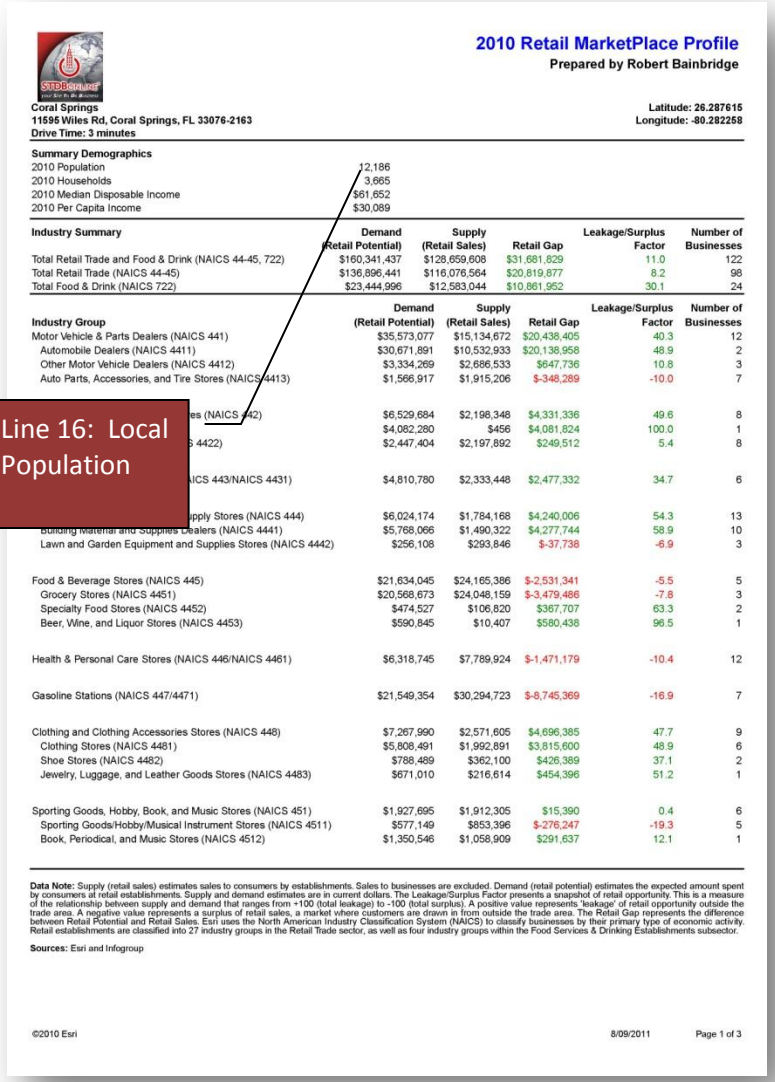
HYPERMARKT COMPETITIVE LOCATIONS



INPUT PANEL			
	Subject Property		
1	Store Building Size	3,248	
2	Date of Construction/Remodeling	2000	12
3	Site Size	1.43	62,291
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	0	
6	Branded Food Service (0=No, 1=Yes)	0	
7	Branded Food Service Square Feet	0	
8	Site Value	$850,000	$13.65
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	27,500	
	Trade Area		
13	ESRI Supply/Demand	-0.169	
14	Retail Spending Index	1.27	
15	Hypermarket Threat	1	
16	Local Population	12,186	0.85
17	Local Fuel Retailers	7	
18	Highway Location (0=No, 1=Yes)	0	
	Operations History		
19	Actual 3-Yr Gallonage	1,070,000	
20	Actual 3-Yr Gross Profit	$420,000	
21	Other Real Estate Income	$0.00	

An visual examination of Google Earth, as shown here, will reveal any hypermarkets. This aerial shows three hypermarkets (Walmart and 2 Publix locations) within 1-mile of the subject.

Input 16



2010 Retail MarketPlace Profile
Prepared by Robert Bainbridge

Coral Springs
11595 Wiles Rd, Coral Springs, FL 33076-2163
Drive Time: 3 minutes

Latitude: 26.287615
Longitude: -80.282258

Summary Demographics

2010 Population	12,186
2010 Households	3,665
2010 Median Disposable Income	$61,652
2010 Per Capita Income	$30,089

Industry Summary	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	$160,341,437	$128,659,608	$31,681,829	11.0	122
Total Retail Trade (NAICS 44-45)	$136,896,441	$116,076,564	$20,819,877	8.2	98
Total Food & Drink (NAICS 722)	$23,444,996	$12,583,044	$10,861,952	30.1	24

Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers (NAICS 441)	$35,573,077	$15,134,672	$20,438,405	40.3	12
Automobile Dealers (NAICS 4411)	$30,671,891	$10,532,933	$20,138,958	48.9	2
Other Motor Vehicle Dealers (NAICS 4412)	$3,334,269	$2,686,533	$647,736	10.8	3
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	$1,566,917	$1,915,206	$-348,289	-10.0	7
[illegible]es (NAICS 442)	$6,529,684	$2,198,348	$4,331,336	49.6	8
[illegible]	$4,082,280	$456	$4,081,824	100.0	1
[illegible] 4422)	$2,447,404	$2,197,892	$249,512	5.4	8
[illegible]NCS 443/NAICS 4431)	$4,810,780	$2,333,448	$2,477,332	34.7	6
[illegible]pply Stores (NAICS 444)	$6,024,174	$1,784,168	$4,240,006	54.3	13
Building Material and Supplies Dealers (NAICS 4441)	$5,768,066	$1,490,322	$4,277,744	58.9	10
Lawn and Garden Equipment and Supplies Stores (NAICS 4442)	$256,108	$293,846	$-37,738	-6.9	3
Food & Beverage Stores (NAICS 445)	$21,634,045	$24,165,386	$-2,531,341	-5.5	5
Grocery Stores (NAICS 4451)	$20,568,673	$24,048,159	$-3,479,486	-7.8	3
Specialty Food Stores (NAICS 4452)	$474,527	$106,820	$367,707	63.3	2
Beer, Wine, and Liquor Stores (NAICS 4453)	$590,845	$10,407	$580,438	96.5	1
Health & Personal Care Stores (NAICS 446/NAICS 4461)	$6,318,745	$7,789,924	$-1,471,179	-10.4	12
Gasoline Stations (NAICS 447/4471)	$21,549,354	$30,294,723	$-8,745,369	-16.9	7
Clothing and Clothing Accessories Stores (NAICS 448)	$7,267,990	$2,571,605	$4,696,385	47.7	9
Clothing Stores (NAICS 4481)	$5,808,491	$1,992,891	$3,815,600	48.9	6
Shoe Stores (NAICS 4482)	$788,489	$362,100	$426,389	37.1	2
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	$671,010	$216,614	$454,396	51.2	1
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	$1,927,695	$1,912,305	$15,390	0.4	6
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	$577,149	$853,396	$-276,247	-19.3	5
Book, Periodical, and Music Stores (NAICS 4512)	$1,350,546	$1,058,909	$291,637	12.1	1

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector.

Sources: Esri and Infogroup

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Line 16: Local Population

INPUT PANEL			
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2	Date of Construction/Remodeling	2000	12
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4	Fueling Positions	8	
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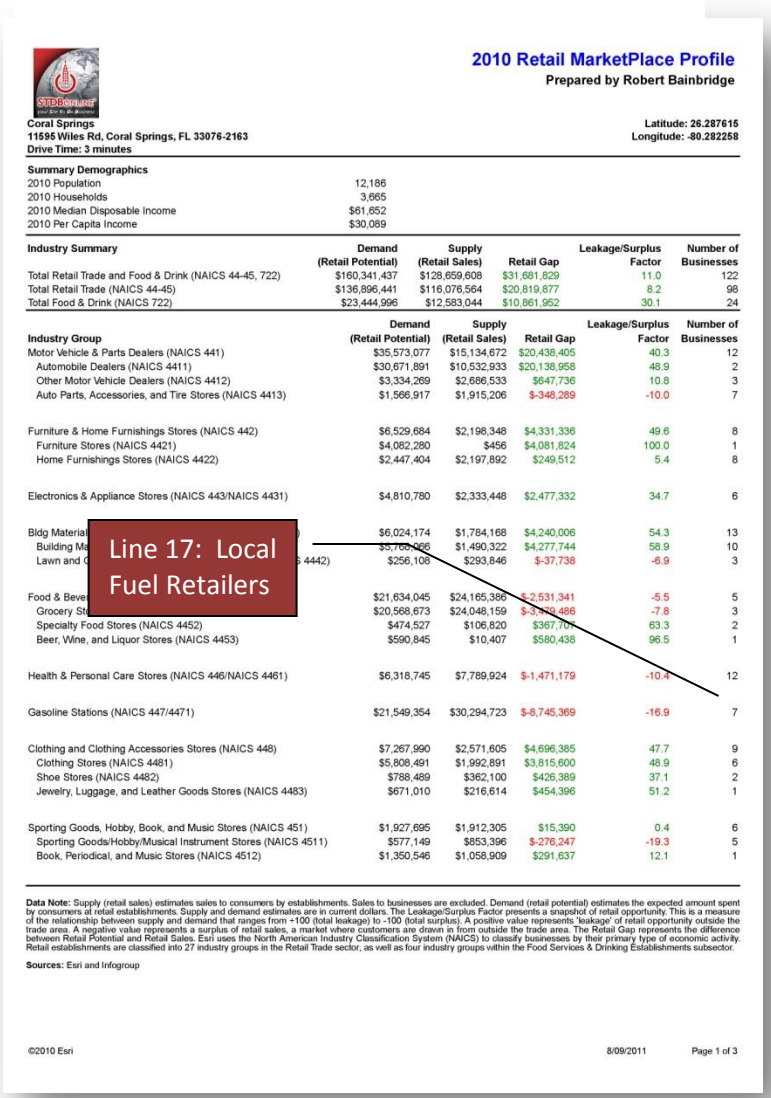
7	Branded Food Service Square Feet	0	
8	Site Value	$850,000	$13.65
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	27,500	
	Trade Area		
13	ESRI Supply/Demand	-0.169	
14	Retail Spending Index	1.27	
15	Hypermarket Threat	1	
16	Local Population	12,186	0.85
17	Local Fuel Retailers	7	
18	Highway Location (0=No, 1=Yes)	0	
	Operations History		
19	Actual 3-Yr Gallonage	1,070,000	
20	Actual 3-Yr Gross Profit	$420,000	
21	Other Real Estate Income	$0.00	

The Local Population input is found at the top of the Retail Marketplace Profile report generated by PetroMARK's® Trade Area Analysis Module. Here this input is 1.27. Here, we have used the 3-minute drive-time and a figure of 12,186.

Input 17



2010 Retail MarketPlace Profile
Prepared by Robert Bainbridge

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Total Retail Trade (NAICS 44-45)	$136,896,441	$116,076,564	$20,819,877	8.2	98
Total Food & Drink (NAICS 722)	$23,444,996	$12,583,044	$10,861,952	30.1	24

Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
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Other Motor Vehicle Dealers (NAICS 4412)	$3,334,269	$2,686,533	$647,736	10.8	3
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	$1,566,917	$1,915,206	$-348,289	-10.0	7
Furniture & Home Furnishings Stores (NAICS 442)	$6,529,684	$2,198,348	$4,331,336	49.6	8
Furniture Stores (NAICS 4421)	$4,082,280	$456	$4,081,824	100.0	1
Home Furnishings Stores (NAICS 4422)	$2,447,404	$2,197,892	$249,512	5.4	8
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	$4,810,780	$2,333,448	$2,477,332	34.7	6
Bldg Materials	$6,024,174	$1,784,168	$4,240,006	54.3	13
Building Ma	$5,766,266	$1,490,322	$4,277,744	58.9	10
Lawn and G	$256,108	$293,846	$-37,738	-6.9	3
Food & Bever	$21,634,045	$24,165,386	$-2,531,341	-5.5	5
Grocery St	$20,568,673	$24,048,159	$-3,479,486	-7.8	3
Specialty Food Stores (NAICS 4452)	$474,527	$106,820	$367,707	63.3	2
Beer, Wine, and Liquor Stores (NAICS 4453)	$590,845	$10,407	$580,438	96.5	1
Health & Personal Care Stores (NAICS 446/NAICS 4461)	$6,318,745	$7,789,924	$-1,471,179	-10.4	12
Gasoline Stations (NAICS 447/4471)	$21,549,354	$30,294,723	$-8,745,369	-16.9	7
Clothing and Clothing Accessories Stores (NAICS 448)	$7,267,990	$2,571,605	$4,696,385	47.7	9
Clothing Stores (NAICS 4481)	$5,808,491	$1,992,891	$3,815,600	48.9	6
Shoe Stores (NAICS 4482)	$788,489	$362,100	$426,389	37.1	2
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	$671,010	$216,614	$454,396	51.2	1
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	$1,927,695	$1,912,305	$15,390	0.4	6
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	$577,149	$853,396	$-276,247	-19.3	5
Book, Periodical, and Music Stores (NAICS 4512)	$1,350,546	$1,058,909	$291,637	12.1	1

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector.

Sources: Esri and Infogroup

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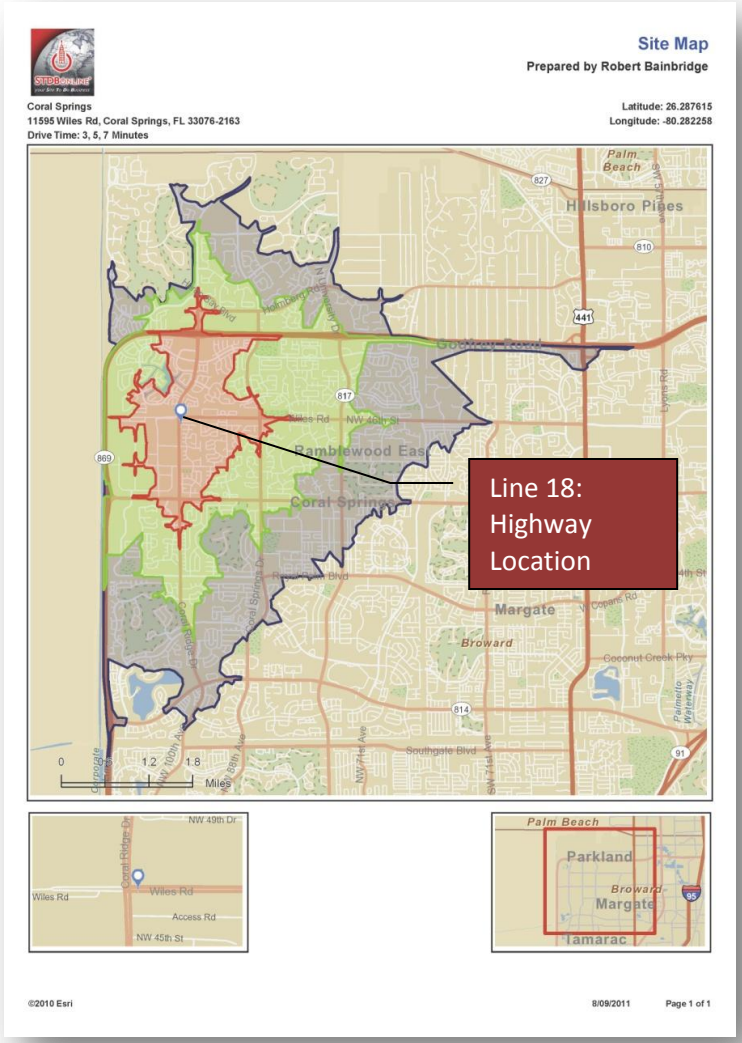
Line 17: Local Fuel Retailers

INPUT PANEL			
	Subject Property		
1	Store Building Size	3,248	
2	Date of Construction/Remodeling	2000	12
3	Site Size	1.43	62,291
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	0	
6	Branded Food Service (0=No, 1=Yes)	0	
7	Branded Food Service Square Feet	0	
8	Site Value	$850,000	$13.65
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	27,500	
	Trade Area		
13	ESRI Supply/Demand	-0.169	
14	Retail Spending Index	1.27	
15	Hypermarket Threat	1	
16	Local Population	12,186	0.85
17	Local Fuel Retailers	7	
18	Highway Location (0=No, 1=Yes)	0	
	Operations History		
19	Actual 3-Yr Gallonage	1,070,000	
20	Actual 3-Yr Gross Profit	$420,000	
21	Other Real Estate Income	$0.00	

The Local Fuel Retailers input is found under "Gasoline Stations (NAICS Code 447/4471)of the Retail Marketplace Profile report generated by PetroMARK's® Trade Area Analysis Module. Line 16 of the PetroMARK Questionnaire ask the operator to give the number of competitors within 1-mile. Here, we have used 7 at the 3-minute drive-time.

Input 18

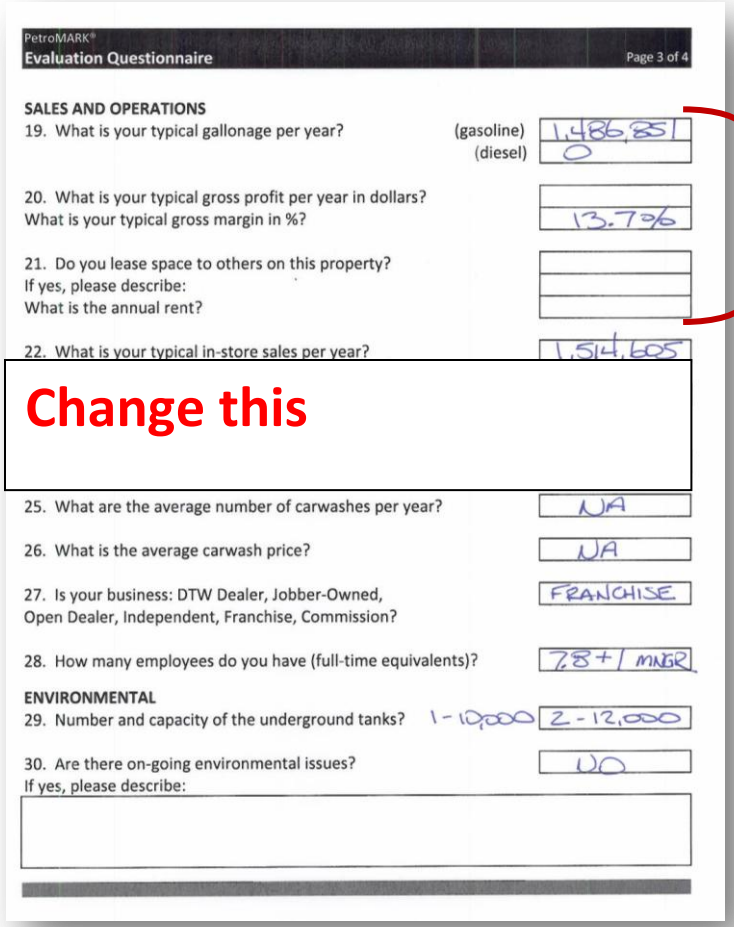


Line 18: Highway Location

INPUT PANEL			
	Subject Property		
1	Store Building Size	3,248	
2	Date of Construction/Remodeling	2000	12
3	Site Size	1.43	62,291
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	0	
6	Branded Food Service (0=No, 1=Yes)	0	
7	Branded Food Service Square Feet	0	
8	Site Value	$850,000	$13.65
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	27,500	
	Trade Area		
13	ESRI Supply/Demand	-0.169	
14	Retail Spending Index	1.27	
15	Hypermarket Threat	1	
16	Local Population	12,186	0.85
17	Local Fuel Retailers	7	
18	Highway Location (0=No, 1=Yes)	0	
	Operations History		
19	Actual 3-Yr Gallonage	1,070,000	
20	Actual 3-Yr Gross Profit	$420,000	
21	Other Real Estate Income	$0.00	

A Drive-Time Trade area Map is generated as part of PetroMARK's® Trade Area Analysis Module. A highway location can be checked from this map. Also, Line 18 of the PetroMARK Questionnaire ask the operator if the store is located on a highway.

Inputs 19 - 21



PetroMARK®
Evaluation Questionnaire
Page 3 of 4

SALES AND OPERATIONS

19. What is your typical gallonage per year? (gasoline) 1,486,851 (diesel) 0

20. What is your typical gross profit per year in dollars? What is your typical gross margin in %? 13.7%

21. Do you lease space to others on this property? If yes, please describe: What is the annual rent?

22. What is your typical in-store sales per year? 1,514,605

Change this

25. What are the average number of carwashes per year? NA

26. What is the average carwash price? NA

27. Is your business: DTW Dealer, Jobber-Owned, Open Dealer, Independent, Franchise, Commission? FRANCHISE

28. How many employees do you have (full-time equivalents)? 7.8+/ MNGR

ENVIRONMENTAL

29. Number and capacity of the underground tanks? 1 - 10,000 2 - 12,000

30. Are there on-going environmental issues? NO

If yes, please describe:

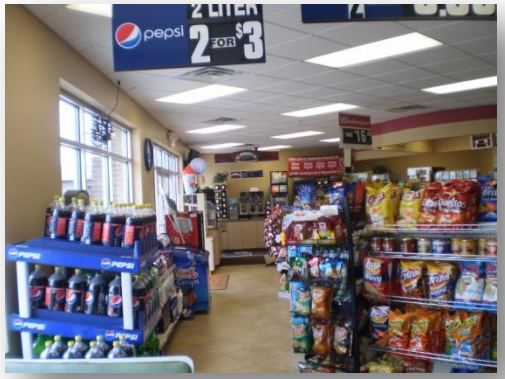
INPUT PANEL

	Subject Property		
1	Store Building Size	3,248	
2	Date of Construction/Remodeling	2000	12
3	Site Size	1.43	62,291
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	0	
6	Branded Food Service (0=No, 1=Yes)	0	
7	Branded Food Service Square Feet	0	
8	Site Value	$850,000	$13.65
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	27,500	
	Trade Area		
13	ESRI Supply/Demand	-0.169	
14	Retail Spending Index	1.27	
15	Hypermarket Threat	1	
16	Local Population	12,186	0.85
17	Local Fuel Retailers	7	
18	Highway Location (0=No, 1=Yes)	0	
	Operations History		
19	Actual 3-Yr Gallonage	1,070,000	
20	Actual 3-Yr Gross Profit	$420,000	
21	Other Real Estate Income	$0.00	

Inputs 19 through 21 can only be provided by the operator and these are found on Lines 19 through 20 of the PetroMARK Questionnaire.

Additional: Source Documents

Exterior and interior photographs are e-mailed to you along with the completed PetroMARK® Questionnaire.



Completed Input-Output Panels

The completed Input Panel appears on this page. The values in the Output Panel are instantly visible and these figures are automatically transferred to the written Evaluation Report.

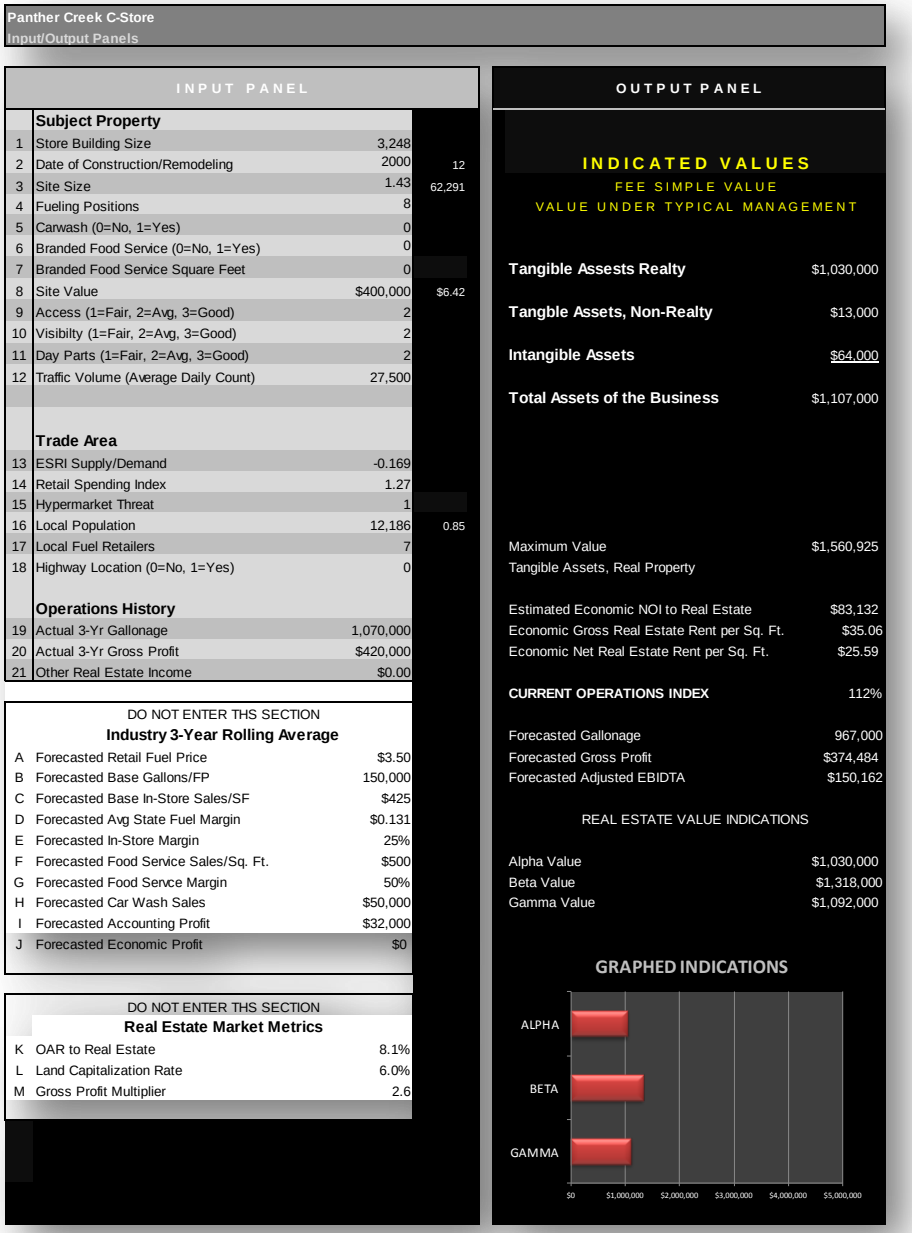
You can check the validity of the values in the Output Panel in the Diagnostic Ratios Panel located on the same screen just below these panels. The Diagnostic Ratios Panel is explained for this case study example on the following page.

The estimate values are:

(a) Tangible Assets, Realty: $1,030,000
(b) Tangible Assets, Non-Realty: $13,000
(c) Intangible Assets: $84,000

The value of the total assets of the business is $1,107,000. This is the fee simple market value under typical management.

The alpha value is PetroMARK's® estimate of the value of the real estate. For comparison purposes, the beta value shows real estate value based on an automated valuation model using a sales comparison method. The gamma value is the real estate value based on a capitalization of the store's actual average gross profit. Some consistency should be evident in the alpha, beta and gamma values. However, the alpha value is always the final selected value.



Panther Creek C-Store
Input/Output Panels

INPUT PANEL

	Subject Property		
1	Store Building Size	3,248	
2	Date of Construction/Remodeling	2000	12
3	Site Size	1.43	62,291
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	0	
6	Branded Food Service (0=No, 1=Yes)	0	
7	Branded Food Service Square Feet	0	
8	Site Value	$400,000	$6.42
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	27,500	
	Trade Area		
13	ESRI Supply/Demand	-0.169	
14	Retail Spending Index	1.27	
15	Hypermarket Threat	1	
16	Local Population	12,186	0.85
17	Local Fuel Retailers	7	
18	Highway Location (0=No, 1=Yes)	0	
	Operations History		
19	Actual 3-Yr Gallonage	1,070,000	
20	Actual 3-Yr Gross Profit	$420,000	
21	Other Real Estate Income	$0.00	

DO NOT ENTER THS SECTION

Industry 3-Year Rolling Average

A	Forecasted Retail Fuel Price	$3.50
B	Forecasted Base Gallons/FP	150,000
C	Forecasted Base In-Store Sales/SF	$425
D	Forecasted Avg State Fuel Margin	$0.131
E	Forecasted In-Store Margin	25%
F	Forecasted Food Service Sales/Sq. Ft.	$500
G	Forecasted Food Service Margin	50%
H	Forecasted Car Wash Sales	$50,000
I	Forecasted Accounting Profit	$32,000
J	Forecasted Economic Profit	$0

DO NOT ENTER THS SECTION

Real Estate Market Metrics

K	OAR to Real Estate	8.1%
L	Land Capitalization Rate	6.0%
M	Gross Profit Multiplier	2.6

OUTPUT PANEL

INDICATED VALUES
FEE SIMPLE VALUE
VALUE UNDER TYPICAL MANAGEMENT

Tangible Assests Realty	$1,030,000
Tangble Assets, Non-Realty	$13,000
Intangible Assets	$64,000
Total Assets of the Business	$1,107,000

Maximum Value Tangible Assets, Real Property	$1,560,925
Estimated Economic NOI to Real Estate	$83,132
Economic Gross Real Estate Rent per Sq. Ft.	$35.06
Economic Net Real Estate Rent per Sq. Ft.	$25.59
CURRENT OPERATIONS INDEX	112%
Forecasted Gallonage	967,000
Forecasted Gross Profit	$374,484
Forecasted Adjusted EBIDTA	$150,162

REAL ESTATE VALUE INDICATIONS

Alpha Value	$1,030,000
Beta Value	$1,318,000
Gamma Value	$1,092,000

GRAPHED INDICATIONS

Diagnostic Ratios Panel

The Diagnostic Ratios Panel is located just below the Input/Output Panels on the same screen, so that all important value criteria can be seen without leaving the webpage. Included here are three broad measures of reliability that should be compared to the value estimate produced by PetroMARK®.

Real Estate Value Per Sq. Ft.
Real estate value per square foot is a common unit-of-comparison that divides the value of the Tangible Assets, Realty by the gross size of the store building. Generally, this indication should be in the moderate range. High indications may legitimately result from:

- Smaller than average stores.
- Significant additional improvements, such as truck fueling areas, carwashes and ancillary services.

Low indications may result from larger than average store sizes, or some impairment of the real estate value, such as an over-supplied trade area.

Trade Area Supply and Demand
The Trade Area Supply and Demand is a quotient of the number of fuel retailers in the primary trade area and population compared to the national average. Under-supplied trade areas are rare today and this situation will create high real estate value and sometimes additional intangible asset value. PetroMARK uses an algorithm to make these apportionments.

Ratio of Real estate NOI to Gross Profit

Extremely low or high levels of this ratio may indicate erroneous input variables. Here, the Ratio of Real estate NOI to Gross Profit is in the "Moderate" range. The ratio uses the forecasted Gross Profit. Also look for consistency with the Actual 3-Year Average Gross Profit.

Indicator Lights

The Indictor Lights provide a quick visual reference for consistency in the valuation analysis. Any "yellow" or "red" indications should be carefully examined. Here, all the Indicator Lights in the Diagnostic Ratios Panel are "green" indicating no inconsistent results.

CASE STUDY NO. 1 NOTES

1. The TRADE AREA inputs can be sourced from the PetroMARK® Trade Area Module. Printing out the Trade Area PDF makes it easier to enter the data. This trade area documentation should be included with the file documentation because it is the source for important variables in the PetroMARK® analysis, such as trade area population.

2. The OPERATIONS inputs are comparative metrics that allow you to see PetroMARK's® operating projections and view these three metrics of the store's actual performance. Questions 19, 20 and 21 ask the store operator to provide these inputs. You may be able to substantiate these numbers with the operator's Federal tax returns or financial statements. But, for comparative purposes, these inputs should simply be taken from the questionnaire. These inputs do not affect PetroMARK's® value estimates.

appendix

Example #2
Trade Area Analysis of a Proposed Limited-Service Restaurant

BACKSTORY
You are the Account Officer for a commercial bank. You have received a purchase money mortgage loan application from a borrower that wishes to buy an existing fast-food restaurant located at 1500 Broadway in Seattle, Washington. You wish to know whether this sub-market, or trade area is over-supplied.

ESTIMATED COMPLETION TIME: 5 MINUTES

STEP 1: Enter the street address "1500 Broadway, Seattle, WA into PetroMARK's® Property Identification Panel.

STEP 2: Go to the PetroMARK's ® Trade Area Analysis Module and click the "Print" button. ESRI's® Retail Marketplace Report with the 3, 5 and 7-minute drivetimes is auto-generated as a single PDF, printable report file. Also included are the Trade Area Site Map and Traffic Count –Close Up Map.

PetroMARK's® Trade Area Analysis Module is a stand-alone application that allows a complete, desk-top trade area analysis on over 40 different types of retail property. The Trade Area Analysis Module is powered by ESRI, the leading provider of GIS demographic data around the world. The emographic data provided in this module includes:

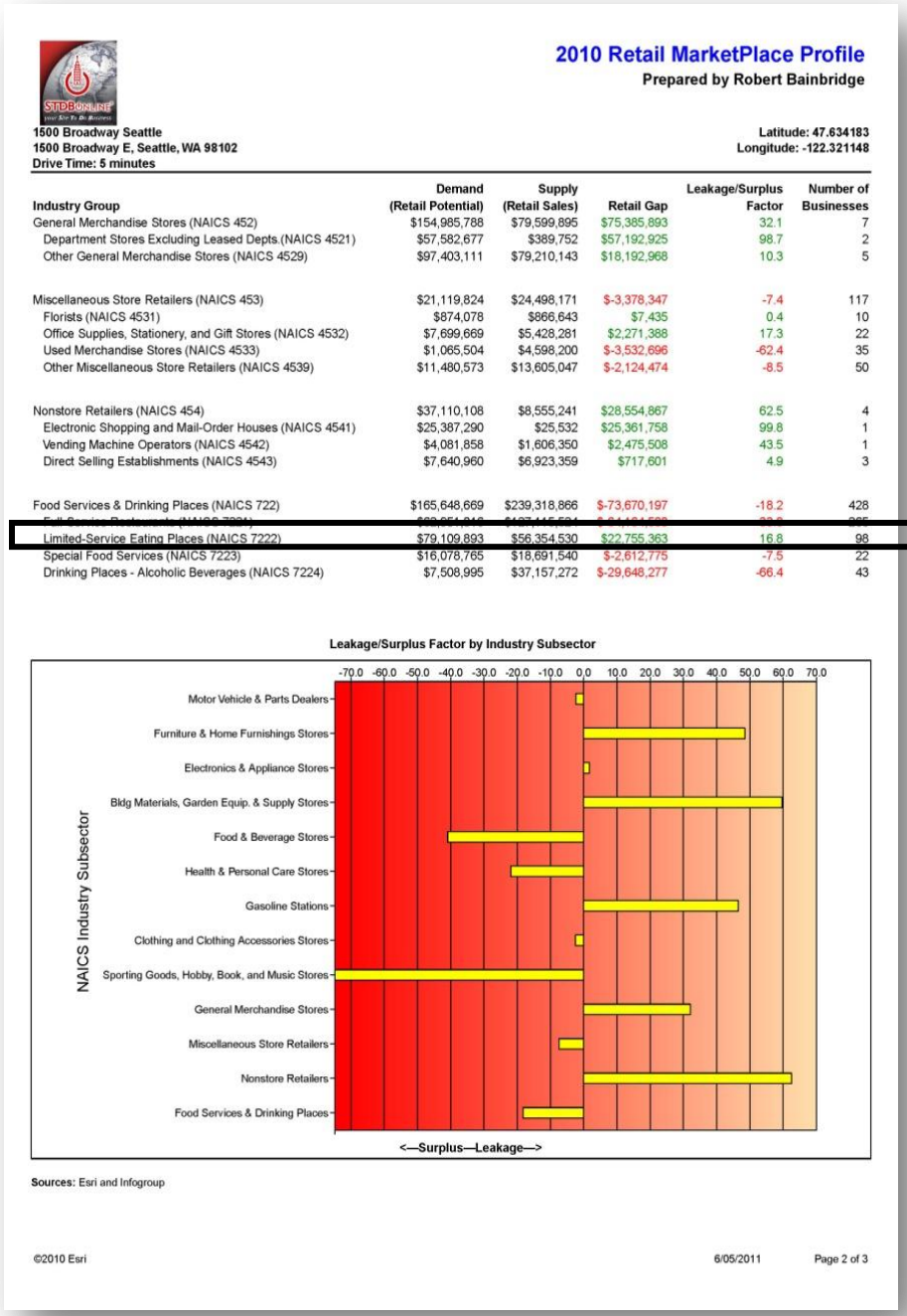
a) Trade area resident population
b) Trade area median family income
c) Number of retail establishments grouped by NAICS codes
d) Retail supply and demand estimates grouped by NAICS codes
e) Surplus and leakage estimates for the trade area
f) Retail spending ? grouped by NAICS codes and based on the demographic characteristics of the trade area.
g) Traffic counts

The PetroMARK® Trade Area Analysis Module is a fast, efficient and economical solution for completing a trade area analysis on any type of retail property. This module can be used independently from the program to produce a presentation-quality trade area analysis report for documentation.

Simply input the street address and click the print button on the Trade Area Analysis page.

STEP 3: Look for the "Limited-service Restaurant North American Industry Classification System (NAICS) 7772.

Here, at the 5-minute drive-time, the trade area is under-supplied by almost 17%. This means that there is more than adequate demand for a fast-food restaurant.



2010 Retail MarketPlace Profile

Prepared by Robert Bainbridge

1500 Broadway Seattle
1500 Broadway E, Seattle, WA 98102
Drive Time: 5 minutes

Latitude: 47.634183
Longitude: -122.321148

Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
General Merchandise Stores (NAICS 452)	$154,985,788	$79,599,895	$75,385,893	32.1	7
Department Stores Excluding Leased Depts.(NAICS 4521)	$57,582,677	$389,752	$57,192,925	98.7	2
Other General Merchandise Stores (NAICS 4529)	$97,403,111	$79,210,143	$18,192,968	10.3	5
Miscellaneous Store Retailers (NAICS 453)	$21,119,824	$24,498,171	$-3,378,347	-7.4	117
Florists (NAICS 4531)	$874,078	$866,643	$7,435	0.4	10
Office Supplies, Stationery, and Gift Stores (NAICS 4532)	$7,699,669	$5,428,281	$2,271,388	17.3	22
Used Merchandise Stores (NAICS 4533)	$1,065,504	$4,598,200	$-3,532,696	-62.4	35
Other Miscellaneous Store Retailers (NAICS 4539)	$11,480,573	$13,605,047	$-2,124,474	-8.5	50
Nonstore Retailers (NAICS 454)	$37,110,108	$8,555,241	$28,554,867	62.5	4
Electronic Shopping and Mail-Order Houses (NAICS 4541)	$25,387,290	$25,532	$25,361,758	99.8	1
Vending Machine Operators (NAICS 4542)	$4,081,858	$1,606,350	$2,475,508	43.5	1
Direct Selling Establishments (NAICS 4543)	$7,640,960	$6,923,359	$717,601	4.9	3
Food Services & Drinking Places (NAICS 722)	$165,648,669	$239,318,866	$-73,670,197	-18.2	428
Limited-Service Eating Places (NAICS 7222)	$79,109,893	$56,354,530	$22,755,363	16.8	98
Special Food Services (NAICS 7223)	$16,078,765	$18,691,540	$-2,612,775	-7.5	22
Drinking Places - Alcoholic Beverages (NAICS 7224)	$7,508,995	$37,157,272	$-29,648,277	-66.4	43

Leakage/Surplus Factor by Industry Subsector

Sources: Esri and Infogroup

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appendix

Example #3
Feasibility Analysis for a Proposed Convenience Store

PertroMARK's standard calculations allow a simple feasibility test for new construction projects. This feasibility analysis compares the fair market value of the real estate to the projected construction cost of the real estate to test feasibility. If construction costs for the real estate exceed 110% of the calculated market value, then the proposed project is not economically feasible. The primary advantage of PetroMARK's® Feasibility Analysis is inclusion of the subject's trade area characteristics as part of the analysis. We will see how important this aspect is in Part B of this case study example. PetroMARK's Feasibility Analysis can also be used to find the maximum price that can be paid for a site at a particular location

BACKSTORY
You are the Account Officer for a commercial bank. You have been approached by a potential customer for a construction loan on a proposed convenience store. The borrow has not yet obtained cost estimates. However, a site has been chosen by the borrower and the listing price of the proposed site is $500,000. You wish to run a preliminary feasibility analysis with PetroMARK®.

ESTIMATED COMPLETION TIME: 5 MINUTES

STEP 1: Enter the appropriate data into PetroMARK's® Property Identification Panel.

STEP 2: Go to the PetroMARK's ® Trade Area Analysis Module and click the "Print" button. ESRI's® Retail Marketplace Report with Trade Area and Traffic Count maps.

STEP 3: Enter the 21 varible into PetroMARK's® Input Panel.
For this exercise, enter the variables in the illustration to the right. Notice we are using the current year for the "Date of Construction" because this is a proposed construction project that will be built this year.

INPUT PANEL			
	Subject Property		
1	Store Building Size	3,248	
2	Date of Construction/Remodeling	2012	0
3	Site Size	0.9	39,204
4	Fueling Positions	8	
5	Carwash (0=No, 1=Yes)	0	
6	Branded Food Service (0=No, 1=Yes)	0	
7	Branded Food Service Square Feet	0	
8	Site Value	$500,000	$12.75
9	Access (1=Fair, 2=Avg, 3=Good)	2	
10	Visibilty (1=Fair, 2=Avg, 3=Good)	2	
11	Day Parts (1=Fair, 2=Avg, 3=Good)	2	
12	Traffic Volume (Average Daily Count)	27,500	
	Trade Area		
13	ESRI Supply/Demand	-0.169	
14	Retail Spending Index	1.27	
15	Hypermarket Threat	0	
16	Local Population	12,186	1.18
17	Local Fuel Retailers	5	
18	Highway Location (0=No, 1=Yes)	0	
	Operations History		
19	Actual 3-Yr Gallonage	1,070,000	
20	Actual 3-Yr Gross Profit	$420,000	
21	Other Real Estate Income	$0.00	

Step 4: Go to the "Project feasibility page on the PetroMARK® website.

Panther Creek C-Store
VALUATION SUMMARY Page 8

Feasibility Analysis for New Construction

FAIR MARKET VALUE			
1. Estimated Fair Market Value of Real Estate at Completion of Constuction	**$1,620,000**		
PROJECT COST			
2. Cost of the Site		**$500,000**	
3. All Inclusive Cost of Real Property Improvements		**$1,120,523**	
4. Total Cost of Real Estate		**$1,620,523**	
DIFFERENCE			
5. Difference (Value less cost)			**-$523**
6. Percentage Difference			-0.03%

CONCLUSION

THIS PROJECT IS FEASIBLE BECAUSE THE FAIR MARKET VALUE AT THE TIME OF CONSTRUCTION EXCEEDS 90% OF THE PROJECT COST.

With a site purchase price of $500,000, this project is feasible. PetroMARK® calculates the direct and indirect construction costs according to the physical characteristics of the real estate entered into the Input Panel. Here, the total construction costs of the improvements are estimated at $1,120,523.

Example #3
Feasibility Analysis for a Proposed Convenience Store

Part B: Over-Supplied Trade Area

To see the importance of the trade area characteristics and how PetroMARK provides a powerful analytical capabilities, keep all the previous 21 variables except change Line 17 "Local Fuel retailers" to "7",instead of "5", as in the previous example. See the results below.

Panther Creek C-Store
VALUATION SUMMARY Page 8

Feasibility Analysis for New Construction

FAIR MARKET VALUE			
1. Estimated Fair Market Value of Real Estate at Completion of Constuction	**$1,330,000**		
PROJECT COST			
2. Cost of the Site		**$500,000**	
3. All Inclusive Cost of Real Property Improvements		**$1,120,523**	
4. Total Cost of Real Estate		**$1,620,523**	
DIFFERENCE			
5. Difference (Value less cost)			**-$290,523**
6. Percentage Difference			-17.93%

CONCLUSION

THIS PROJECT IN NOT FEASIBLE BECAUSE THE COST EXCEEDS MORE THAN 10% OF FAIR MARKET VALUE AT THE TIME OF COMPLETION OF THE CONSTRUCTION.

At a total of 7 Local Fuel Retailers, the subject's Trade Area is now over-supplied, the calculated fair market value of the real estate is lower at $1,330,000, and PetroMARK® concludes that the project is not feasible.

This is exactly what we would expect. All other being equal, new stores should not be built in over-supplied markets because an excess number of stores already exists. PetroMARK® can considers the presence of hypermarkets and demographic characteristics of the trade area in estimating fair market value.

Part C: Determining the Maximum Site Price

The maximum price that can be paid for a potential site can easily be estimated by simply entering and re-entering various site prices in PetroMARK's® Input Panel until the difference between the cost an value on the Feasibility Analysis Page shows a breakeven.

In this example use "7" as the "Local Fuel Retailers", as in Example B. This indicates an oversupplied trade area, which will logically indicate that a lower site price must be paid.

On the Feasibility Analysis page shown to the right, the breakeven is a site price of $200,000. This is $300,000, or 60% lower than the asking price for the site.

Panther Creek C-Store
VALUATION SUMMARY Page 8

Feasibility Analysis for New Construction

FAIR MARKET VALUE

1. Estimated Fair Market Value of Real Estate at Completion of Constuction	$1,320,000	

PROJECT COST

2. Cost of the Site	$200,000	
3. All Inclusive Cost of Real Property Improvements	$1,120,523	
4. Total Cost of Real Estate	$1,320,523	

DIFFERENCE

5. Difference (Value less cost)	-$523
6. Percentage Difference	-0.04%

CONCLUSION

THIS PROJECT IS FEASIBLE BECAUSE THE FAIR MARKET VALUE AT THE TIME OF CONSTRUCTION EXCEEDS 90% OF THE PROJECT COST.

appendix

Example #4
Estimating NOI to Real Estate for Debt Coverage Ratios and Lease Rates

PertroMARK's also allows you to quickly see the economic rent. Economic rent is the calculated earnings to the real estate. It is the level of real estate rent that can be supported from the earnings capacity of the store. This calculation is useful for determining debt coverage ratios for mortgage loans and rental rates for lease agreements. The economic rent can also be compared to proposed or existing terms for sale-leaseback agreements.

BACKSTORY

You are the Account Officer for a commercial bank. You have received a purchase money mortgage loan application from a borrower that wishes to buy a convenience store and you need to determine the net operating income to real estate to see if the property has an adequate debt-coverage ratio.

Assume the same 21 input variables in Example #1.

ESTIMATED COMPLETION TIME: 15 MINUTES

STEP 1: Enter the identification data into PetroMARK's® Identification Panel.

STEP 2: Go to the PetroMARK's ® Trade Area Analysis Module and click the "Print" button. ESRI's® Retail Marketplace Report with the 3, 5 and 7-minute drive-times is auto-generated as a single PDF, printable report file. Also included are the Trade Area Site Map and Traffic Count-Close Up Map.

STEP 3: Enter the 21 variables into PetroMARK's® Input Panel.

STEP 4: Go to the Technical Summary page on the PetroMARK website. The NOI to Real Estate is calculated at $91,378.

Net operating income to real estate is that portion of earnings that is able to satisfy the mortgage and equity requirements. PetroMARK® calculates the economic net operating income to real estate and this figure can be compared to the debt service requirements of a proposed mortgage loan.

The economic net operating income to real estate is the net real estate earnings the property is capable of generating under typical management and fee simple ownership.

The calculated real estate NOI is the economic rent and this figure can be used to establish or check the rental rate for real estate lease agreements

Panther Creek C-Store
VALUATION SUMMARY Page 7

Mortgage LoanTechnical Summary

Insurable Replacement Cost	$2,240,000
Exposure Time	3 to 12 mo
Marketing Time	3 to 12 mo
Remaining Economic Life	50 yrs
NOI to Real Estate and Debt Service Analysis:	
Estimated Value of Real Estate	$470,000
Adjusted EBIDTA	$78,310
Less: Return to Tangible Assets, Non-Realty	$9,994
Less: Real Estate Operating Expenses (Property Taxes, Maintenance.etc)	$14,125
Less: Return to Intangible Assets (Accounting and Economic Profit)	$16,000
Add: Other Income to Real Estate	
Equals: NOI to Real Estate	$38,191
Targeted Debt Coverage Ratios	
Low	1.5
High	2.25
Dollars Available for Debt Service (Low)	$16,974
Dollars Available for Debt Service (High)	$25,461
Mortgage Constant	$0
Total Possible Mortgage, Real Estate Only (Low)	$223,785
Total Possible Mortgage, Real Estate Only (High)	$335,677
Calculated Loan-to-Value Ratios	0
Low	48%
High	71%