

Crescent Resources, LLC
Greenville, South Carolina Ground Lease
June 5, 2006

A. Description & Financial Parameters

Crescent Retail is requesting authorization to fund \$854,000 to prepay a 50 year ground lease on approximately 3.7 acres at the intersection of Pelham Road and I-85 in Greenville, South Carolina.

Crescent would enter into the 50 year ground lease with an intermediary who will use the prepaid rent to purchase the tract from SCDOT. There are low levels of contamination on the site that SCDOT will agree in writing to mediate until a NFA letter is obtained. Crescent will have an option to convert to fee simple title anytime during the term.

Crescent intends to divide the property into two or three outparcels and sub-ground lease or simultaneously buy and sell the parcels if end users require fee ownership. Two comps have recently sold in the area. Cracker Barrel purchased 2.25 acres at Woodruff Road & I-85 in May 2004 for \$1.623M. Ruby Tuesday purchased 1.57 acres in front of Greenville Mall on Woodruff Road in 2004 for \$1.2M.

In addition to \$854,000 for the ground lease, we are requesting an additional \$140,000 to fund engineering, marketing and demolition costs for a total authorization of \$994,000. The payment for the ground lease would be spent this week.