IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
CHI-CHI'S, INC., et al.,[1]	)	Case No. 03-13063 (JLP)
Debtors.	)	(Jointly Administered)
	)	

AFFIDAVIT OF GARY GARDA IN SUPPORT OF DEBTOR'S MOTION TO AUTHORIZE THE SALE OF TWO PENNSYLVANIA LIQUOR LICENSES

STATE OF PENNSYLVANIA)
COUNTY OF ALLEGHENY) ss.
)

Gary Garda, being duly sworn, states as follows:

1. I am the President/Owner of Garda Realty ("Garda"), a firm specializing in the purchase and sale of commercial real estate and liquor licenses in the Lancaster and Beaver County areas of Pennsylvania. I have been the President/Owner of Garda for four years. Prior to purchasing the real estate brokerage known as Garda Realty, from 1994 through 2000, I held the titles and performed the functions of sales manager, loan officer, broker, and restaurant consultant for Tavern Lending Corporation. During that period, I specialized in the acquisition, sale, and valuation of Pennsylvania liquor licenses for almost every national restaurant chain which serves alcohol in Pennsylvania. From 1974 through 1991, I held a variety of managerial positions with Arby's and Pizza Hut, Inc.

[1] The Debtors consist of the following entities: Chi-Chi's, Inc., CCMR of Catonsville, Inc., CCMR of Cumberland, Inc., CCMR of Frederick, Inc., CCMR of Greenbelt, Inc., CCMR of Harford County, Inc., CCMR of Maryland, Inc., CCMR of Ritchie Highway, Inc., CCMR of Timonium, Inc., Chi-Chi's of West Virginia, Inc., CMM Dissolution, Inc., Koo Koo Roo, Inc., Maintenance Support Group, Inc., Koo Koo Roo Licensing Systems, Inc., The Hamlet Group, Inc., H.H. of Maryland, Inc., and H.H.K. of Virginia, Inc.

2. Since 1994, I have acquired and evaluated Pennsylvania liquor licenses, and provided related advice, for numerous national chains and local individual-owned restaurants.

3. I am fully familiar with the facts and circumstances set forth in this Affidavit. Except as otherwise indicated, all facts set forth in this Affidavit are based upon my personal knowledge, my review of relevant documents, or my opinions based upon my experience and knowledge of the market for liquor licenses in Pennsylvania. If called to do so, I would testify as set forth herein.

4. Garda utilizes most of the major newspapers in Pennsylvania to market liquor licenses for sale. Based on my experience in selling liquor licenses in Pennsylvania, the most effective marketing strategy for selling liquor licenses is for me to utilize my active network of contacts between Garda and national restaurant chains, attorneys who specialize in liquor license transactions, tavern associations, alcohol trade publications, and commercial real estate and business brokers. Because Pennsylvania liquor licenses are such a specialized property interest, normal advertising and marketing channels are largely ineffective.

5. Garda marketed the Licenses in accordance with its usual practices described above, and such efforts were consistent with the usual practices of brokers for marketing these types of licenses in Lancaster and Beaver Counties.

6. The Lancaster License was originally listed for sale at a price of $100,000. However, Keystone Apple, Inc. was the only potential purchaser who made an offer to purchase the Lancaster License. Keystone Apple, Inc. agreed to pay $85,000 for the Lancaster License. The Beaver County License was listed for a sale price of $15,000.

Sydney, Inc. has agreed to pay the listing price of $15,000 for the Beaver County License.

7. Based on my experience selling liquor licenses in Pennsylvania, I believe that the proposed purchase prices for the Licenses are fair and consistent with the usual market prices for similar licenses in Lancaster and Beaver Counties.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 21st of March, 2005 at Allegheny County, Pennsylvania.

Gary Garda
President of Garda Realty

SUBSCRIBED and SWORN TO before me
this 21st day of March, 2005.

Laura R. Rodente
Notary Public
My Commission Expires: 10-21-06

Notarial Seal
Laura R. [illegible] Notary Public
City of Pitt... [illegible]egheny County
My Commission [illegible]s Oct. 21, 2006
Member, Pennsylvania Association of Notaries