9. Debt and Credit Arrangements (continued)

The weighted average interest rate for our Revolving lines of credit, including the impact of the previously mentioned swap agreements, was 5.7% in both fiscal 2007 and 2006 and 6.4% in fiscal 2005. Interest paid during fiscal 2007, 2006 and 2005, including payments made or received under the above-noted Swaps, was $7.4 million, $3.3 million and $4.4 million, respectively.

10. Net Property and Equipment

Net property and equipment consists of the following (in thousands):

	2007	2006
Land	$ 31,659	$ 31,601
Buildings and improvements	79,726	79,696
Leasehold improvements	84,737	76,606
Equipment and other	203,532	193,117
Construction in progress	8,420	5,377
	408,074	386,397
Less accumulated depreciation and amortization	(209,117)	(188,675)
Net property and equipment	$ 198,957	$ 197,722

11. Notes Receivable

Selected franchisees have borrowed funds from our subsidiary, Capital Delivery, Ltd., principally for use in the construction and development of their restaurants. We have also entered into loan agreements with certain franchisees that purchased restaurants from us or from other franchisees. In addition, as part of the sale of Perfect Pizza (see Note 4), we have a loan outstanding from the purchaser of those operations. Loans outstanding were approximately $11.8 million ($7.0 million to franchisees and $4.8 million to the purchaser of Perfect Pizza) on a consolidated basis as of December 30, 2007, net of allowance for doubtful accounts ($20.5 million was eliminated upon consolidating BIBP and $560,000 was eliminated upon consolidating franchisee VIEs) and $12.1 million as of December 31, 2006, net of allowance for doubtful accounts ($517,000 was eliminated upon consolidating franchisee VIEs).

Notes receivable bear interest at fixed or floating rates (with an average stated rate of 7.5% at December 30, 2007), and are generally secured by the fixtures, equipment, signage and, where applicable, land of each restaurant and the ownership interests in the franchisee. The carrying amounts of the loans approximate market value. Interest income recorded on franchisee and affiliate loans was approximately $811,000 in 2007, $689,000 in 2006 and $399,000 in 2005 and is reported in investment income in the accompanying consolidated statements of income.

We established reserves of $1.1 million and $1.7 million as of December 30, 2007 and December 31, 2006, respectively, for potentially uncollectible franchisee notes receivable. We concluded the reserves were necessary due to certain franchisees' economic performance and underlying collateral value.